



**Department of
Education**

Carmen Fariña, Chancellor

Testimony of New York City Department of Education

on Proposed Int. No. 773-A

Before the New York City Council Committee on Education

January 25, 2016

Testimony of Deputy Chancellor Elizabeth Rose

Good afternoon Chair Dromm and members of the Education Committee. My name is Elizabeth Rose, and I am Deputy Chancellor for the Division of Operations, which includes the Office of SchoolFood. Joining me today is Eric Goldstein, Chief Executive Officer of the Office of School Support Services, who oversees the Office of SchoolFood. Thank you for inviting us to discuss Proposed Intro Number 773-A, which requires the Department of Education to provide data regarding student participation in programs providing free meals at our schools.

I would like to begin by thanking Speaker Mark-Viverito, Chair Dromm, and the entire Council for your leadership and commitment to smart and sustainable food policy throughout the City, particularly with regard to SchoolFood. Specifically, I would like to thank the Council for your support of our Breakfast in the Classroom program, which helps to ensure that students are well nourished when they begin their school day, and of our initiative to provide free lunch for students in 6th-8th grade, the Middle Schools lunch program. We are proud of the innovative work being done by our over 8,500 dedicated employees working out of 1,300 kitchens. We serve more than 900,000 meals per day to students attending over 2,000 schools, including charter schools and non-public schools. We also have 1,400 salad bars in over 1,100 schools throughout the City, the most of any school district in the nation. During Fiscal Year '15 we served, on average, 219,000 breakfasts and 605,000 lunches per day.

SchoolFood is committed to offering students healthy, delicious, and satisfying food choices that meet high nutritional standards. SchoolFood's menus, which are available in nine languages and are posted on our website, are carefully planned by our team of professional chefs. Our free breakfast, school lunch, after school, and Saturday menus offer tasty, nutrient-rich options that appeal to students of all ages and diverse backgrounds. We have also taken steps to improve our communication regarding menus to students and parents via new visual menus. And I would like to remind the Committee that our updated SchoolFood mobile app provides parents, families, and students access to menus across every school grade.

In addition to school lunch, we also offer students with breakfast options as well as summer meal offerings. Each day, SchoolFood makes free breakfast available to every student. We also started, with the Council's support, an in-the-classroom breakfast program as another alternative to help ensure that students start the day with a healthy and nutritious meal. We know that students who eat a healthy breakfast pay closer attention in class and have lower rates of tardiness and absenteeism. We currently have 344 elementary schools participating in this program, which currently serves approximately 30,000 breakfasts per day. By the end of the 2017-2018 school year, this program will expand to include 530 buildings serving 339,000 students.

Further, as the Committee is most likely aware, lunch is now free for all students in the 6th-8th grades who attend stand-alone middle schools. This service, started in the 2014-2015 school year, is part of the Administration's efforts to improve the atmosphere and experience for all of our students in our cafeterias, and to reduce the stigma of qualifying for free meals. We are grateful for the Council's continuing support of this program. In FY15, the average daily lunch participation at middle schools offering free lunch for everyone was 63.9%, an increase of about 6.5% over the prior year.

During the months when school is not in session, we administer the largest summer meals program in the country. In the summer of 2015, we served a record 8.1 million plus meals at over 1,000 locations, including many local parks, pools, libraries, and NYCHA sites. We do not require registration, documentation, or ID to receive a free summer breakfast or lunch. We are also proud to offer mobile food truck service, which sees food trucks deployed to beaches, parks, and playgrounds throughout the City to hand out free lunches to all children 18 years old and younger. Our summer meals menus continue to reflect our commitment to the highest standard of nutrition while offering fresh and appetizing foods.

Further, to increase our local sourcing, we are working closely with the New York State Commissioner of Agriculture to develop relationships with the upstate farming industry. We already source locally grown and/or processed food items such as the 35 million New York State-grown apples, 7 million gallons of New York State-produced milk, and other local products SchoolFood purchases annually. To further our support for locally-sourced products, we have also created New York Thursdays, where SchoolFood highlights locally sourced and produced New York State products in each breakfast and lunch menu on Thursdays. Procuring local products has the added benefit of supporting New York State's economy, while at the same time reducing our environmental footprint. To that end, I would also like to remind the Committee of the Garden to Café program, a partnership with Grow to Learn NYC that connects school and community gardens with our SchoolFood chefs. Students at the 109 participating schools not only have the unique opportunity to taste what they have grown, but can also take part in harvest events and learn about gardening and the local food system. The program also has the benefit of increasing student consumption of more fresh and locally-grown produce.

Nationally, we are a member of the Urban School Food Alliance (The Alliance), which was created by school food professionals in 2012 to leverage the unique needs of the nation's largest school districts. The Alliance allows participating districts to share best practices and leverage their purchasing power to continue to drive quality up and costs down, all while incorporating

sound environmental practices. The six (6) founding cities – New York, Los Angeles, Chicago, Miami, Dallas and Orlando – together support over 4,500 schools servicing 2.8 million students daily. This translates to over 469,000,000 meals each year. One of our first major initiatives was designing a new compostable plate to replace polystyrene trays that were dumped in landfills throughout the region. In May 2015, New York City schools started using compostable plates that are made of pre-consumer recycled paper, and designed to resemble the regular plate a child would eat from at home. It's easy for students to handle, and is compostable. Further, we are also excited to announce that we recently selected a vendor for compostable utensils in our cafeterias and look forward to the product roll-out next fall. Another example of the success of our national collaboration has been the implementation of a plan to shift to serving antibiotic-free chicken. Together we are making our cafeterias and our food more sustainable and healthier for millions of children.

We serve a big City with a very diverse palate. In an effort to gain meaningful feedback from our students, we are proud of a program that is opening our SchoolFood headquarters in Long Island City to class visits, which allow for taste-testing by our student focus groups. This innovative pilot program began in May 2014, and we expect to have 2,000 students visit every school year. I am happy to report SchoolFood also conducts regular stakeholder meetings held at individual schools, which allow for students, staff, and parents to engage with the SchoolFood team. Hosting these personalized meetings allows SchoolFood staff to hear student and administration opinions, which further enables us to incorporate their feedback and enhance our SchoolFood programs.

To this end, I would like to remind the Committee that our nutritional standards always meet, and many times exceed, United States Department of Agriculture (USDA) guidelines. We have reduced the sodium, fat, and cholesterol in our menu items, and are now working towards eliminating high fructose corn syrup. SchoolFood also prohibits the use of trans-fats, artificial flavors, colors, sweeteners, palm oil, BHA, BHT and MSG.

Regarding the bill before you today, Int. No. 773, we welcome the opportunity to share the success of our SchoolFood program with the Council, and to provide our school communities, advocates, elected officials and other stakeholders with additional information regarding school meals. While we generally support the goal of the legislation, we do have concerns about the qualitative reporting requirements. We look forward to further conversations with the Council.

We have been able to provide all of our students healthy, delicious, and satisfying food choices that meet high nutritional standards thanks to the tremendous hard-work, innovation, and creativity that the SchoolFood team has brought to bear. We look forward to the Council's continued support and cooperation in this effort. Thank you and we look forward to answering any questions you may have.



Founders Affiliate
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Testimony

In Support of

Int No. 442, a local law to amend the administrative code of the city of New York, in relation to setting nutritional standards for menu items marketed to children

Submitted by:

**American Heart Association / American Stroke Association
Robin Vitale, Senior Director, Government Relations**

January 24, 2016

Members of the Committee on Health:

On behalf of the American Heart Association / American Stroke Association (AHA), thank you for this opportunity to share our support of the City Council's intention to improve the nutritional quality of restaurant meals marketed to children. The AHA is our nation's largest, voluntary-led, science-based organization focused on the prevention and treatment of cardiovascular diseases and stroke. Approximately 80% of diagnoses involving these chronic diseases could be prevented if Americans improved their lifestyles and adopted healthier behaviors¹. These include efforts to stop smoking, be more physically active, and consume a healthier diet. We believe that the goal behind today's hearing for Int No.442 is to focus on the latter, assisting New York City parents to provide healthier meals for their children while dining outside of the home.

People are enjoying meals at restaurants at greater levels than ever before. Approximately 58% of people enjoy a restaurant meal at least once per week². What may have once been considered a rare, occasional luxury has now become our normal routine. While not the only factor of concern, restaurants are certainly playing a pivotal role in the over-consumption of calorie-dense foods. And Americans are suffering for it. Studies link eating out with obesity, higher amounts of body fat, and higher BMIs. And increased consumption of fast food meals is associated with consuming more calories, fat, and saturated fat.³ The corollary between this

¹ <http://www.cdc.gov/vitalsigns/HeartDisease-Stroke/index.html>

² http://www.rasmussenreports.com/public_content/lifestyle/general_lifestyle/july_2013/58_eat_at_a_restaurant_at_least_once_a_week

³ Center for Science in the Public Interest. Research Review: Effects of Eating Out on Nutrition and Body Weight. Center for Science in the Public Interest: Washington, DC, 2008.

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free of cardiovascular
diseases and stroke."*

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increased consumption and the alarming rates of heart disease, stroke, diabetes and other related diseases is apparent.⁴

Unfortunately, we are seeing the rates of these diseases, often regarded as adult conditions, in an increasing population of children. Obesity in children is a significant risk factor affecting children's health. In New York City, recent analysis shows that nearly 21% of K-8 students are obese⁵. While this demonstrates a slight decrease in obesity for the city, the statistic is still too high. The study points to the need for continued public health intervention. Among other possibilities, the effort to improve access to healthy, nutritious food for children is a key target.

We are making it too difficult for parents to provide appropriate meals to their children. Our schedules are increasingly complicated, and our budgets are carefully controlled. The restaurant industry provides a necessary convenience for families. As a result, we now eat outside the home much more often than we did 50 years ago, with nearly half of all food dollars (48 percent) spent on restaurant foods,⁶ up from 26 percent in 1970.⁷

The majority of restaurants are serving our kids meals that are alarmingly poor in nutrition. One study of the top 50 U.S. chain restaurants found that 86% of children's meal combinations are too high in calories, 55% are too high in saturated fat, and 66% are too high in sodium.⁸ Acknowledging the significant role they play in the matrix of our busy lives, some restaurants have taken efforts to improve the quality of their meals. But the industry's progress as a whole has been slow. Since 2008, the percentage of kids' meals that met evidence-based nutrition standards increased from 1 percent to just 3 percent.⁹

And evidence shows that eating out for just one meal or snack adds an average of 134 calories that day, compared with the same meals or snacks that would be prepared at home. Holding all else constant, one additional meal away from home each week translates to roughly 2 extra pounds each year.¹⁰

For all of these reasons, the American Heart Association supports the intention of the New York City Council to implement a requirement whereby any restaurant meal marketed to children should achieve the benchmark of nationally-recognized, evidence-based nutritional standards for both food and beverage items found on children's menus. Those standards should be easily achieved and easily enforced. To that point, we have some recommendations.

⁴ Mozaffarian D, et al. Heart Disease and Stroke Statistics – 2016 Update: A Report from the American Heart Association. *Circulation*. Published online December 15, 2015.

⁵ <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6049a1.htm>

⁶ *Decoding Consumers in a Challenging Economy*. National Restaurant Association, 2012. Available at: <http://www.restaurant.org/forecast>

⁷ Lin B, Frazao E, Guthrie J. *Away-From-Home Foods Increasingly Important to Quality of American Diet*. Agriculture Information Bulletin No. 749. Washington, D.C.: U.S. Department of Agriculture, Economic Research Service, 1999.

⁸ Batada A, Wootan MG. Kids' Meals II: Obesity and Poor Nutrition on the Menu. Center for Science in the Public Interest. Available at: <http://www.cspinet.org/kidsmeals2>

⁹ Batada A, Wootan MG. Kids' Meals II: Obesity and Poor Nutrition on the Menu. Center for Science in the Public Interest. Available at: <http://www.cspinet.org/kidsmeals2>

¹⁰ Todd, Jessica E., Lisa Mancino, and Biing-Hwan Lin. *The Impact of Food Away From Home on Adult Diet Quality*, ERR-90, U.S. Department of Agriculture, Economic Research Service, February 2010.

Relying on the most current evidence, as found in the RAND Corporation's, *Performance Standards for Restaurants*¹¹, and by Healthy Eating Research's, *Recommendations for Healthier Beverages*¹², there are a few substantive updates we would like to see in the section of the proposed law that addresses the standards for food permitted to be marketed on a children's menu. It is important to note that the Rand standards are based on the model from the Kids LiveWell program of the National Restaurant Association. The synergy in the models should assist restaurants in implementation.

There is no outline contained in the city's proposed language to require the inclusion of a fruit or vegetable, or to describe the parameters for permissible grain products or lean proteins. We recommend adding a clause that requires children's meals to include at least one half cup of a fruit and/or one three-quarter cup of non-fried vegetables for lunch and dinner meals and one half cup of fruit or vegetables for breakfast meals. If the meal includes 100% juice as a beverage, that drink should not count toward the fruit requirement. If the meal contains a grain product, it should be predominantly whole grain by weight. And if the meal includes a lean protein, it should consist of a least two ounces of meat, one ounce of nuts, seeds, dry beans or peas, or one egg.

In order to assist with the implementation of the law, we also recommend simplifying the requirements for the beverages to be sold on the children's menu. As an alternative to outlining the specific nutritional criteria, we suggest offering a list of permitted beverages. Those beverages would include: water, sparkling water or flavored water with no added natural or artificial sweeteners; nonfat or 1% milk or non-dairy milk alternative with no more than 130 calories per serving; or 100% juice with no added sweeteners, in a serving size of no more than 4 ounces. The law should also include an additional clarifier that no sugar-sweetened beverage may be offered at a discount if purchased with a children's meal.

Lastly, the American Heart Association also encourages the city to consider the level of impact that could be made if the Council implements a more equitable, more comprehensive law. The proposal as it currently stands would only address children's restaurant meals that include an incentive to purchase. However, a quick review of other restaurant meals that are promoted on children's menus reveals some alarming results. The kids' mac & cheese at Panera, for example, has 1020 mg of sodium which is 420 mg higher than permitted under this law.¹³ The children's quesadilla from Chipotle, with chicken, cheese, a side of brown rice, a mandarin orange and a container of milk comes in with 955 mg of sodium, or 355 mg too high.¹⁴ The Applebee's Kids menu item, chicken mac 'n cheese, gets 46% of its total calories from fat.¹⁵ These are just a few examples of children's meals or menu items that fall well above the reasonable threshold for good nutrition, yet are actively promoted as family-friendly. It is thus recommended that the city remove the clause in the proposal that would limit the law to just those meals with a toy or other incentive. By broadening our view of what is marketed to New York families, meaning any meal or item that is listed on a kids' menu, we have the opportunity to implement a fair law, and one that is highly impactful for our children's health.

¹¹ http://www.rand.org/content/dam/rand/pubs/conf_proceedings/CF300/CF313/RAND_CF313.pdf

¹² <http://healthyeatingresearch.org/wp-content/uploads/2013/12/HER-Healthier-Bev-Rec-FINAL-3-25-13.pdf>

¹³ <https://www.panerabread.com/en-us/menu-categories/panera-kids.html#kids-mac-cheese>

¹⁴ <https://www.chipotle.com/nutrition-calculator>

¹⁵ http://www.applebees.com/~media/docs/Applebees_Nutritional_Info.pdf

To be clear, this law would not stop a parent from ordering meals off the children's menu or purchasing a sugary drink for their kids. But a parent would have to willfully select those items, as opposed to the current reality where they have to avoid certain restaurants altogether or battle for healthier options to replace those items lacking in nutrition found on the default version of the meals. By making the healthier choices the easiest to select, we can better support parents in their goals to raise healthier kids. This move may also encourage increased restaurant patronage by families, as studies indicate a majority of parents would be more likely to purchase children's meals if they met nutritional guidelines.¹⁶

New York City has a lengthy and robust history in leading our nation by implementing strong, innovative public health policies. Once again, this body has the opportunity to move our country in the right direction. By requiring that every item on a children's menu meet appropriate, quality nutritional standards, you can assist New York families in the goal to lead healthier lifestyles by increasing consumption of fruits and vegetables. Our city's parents shouldn't have to choose between much-needed convenience and their children's health. The American Heart Association looks forward to working with you to craft the strongest bill possible and we encourage your continued support of this vitally needed proposal.

¹⁶ Otten JJ, Saelens BE, Kapphahn KI, et al. Child food purchases and related attitudes in response to the 2010 San Francisco County Healthy Food Incentives Ordinance. American Public Health Association Annual Meeting; October 30, 2012; San Francisco, CA.

Healthy Food America

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Testimony with respect to:

Int No. 0442-2014, a local law to amend the administrative code of the city of New York, in relation to setting nutritional standards for distributing incentive items to children

Submitted by:
Healthy Food America
James Krieger, Executive Director

January 26, 2016

Dear Members of the Committee on Health:

Thank you for inviting me to provide testimony on the subject of setting nutritional standards for restaurant meals targeted to children.

I am a Clinical Professor at the University of Washington Schools of Public Health and Medicine and the Executive Director of Healthy Food America, a non-profit that supports a national movement for healthier food, starting with a major campaign to reduce added sugars in food and beverage products and curb aggressive marketing of sugary products. Healthy Food America acts on scientific evidence to promote change in food policy and industry practice, giving people greater control over their health and reducing diet-related illnesses, such as diabetes and heart disease.

Improving the nutritional quality of restaurant meals designed for and marketed to children by requiring the meals to meet science-based nutrition standards is a policy that can support New York City families in their efforts to raise healthy, well-nourished children.

The epidemics of obesity and chronic diseases are profoundly affecting children and their families here in New York City.

- Nearly 21 percent of K-8 students in New York City are obese.ⁱ
- Obese children are at an increased risk for type 2 diabetes, heart disease, stroke, certain cancers, asthma, low self-esteem, and depression.

Busy families with limited time to prepare food at home frequently rely on restaurant meals to nourish their children.

- Americans spend 48 percent of all food dollars on restaurant foods.ⁱⁱ
- Children in the U.S. consume 19 percent of their daily calories at fast food and other restaurants.ⁱⁱⁱ
- 84 percent of parents take their child to a fast food restaurant at least once a week.^{iv}

Eating out often means eating poorly.

- Eating out is linked with higher caloric intake and obesity.
- Children eat almost twice as many calories when they eat a meal at a restaurant as they do when they eat a meal at home.^v

Meals designed specifically for children are particularly unhealthy.

- A study of the top 50 U.S. chain restaurants determined that 86 percent of children's meal combinations are too high in calories, 55 percent are too high in saturated fat, and 66 percent are too high in sodium.^{vi}

The restaurant industry is not inclined to make timely voluntary improvements to children's meals.

- Since 2008, the percentage of children's meals that meet evidence-based nutrition standards has barely budged—rising from one percent to just three percent.^{vii}

Meanwhile, major chain restaurants are spending hundreds of millions of dollars on toys and other marketing ploys to persuade children and their parents to purchase children's meals on a regular basis.

- Fast food restaurants spent more than \$580 million marketing to children in 2009.^{viii}
- They spent well over half that amount—\$341 million—on toys distributed as premiums with children's meals.^{ix}
- On average, U.S. preschoolers viewed 2.8 fast food ads on TV every day in 2012, and children aged six to 11 viewed 3.2 ads per day.^x

This marketing is effective.

- In a 2009 study, 40 percent of parents reported that their child asks to go to McDonald's at least once a week, and 15 percent of preschoolers ask to go every day.^{xi}
- In 2009, fast food chains sold more than one billion children's meals with toys.^{xii}

Initiative No. 442 will support New York City parents by ensuring healthy meals are readily available to children in restaurants and that the default children's meal is a nutritious one. Inclusion of standards that address total calories, added sugars, saturated fats, sodium, whole grains, and fruits and vegetables is consistent with the U.S. Dietary Guidelines for Americans 2015. Thus the inclusion of these macronutrients and whole food groups in the standards is consistent with current nutrition evidence. Meeting these standards should be feasible and cost-effective given current product availability.

While preserving customers' choice in ordering menu items, requiring healthy children's meals:

- Makes it easier for parents to provide their children with restaurant food that promotes health.
- Spares parents the stress and hassle of children demanding unhealthy foods because they are linked to an incentive or are otherwise marketed to children.
- Provides parents an opportunity to enjoy a convenient *and* healthy meal with their children.
- Creates an opportunity to increase parental awareness of what constitutes healthy food for their children, thus supporting healthier eating patterns at home as well as in restaurants.

We have the following recommendations for improving Initiative No. 0442:

- Apply nutrition standards to all meals targeted at children, not only those with incentive items. A preliminary scan of children's menus for meals that come without incentives shows that many

components do not meet the proposed nutrition standards. In addition, enforcement of the law will be simplified if it is not linked to incentives.

- Strengthen the nutrition standards that will be applied to beverages in children's meals.
We suggest including more specific language based on age-appropriate guidelines in Healthy Eating Research's *Recommendations for Healthier Beverages*.^{xiii} We propose applying the recommendations for children age two to four to all children's meals, as tailoring standards by age group is too unwieldy for this type of legislation and the youngest children are most vulnerable and in need of protection:
 - *Milk*—Only unflavored, low-fat and nonfat milk, and soy beverages (calcium and vitamin D fortified) in no more than 8-ounce portions.
 - *Juice*— 0- to 4-ounce portions of 100% fruit or vegetable juice or fruit juice combined with water no added sweeteners, and no more than 70 mg of sodium per portion (and juice should not count towards a fruit serving requirement).
 - *Water* - With no added sweeteners or carbonation. Require access to free, safe drinking water wherever beverages are served and/or sold.
- Engage in discussions with city officials who will be charged with implementing and enforcing this law to maximize feasibility and efficiency, including methods of assessing the nutritional quality of children's meals and monitoring restaurant menu compliance. This discussion should address resources necessary for implementation and enforcement.

In closing, Initiative 442 offers a reasonable approach to contribute to the broad set of activities needed to promote healthy eating among children. It will help launch them on a healthy life trajectory, sparing them from lives burdened and shortened by nutrition-related chronic diseases such as diabetes and heart and liver disease. In addition, it will create a large market and strong incentives for the restaurant industry to develop healthier menu items for children, which could benefit children across the nation.

Thank you for the opportunity to provide this testimony.

Sincerely,



Jim Krieger, MD, MPH
Executive Director
Healthy Food America
Clinical Professor of Medicine and Health Services
University of Washington

ⁱ <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6049a1.htm>

ⁱⁱ Lin B, Frazao E, Guthrie J. *Away-From-Home Foods Increasingly Important to Quality of American Diet*. Agriculture Information Bulletin No. 749. Washington, D.C.: U.S. Department of Agriculture, Economic Research Service, 1999.

ⁱⁱⁱ Lin BH and Morrison RM. "Food and Nutrient Intake Data: Taking a Look at the Nutritional Quality of Foods Eaten at Home and Away From Home." U.S. Department of Agriculture, Economic Research Service, 2012. Available at:

www.ers.usda.gov/amber-waves/2012-june/data-feature-food-and-nutrient-intake-data.aspx.

^{iv} Harris J, Schwartz MB, and Brownell K. "Fast Food FACTS: Evaluating Fast Food Nutrition and Marketing to Youth." Yale Rudd Center for Food Policy and Obesity, 2010, p. 9. Available at:

www.fastfoodmarketing.org/media/FastFoodFACTS_Report.pdf.

^v Powell L.M. and Nguyen B.T. (2012). Fast-food and Full-Service Restaurant Consumption among Children and Adolescents: Effect on Energy, Beverage, and Nutrient Intake. *Arch Pediatr Adolesc Med*. November 5.

^{vi} Batada A, Wootan MG. Kids' Meals II: Obesity and Poor Nutrition on the Menu. Center for Science in the Public Interest.

Available at: <http://www.cspinet.org/kidsmeals2>

^{vii} Batada A, Wootan MG. Kids' Meals II: Obesity and Poor Nutrition on the Menu. Center for Science in the Public Interest.

Available at: <http://www.cspinet.org/kidsmeals2>

^{viii} Otten JJ. Food Marketing: Using Toys to Market Children's Meals. Minneapolis, MN: Healthy Eating Research; 2014.

Available at <http://www.healthyeatingresearch.org>.

^{ix} Otten JJ. Food Marketing: Using Toys to Market Children's Meals. Minneapolis, MN: Healthy Eating Research; 2014.

Available at <http://www.healthyeatingresearch.org>.

^x http://www.fastfoodmarketing.org/fast_food_facts_in_brief.aspx

^{xi} Harris J, Schwartz M, Brownell K. "Fast Food F.A.C.T.S.: Evaluating Fast Food Nutrition and Marketing to Youth." Yale Rudd Center for Food Policy and Obesity, 2010, p. x. Available at: www.fastfoodmarketing.org/researchers.aspx.

^{xii} Otten JJ. Food Marketing: Using Toys to Market Children's Meals. Minneapolis, MN: Healthy Eating Research; 2014.

Available at <http://www.healthyeatingresearch.org>.

^{xiii} <http://healthyeatingresearch.org/wp-content/uploads/2013/12/HER-Healthier-Bev-Rec-FINAL-3-25-13>

Testimony

of

Sonia Angell, MD, MPH

**Deputy Commissioner of Prevention and Primary Care
New York City Department of Health and Mental Hygiene**

before the

New York City Council Committee on Health

on

Intro 442-2014

January 26, 2016

Committee Room - City Hall

New York City

Good afternoon Chairman Johnson and members of the Committee. I am Dr. Sonia Angell, Deputy Commissioner of the Division of Prevention and Primary Care at the New York City Department of Health and Mental Hygiene. I am joined by Dan Kass, Deputy Commissioner for the Division of Environmental Health and Tom Merrill, General Counsel. On behalf of Commissioner Bassett, thank you for the opportunity to testify today on the proposed legislation, which would set nutritional standards for meals that include incentive items appealing to children.

I want to note at the outset of my testimony that the Law Department is still reviewing this bill, so my testimony does not include any possible legal issues the Law Department may find in its review.

The Health Department shares the Council's interest in creating healthier food environments for all New Yorkers, and in particular we applaud you for thinking about ways to reduce childhood obesity rates. We are concerned, however, that the bill will fail to achieve this goal for a variety of reasons. First, we believe that restaurants will not be able to comply with and the Department will not be able to enforce the bill's requirements. The bill restricts *any* restaurant from offering a toy or other incentive item unless the meal, food item, or beverage meets certain nutritional standards. The majority of the City's 24,000 restaurants are independent establishments that prepare meals to order for their customers. It would be difficult for these restaurants to determine whether they are compliant with these standards, and it would be impossible for the Department to determine compliance. Chain restaurants serve more standardized meals, and, by federal law, they will be required to have certain nutritional information on site for customers – and the Department – to reference beginning on December 1, 2016. The bill, however, imposes standards beyond the information required by federal law. And for these standards, the Department similarly will not be able to determine whether a particular meal, food item or beverage complies with the proposed legislation.

Second, the bill's broad definition of "incentive" creates enforcement problems. While a meal sold with a toy giveaway is easy to identify, the bill could also apply to meals served on placemats with clown faces, meals that offer children crayons to draw with, or ice cream served in a little Yankees or Mets helmet. Identifying what *is* and *is not* a covered meal would lead to longer inspections and disputes with restaurants which could eventually require judicial interpretation.

Finally, we also are concerned that the bill will have limited reach. The bill would only apply to meals, food items, and beverages with incentive items, which are a small proportion of the meals purchased for children in restaurants. According to 2009 data from the NPD Group – a market research company – nearly 80 percent of meals ordered for children in restaurants are *not* from a kids’ menu. Similarly, a 2015 study conducted in three chain restaurants found that *only* 35 percent of children ordered a meal sold with a toy. Thus, the bill’s nutrition standards would only apply to a small percentage of food sold by restaurants to children. Also, a restaurant could avoid implementing the nutrition standards simply by not offering incentive items with kids’ meals, or by not offering “kids’ meals,” as Taco Bell did in 2013.

Given this, the Department does not think that this bill would achieve the Council’s laudable goal of reducing childhood obesity. As I said earlier, however, we are excited to be talking about this issue and we welcome the opportunity to discuss with you other ways to tackle this problem.

The mission of the Department of Health and Mental Hygiene is to improve and protect the health of all New York City residents and promote and protect health equity. Obesity and associated chronic diseases – type 2 diabetes and heart disease – are a significant health problem in New York City, and disproportionately affect Blacks, Latinos and poor New Yorkers. Continued efforts to address these chronic conditions are needed. Two key dietary contributors are high sodium and sugary drinks, the latter being the single largest source of added sugars in American’s diets.

Reducing consumption of sugary drinks is a priority of the Department, as consumption of sugary drinks is linked to long-term weight gain^{1,2,3,4} and increased risk of heart disease and diabetes.^{5,6,7} Consumption of sugary drinks by children is especially concerning: with every additional sugary drink a child consumes daily, the odds of becoming obese increase 60%.⁸ In the United States, nearly 50% of added sugar consumed among children and teens come from beverages⁹ and over 40% of New York City children ages 6-12 were reported to consume one or more sugary drinks daily.¹⁰ An assessment of children’s meals on menus in the top 25 US chain restaurants found that soft drinks are the most popular beverage offered with children’s meals.¹¹ Improving beverage options in children’s meals can help improve diet quality, as they are a significant contributor of empty calories in children’s diets.¹²

These products are also heavily marketed in our communities. In 2013, beverage companies spent \$866 million on ads for unhealthy drinks, four times the amount spent on advertising of non-sugar sweetened drinks like 100% fruit juice and water.¹³ Disparities in marketing exposure exist and may impact equity in health among all children. Throughout the United States, Black and Latino TV viewers are overexposed to sugary drink advertising compared to other youth. In 2013, Black youth saw more than twice as many TV ads for sugary drinks and energy drinks compared with White youth.¹⁴ Locally, 85% of food and non-alcoholic beverage ads in supermarkets and bodegas surveyed in South Bronx neighborhoods were for sugary drinks in 2012.¹⁵

Several leading restaurant chains, including McDonald's, Burger King, Wendy's and most recently Applebee's and IHOP, have removed sugary drinks as a default option from children's meals. This voluntary action demonstrates that this targeted change is feasible and appealing to consumers. The Department agrees that sugary drinks have no place in children's meals, and encourages restaurants to offer healthier default beverage choices across their menu options.

Thank you again for the opportunity to testify. I am happy to answer any questions.

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Tony Herbert Testimony
New York City Council Committee on Health
January 26, 2016

- Good afternoon. My name is Tony Herbert and I am the President and CEO of the New York State Minority Restaurant and Nightlife Association. As such, I work to identify and advocate for small business owners in the restaurant and nightlife industries.
- I am also a community activist based in Brooklyn. It is in this capacity that I have had the opportunity to work with McDonald's franchisees in New York City over the past year following an incident involving some young people at one of the Brooklyn locations.
- Since my introduction to these Owner/Operators, I have found them to be good, upstanding small business owners who are involved in their communities and want to do right by the people they serve each and every day.
- All over this City, young people congregate in McDonald's restaurants after school and on weekends.
- They use McDonald's as gathering places because they are warm and inviting. They offer a variety of menu options which now include more and more healthy items.
- The other reason so many young people assemble in McDonald's restaurants – I believe – is the tremendous lack of City-sponsored recreational facilities available in all neighborhoods for our schoolchildren.
- If this Committee or the City Council really wanted to help our young people, it should invest in providing safe places for them to spend their time and energies positively and constructively.

- We have a responsibility as a society to nurture and foster these energies – to harness them for the good of these kids with no outlet and for the future of our City.
- At a time when crimes involving young people appear almost daily on our televisions, do we really need our elected officials to mandate what kind of toys quick service restaurants like McDonald's can give away? Or do we need our leaders to be providing hope and opportunity to the kids all over this City – some of whom are one bad decision away from a lifetime behind bars?
- The good men and women who own McDonald's restaurants employ thousands of our City's young people, giving them the pride that comes with a job as well as opportunities for career training and advancement.
- To target these Owner/Operators is nothing more than a hindrance to our community and an overreach of a City government that should instead be focusing on the most vital of our needs – the education and growth of our kids and the health and safety of all our people.
- I ask this Committee to focus on what's important and leave the toys alone.
- Thank you for your consideration and your time this afternoon.

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**Testimony of the National Hispanic Health Foundation to the NYC Council
Committee of Health: Int. No. 442
January 26, 2016**

Chairman Johnson and members of the Health Committee, good afternoon and thank you for the opportunity to testify today. My name is Dr. Diana Torres-Burgos, Advisor for Hispanic Health for the National Hispanic Health Foundation. The National Hispanic Health Foundation (NHHF) is a nonprofit foundation established in 2005. Its mission is to improve the health of Hispanics and other underserved populations through research, education and charitable activities. NHHF is the philanthropic arm of The National Hispanic Medical Association which represents the interests of over 50,000 licensed Hispanic physicians in the United States and is affiliated with the Robert F. Wagner Graduate School of Public Service, New York University.

The National Hispanic Health Foundation supports Int. No. 442 regarding setting nutritional standards for distributing incentive items aimed at children because it can positively impact children's food choices to reduce childhood obesity and prevent future chronic diseases.

In our communities in New York and across the nation, the Hispanic, African American and other poor children are the first generation in our nation, due to the obesity epidemic, are projected by the Centers for Disease Control and Prevention (CDC) to suffer from diabetes and renal failure in early adulthood and die before their parents. We can reverse this trend with prevention policies.

Food marketing targeted at children is a huge industry. In 2009, \$341 million dollars was spent on toys to distribute with children's meals.¹ Studies have shown that food marketing targeted to children is successful in increasing children's preferences for the foods advertised. A major problem is that the majority of the foods advertised are unhealthy and high in fat and sugar,² known contributors to childhood obesity. A recent study evaluating the nutritional value of meals purchased for children at multiple NYC and NJ fast food restaurants found that of children who ate a combination meal (main meal, side dish, drink and toy), 98% of the meals would exceed the proposed nutritional standards for fat, sugar or sodium.³

An evaluation of children's meals in fast food chains found that only 33 out of 5,427 possible meals (less than 1% of all kids' meal combinations) met recommended nutrition standards. This is very concerning since more children are eating outside their homes and have fewer healthy options available in restaurants.⁴

On the other hand, a study looking at the impact of toy incentives on eating among children showed that children were more likely to choose healthy meals when toys were only offered with meals that met nutritional standards.⁵

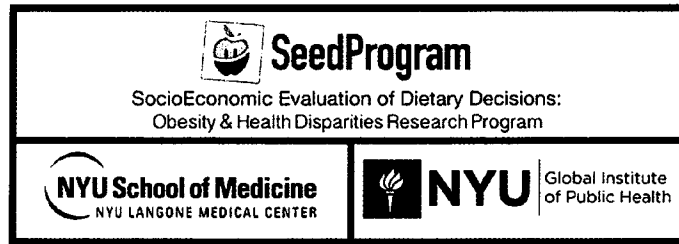
Lastly, Hispanic and African American children are more highly targeted by the fast food and beverage marketers.⁶ Hispanic children have the highest prevalence of obesity at 17% compared to non-Hispanic White (3.5%), African American (11.3%), and Asian (3.4%) children.⁷ This is a significant risk factor for development of chronic diseases in this population.

This proposal provides a key opportunity that we must not ignore - to promote children's choices for healthier meals and reduce risks for childhood obesity and related diseases. Moreover, it can also provide a teaching moment for both parent and child to learn about healthy food choices and help guide the standardization of fast food restaurant practices to promote healthier choices. We need to change the existing negative incentive for rewarding unhealthy eating into a positive one that incents healthy eating and food choices in our society.

Thank you again for the opportunity to testify and for your attention to this important issue. On behalf of National Hispanic Health Foundation, I urge you to take action by passing this proposal.

For more information, please contact Diana Torres-Burgos, MD, MPH, Advisor on Hispanic Health, dtorresburgos@nhmafoundation.org,
www.nhmafoundation.org .

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Testimony of
Marie A. Bragg, PhD
Assistant Professor
NYU School of Medicine and NYU College of Global Public Health

before the
New York City Council Committee on Health

regarding
**A Local Law to amend the administrative code of the city of New York, in relation to
setting nutritional standards for distributing incentive items aimed at children**

January 26, 2016

Thank you for inviting me to testify at today's hearing regarding nutritional standards for distributing incentive items aimed at children. My name is Dr. Marie Bragg, and I am an Assistant Professor at NYU School of Medicine and NYU College of Global Public Health and Director of the SeedProgram (SocioEconomic Evaluations of Dietary Decisions), a research lab designed to conduct scientific research that can inform policies and public health interventions seeking to prevent obesity and diabetes and eliminate health disparities. My area of focus is food marketing research, so I'd like to share research findings relevant to this proposal.

The Extensive Use of Child-Targeted Food Marketing

Overall, companies spend \$1.8 billion per year on ads targeting young people, and children see approximately 4,700 food ads each year (IOM, 2009). The Institute of Medicine issued a report in 2009 that evaluated research on food marketing, concluding that food marketing leads children

to express preferences for advertised foods, overeat in response to seeing ads, and request the advertised food. This form of “pester power” leads to millions of dollars in parental spending.

Obesity and diabetes occur more often in African Americans and Latinos than Whites, and a number of studies have demonstrated that communities of color are often targeted with ads featuring the unhealthiest products. One report by the UConn Rudd Center for Food Policy and Obesity examined Nielsen advertising data and found that African American and Latino youth are targeted more heavily with unhealthy food ads than White youth (Harris et al., 2015). For example, candy companies spend a higher percentage of money advertising to Black and Latino youth compared to other youth, and Black children and teens view almost twice as many ads for candy, sugary drinks, and snacks on TV compared to White children and teens.

There are numerous other studies showing how food and beverage companies use cartoon characters, child-targeted packaging, and other creative methods to appeal to children in supermarkets (Bragg et al. 2011; Musicus, 2015), websites (Ustjanauskas et al., 2013; Cheyne et al., 2013; Harris et al., 2012), and fast food restaurants (Ohri-Vachaspati, 2015). One study showed that 20% of fast food restaurants use child-targeted marketing (e.g. showing cartoon characters) on the interior or exterior of the store. Stores in African American communities were more likely to promote child-targeted advertising inside the restaurant (Ohri-Vachaspati, 2015).

The Role of Incentive Items in Affecting Children’s Preferences

Research shows that toys, familiar logos (e.g. the McDonald’s arches), and familiar characters (e.g. Shrek, Dora the Explorer) that are linked with food can affect the way children perceive that

food. Specifically, one study conducted by researchers at Yale University involved asking preschool age children to taste and rate different snacks that were packaged in individual bags (Roberto et al., 2010). The bags had a sticker featuring Shrek, Scooby Doo, or Dora the Explorer. Results showed that children significantly preferred the taste of the snacks with the character on the bag. This is striking because the children tasted were the same exact snacks – this study shows how characters can lead children to believe the foods taste better than other snacks. These are also the same types of characters used to promote children's meals at fast food restaurants.

Other data showed a relationship between Spongebob Squarepants appearing on vegetables at Grimmway and Boskovitch Farms and increased sales of those vegetables (Hill, 2005; Nielsen, 1999). Some companies (e.g. Disney, Sesame Street) recognize the power of characters to influence children and have committed to remove their characters from unhealthy food ads and instead use them to promote fruits and vegetables (White House, 2013; Barnes, 2012).

Another study conducted by researchers at Stanford University involved asking preschool children to taste and rate snack foods (Robinson et al., 2007). The bags of snack foods either had a McDonald's logo on the bag or no logo on the bag. Children rated foods as tastier if they were branded with McDonald's logos, even when one of the snacks was not sold at McDonald's (e.g. carrots). These results show the power of fast food brands in affecting children's perception.

Conclusions

There are numerous studies on the effect of toys and food advertising on children's preferences and purchase requests. Fast food logos lead children to believe foods are tastier than food

without logos on the package. They also express a preference for foods with fast food labels. The same effects happen when foods are labeled with characters like Shrek. Characters like Shrek are included as incentives items in children's meals at fast food restaurants. Therefore, this policy is poised to either improve the healthfulness of children's meals if companies choose to improve their meal quality, or if companies refuse to improve their meal standards, this policy would limit the use of toys and therefore help de-link children's association with toys and food. In combination with the data from the study Brian Elbel and I conducted that shows reductions in calories, fat, and sodium (which he is here to talk about today), these policies can help improve the healthfulness of meals served to children.

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Testimony of Brian Elbel, PhD, MPH

New York City Council Hearing – Committee on Health

RE: Int. No. 442 – In relation to setting nutritional standards for distributing incentive items aimed at children.

January 26, 2016

Good afternoon Chairman Johnson, and members of the Committee. My name is Dr. Brian Elbel, and I am an Associate Professor of Population Health and Health Policy in the Department of Population Health at NYU School of Medicine, and at the NYU Wagner Graduate School of Public Service. I am Director of the Section for Health Choice, Policy and Behavior within the Department of Population Health, and the bulk of my research examines issues pertaining to obesity and health choice, with an emphasis on the role and influence of public policy. Thank you for the opportunity to testify on this matter of setting nutritional standards for distributing incentive items aimed at children.

Since my appointment at NYU in 2007, I have received a broad basis of funding from the National Institutes of Health and key non-profit foundations, and have published widely on the impact of public policies mandating calorie labeling in restaurants; the impact of policies supporting the development of supermarkets in high need areas; and the influence of the food environment on childhood obesity.

My testimony today will outline the foreseeable health benefits of the City implementing ordinance no. 422. More specifically, we look at the potential reduced consumption of calories, sodium, and percentage of calories from fat for children if the “Healthy Happy Meals” proposal were to be implemented. These projections draw from a paper written by myself and colleagues (including Marie Bragg, who is here today) published in the American Journal of Preventive Medicine in August 2015.

We analyzed the purchases made for 422 children aged 1 through 18 years in 2013 and 2014, from multiple New York City and New Jersey locations of three fast food restaurant chains that provide menu options with toys—Burger King, McDonald’s, and Wendy’s. Among our sample, approximately 35% of children ate a children’s combination meal that included a toy.

Our data analysis showed that of these meals, almost all of them—approximately 98%—did not meet the nutrition criteria proposed in this bill.

We next looked at what would happen to nutrition if these same meals did meet the proposed nutrition criteria. Children whose purchases included such a meal would see a 9% reduction (54 calories) in calories consumed, and there would be an overall 3% reduction (18 calories) in calories consumed by children at these restaurants, regardless of purchase. Additionally, for children whose purchases included a children's combination meal, there would be a 10% reduction in sodium as well as a 10% reduction in the percentage of calories from fat.

This study represents the real potential for a reduction in children's consumption of calories, sodium, and percentage of calories from fat, assuming that the similar types of meal purchases would be made after the policy was enacted. The reduction in calories, fat and sodium may seem relatively small compared to children's overall food intake, but it is important to consider that this policy could function as one of many initiatives designed to improve the nutritional quality of meals served to children. Given the widespread consensus that one of the prime causes of obesity is an increase in calorie consumption of questionable quality, this policy is addressing that in a very direct and real-world way, by altering the environment in which these choices are made. Furthermore, we must consider that the susceptibility of children to marketing is strong, and that by linking healthier meal options with the incentive of toys, we are well placed to see the encouraging results of our research translate to children's eating behavior.

To conclude, considering the large numbers of children in the US that are already overweight or obese, it is essential that we make policy that encourages healthy behavior. This policy, as part of a broader initiative to combat childhood obesity, can be seen as a meaningful and likely means of improving health outcomes for children.

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Testimony before the Committee on Health of the New York City Council
January 26, 2016

Kimberly Libman PhD, MPH, Deputy Director for Prevention
Center for Health Policy and Programs
The New York Academy of Medicine

On behalf of The New York Academy of Medicine, thank you for the opportunity to discuss *setting nutrition standards for distributing incentive items aimed at children*. We support Local Law 442 because it has the potential to positively impact health equity among New York City's children, and prevent further escalation of our current epidemic of non-communicable diseases (NCDs). The Academy was founded in 1847 to take on the critical health problems facing New York City at that time, and we continue to advance solutions that promote the health and well-being of people living in cities worldwide through active research, evaluation, education and policy work.

It is clear that food marketing increases children's demand for the foods promoted. Unfortunately, the majority of restaurant foods advertised to young people are high in fat and sugar, which contributes to obesity and poor health. The Academy supports this legislation because it will begin to rebalance this equation by setting the marketing prowess of the food industry to work prompting healthy foods and dietary behavior to children in New York City.

This act amends the administrative code of New York City, and sets nutritional standards for distributing purchasing incentives aimed at children. Setting nutrition standards for children's menu items offered in combination with incentives ensures that meals marketed to children with popular brands are healthy and meet evidence-based nutrition standards. This action is an important step toward reducing child obesity and its persistent disparities in our city.

In 2012, among all youth aged 12–19 in NYC, more than 25 percent were overweight or obese. Differences exist in the rate of obesity for racial/ethnic subgroups, with black and Latino youth showing rates higher than white and Asian youth. In high-poverty schools where more than 80 percent of students qualify for free meals, youth are more likely to be obese than those from schools where less than half of the students are eligible for free meals.¹

New York reported a modest reduction in its citywide prevalence of child obesity, the largest such decline documented in a major U.S. city to date.² Using data on public school children from 2006–7 to 2010–11 school years, the city reports that the prevalence of obesity decreased 5.5 percent, from 21.9 percent to 20.7 percent. However, this success masks persistent social and health inequalities. Sizable decreases in obesity were observed among white children aged 5–6 (23.6 percent). Black and Hispanic children the same age experienced 7% and 6% declines, respectively. Similar differences in declines were observed across schools in neighborhoods with high- as compared to low-poverty levels (2.7 percent versus 16.7 percent).

The disparities in child and youth obesity become disparities in NCDs among adults. For example, disparities in diabetes death rates between communities are stark and draw attention to the links between social and economic inequities, obesity, diabetes and death. Citywide diabetes death rates nearly doubled in NY between 1990 and 2011, increasing from 6.0 to 10.8 percent. Racial/ethnic disparities in diabetes mortality are wide, with blacks having 116 deaths/100,000 while whites had only 45/100,000. Diabetes mortality is 2.7 times higher in high-poverty than low-poverty neighborhoods.³

Research on U.S. secular trends in fast food consumption between 1999 and 2010 found that both the frequency of consumption and proportion of adolescents consuming fast food three or more times a week declined significantly for the population overall. However, these decreases were not found among Black or Native American youths. In 2010, the prevalence of frequent fast-food consumption among Black (27 percent) and Native American (23 percent) youths was

almost double the prevalence among Asian (12 percent) and White (13 percent) youths.⁴ This implies that there are also racial disparities in fast food consumption among children.

Addressing structural determinants, such as the food retail environment, is necessary for tackling health inequities even when prevalence rates improve. This legislation is in line with evidence-informed and internationally recognized best practice for preventing obesity and NCDs. This best-practice is based on the premise that "food policies to prevent obesity should aim to improve dietary behaviors by improving the availability, affordability and acceptability of healthy diets – and decreasing the availability, affordability and acceptability of unhealthy diets."⁵ A summary of the evidence from multiple systematic literature reviews finds that "promotions have a direct effect on children's nutrition knowledge, preferences, purchase behavior, consumption patterns and diet-related health. Current marketing practice predominantly promotes low nutrition foods and beverages."⁶

Consider that researchers in Ontario, Canada, where similar policy has been implemented, found evidence of a "Happy Meal effect," where linking toy incentives to healthier meals resulted in statistically significant increase in the proportion of children between the ages of 6 and 12 selecting the healthier option. This effect was stronger for the youngest children in the study, emphasizing the potential Local Law 442 has to improve dietary habits of children and prevent NCDs in the long term.⁷ Another study aimed to estimate the potential impact on children's' nutrition from this policy by applying the proposed meals standards to historic purchasing data. This study found that the policy could result in a "9 percent reduction in calories for children whose purchases included a children's combination meals (54 calories), and a 3 percent reduction in calories for all children (18 calories). For children whose purchases included a children's combination meal, there would be a 10 reduction (83 mg) in sodium and a 10 percent reduction in the percentage of calories from fat (3 percentage points).⁸

Evidence from a peer reviewed pre- and post-implementation study on the impact of similar legislation in San Francisco primarily found that the food industry responded by selling toys for a

nominal fee separately from children's meals.⁹ The study also suggests that some industry leaders concurrently enacted voluntary changes to improve the healthfulness of their children's meals, and that those changes had an immediate and meaningful impact of children's diets. This suggests that positively influencing industry practice with this legislation requires closing the 'nominal fee' loophole demonstrated in San Francisco. We are reassured that this bill includes language to close the 'nominal fee' loophole, and encourage the Council to explore wording that further clarifies what level of fee exceeds popular considerations of nominal – without being punitive to families with limited resources.

The New York Academy of Medicine is pleased that the City Council has convened this hearing, and we look forward to working with you on enhancing NYC's efforts promote health and prevent NCDs for all of its residents.

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Testimony on

Int. No. 442 A Local Law to amend the administrative code of the city of New York, in relation to setting nutritional standards for distributing incentive items aimed at children

By Nicholas Freudenberg, Distinguished Professor of Public Health, City University of New York School of Public Health and Founder of New York City Food Policy Center at Hunter College

I am testifying in support of Int No. 422, a Local Law to amend the administrative code of the city of New York, in relation to setting nutritional standards for distributing incentive items aimed at children. My support of this legislation is based on several facts:

- Too many children in New York City are overweight or obese, putting them at risk of premature death and preventable illnesses such as diabetes, heart disease, some forms of cancer and other diet-related diseases.¹ Nearly half of all elementary school children and Head Start children are not at a healthy weight. In New York City, 1 in 5 kindergarten students, and 1 in 4 Head Start children, is obese.
- Diet-related diseases are a main cause of inequalities in health between the better off and the poor and between whites and Black and Latinos in New York City and the nation.^{2,3}
- National and local dietary surveys show that children eat a significant portion of their calories in fast food restaurants, a portion that has grown over the decades.⁴
- Most nutritional experts agree that fast food sold in chain outlets contains too many calories and too much fat, salt and sugar.⁵ These are precisely the ingredients that put people at risk of diet-related diseases.
- Despite some efforts to improve the nutritional content of their food, most fast food chains have not made meaningful changes in their product list.⁶ Most companies derive the majority of their profits from their least healthy items, products they also promote most aggressively.⁷ These facts refute the claim that left on their own, fast food companies will change their unhealthy practices.
- Research studies have shown that free or low cost toy giveaways increase consumption of fast food, attracting children and their parents to fast food outlets.

In addition, I support the proposed law because it reflects core values that I believe most New York City residents and many City Council representatives share. These include:

- It's unethical to market unhealthy products to young children who lack the cognitive capacity to distinguish between true claims and self-serving persuasive arguments.⁸
- No company should profit from promoting products to children that contribute to premature death and preventable illness.
- City government has a mandate and an obligation to help parents protect their children's health from self-interested marketers.

The fast food industry and its supporters oppose this bill because they fear it will set a precedent for other jurisdictions and because they fear it might reduce their profits. In their opposition they will raise several arguments, which I urge you to reject.

First, they will argue that this bill will not end child obesity. The fast food and other industries almost always oppose regulations and argue that no piece of legislation can solve the problem at hand. It is true that requiring meals served with toy giveaways to meet certain nutritional standards will not by itself solve the problem of child obesity and diet-related diseases. But New York City knows from its experience with tobacco control that multiple measures enacted over time are effective in changing attitudes and behavior. Each additional element of tobacco control regulation and education contributed to further reductions in smoking here in New York City, a public health success story now being replicated around the world.⁹ It's time for New York City to again set a global standard for protecting young children that can be applied to the promotion of unhealthy food. Calorie dense, nutrient poor food is rapidly approaching tobacco as the world's leading cause of preventable death and preventable illness. In addition, the proposed legislation will help to educate parents about the nutritional risks of fast food.

Second, the fast food industry will argue that it is parents, not government that should protect children from unhealthy diets. While parents of course have a role in their children's food choices, government policy should make it easier, not harder for parents to protect their children's health. No parents should have to constantly be on guard against special interests that seek to profit by exposing their children to risky products or bribing them to consume unhealthy food with toy giveaways.

In sum, the public health evidence and basic moral values support limiting the ability of fast food companies to entice our children to consume unhealthy products with toy or other giveaways. The proposal to limit toy giveaways to meals that meet nutritional standards is a modest step that New York City can take to prevent suffering, pain and high health care costs for its children in the future.

Nicholas Freudenberg is author of *Lethal but Legal: Corporations, Consumptions and Protecting Public Health* (Oxford University Press, 2014) and co-author of *Slowing Down Fast Food: A policy guide for healthier kids and families* published by Corporate Accountability International in 2012. He can be reached at Nick.Freudenberg@sph.cuny.edu

¹ New York City Department of Health. Obesity. Available at: <http://www1.nyc.gov/site/doh/health/health-topics/obesity.page>

² New York City Department of Health. Diabetes and Obesity in New York, 2007.

³ New York City Department of Health. 2013. Diabetes in New York City. EpiData Brief.

⁴ An R. Fast-food and full-service restaurant consumption and daily energy and nutrient intakes in US adults. *Eur J Clin Nutr.* 2016; 70(1):97-103.

⁵ Powell LM, Nguyen BT. Fast-food and full-service restaurant consumption among children and adolescents: effect on energy, beverage, and nutrient intake. *JAMA Pediatr.* 2013 Jan;167(1):14-20.

⁶ Urban LE, Roberts SB, Fierstein JL, Gary CE, Lichtenstein AH. Temporal trends in fast-food restaurant energy, sodium, saturated fat, and trans fat content, United States, 1996-2013. *Prev Chronic Dis.* 2014 ;11:E229.

⁷ Yale Rudd Center for Food Policy and Obesity. Fast Food Facts 2013. 2013. Available at: http://fastfoodmarketing.org/media/FastFoodFACTS_Report.pdf

⁸ Harris, J.L., Pomeranz, J.L., et al. A crisis in the marketplace: How food marketing contributes to childhood obesity and what can be done. *Annual Review of Public Health,* 2009; 30:211-25.

⁹ Kilgore EA, Mandel-Ricci J, Johns M, Coady MH, Perl SB, Goodman A, Kansagra SM. Making it harder to smoke and easier to quit: the effect of 10 years of tobacco control in New York City. *Am J Public Health.* 2014 Jun;104(6):e5-8.



Albert F. Pennisi, President
Terri Thomson, First Vice President
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Thank you Councilman Corey Johnson and the members of the Health Committee.

My name is Thomas Grech, the Executive Director of the Queens Chamber of Commerce and I am here today representing the Queens Chamber of Commerce, Brooklyn Chamber of Commerce, Bronx Chamber of Commerce, Manhattan Chamber of Commerce and the Staten Island Chamber of Commerce.

Keeping residents healthy is a great objective and we are pleased to see the City work to educate the public on what they can do to stay fit and eat right. Studies have shown that having a healthy workforce increases productivity and many companies encourage their employees to be active and inform them of what they can do during the day to stay fit. The 5 Chamber's of Commerce applaud these efforts and look forward to working with you to help educate the public on these initiatives.

When it comes to Introduction 0442 however, we believe it goes too far and puts an undue burden on small businesses. While McDonald's corporate headquarters are in Oak Brook, IL, 90 percent of the McDonald's in New York City are franchisees.

These are small to medium sized businesses owned and operated by independent businessmen and women who live, raise families, and hire local residents, anchoring business corridors throughout the city.

These franchisees must develop their own business plan and is in charge of ensuring their stores succeed. By passing Introduction 0442, it will impede small businesses that generate more than \$100 million in sales taxes and more than \$32 million in property taxes for the city.

Like any business McDonald's has changed the way they operate. By working with organizations such as the Alliance for a Healthier Generation (co-founded by the American Heart Association) and the Council of Better Business Bureaus, they have changed the way they serve meals based on the latest nutritional information and customer feedback.



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McDonald's Happy Meals currently offer child sized portions of an entrée, a kids-sized fry and choice of low-fat yogurt, apple slices and beverage choices that include milk and juice. Alternatively, McDonald's regular menu offers standard meals intended for older customers. This has resulted in healthier meals for all of McDonald's customers, and between 2013 and 2014, orders of fruit served as part of Happy Meals increased by 49.3 percent.

The toys offered with Happy Meals is only an incentive to purchase an appropriately sized and balanced meal for a child and has no correlation with the health of the meal they are ordering. The 5 Chamber's of Commerce respectively request this Introduction be voted down.

Sincerely,

A handwritten signature in black ink that reads 'Thomas J. Grech'. The signature is written in a cursive, flowing style.

Thomas J. Grech
Executive Director
Queens Chamber of Commerce



**New York City
Food Policy Center**
AT HUNTER COLLEGE

Testimony to the New York City Council Committees on Health

Charles Platkin, Ph.D, J.D., M.P.H., Distinguished Lecturer, Hunter College, CUNY;
Director, New York City Food Policy Center at Hunter College

Good afternoon, and thank you to Chairman Corey Johnson and the members of the Committee on Health for the opportunity to speak with you about the proposed Local Law to amend the administrative code of the City of New York in relation to setting nutritional standards for distributing incentive items aimed at children.

I congratulate Council Member Kallos, and the co-sponsors, for their work and for the innovative thinking that went into proposing this bill, which seeks to better the health of the children of the City of New York. I would urge this committee and the City Council to support this important legislation.

I am here on behalf of the New York City Food Policy Center at Hunter College, of which I am the director. The Center was created in 2012 to develop collaborative, innovative and evidence-based solutions to preventing diet-related diseases, promoting healthy eating, and food security in New York City and other urban centers. The Center works with policy makers, community organizations, advocates and the public to create healthier, more sustainable food environments, and to use food as a way to promote community and economic development. We thank the City Council and the Speaker's office for their support of our Center.

Food marketing to children and, more specifically, using marketing incentives that encourage children to consume unhealthy, high-calorie, high-fat, high-sugar meals at fast-food restaurants is an issue of growing national—and international – public health concern.

Statistics from the 2011-2012 National Health and Nutrition Examination Survey indicate that one-third of children and adolescents consumed fast food each day, and that they consumed on average 12.4 percent of their daily calories from fast food restaurants. Researchers have demonstrated that food prepared outside the home is associated with inferior diet quality and increased caloric intake. Additionally, being an overweight or obese child significantly increases the child's likelihood of being an overweight or obese adult. That in turn increases their risk for health problems such as Type II diabetes, cardiovascular disease, osteoarthritis, psychological disorders and some types of cancer.

It is therefore natural and fitting for New York City to meaningfully address the issue through truly progressive legislation, especially given the City's history of righting social inequities and serving as a role model for other urban centers throughout the United States and beyond.

Because children are especially vulnerable, targeting them for consumption of products that are harmful to their health could, in my view, be considered a violation of their fundamental human rights—a position that is also held by public health advocates in Mexico.

In a nation where, according to researchers at the American Heart Association, 80 percent of teens are on their way to developing heart disease because their diets are too high in salt, sugar and fat, the negative impact of such marketing techniques can't be overstated.

Nor can the food industry be relied upon to self-regulate. In 2006, responding to governmental pressure, the Better Business Bureau established the Children's Food and Beverage Advertising Initiative, an industry self-regulatory program intended "to shift the mix of foods advertised to children under 12 to encourage healthier dietary choices and healthy lifestyles."

However, as researchers reporting to the Robert Wood Johnson Foundation have observed, industry self-regulation does not for the most part address the practice of unhealthy food marketing to children and adolescents in any significant way, including the offering of toys as incentives to purchase unhealthy foods. Why? Because, simply put, food marketing to children has proved to be an effective method of influencing potential new consumers, increasing market share, and ultimately producing increased shareholder profit.

For many of these reasons, in 2010 Santa Clara County, California, passed a bill similar to the one proposed for New York City--the first such law in the United States. A year later, San Francisco became the first U.S. city to enact a toy premium ban; and in 2012 the government of Chile banned any use of toy premiums in children's meals.

Chile's ban directly addresses the World Health Organization's call for tighter regulation of the global food industry's marketing of high-fat, high-sugar, and high-salt foods to children, which it described as being "disastrously effective" at fueling the global obesity epidemic.

Merriam-Webster's definition of the word "predatory" is "inclined or intended to injure or exploit others for personal gain or profit." Clearly, the marketing of unhealthy food products to children is both predatory and powerful—predatory because it exploits the natural tendency of children to believe what they are told solely for the purpose of increasing food-company profits; powerful because it creates a new generation of consumers whose habitual consumption of unhealthy foods severely contributes to chronic disease.

Based on an extensive review of the research, the American Psychological Association concluded that most children under the age of eight are unable to understand the persuasive intent of advertisements. Additionally, the research demonstrated that product preferences affect children's product purchase requests, and that these requests in turn influence parents' purchasing decisions primarily through what is commonly known as the "nag factor."

In other words, this type of marketing is by definition exploitative because young children don't have the capacity to understand that they are being manipulated to nag their parents or guardians

to buy unhealthy food products. Researchers have documented this so called "nag factor" and – have shown that food companies even know what types and kinds of tantrums work best.

Think about this: in 2009, according to a report by the Rudd Center for Food Policy and Obesity, the average child viewed 262 TV commercials that targeted them to go to a local fast-food outlet to participate in a toy giveaway (or other promotion). In fact, each year the food industry spends hundreds of millions of dollars on the powerful and predatory marketing of unhealthy food products to children. For example, a 2014 McDonald's TV commercial featuring a Happy Meal set of 14 toy giveaways was tied to one of that year's highest-grossing youth-rated movies, *How to Train Your Dragon 2*.

As in all such advertising, the toys in the McDonalds campaign were the primary incentive for the purchase of unhealthy foods. The campaign typified the trend towards tying fast food kids' meal premiums to popular movies and TV shows. The aim is always the same: enticing, engaging, and entertaining a young and vulnerable population into eating unhealthy fast food.

One of any parent's most important jobs is to provide their children with healthy foods. But food marketing to children, including the use of toy giveaways and premiums, undermines this parental right and privilege.

It's difficult enough getting children to eat a healthy and diverse diet; however, targeting them by offering toy giveaways tied to unhealthy food gives the fast-food industry an unfair advantage.

It is important to note that in 2010-11, 20.7 percent of New York City's children, ages 5 -14, were classified as obese, exceeding the national average of 17 percent (children ages 2-19).

The proposed legislation is not only about reducing unhealthy meal purchases, important as this is. The proposed law, if enacted, will also send a message to our community, making it clear that the New York City Council cares about the health and welfare of our children and about their future as citizens of this great city.

We at the New York City Food Policy Center at Hunter College stand ready to help in any way we can to realize the vision of a New York City that is without hunger and without obesity (and related chronic disease), and that is truly the food capital of the world.

For more information about the NYC Food Policy Center at Hunter College, visit our website at www.nycfoodpolicy.org or e-mail Charles Platkin at cp@nycfoodpolicy.org.



Testimony New York City Council Health Committee
January 26, 2016

- Good afternoon. My name is Dr. Cynthia Goody and I lead Nutrition for McDonald's USA. Thank you for the opportunity to speak with you today. As one of the oldest and most recognized quick service restaurant brands in the world, McDonald's has more than 14,000 locations in the US and more than 230 here in New York City.
- As a nutritionist, I am here today to speak not about the tremendous economic impacts of our restaurants or supply chain, but rather about McDonald's great strides in nutrition over the past few years.
- It may have been a while since members of the committee have had a Happy Meal, so I have brought with me today several combinations for you to see. You deserve a break today!!
- As you may recall, in 2011, then City Council Member – now State Senator – Leroy Comrie introduced legislation very similar to that being debated here today. His legislation sought to prohibit restaurants from distributing "incentive items aimed at children". We worked with the Council Member on the roll out of significant changes to McDonald's Happy Meals. As a result of our partnership, Council Member Comrie later stood with executives from McDonald's in support of the substantial steps we have taken to provide balanced Happy Meal offerings.
- The proposal in question today links the sale of toys to caloric intake, fat, added sugars and sodium. An overwhelming majority of McDonald's Happy Meals – much like the ones in front of you – fall well below the suggested aggregate calorie count as proposed in this bill.
- Limiting kids meals offered with a toy to a set of arbitrary nutritional standards could result in reducing the amount of fruit, low-fat/fat-free dairy, and juice provided to children, and move young customers to choose options that will not include these nutritional and child-portioned products.
- Here is why we are opposed to this proposal:
 - The proposed criteria is not based on science or generally accepted nutrition standards
 - It could result in unintended consequences – driving kids to consume more calories and less produce and dairy
 - Today more than 95% of our restaurants around the world offer fruit, vegetables, or low-fat dairy as an option in Happy Meals. So we are already addressing the goals of this legislation by providing calorie appropriate meals with low fat dairy, low surgery and fruit options.
 - We work closely with external partners and subject matter experts to ensure we are offering a nutritionally sound meal.

- This proposal has limited impact and only applies to chain restaurants offering toys with kids meals

Here are more details:

- The US Department of Agriculture mandates guidelines for nutritional value of public school lunches. Every one of the Happy Meals before you is well within the USDA's current acceptable range for school lunches and most are lower than a sampling of some of the lunches consumed today in New York City public schools.
- I can also tell you that we and others have researched the target goals in the proposal and can find nothing from any federal agency or NGO that these restrictions are linked to. The calories, the fats, the sodium, etc. are not aligned with government or medical professional organizations' official recommendations, research and science as far as we can tell.
- McDonald's has diligently worked to become the industry leader through the evolution of our Happy Meals and related programs to promote produce, and low-fat dairy to children, as well as inclusion of nutrition or active play messages in all advertisements directed to children. The most recent example of this is the added choice of Cuties clementine in Happy Meals, a fresh, whole fruit offered again this year, after having served 38 million while in season a year ago.
- We work closely with external partners and subject matter experts, such as the Alliance for a Healthier Generation – co-founded by the American Heart Association – and the Council of Better Business Bureaus, a Global Advisory Council on Nutrition and Well-being, industry experts as well as internal experts to ensure we are offering a nutritionally sound meal.
- We continue to positively evolve the offerings in the Happy Meal based on feedback we receive from our customers, nutrition experts and science. When we narrow that offering to something that is not appealing to customers, it creates the unintended consequence of driving families to purchase meals for their kids from the regular menu, which includes other menu items that may not be as well-suited for young children.
- For example, our Happy Meal bundle currently offers child-sized portions of an entrée, a kids sized fry and choice of low-fat, reduced-sugar, Go-GURT yogurt, apple slices or a Cuties clementine. We promote only milk and juice as beverage choices for Happy Meal in our national advertising and on our menu boards. We have also removed the antibiotic, RBst, from our milk. Alternatively, our regular menu offers standard meals intended for older customers.
- As I just mentioned, more than 95 percent of our restaurants around the world offer fruit, produce, or low-fat dairy as Happy Meals options. I know of no other restaurant that has our reach and drive to increase fruit, produce and low-fat dairy choices in meals for the youngest customers.
- In the US, McDonald's committed to offering produce or low-fat dairy in every Happy Meal. In 2016, we will achieve a key milestone of serving more than 2.0 billion sides packages of apple slices and low-fat, reduced sugar Go-GURT yogurt combined since 2012
- Beginning again this month, Cuties clementines are offered as a choice in Happy Meals and as an a la carte menu item. They offer an excellent source of vitamin C and about one-quarter cup of fruit. McDonald's and Sun Pacific, a family-owned fruit grower, have partnered to make

Cuties available while in season, until May. Last year, we served 38 million Cuties clementines from about November 2014 until March of 2015.

- We have been told by a council member that having whole fruit in our Happy Meal will provide some of their NYC residents their first chance to have a whole fruit.
- In addition to produce, McDonald's has worked with its suppliers to reformulate the chocolate milk to fat-free chocolate milk and recently added Go-GURT Low Fat Strawberry Yogurt as an additional side option for Happy Meals. Made exclusively for McDonald's, this Go-GURT contains 25 percent less sugar than the leading kids' yogurt and is a good source of vitamin D and calcium. During the period from June of 2014 until October of 2015, McDonald's served 232 million Go-GURT tubes around the country.
- Since 2006, McDonald's is a charter member of the Council of Better Business Bureau's Children's Food and Beverage Advertising Initiative. Nationally, McDonald's only advertises Happy Meals to children that meet strict nutrition criteria for calories, saturated fat, sodium and sugar. Since this time, our national Happy Meal advertisements have included produce and have not included soda
- We have also made other nutritional enhancements in our kids' favorite, Chicken McNuggets. A number of years ago, we reformulated the McNuggets to be made with all white meat, and since 2003 we reduced sodium by about 20%. Within two years, McDonald's USA will only source chicken that is raised without antibiotics¹ that are important to human medicine.
- In partnership with the Alliance for a Healthier Generation, McDonald's announced at the 2013 Clinton Global Initiative (CGI) Annual Meeting here in NYC a commitment to action to increase customers' access to produce and dairy and help families and children to make informed nutrition choices. Specifically, McDonald's committed to only promote and market water, milk, and juice as the beverage in Happy Meals on menu boards, in stores and external advertising; using Happy Meal and other packaging innovations and designs to generate excitement for fruit, low/reduced-fat dairy, or water options for kids; dedicating Happy Meal box or bag panels four times annually to communicate a fun nutrition or children's well-being message; and ensuring that 100 percent of all national advertising directed to children to include a fun nutrition or children's well-being message. In addition, this commitment includes the option for customers to substitute a side salad, fruit, or produce for French fries in value meals.
- This CGI Commitment covers McDonald's top markets, representing more than 85% of McDonald's global sales and spans through 2020. Year 1 progress was measured independently by a third-party public policy economics firm, Keybridge and released in June 2015. Members of the committee have a copy of the executive summary of the report and a couple of key areas of progress include:
- More customers are selecting 100% juice and milk. In the first 11 months since sodas were removed from the Happy Meal section of menu boards in: the changes are dramatic!

- July 2014, milk and juice selections rose 9% points. Before the change, 37% of Happy Meal orders included milk or juice. After the change, Happy Meals orders that include milk and juice increased to 46%.
 - During the same period, Happy Meal orders with soda decreased from 56% to 48%.
 - Overall, this contributed to serving 21 million additional milk jugs and juice boxes in Happy Meals and a la carte in that same period
- More produce and low-fat dairy options are served with Happy Meals. Since we introduced these new options, we served 161 million tubes of Go-GURT Low Fat Strawberry Yogurt (from July 2014 to May 2015) and 38 million Cuties clementines (from about November 2014 to March 2015) in Happy Meals and a la carte.
- This proposal only applies to chain restaurants offering toys with kids' meals. It does not apply to all the other restaurants in NYC serving food to kids and therefore will have a limited impact. For example, some experts in the nutrition field feel that pizza is a major contributor to children's caloric intake, but this proposal will not apply to pizza chains, because I am unaware of any offering kids meals with toys. This not to say they are not out there, I just do not know of any..
- We feel the bill punishes McDonald's for doing the right thing - for working with leading nutritionists, world leading NGO's, federal agencies and a former NYC Council Member to offer a balanced kids meal that parents and kids are happy and excited to eat.
- As you can tell from the information I have provided today, McDonald's takes great pride in our nutrition progress with our Happy Meals and our food. We believe the path this proposal is progressing on is a mistake and will not achieve its desired goals. Limiting kids' meals offered with a toy to a set of arbitrary nutritional standards, will result in reducing the amount of fruit, low-fat/fat-free dairy, and juice provided to children, and move young customers to choose options that will not include these nutritional and child-portioned products.
- I ask that you do not move forward with this proposal.
- Thank you again, and I will be happy to answer any questions related to McDonald's nutrition you may have at this time.

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December 3, 2014

Hon. Ben Kallos
City Council Member
250 Broadway
New York, NY 10007

Hon. Corey Johnson
City Council Member
250 Broadway
New York, NY 10007

Dear Council Members Kallos and Johnson:

Thank you again for the opportunity to meet with you and your staff on Tuesday, October 14th to begin a dialogue around proposed legislation Int. 442/2014 which seeks to set “nutritional standards for meals containing incentive items aimed at children.”

As we discussed in our meeting, McDonald’s has diligently worked to become the industry leader through the evolution of our Happy Meals and related programs to promote fruit, vegetables, and low-fat dairy to children, as well as nutrition messages in a fun way that is accessible to kids and families. The most recent example of this is the added choice of Cuties clementine in Happy Meals which is being offered in a way that generates excitement for our youngest customers.

We work closely with external partners and subject matter experts, such as the Alliance for a Healthier Generation (co-founded by the American Heart Association) and the Council of Better Business Bureaus, our Global Advisory Council, industry experts as well as internal experts to ensure we are offering a nutritionally sound meal. We continue work to positively evolve the offering in the Happy Meal based on input we receive from our family customers. When we narrow that offering to something that is not appealing to customers, it creates the unintended consequence of driving families to purchase meals for their kids from the regular menu, which is not designed for young children. For example, our Happy Meal bundle currently offers child sized portions of an entrée, kids sized fry and choice of low-fat yogurt, apple slices or a Cuties clementine and beverage choices that include milk and juice. Alternatively, our regular menu offers standard meals intended for older customers. For this reason and those outlined below, we ask that you do not move forward with the current proposal.

- Today more than 95% of our restaurants around the world offer fruit, vegetables, or low-fat dairy as an option in Happy Meals. We know of no other restaurant that has our reach and drive to increase fruit, vegetables and low-fat dairy choices in meals for the youngest consumers.

Specifically in the US:

- We committed to include produce or low-fat dairy in every Happy Meal. Ernst & Young conducted an independent examination and verified McDonald's progress on this commitment.
- We have served more than 1.2 billion packages of apples since March 2012.



- In addition to fruits and vegetables, McDonald's has worked with its suppliers to reformulate the chocolate milk to fat-free chocolate milk and recently added Go-GURT Low Fat Strawberry Yogurt as an additional side option for Happy Meals. Made exclusively for McDonald's, this Go-GURT contains 25% less sugar than the leading kids yogurt and is a good source of vitamin D and calcium.
- As of this month, the Cuties clementine is offered as a choice in Happy Meals and as an a la carte menu item. They offer an excellent source of vitamin C and about one-quarter cup of fruit. McDonald's and Sun Pacific, a family-owned fruit grower, have partnered to make Cuties available while in season, through March 2015. Also, "junior" bananas are being tested and we continue to explore testing other fruit options.
- Since 2006, McDonald's has been a charter member of the Council of Better Business Bureau's Children's Food and Beverage Advertising Initiative. McDonald's only advertises Happy Meals to children that meet strict nutrition criteria for calories, saturated fat, sodium and sugar.

Additionally, in partnership with the Alliance for a Healthier Generation, McDonald's announced at the 2013 Clinton Global Initiative (CGI) Annual Meeting a Commitment to Action to increase customers' access to fruit and vegetables and help families and children to make informed choices as depicted on the attached infographic. McDonald's worked with the Alliance for a Healthier Generation to develop a comprehensive plan which includes the following commitments:

- All customers can substitute a side salad, fruit, or vegetable as a substitute for French fries in value meals. The salad, fruit or vegetable option will vary per participating market. McDonald's USA will be offering the side salad option.

The commitment also includes the following related to the promotion and advertising of Happy Meals:

- Only promote and market water, milk, and juice as the beverage in Happy Meals on menu boards and in-store and external advertising
- Utilize Happy Meal and other packaging innovations and designs to generate excitement for fruit, vegetable, low/reduced-fat dairy, or water options for kids
- Dedicate Happy Meal box or bag panels four times annually to communicate a fun nutrition or children's well-being message
- Ensure 100 percent of all advertising directed to children to include a fun nutrition or children's well-being message

In addition to positive media and public accolades from President Clinton, Secretary Clinton and Chelsea Clinton, below is a public statement of support from **Nancy Brown, CEO of the American Heart Association**:

"Today's announcement by the Alliance for a Healthier Generation and McDonald's at the Clinton Global Initiative Annual Meeting in New York City is another important step forward in creating healthier options for families, as we seek to build a culture of health and healthier choices."

This pledge, which will increase customers' access to fruits and vegetables, reduce the visibility and consumption of sodas, and help families and children to make informed choices, as part of a plan for



the restaurant chain's largest markets throughout the world, is a positive step forward towards improving the public health.

As one of the co-founders of the Alliance for a Healthier Generation, along with the Clinton Foundation, we are proud to celebrate the progress being made, and proud that we have moved one step closer to improving the cardiovascular health of all Americans and people throughout the world, helping them to build healthier lives, free of cardiovascular diseases and stroke."

McDonald's has also retained an independent, third-party to verify progress towards our CGI commitments. Keybridge LLC, a Washington-DC based economic and public policy consulting firm, was selected to conduct all monitoring and verification.

As part of our CGI commitments, McDonald's removed soda from the Happy Meal section of the U.S. menu boards in July 2014 and preliminary data shows the following:

- Fat free chocolate milk selection went from 17% to 19%, representing a 12% increase
- Low-fat white milk selection had a 20% increase
- 100% Apple juice selection had a 19% increase
- 12 oz. soft drink selection had a 17% decrease

We wanted to take this opportunity to respond to some of the specific issues and questions that were raised in our meetings on October 14th:

1) Of the Happy Meals currently sold in NYC:

- Who is consuming them? (in the meeting we talked about how some adults and seniors are ordering these meals - do we have numbers on that)

In the U.S., about 85% of kids' meals are eaten by those under 13.

- What are the current numbers on which Kids Meal options are being ordered?

Since the beginning of this year, almost 6 million kids meals have been purchased at McDonald's in the New York City area. In addition, in that same time period, McDonald's has served almost 5 million bags of apples, approximately 950,000 tubes of Go-GURT yogurt and over one million jugs of fat-free chocolate and low-fat white milk to its New York City customers.

2) What are the whole grain options on the current Happy Meal menu or when is McDonalds planning to introduce whole grain Happy Meal options?

Currently, McDonald's does not have a whole grain option on its Happy Meal menu.

Whole grains is one of the positive food groups included in our global food pillar goal of our Corporate Social Responsibility/Sustainability Framework. Specifically, our aspirational goal across our menu is to serve 100% more fruit, vegetables, low-fat dairy or whole grains in our top 9 markets. Our top 9 markets represent about 70% of McDonald's total global revenue, and includes the US.



- 3) Is there data on consumption of the fruit or other healthy options (how many kids actually eat the fruit, drink the milk, etc. vs leaving it on the plate/throwing it away)?

McDonald's does not track this data.

- 4) Of the current Happy Meal options, which meet the requirements recommended in the bill, and which do not? Are there any "sticking points" as discussed in the meeting (the cheese slice in a cheeseburger was a concern)?

Out of 60 available Happy Meals, approximately 15% of our Happy Meals would meet the proposed New York City standards. However, the great majority of parents choose Happy Meal combinations that do not meet the nutritional standards proposed in the ordinance.

- 5) Were there any trends observed in SF McDonald's stores after the Happy Meal toy was no longer included (changes in sales of Happy Meals or Dollar Menu items)?

Happy Meal sales in San Francisco were not materially impacted by the passage of the ordinance. As you may have heard, parents have the option of purchasing a toy separately for an additional 10 cents with the purchase of a Happy Meal in the San Francisco restaurants. McDonald's donates 10 cents to the Ronald McDonald House of San Francisco for each toy purchased.

- 6) Do any of the fruit options mentioned (the bag of apples, the fruit on stick options, the Cuties, etc.) constitute a full serving of fruit? (going by the 1/2 cup standards such as those from the Rand Standards "Performance Standards for Restaurants" Report from 2013 which is also cited by the National Restaurant Association)

The apple juice box represents a full serving. A Cutie Mandarin Clementine, a whole fresh fruit, represents about a half a serving of fruit, or a ¼ cup. Apple slices are also a ½ serving of fruit. Various combinations of sides and beverages, as noted in the ten meal combinations above, would result in ½ cup/1 serving of fruit.

As you may recall from 2011, City Council Member Leroy Comrie's similar legislation sought to prohibit restaurants from distributing "incentive items aimed at children," however, this bill did not advance. Instead, we collaborated with the Council Member on the roll out of significant changes to McDonald's Happy Meals. As a result of our partnership, Council Member Comrie later stood with executives from McDonald's in support of the substantial steps we have taken to provide healthier Happy Meal offerings.

As you can tell from our meetings and from the information we have provided, we take great pride in our nutritional progress with our Happy Meals and our food. We believe the path this proposal is progressing on is a mistake and will not achieve the goals that are desired. By limiting Kids Meals offered with a toy to a set of nutritional standards that are proposed, it will result in reducing the amount of fruit, low-fat/fat-free dairy, and juice provided to children, and move our young customers to choose other options that will not include these nutritional and child-portioned products.



GLOBAL GOVERNMENT &
PUBLIC AFFAIRS

Thank you again for the opportunity to respond to your questions, comments, and concerns. We look forward to working with you. Please let us know if you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink that reads "Cynthia M. Goody".

Ed Conklin
Senior Director & Chief of Staff
Global Government & Public Affairs
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GLOBAL GOVERNMENT &
PUBLIC AFFAIRS

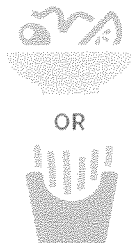
Giving families more choices



McDonald's is partnering with the Alliance for a Healthier Generation to leverage menu and marketing power to promote balanced food and beverage choices.

MCDONALD'S COMMITS TO*

Provide customers a choice of a side salad, fruit or vegetable as a substitute for French fries in value meals



(Salad, fruit or vegetable option will vary per participating market)

Promote and feature only water, milk, and juice as the beverage in Happy Meals on menu boards and in-store and external advertising



Offer new fruit, vegetable, low/reduced fat dairy or water options in the Happy Meal and generate excitement for produce and dairy

Ensure 100% of all advertising directed to children to include a fun nutrition or children's well-being message



McDonald's is the world's leading global foodservice retailer with over 34,500 locations serving more than 69 million customers in more than 100 countries each day.

THESE ACTIONS WILL AFFECT

+85% OF MCDONALD'S
GLOBAL SALES

McDonald's will take these actions in restaurants in 20 major markets that represent more than 85 percent of global sales

* All pieces of this commitment will be implemented in 30-50% of the 20 major markets within three years and 100% of the 20 markets by 2020

Learn more at HealthierGeneration.org

FOUNDED BY:



McDonald's is...

About McDonald's Every day all around the globe, McDonald's is putting people, processes and practices into place to make quality food, more sustainable sourcing, a stronger community and a healthier planet. Approximately **70 million** daily favorite place and way to eat and drink. **Food:** Over the past decade and more, McDonald's has been **offering even more balanced choices** on our menu, **changing the composition** of some of our classic favorites and **finding newer and better ways to share** story and with health and nutrition experts to continue to do more. **For McDonald's, good food means great taste, modern choices and real ingredients. Increasing access to Fruits and Vegetables** We are **partnering** with the **Alliance for a Healthier** participating market. **Promote and feature only water, milk and juice as the beverage in Happy Meals** on menu boards and in-store and external advertising. **Offer new fruit, vegetable, low/reduced-fat dairy or water options** in the Happy Meal and 1, 2012 and July 31, 2013. McDonald's USA introduced more than 410 million cups of vegetables to customers with menu offerings like our premium salads, side salads and premium McWraps. **Focusing on Children's** vegetables or low-fat dairy as an option in every Happy Meal. **Apples** are now available in Happy Meals in **20 countries**. **Carrot sticks** are offered in **23 countries**. **Corn cups** are offered in **13 countries**. **Cornell University's Research on McDonald's Happy** the previous 3-item Happy Meal with the new 4-item Happy Meal in the U.S. which automatically includes apple slices and a smaller-sized portion of fries. **The research determined that, on average, kids who received the new 4-item Happy Meal had** Wednesdays, our restaurants in **France provided more than 9 million packs of fruit** between September 2010 and September 2013. Italy, **McDonald's Italy** made fruit fun by offering peeled **kiwi on a stick** as a Happy Meal option, helping to increase the RT® Low Fat Strawberry Yogurt with **25% less sugar than the leading kids' yogurt** is a good source of Vitamin D and Calcium. *Go-GURT® at McDonald's has 6g of sugar per 2.25 oz. The leading kids' yogurt has 9g per 2.25 oz. **Boosting Whole Grains** oatmeal offerings alone have provided more than **500 million servings of whole grain since the oatmeal was introduced in January 2011**. **Reducing Sodium** McDonald's is working to reduce sodium in our menu items. The timing and reduction amounts vary. It is difficult to calculate an overall improvement that represents all of our operations worldwide. However, we are making progress, including: The amount of **salt dispensed on fries has been reduced by 20%** in markets across **Europe**. Since 2009, in **Canada** **each day around the world**. Helping them make smart and informed nutrition choices is a priority. This means providing customers with easier access to accurate nutrition information. McDonald's uses a host of vehicles to do just this. Mobile Applications. **A** tion on McDonalds.com more than **50 million times**. QR Codes: Quick response (QR) codes were added to select carry-out packaging in 2012 in the UK, making it easier for customers to access nutrition information on the go. In 2013, we added QR codes to **nu boards in a number of major markets**, including the **UK, Australia** and the **U.S.** Restaurant Staff Awareness: A voluntary e-learning program has helped restaurant staff in about **1,000 restaurants** in the U.S. expand their knowledge about the nutrition of the company joined the **International Food & Beverage Alliance**, a group of food and beverage companies with a shared goal of supporting the World Health Organization's Global Strategy on Diet, Physical Activity and Health through the following **awareness on balanced diets and increased levels of physical activity**. 5. **Actively support public and private partnerships** that support the World Health Organization's Global Strategy. We developed **McDonald's Global Guidelines for Children's** from the Experts; McDonald's **Global Advisory Council** has played a vital role in helping us to continuously evolve our thinking and approach in the areas of nutrition and children's wellbeing. The experts are from academia and science representing premier suppliers to McDonald's restaurants comes from approved suppliers who are required to meet McDonald's food safety and quality standards. Our direct suppliers are audited annually to ensure compliance with our requirements. **McDonald's requirements cover** all, as local regulatory requirements for food safety. **Employee Training** Food safety is central to McDonald's training programs for restaurant managers and crew members, is integrated into our operational procedures, and is a significant McDonald's expectations. **Every supplier is required to sign the Code of Conduct** and **acknowledge the Code annually**. The Code details our expectations regarding the following: 1. Human Rights 2. Workplace Environment 3. Environmental Management 4. **gets its beef from Irish and British farmers. Produce:** The majority of McDonald's fresh leafy greens are sourced from the United States, with some product coming from Mexico. Fresh tomatoes are sourced from places like Florida, the Carolinas, California **striving to Source Our Food More Sustainably** Over the years, McDonald's has worked with our suppliers to get better, more responsible purchasing. For example, we purchase whitefish from **Marine Stewardship Council-certified fisheries**, as well as varying on impacts and influence of key ingredients. Findings from our work with other stakeholders to build coalitions and influence the industry. **Brazilian Roundtable on Sustainable Livestock** Founding members include McDonald's, BRF, and others. The goal is to achieve MSC certification, 100% of the fisheries in our supply chain. **The poultry Sustainable Three** results will help to inform global principles for sustainable beef production in the U.S. In 2013, three of our suppliers achieved MSC certification, 100% of the fisheries in our supply chain. **The poultry Sustainable Three** results will help to inform global principles for sustainable beef production in the U.S. In 2013, three of our suppliers achieved MSC certification, 100% of the fisheries in our supply chain. **Design** Optimize weight and ingredients in McDonald's products **will support the science of animal health and welfare** continue improvement through the industry. 100% **facilities** and **reward achievement**. We believe in our customers service, communication and **quality food safety, service, cleanliness** and management and mid-level management. **red with Manchester Metro** to take part in VAE to drive **More than 2,400 employees** platform "Mettime" provided by McDonald's. Our goal is to be accountable to value and reputation. **Catalyst Awards** **Working Mother Magazine** support of Ronald McDonald House Charities. **Company**, we **collaborate** with other organizations to help seriously ill children receive medical care. **amilies benefit from RMHC programs** to improve their neighborhood. **Happy Meal book program** McDonald's USA provides a book program for children's hospitals. **opera studies. In 2013, McDonald's Australia awarded 25 grants** to support the arts. **the world. Japan. More than 100,000 kids and parents participated** in **being active**, and create a unique experience for kids and families. In **football to life through in-restaurant activities and promotions during the tournament**. **long-term water scarcity mapping** for restaurants worldwide. **West** McDonald's U.S. Distributor Council has reduced water consumption and **equipment in restaurants worldwide**.



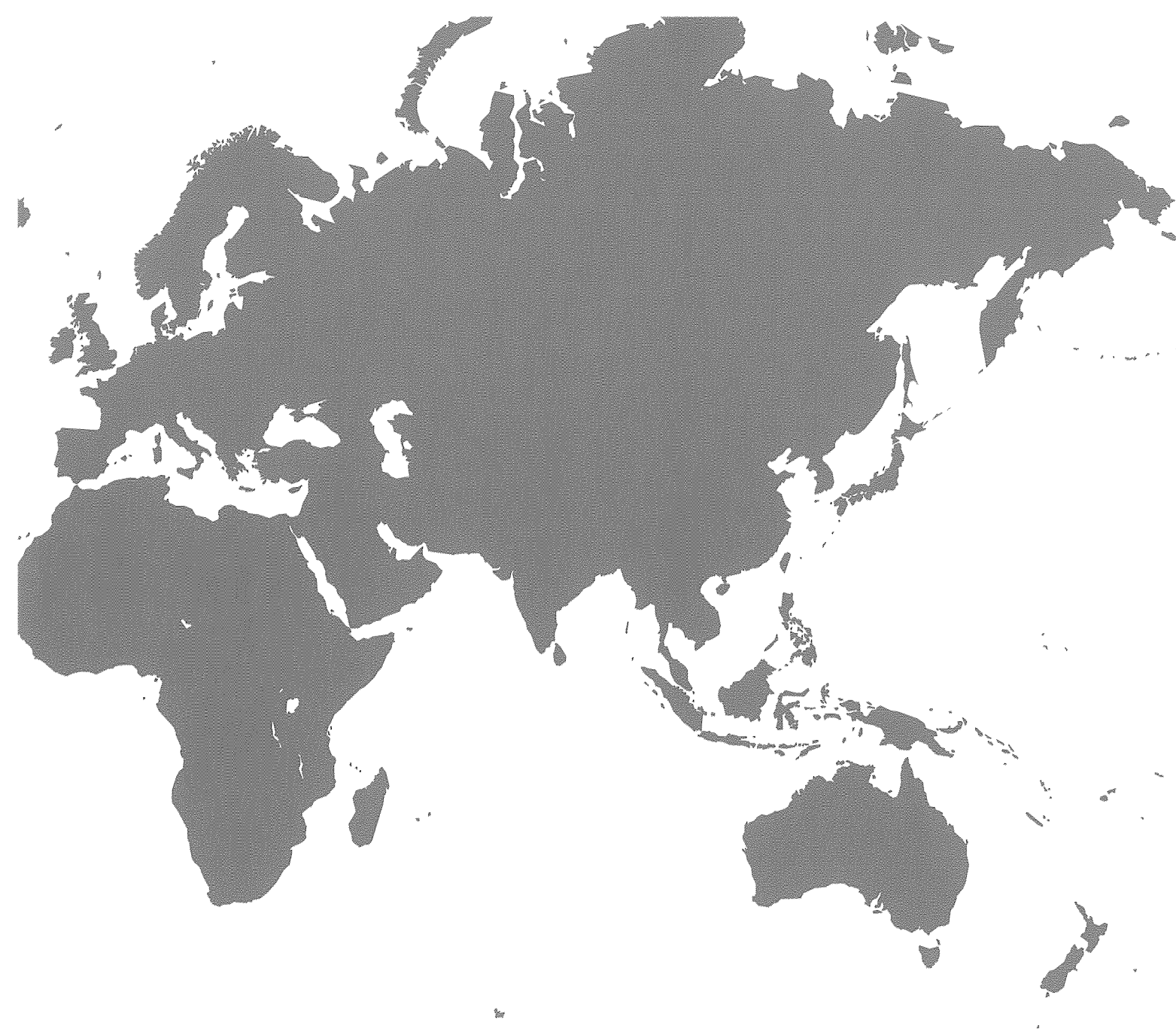
McDonald's is ... Table of Contents

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About McDonald's

2 Every day all around the globe, McDonald's is putting people, processes and practices into place to make quality food, more sustainable sourcing, a stronger community and a healthier planet.





More than
35,000
restaurants
in more than
100 countries.

About McDonald's

4

Approximately **70 million** daily customers.

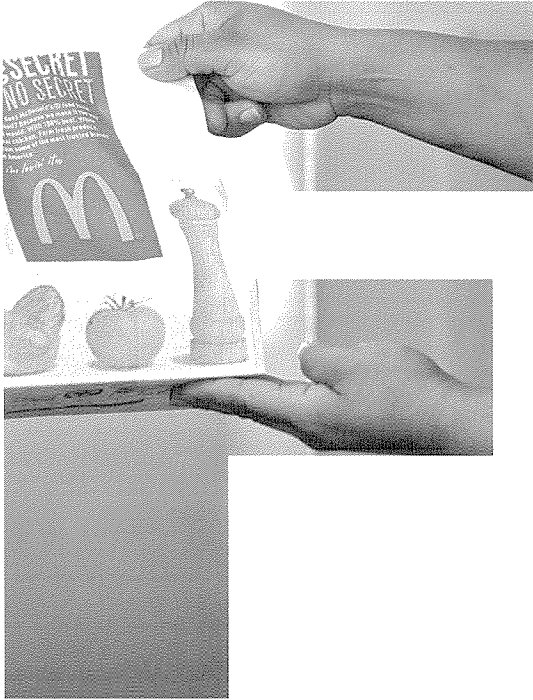
More than **80%** of McDonald's restaurants worldwide are **owned and operated by independent franchisees**.

An estimated 1.8 million people separately employed by McDonald's and our franchisees, helping us deliver on our collective mission to be our customers' favorite place and way to eat and drink.



McDonald's
is ...

Food





Over the past decade and more, McDonald's has been **offering even more balanced choices** on our menu, **changing the composition** of some of our classic favorites and **finding newer and better ways to share food and nutrition information** with our customers.

We're committed to quality food, responsible marketing, providing information to enable our guests to make informed choices that fit their nutrition needs and sourcing sustainably.

We're collaborating with others in the industry and with health and nutrition experts to continue to do more. **For McDonald's, good food means great taste, modern choices and real ingredients.**



Increasing access to Fruits and Vegetables

We are **partnering** with the **Alliance for a Healthier Generation** to leverage menu and marketing power to promote balanced food and beverage choices. We commit to:

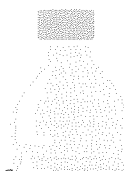
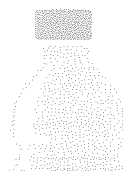


OR



Provide customers a choice of a side salad, fruit or vegetable as a substitute for French fries in value meals*

*Salad, fruit or vegetable option will vary per participating market



Promote and feature only water, milk and juice as the beverage in Happy Meals on menu boards and in-store and external advertising



Offer new fruit, vegetable, low/reduced-fat dairy or water options in the Happy Meal and generate excitement for produce and dairy


Ensure 100% of all advertising directed to children to include a fun nutrition or children's well-being message



Founded by the American
Heart Association and the
Clinton Foundation

SINCE MARCH 2012,
WE HAVE SERVED APPROXIMATELY


1.1
BILLION

A realistic illustration of a single apple, positioned between the word "BILLION" and the word "PACKAGES".

PACKAGES OF APPLES IN
KIDS MEALS IN THE U.S.

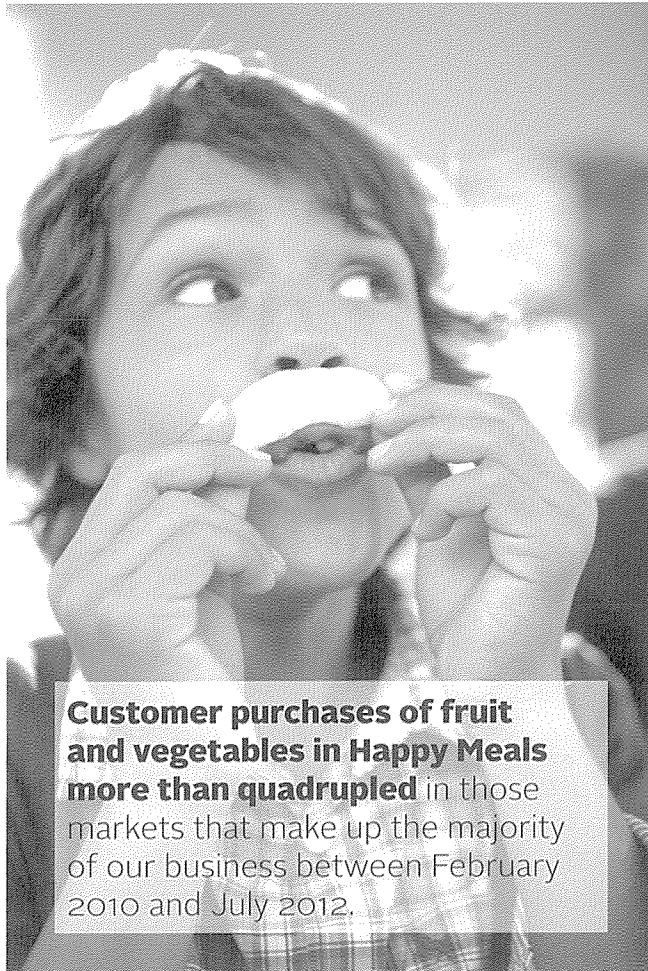
BETWEEN AUGUST 1, 2012 AND JULY 31, 2013,
McDONALD'S USA INTRODUCED MORE THAN

40

A simple line-art icon of a carrot, positioned between the numbers "4" and "0".

MILLION CUPS OF VEGETABLES TO CUSTOMERS
WITH MENU OFFERINGS LIKE OUR PREMIUM
SALADS, SIDE SALADS AND PREMIUM McWRAPS

Focusing on Children's Well-Being



Customer purchases of fruit and vegetables in Happy Meals more than quadrupled in those markets that make up the majority of our business between February 2010 and July 2012.

Today more than **95% of our restaurants around the world** offer fruits, vegetables or low-fat dairy as an option in every Happy Meal.



Apples are now available in Happy Meals in **20 countries**



Carrot sticks are offered in **23 countries**



Corn cups are offered in **13 countries**

Cornell University's Research on McDonald's Happy Meals

In 2013, McDonald's commissioned Cornell University's Food and Brand Lab researchers **Brian Wansink** and **Andrew S. Hanks** to do original research that studied the impact of our Happy Meal changes in the U.S.

The Cornell University Food and Brand Lab compared the previous 3-item Happy Meal with the new 4-item Happy Meal in the U.S. that automatically includes apple slices and a smaller-sized portion of fries. **The research determined that, on average, kids who received the new 4-item Happy Meal had average 18.8% fewer total calories in their meals.**

FRANCE

Crunchy Wednesdays, a program by **McDonald's France** that runs one Wednesday a month, offers easy-to-eat fruit to each child who visits McDonald's and purchases a Happy Meal on that day. As a result of Crunchy Wednesdays, our restaurants in **France provided more than 9 million packs of fruit** between September 2010 and September 2013.



ITALY

McDonald's Italy made fruit fun by offering peeled **kiwi on a stick** as a Happy Meal option, helping to increase the number of Happy Meals sold with fruit during the initial promotional period.

U.S.

Beginning in July 2014, the **U.S. added Go-GURT® Low Fat Strawberry Yogurt** as an additional side option for Happy Meals and Mighty Kids Meals. Made exclusively for McDonald's, Yoplait Go-GURT® Low Fat Strawberry Yogurt with **25% less sugar than the leading kids' yogurt*** is a good source of Vitamin D and calcium.

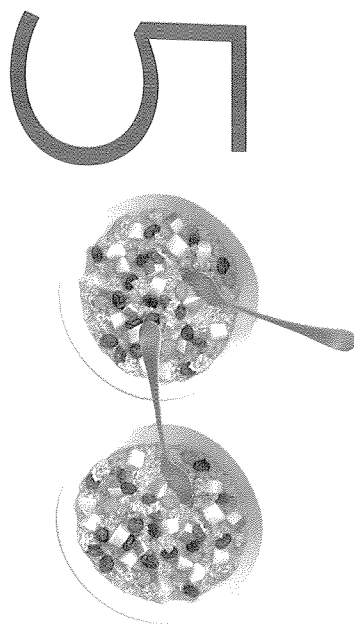
*Go-GURT® at McDonald's has 6g of sugar per 2.25 oz. The leading kids' yogurt has 9g per 2.25 oz.

Boosting Whole Grains

McDonald's USA uses buns made with **8 grams of whole grain** for premium chicken sandwiches, offers Fruit & Maple Oatmeal with **two servings of whole grain in the oatmeal** and uses an **English muffin made with 8 grams of whole grain** for breakfast sandwiches.



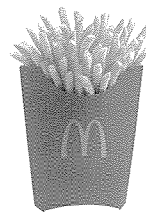
The oatmeal offerings alone have provided more than



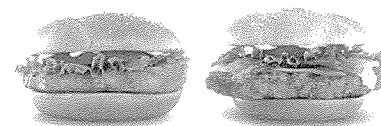
million servings of whole grain since the oatmeal was introduced in January 2011.

Reducing Sodium

McDonald's is working to reduce sodium in our menu items. The timing and reduction amounts vary by country and menu item. Because nutrition values vary around the world, McDonald's markets have different baselines for measuring sodium content and different opportunities to reduce sodium. The number of McDonald's markets and the menu variation among them has made it difficult to calculate an overall improvement that represents all of our operations worldwide. However, we are making progress, including:



The amount of **salt dispensed on fries has been reduced by 20%** in markets across **Europe**.



Since 2009, in **Canada** we have **reduced the sodium in grilled chicken by 45% and crispy chicken by 50%**, both of which are used in sandwiches and salads.

Increasing Customer and Employee Access to Nutrition and Sourcing Information



MOBILE APPLICATIONS

A new McDonald's Australia mobile app, TrackMyMacca's, takes customers behind the scenes to show where their food came from.

The app shares information about the sources of our food in a fun and interactive way.

McDonald's serves approximately **70 million guests each day around the world**. Helping them make smart and informed nutrition choices is a priority. This means providing customers with easier access to accurate nutrition information. McDonald's uses a host of vehicles to do just this.

In 2012, our consumers accessed nutrition information on McDonalds.com more than **50 million times**.

QR CODES

Quick response (QR) codes were added to select carry-out packaging in 2012 in the UK, making it easier for customers to access nutrition information on the go. In 2013, we added QR codes to carry-out bags and fountain beverage cups in many markets. **The QR codes link to nutrition information on local websites or to McDonald's food quality stories in local languages.**



MENU BOARD LABELING

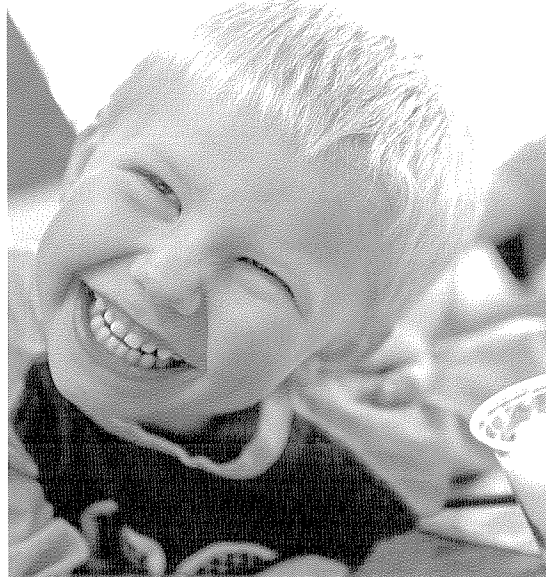
We've **added calorie counts** (or their local equivalents) **to the menu boards in a number of major markets**, including the **UK, Australia** and the **U.S.**



RESTAURANT STAFF AWARENESS

A voluntary e-learning program has helped restaurant staff in about **1,000 restaurants** in the U.S. expand their knowledge about the nutrition content of McDonald's menu items.

Marketing Responsibly



We are committed to playing a positive role in children's lives through responsible advertising and programs that help educate them on the importance of balanced eating and physical activity in a fun way.

We developed **McDonald's Global Guidelines for Children's Marketing**, which help markets make responsible choices when communicating to children. Some markets further strengthen this commitment by participating in local industry self-regulatory food marketing pledges which in total cover more than

50 countries.

In 2013, the company joined the **International Food & Beverage Alliance**, a group of food and beverage companies with a shared goal of supporting the World Health Organization's Global Strategy on Diet, Physical Activity and Health through the following commitments:

- 1 Reformulate products and develop new products** that support the goals of improving diets.
- 2 Provide easily understandable nutrition** information to all consumers.
- 3 Extend our initiatives on responsible advertising and marketing to children.**
- 4 Raise awareness on balanced diets and increased levels of physical activity.**
- 5 Actively support public and private partnerships** that support the World Health Organization's Global Strategy.

INTERNATIONAL
FOOD & BEVERAGE
ALLIANCE

GAINING INSIGHTS FROM THE EXPERTS



McDonald's **Global Advisory Council** has played a vital role in helping us to continuously evolve our thinking and approach in the areas of nutrition and children's well-being. The experts are from academia and science representing premier institutions around the world. **Since 2003, the GAC has provided McDonald's with guidance on global nutrition labeling and approaches for motivating children to eat more fruits and vegetables and stay active.**

Food Safety by Suppliers and Distributors

Food supplied to McDonald's restaurants comes from approved suppliers who are required to meet McDonald's food safety and quality standards. Our direct suppliers are audited annually to ensure compliance with our requirements. **McDonald's requirements cover more than 30 key topics from air and water quality to facility management and traceability.**

Once products leave the supplier they are delivered to our restaurants from approved, audited distribution centers that meet McDonald's food safety and quality standards, as well as local regulatory requirements for food safety.

Employee Training for Food Safety

Food safety is central to McDonald's training programs for restaurant managers and crew members. It is integrated into our operational procedures and is a significant component of the restaurant assessment process.

All of McDonald's global food safety procedures require daily verification at the restaurant level.



MCDONALD'S SUPPLIER CODE OF CONDUCT



The Supplier Code of Conduct sets clear guidelines that help our suppliers

understand McDonald's expectations.

Every supplier is required to sign the Code and their facilities acknowledge the Code annually.

The Code details our expectations regarding the following:

1. Human Rights
2. Workplace Environment
3. Environmental Management
4. Business Integrity

Quality Ingredients from Local and Global Suppliers

We recognize that **local sourcing** is increasingly important to some consumers—however they choose to define it. We often source our food within the country where it will be served.



Beef: McDonald's Australia serves only Australian beef and McDonald's UK gets its beef from Irish and British farmers.



Produce: The majority of McDonald's USA's fresh leafy greens are sourced from the United States, with some product coming from Mexico. Fresh tomatoes are sourced from places like Florida, the Carolinas, California and Mexico.



Potatoes: McDonald's USA sources potatoes from Idaho, among other locations in the U.S. and Canada.

We will continue working with our suppliers to source quality foods for consumption in the country where they are produced and in other applicable markets.

Striving to Source Our Food More Sustainably



Over the years, we've worked hand-in-hand with our suppliers to get better at responsible purchasing. For example, we purchase whitefish from **Marine Stewardship Council-certified fisheries**, as well as varying quantities of coffee from **Rainforest Alliance Certified™** farms and packaging certified by the **Forest Stewardship Council**.

In 2010, McDonald's asked **World Wildlife Fund (WWF)** to study our supply chain and help us prioritize global sustainable sourcing initiatives based on impacts and influence of key ingredients. Findings from WWF's Supply Risk Analysis informed **McDonald's Sustainable Land Management Commitment**. This has now evolved into our road map for the future as it relates to sustainable sourcing of beef, fish, coffee, poultry, palm oil and fiber-based packaging.



Beef

McDonald's goal is to
begin purchasing verified
sustainable beef in

2016.

This sounds simple, but it's actually a big challenge because there hasn't been a universal definition of sustainable beef. That's why we joined forces with other stakeholders to build coalitions and influence industry-wide change. For instance, we collaborated with **World Wildlife Fund (WWF)**, **Cargill**, **JBS**, **Elanco** and others to develop the **Global Roundtable for Sustainable Beef (GRSB)**. We began our work in 2011, and now, this multi-stakeholder group has drafted guiding principles and best practices for sustainable beef – a breakthrough for the beef industry, and for McDonald's.

Regionally, McDonald's participates in several organizations working toward sustainable beef:

**GTPS—BRAZILIAN ROUNDTABLE
ON SUSTAINABLE LIVESTOCK**



**FOUNDING MEMBER OF CANADIAN
OUNDTABLE FOR SUSTAINABLE BEEF**

**CATTLE COUNCIL OF AUSTRALIA RISING
BEEF CHAMPIONS INITIATIVE**

McDonald's Australia is sponsoring the Cattle Council of Australia Rising Beef Champions Initiative, which helps future leaders of the beef industry build their networks, develop skills and gain insight into the policymaking role that the Cattle Council fulfills.

McDonald's USA is collaborating with the **National Cattlemen's Beef Association** and others to drive sustainable beef production in the U.S. In 2013, three workshops brought more than 80 participants together for presentations, expert panels, discussion, and field tours focused on beef sustainability.



Global Roundtable for Sustainable Beef

Fish

McDonald's was the first restaurant company to offer Marine Stewardship Council certified whitefish throughout Europe. McDonald's is the first quick-service restaurant chain in the U.S. to offer **MSC-certified sustainable** fish all-year long, and McDonald's Canada is the first major Canadian quick-service restaurant chain to achieve MSC certification.

1st

100%

of the fisheries that McDonald's system sources whitefish from are verified sustainable sources.

Chicken



Chicken has been part of McDonald's menu since the McChicken sandwich was introduced in 1975.

Today, we offer a variety of chicken items around the world, including our Chicken McNuggets, sandwiches, salads, wraps and bone-in chicken. Proper land use for the growth of poultry feed and responsible management of poultry waste are two important environmental considerations for our supply chain.

The poultry Sustainable Three Es—ethics, environment, economics—Project (STEP), is a three-year initiative launched in 2012 by McDonald's Europe.

This initiative aims to review and improve the existing agricultural standards for chicken production across our European supply chain. The project will drive further progress on key issues such as animal health and welfare and the environmental impacts of chicken production, by identifying and scaling best practices from across the European supply chain. Results will help to inform global principles for sustainable poultry production.



Coffee

Globally, we're committed to responsible coffee sourcing, and we're focusing our efforts in **two primary ways** that are intended to drive ethical, environmental and economic outcomes in our coffee supply chain.

BUYING CERTIFIED (AND VERIFIED) COFFEE



Globally in 2012, about **25% of our total coffee bean purchases** were from farms that were Rainforest Alliance Certified™, UTZ Certified or certified by Fair Trade USA or Fairtrade International.

100%

The majority of these certified coffee purchases are from Rainforest Alliance Certified™ farms, including **100% of espresso in the U.S. and Canada, and all of our coffee in Australia and New Zealand. McDonald's markets in Europe* source 100% of their coffee**—with the exception of decaf— from farms that are **Rainforest Alliance Certified™, UTZ Certified or certified by Fairtrade International.**

(*Excludes Morocco, which is considered by McDonald's as part of its geographic segment in Europe.)

INVESTING IN FARMER TRAINING

McDonald's USA, McDonald's Canada and their franchisees are investing over **\$6 million in a 4.5 year time period on a farmer technical assistance program.** They are collaborating with **TechnoServe**, an international non-profit and leading provider of agricultural technical assistance, as well as **SCAN** (Sustainable Commodities Assistance Network), to train up to **13,000 farmers in Guatemala and Central America.**



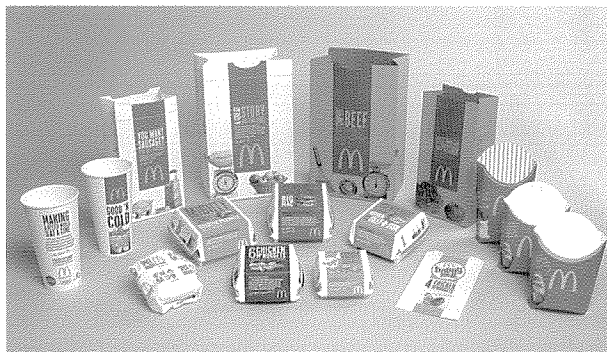
TECHNOSERVE
BUSINESS SOLUTIONS TO POVERTY

scan Sustainable
Commodity
Assistance
Network

McDonald's aims to **improve the overall sustainability of our packaging** through product design and responsible sourcing.

The packaging for items purchased by our customers is intended to contain and protect the contents from the restaurant to a customer's final destination. **The majority of our packaging is fiber-based**—including fry boxes and sandwich “clamshells,” wrappers, tray liners, cups and other items.

McDonald's priority is to optimize the amount of packaging we use, and to **use only sustainably sourced materials** that are recyclable or compostable. In collaboration with our suppliers, we pursue these priorities in three critical areas:



Optimize weight
and simplify
the number of
materials used in
our packaging

Increase use
of recycled
or certified
raw materials

Work to use recoverable packaging with viable end-of-life options



A CUP WITH LESS PLASTIC

The four-flap McFlurry cup in use by **McDonald's Australia** since late 2011 eliminated the need for a lid and **reduced plastic use by more than 58 metric tons** during 2013.

Palm Oil

McDonald's goal is that **100% of the palm oil** used in our restaurants and as ingredients in McDonald's products **will support the production of sustainable palm oil**. This includes sourcing from Roundtable on Sustainable Palm Oil certified sustainable sources or covering usage with GreenPalm Book and Claim certificates for palm oil or palm kernel oil.

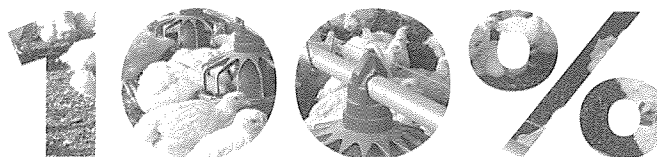
Animal Health & Welfare

A LEGACY OF CONTINUOUS IMPROVEMENT AND INDUSTRY INVOLVEMENT



Improving animal health and welfare is a journey, not a destination. At McDonald's, we recognize that there will always be opportunities for improvement as the science of animal health and welfare continues to evolve. **We have worked for more than 25 years with the industry, leveraging their deep understanding of these issues associated with animal production and**

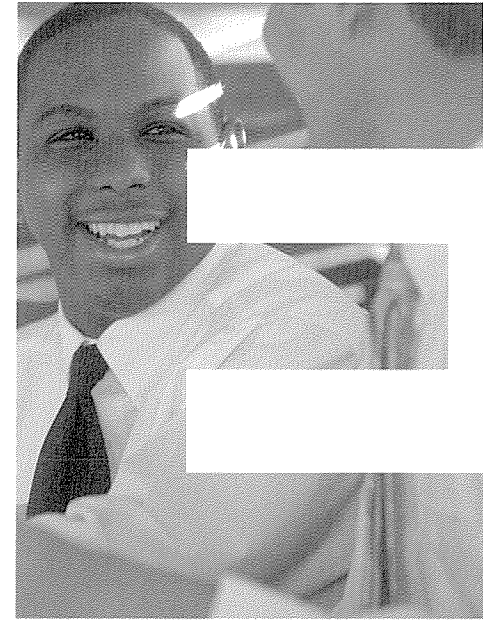
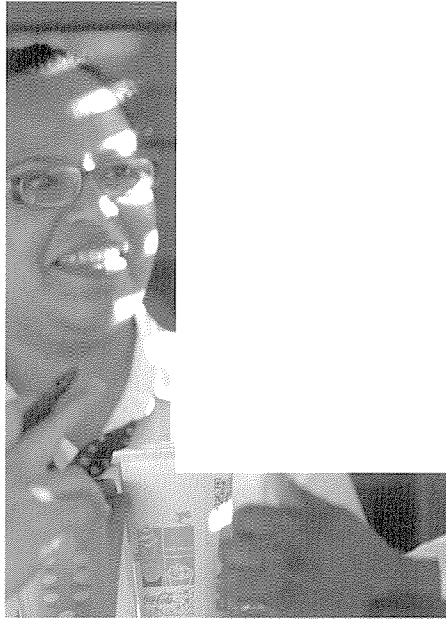
processing, and recognized animal health and welfare experts, such as Dr. Temple Grandin, Dr. Joy Mench, Dr. Janice Swanson and Dr. Ed Pajor, members of our original Animal Welfare Council. Each has advised McDonald's on animal health and welfare initiatives and opportunities where we can drive improvement through the industry.



facilities audited

McDonald's requires that all approved abattoir facilities supplying McDonald's undergo a third party animal health and welfare audit annually. As of April 30, 2014, McDonald's had **598 approved abattoir facilities** globally for beef, poultry and pork. For the audit period ending December 31, 2013, 100% of our approved facilities were audited for animal health and welfare.





We are committed to our people.

We provide **opportunity, nurture talent, develop leaders** and **reward achievement**.

We believe that **a team of well-trained individuals with diverse backgrounds and experiences**, working together in an environment that **fosters respect** and **drives high levels of engagement**, is essential to our continued success.

Training

Training and development is what McDonald's is all about.

It is essential that shifts are staffed by skilled, well-trained crew members.

Training for crew members includes foundational topics to orient them to McDonald's operations and expectations in customer service, communication and restaurant production/service stations.



McDonald's Hamburger University embodies our commitment to training that fosters talent, develops leaders and leverages life-long learning.

Since its 1961 founding by former chairman Fred Turner in a restaurant basement, **Hamburger University has grown to seven campuses around the world**, with training provided in **28 languages**. McDonald's franchisees, managers and employees are **trained in restaurant procedures, quality, food safety, service, cleanliness and value**. Students in some areas are eligible to receive university credits for their Hamburger University courses, helping them earn advanced degrees while building their careers.

2013 EMPLOYEE SATISFACTION SURVEY

89% of restaurant crew members were satisfied that they receive the training needed to do a good job*

87% of restaurant managers feel the person they report to supports their professional development*

More than 3.1 million learning modules completed by restaurant management and mid-management in the U.S. alone (in both Company-owned and franchised restaurants)*

*Data reflects numbers from Company-owned restaurants in Canada, Germany, the UK, and the U.S., as well as restaurants in Brazil and Japan

**CHIEF
LEARNING
OFFICER**
Solutions for Enterprise Productivity

In 2013,
McDonald's
USA was
ranked

**#2 Best Organization for
Learning and Development** by
Chief Learning Officer Magazine

McDonald's was ranked **#8 Best Company
for Leadership** by the Hay Group in 2013

HayGroup®



In 2014, Arcos Dorados,
McDonald's largest
franchisee in Latin America
and the Caribbean,
was ranked **#4 on the**

**"2014 Best Multinational Workplaces
in Latin America"** list by the Great Place
to Work Institute®



WE ARE PROUD
TO BE **ONE OF
ONLY 8 FORTUNE
500 COMPANIES**
TO RECEIVE
COLLEGE
ACCREDITATION
FOR TRAINING

**FORTUNE
500**

IN 2014,
McDONALD'S
RANKED
#3 AMONG
ALL COMPANIES FOR
**"MANAGEMENT
QUALITY"**

Training continued

Worldwide, more than **334,000** McDonald's franchisees, managers and employees have graduated from Hamburger University.



1 In Brazil, as of the end of 2013, **more than 5,000 people** have graduated from McDonald's University.

2 In the UK, McDonald's has **partnered with Manchester Metropolitan University to offer business managers a Foundation Degree in Managing Business Operations.** The university awards the degree, which is delivered and assessed by McDonald's.

3 In France, McDonald's helps restaurant staff obtain degrees. To promote continuing education among restaurant employees, **McDonald's France obtained Validation of Acquired Experience (VAE) for the professional experience and training of restaurant employees.** McDonald's France encourages employees to take part in VAE to develop professional competencies, receive degrees through the VAE program and be better prepared for the wider job market.

4 In Germany, a 3-year apprenticeship program for restaurant managers leads to a **qualification recognized by the Chamber of Industry and Commerce.**

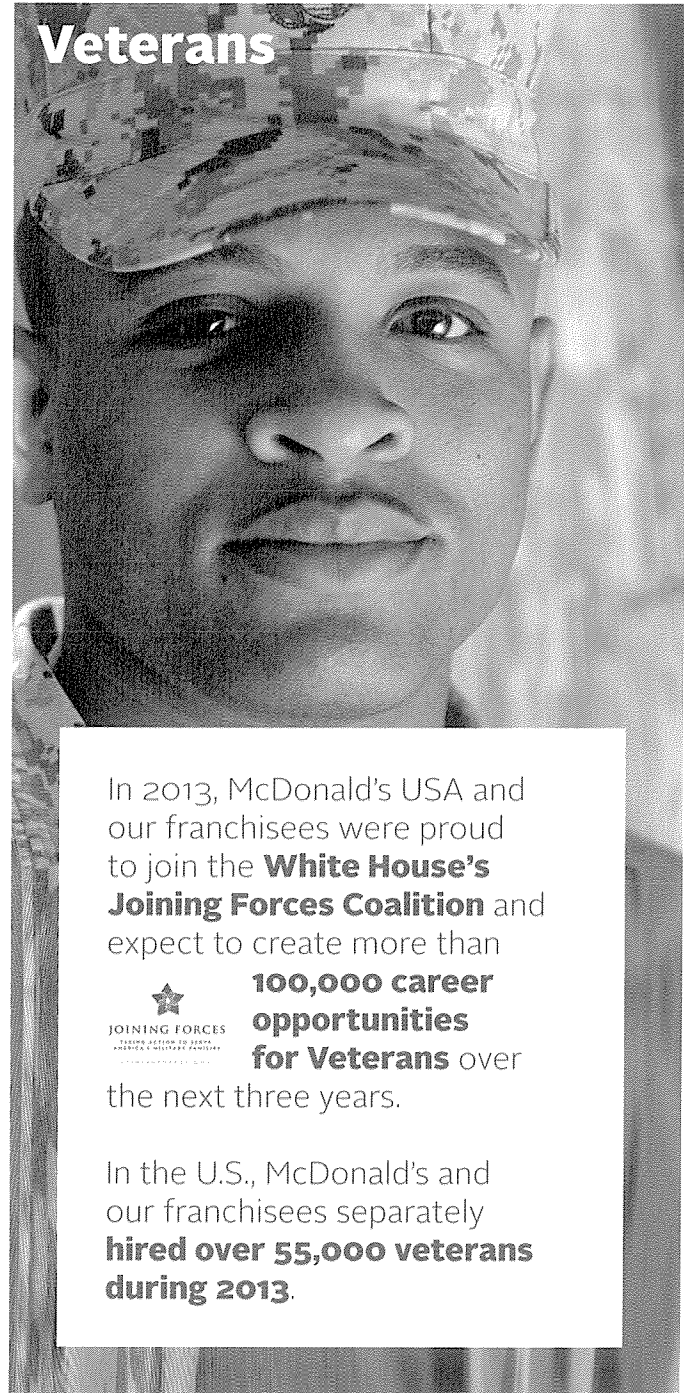
5 In the U.S., **English Under the Arches** is an English as a Second Language program that teaches supervisors and managers the English they need to communicate effectively and confidently with customers and staff. **More than 2,400 employees** separately employed by McDonald's and our franchisees have completed the program since it began in 2007.



6 In Asia, Hamburger University courses are accredited by major universities in mainland China, Hong Kong and Taiwan.

7 In Australia, McDonald's offers free "traineeships," which are structured, self-paced training programs for crew that lead to nationally recognized qualifications, credit toward university degrees and a foundation for a management career. Also in Australia, the online platform "Metime" provides management and crew training resources, including orientation information, me-learning, the operations and training manual, and traineeship resources.

Veterans



In 2013, McDonald's USA and our franchisees were proud to join the **White House's Joining Forces Coalition** and expect to create more than



100,000 career opportunities for Veterans over the next three years.

In the U.S., McDonald's and our franchisees separately **hired over 55,000 veterans during 2013.**

Diversity & Inclusion

At McDonald's our goal is to foster an environment within our global system where **everyone sees differences as strengths** and **feels valued and respected**, on both sides of the counter.

We embrace all the dimensions of diversity and leverage the differences that make us strong as we strive to meet the needs of our franchisees, suppliers, employees and customers every day.

OUR DIVERSITY AND INCLUSION MISSION

Champion a global cultural intelligence mindset that motivates leaders to hold themselves and their teams accountable to value and respect everyone on both sides of the counter.

Galvanize diverse external partner organizations to advance mutual goals and inspire them to become brand ambassadors and advocates.

Spearhead global collaboration to leverage differences as strengths and have the courage to be in the presence of discomfort that results from an inclusive environment.

McDonald's tied for
**5th out of 100 large
companies for diversity
in the 2013** Calvert
Investments ranking.



In 2011, McDonald's
was recognized
with the prestigious
**Catalyst Award
for its Global
Women's Initiative**
which has helped
McDonald's develop
and advance women
around the world.



McDonald's has a **proud history of
noteworthy work in the area of
diversity and inclusion** and is frequently
the recipient of many awards and honors
in this area. A few examples of awards
and honors McDonald's received in 2011
are as follows:

**BLACK
ENTERPRISE**

**Black Enterprise
Magazine**

40 Best Companies
for Diversity

LATINA*Style*

LATINA Style Magazine

The 50 Best Companies
for Latinas to Work
for in the U.S.

**WORKING
MOTHER**

**Working Mother
Magazine**

Best Companies for
Multicultural Women

28% of positions

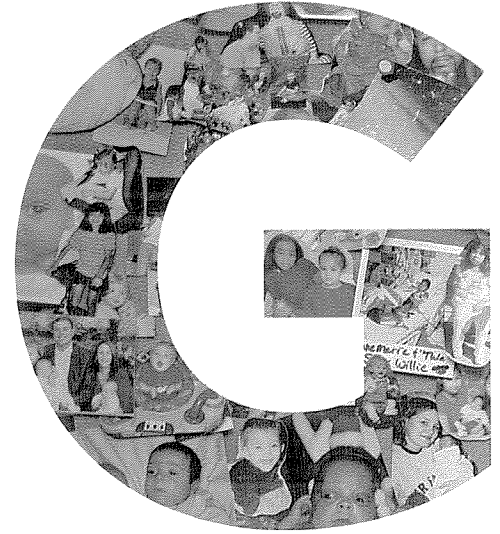
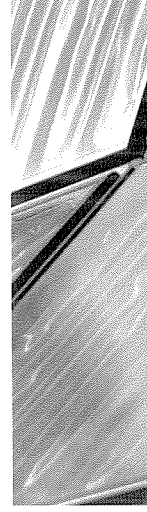
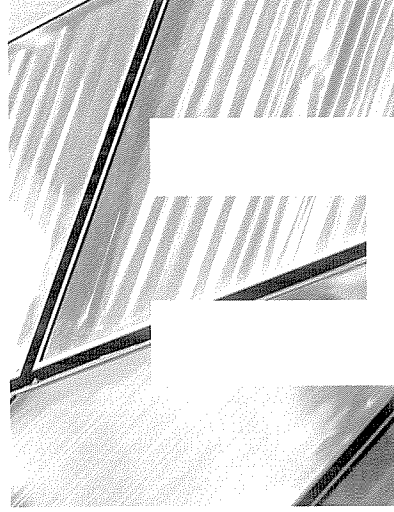
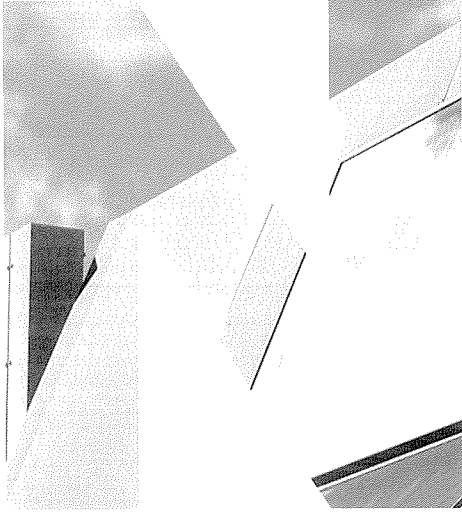
V.P. and above at McDonald's Corporation
are held by women* *As of 3/31/14

**In 2013, McDonald's U.S. system
purchased approximately \$8.8 billion
in goods and services from
minority- and women-owned suppliers.**

Collectively, this represents

75%

of our total U.S. expenditures for
food, packaging, equipment, uniforms
and premiums.





Strengthening our communities
and creating shared value for business
and a better planet.

Giving back to the community is a core
McDonald's value. We focus our efforts
on support of Ronald McDonald House
Charities (RMHC) and other organizations
that make a measureable impact on the
well-being of children and their families.

When it comes to the environment,
**less is more – less energy, fewer
emissions, less water and less waste.**
We seek to reduce our environmental
impact because it is not only good for our
planet, but it is also good for business.

Supporting our Communities

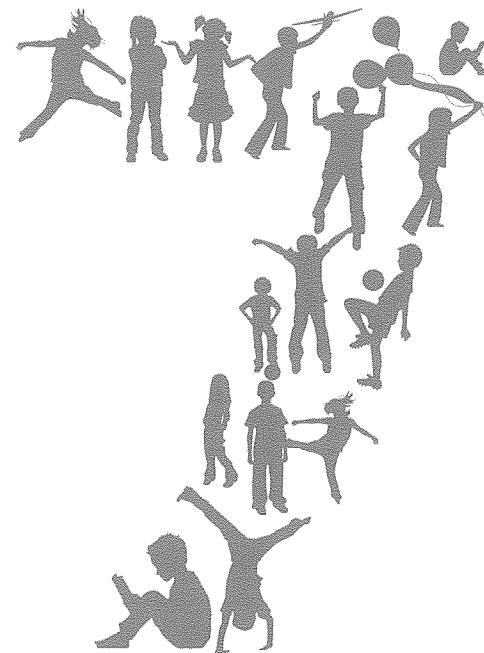


Giving back to the community is a core McDonald's value and a foundation of McDonald's culture.

As a global company, we **collaborate** with our **employees, franchisees, suppliers** and **charitable organizations to create and support programs that help address the local needs and societal issues** of concern to stakeholders in the communities where we operate.



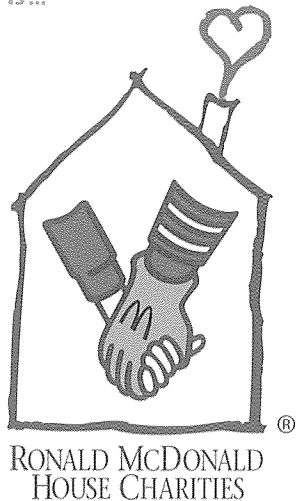
ANNUALLY, RMHC IMPACTS
THE LIVES OF



MILLION

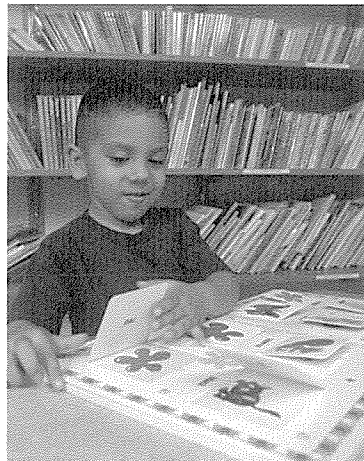
CHILDREN AND
THEIR FAMILIES.

McDonald's
is...

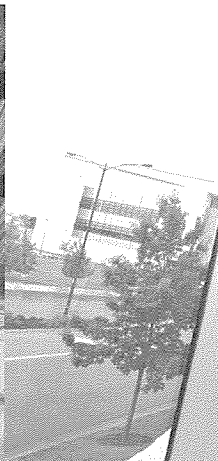


RMHC - McDONALD'S
CHARITY OF CHOICE

Globally, over 290
RMHC Chapters
support **three core
family-centered
programs**:



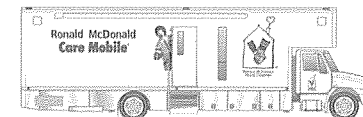
**Ronald McDonald
Houses** provide
a "home away from
home" for families
with seriously ill
children receiving
treatment at
nearby hospitals.
More than
**8,000 families
stay in Ronald
McDonald Houses
each night.**



**Ronald McDonald
Family Rooms**
offer families a
place to relax and
refresh in the
hospital setting.
The Family Rooms
provide comfort
to more than
**4,000 families
each day.**



**Ronald McDonald
Care Mobiles** are
state-of-the-art
mobile clinics that
**deliver pediatric health care services
to 154,000 children** in vulnerable rural
and urban communities every year.



EVERY DAY, MORE THAN

**20,000
families**

BENEFIT FROM RMHC PROGRAMS
AROUND THE WORLD.

Promoting Education and Physical Activity



In collaboration with local cultural, civic and non-profit organizations, **McDonald's empowers local communities to grow strong.**



During 2012 and 2013, the **McDonald's Foundation** partnered with the non-profit organization **KaBOOM!** to **build 12 playgrounds in the U.S.**, focusing on neighborhoods that don't have many places for kids to play outdoors.

KaBOOM! uses a community-build model that empowers communities to improve their neighborhood and inspires community volunteers to stay involved. **Building safe places to play is directly connected to our long-standing commitment to help children be active.**

McDonald's is inviting families to celebrate the joy of reading through fun Happy Meal books.

In 2012, **McDonald's Europe** distributed over **30 million printed books to parents and children in 37 languages** and in the summer of 2013 launched Europe's biggest-ever giveaway of digital interactive books.



As part of a global Happy Meal book program McDonald's USA provided more than **17 million books to families across the U.S.** through the Happy Meal during November 2013 and will give families access to a new interactive digital book each month through the end of 2014.

AUSTRALIA



For the past 25 years, **McDonald's Australia** has sponsored the **McDonald's Sydney Eisteddfod**, the country's largest performing arts competition with an 80-year history and 30,000 participants. McDonald's Australia also funds two major scholarships for ballet and opera studies. **In 2013, McDonald's Australia awarded 25 grants to celebrate its partnership with the McDonald's Sydney Eisteddfod.**

CANADA



No event better illustrates McDonald's commitment more than helping children through McHappy Day.

Since 1977, when **the first McHappy Day took place in Canada**, this initiative has expanded worldwide, **uniting McDonald's restaurants around the globe to raise funds for RMHC and other local charities.** McHappy Day has inspired creativity at McDonald's restaurants around the world.

JAPAN



More than 100,000 kids and parents participate in Nutrition Programs through the **Food Education Time and Tasty! Smile Project initiatives.** **McDonald's Japan** uses educational tools to engage school-aged children and their parents in identifying good food choices for balanced diets and encourage active lifestyles.



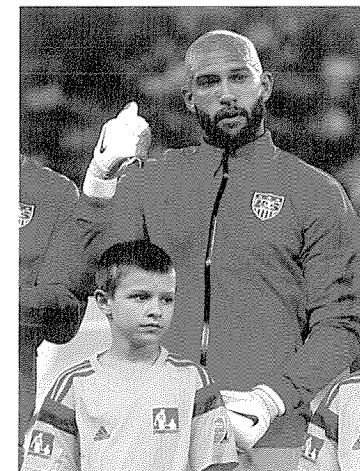
Bringing the Spirit of the Olympic Games to Children Everywhere, **McDonald's created Champions of Play.**

The Champions of Play program is an effort to **emphasize the importance of play and being active**, and create a unique experience for kids and families. In 2012, **nearly 200 children from 33 countries traveled to London**, where they attended Olympic sporting events, met athletes and visited the Athletes' Village, and participated in chef demonstrations with McDonald's Executive Chef.

McDonald's has supported soccer or "football," at the global and grassroots levels for more than 25 years.

As a **Worldwide Sponsor of the FIFA* World Cup™ since 1994**, McDonald's has been bringing the world's passion for football to life through in-restaurant activities and promotions during the tournament. The unique **McDonald's Player Escort Program is part of our ongoing commitment to children's well-being**, encouraging them to participate in sports while providing an experience they will never forget.

*Fédération Internationale de Football Association



Environmental Highlights

Strengthening environmental strategies: **developed climate change position statement, estimated system-wide carbon footprint following GHG Protocol, and long-term water scarcity mapping** for restaurants worldwide.

WASTE AND RECYCLING

Of the 34,113 restaurants surveyed in 2013,

90%

reported recycling used cooking oil and

77%

reported recycling corrugated cardboard.

McDONALD'S
AUSTRIA ACHIEVED
AN OVERALL

95%

RECYCLING RATE IN
ITS RESTAURANTS
WITH THE
McRECYCLE®
PROGRAM.

McDonald's
is ...



Between 2010 and 2013, McDonald's distributors' entire fleet of supply trucks in the **United Arab Emirates** currently run on **100 percent biodiesel made from vegetable oil** recycled from McDonald's restaurants.

McDonald's U.S. Distributor Council has **reduced travel in the U.S. by**

1,250,000 km

per year* saving over an estimated 500K liters of diesel per year

*Average annual values, 2008-2013

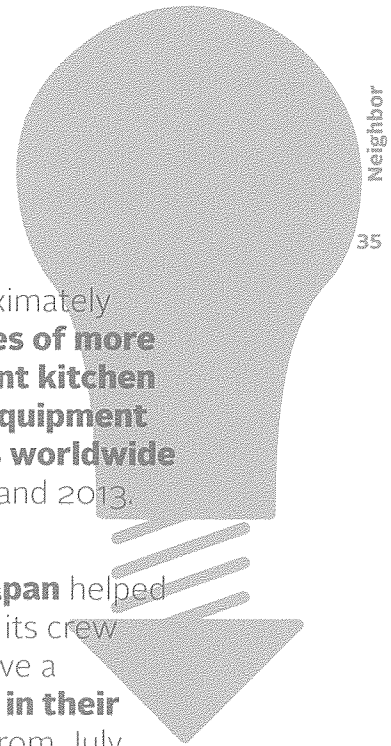


The first green restaurant in **Pilar, Argentina**, built by Arcos Dorados, McDonald's developmental licensee in Latin America, became **the first new building in the country to receive LEED® Gold** for New Construction certification.

ENERGY

Installed approximately **300,000 pieces of more energy efficient kitchen and building equipment in restaurants worldwide** between 2010 and 2013.

McDonald's Japan helped nearly 5,500 of its crew members achieve a **15% reduction in their power usage** from July through September 2011.



Neighbor

35



GLOBAL GOVERNMENT &
PUBLIC AFFAIRS

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respective owners



GLOBAL GOVERNMENT & PUBLIC AFFAIRS

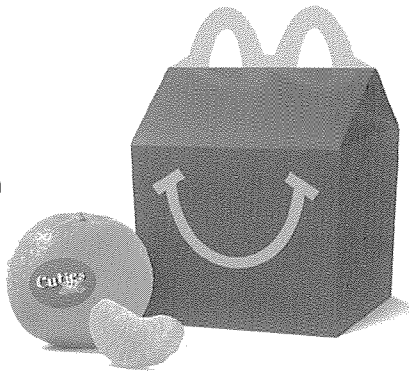


customers. More than **80% of McDonald's restaurants worldwide are owned and operate by independent franchisees**. An estimated 1.8 million people separately employed by McDonald's and our franchisees, helping us deliver on our collective mission to be **the world's best food and nutrition information** with our customers. We're committed to quality food, responsible marketing, providing information to enable our guests to make informed choices that fit their nutrition needs and sourcing sustainably. We're collaborating with **Generation** to leverage menu and marketing power to promote balanced food and beverage choices. We commit to: **Provide customers a choice of a side salad, fruit or vegetable** as a substitute for French fries in value meals*. Salad, fruit or vegetable option generate excitement for produce and dairy. **Ensure 100% of all advertising** directed to children to include a fun nutrition or children's well-being message. Since March 2012, we have served approximately 1.1 billion packages of apples in kids meals in the U.S. **Be the Well-Being Customer purchases of fruit and vegetables in Happy Meals more than quadrupled** in those markets that make up the majority of our business between February 2010 and July 2012. Today more than **95% of our restaurants around the world** **Meals** In 2013, McDonald's commissioned Cornell University's Food and Brand Lab researchers, **Brian Wansink** and **Andrew S. Hanks**, to do original research which studied the impact of our Happy Meal changes in the U.S. The Cornell University Food and Brand **average 18.8% fewer total calories in their meals**. France: Crunchy Wednesdays, a program by **McDonald's France** that runs one Wednesday a month, offers easy-to-eat fruit to each child who visits McDonald's and purchases a Happy Meal on that day. As a re number of Happy Meals sold with fruit during the initial promotional period, U.S. Beginning in July 2014, the **U.S. added Go-GURT® Low Fat Strawberry Yogurt** as an additional side option for Happy Meals and Mighty Kids Meals. Made exclusively for McDonald's McDonald's USA uses buns made with **8 grams of whole grain** for premium chicken sandwiches, offers Fruit & Maple Oatmeal with **two servings of whole grain in the oatmeal** and uses an **English muffin made with 8 grams of whole grain** for breakfast sandwich by country and menu item. Because nutrition values vary around the world, McDonald's markets have different baselines for measuring sodium content and different opportunities to reduce sodium. The number of McDonald's markets and the menu variation among we have **reduced the sodium in grilled chicken by 45% and crispy chicken by 50%**, both of which are used in sandwiches and salads. **Increasing Customer and Employee Access to Nutrition and Sourcing Information** McDonald's serves approximately **70 new McDonald's Australia mobile app, TrackMyMacca's, takes customers behind the scenes to show where their food came from**. The app shares information about the sources of our food in a fun and interactive way. In 2012, our consumers accessed in carry-out bags and fountain beverage cups in many markets. **The QR codes link to nutrition information on local websites or to McDonald's food quality stories in local languages**. Menu Board Labeling: We've **added calorie counts** (or their local equivalent) content of McDonald's menu items. **Marketing Responsibly We are committed to playing a positive role in children's lives** through responsible advertising and programs that help educate them on the importance of balanced eating and physical activity in a commitments: 1. **Reformulate products and develop new products** that support the goals of improving diets. 2. **Provide easily understandable nutrition** information to all consumers 3. Extend our initiatives on **responsible advertising and marketing to child Marketing**, which help markets make responsible choices when communicating to children. Some markets further strengthen this commitment by participating in local industry self-regulatory food marketing pledges which in total cover more than 50 countries. **Commitments around the world. Since 2003, the GAC has provided McDonald's with guidance on global nutrition labeling and approaches for motivating children to eat more fruits and vegetables and stay active. Food Safety by Suppliers and Distributors more than 30 key topics from air and water quality to facility management and traceability**. Once products leave the supplier they are delivered to our restaurants from approved, audited distribution centers that meet McDonald's food safety and quality standards. component of the restaurant assessment process. All of McDonald's global food safety procedures require daily verification at the restaurant level. McDonald's Supplier Code of Conduct: The Supplier Code of Conduct sets clear guidelines that help our suppliers understand Business Integrity. We recognize that **local sourcing** is increasingly important to some consumers—however they choose to define it. We often source our food within the country where it will be served. **Beef:** McDonald's Australia serves only Australian beef and h and Mexico. **Potatoes:** McDonald's USA sources potatoes from Idaho, among other locations in the U.S. and Canada. We will continue working with our suppliers to source quality foods for consumption in the country where they are produced and in other applicable quantities of coffee from **Rainforest Alliance Certified™** farms and packaging certified by the **Forest Stewardship Council**. In 2010, McDonald's asked **World Wildlife Fund (WWF)** to study our supply chain and help us prioritize global sustainable sourcing initiatives: coffee, poultry, palm oil and fiber-based packaging. **Beef** McDonald's goal is to begin purchasing verified sustainable beef in 2016. This sounds simple, but it's actually a big challenge because there hasn't been a universal definition of sustainable beef. That's why we work in 2011, and now, this multi-stakeholder group has drafted guiding principles and best practices for sustainable beef – a breakthrough for the beef industry, and for McDonald's. Regionally, McDonald's participates in several organizations working toward sustainable beef. Champions Initiative, which helps future leaders of the beef industry build their networks, develop skills and gain insight into the policymaking role that the Cattle Council fulfills. McDonald's USA is collaborating with the **National Cattlemen's Beef Association** and **offer Marine Stewardship Council certified whitefish throughout Europe**. McDonald's is the first quick-service restaurant chain in the U.S. to offer **MSC-certified sustainable** fish all-year long, and McDonald's Canada is the first major Canadian quick-service restaurant to offer a variety of chicken items around the world, including our Chicken McNuggets, sandwiches, salads, wraps and bone-in chicken. Proper land use for the growth of poultry feed and responsible management of poultry waste are two important environmental considerations in chicken production across our European supply chain. The project will drive further progress on key issues such as animal health and welfare and the environmental impacts of chicken production, by identifying and scaling best practices from across the European supply chain. **Buying Certified (and Verified) Coffee:** Globally in 2012, about **25% of our total coffee bean purchases** were from farms that were Rainforest Alliance Certified™, UTZ Certified or certified by Fair Trade USA or Fairtrade International. **Investing in coffee**—with the exception of decaf—from farms that are **Rainforest Alliance Certified™, UTZ Certified or certified by Fairtrade International** (*Excludes Morocco, which is considered by McDonald's as part of its geographic segment in Europe). **Investing in agricultural technical assistance**, as well as **SCAN (Sustainable Commodities Assistance Network)**, to train up to **13,000 farmers in Guatemala and Central America**. **Packaging** McDonald's aims to **improve the overall sustainability of our packaging** through sustainable packaging, such as **sandwich "clamshells," wrappers, tray liners, cups and other items**. McDonald's priority is to optimize the amount of packaging we use, and to **use only sustainably sourced materials** that are recyclable or compostable. In collaboration with our suppliers, we pursue **Less Plastic:** The four-flap McFlurry cup in use by **McDonald's Australia** since late 2011 eliminated the need for a lid and **reduced plastic use by more than 58 metric tons** during 2013. **Palm Oil** McDonald's goal is that **100% of the palm oil** used in our restaurants is **Animal Health & Welfare** A Legacy of Continuous Improvement and Industry Involvement: Improving animal health and welfare is a journey, not a destination. At McDonald's, we recognize that there will always be opportunities for improvement. **Animal health and welfare experts**, such as **Dr. Temple Grandin, Dr. Joy Mench, Dr. Janice Swanson and Dr. Ed Pajor, members of our original Animal Welfare Council**. Each has advised McDonald's on animal health and welfare initiatives and opportunities where we can make a difference. **Abattoir facilities** globally for beef, poultry and pork. For the audit period ending December 31, 2013, 100% of our approved facilities were audited for animal health and welfare. **People: We are committed to our people**. We provide **opportunity, nurture talent and ensure continued success. Training: Training and development is what McDonald's is all about**. It is essential that shifts are staffed by skilled, well-trained crew members. Training for crew members includes foundational topics to orient them to McDonald's operations and ongoing training by former chairman Fred Turner in a restaurant basement. **Hamburger University has grown to seven campuses around the world**, with training provided in **28 languages**. McDonald's franchisees, managers and employees are **trained in restaurant operations**. **89% of restaurant crew members were satisfied** that they receive the training needed to do a good job. **87% of restaurant managers** feel the person they report to supports their professional development. **More than 3.1 million learning modules** completed in 2012. Worldwide, more than **334,000** McDonald's franchisees, managers and employees have graduated from Hamburger University. **In Brazil**, as of the end of 2013, **more than 5,000 people** have graduated from McDonald's University. **In the UK**, McDonald's staff obtain degrees. To promote continuing education among restaurant employees, **McDonald's France obtained Validation of Acquired Experience (VAB) for the professional experience and training of restaurant employees**. McDonald's France encourages its employees to **be recognized by the Chamber of Industry and Commerce. 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Our Diversity and Inclusion Mission: **Champion a global cultural intelligence mindset** that motivates leaders to hold themselves accountable for the differences as strengths and have the courage to be in the presence of discomfort that results from an inclusive environment. McDonald's tied for **5th out of 100 large companies for diversity in the 2013** Calvert Investments ranking. In 2011, McDonald's was recognized as a recipient of many awards and honors in this area. A few examples of awards and honors McDonald's received in 2011 are as follows: **Black Enterprise Magazine** 40 Best Companies for Diversity **LATINA Style Magazine** Title 50 Best Companies for Latinos to Work For **our total U.S. expenditures for food, packaging, equipment, uniforms and premiums. Neighbor: Strengthening our communities** and creating shared value for business and a better planet. **Giving back to the community** is a core McDonald's value. We focus on **less waste**. We seek to reduce our environmental impact because it is not only good for our planet, but it is also good for business. **Supporting our Communities** Giving back to the community is a core McDonald's value and a foundation of McDonald's culture. At McDonald's, we are committed to **reading through fun Happy Meal books**. In 2012, **McDonald's Europe** distributed over **30 million printed books to parents and children in 37 languages** and in the summer of 2013 launched Europe's biggest ever giveaway of digital interactive books. As part of our commitment to **Australia**: For the past 25 years, **McDonald's Australia** has sponsored the **McDonald's Sydney Eisteddfod**, the country's largest performing arts competition with an 80-year history and 30,000 participants. McDonald's Australia also funds two major scholarships. 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McDonald's experience they will never forget. *Fédération Internationale de Football Association **Environmental Highlights** Strengthening environmental strategies: **developed climate change position statement, estimated system-wide carbon footprint following GHG protocol** an overall 95% recycling rate in its restaurants with the **McRecycle** program. Between 2010 and 2013, McDonald's distributors' entire fleet of supply trucks in the **United Arab Emirates** currently run on **100 percent biodiesel made from vegetable oil recycled from used cooking oil**. In **Spain**, McDonald's distributor, **Arcos Dorados**, McDonald's developmental licensee in Latin America, became **the first new building in the country to receive LEED® Gold** for New Construction certification. Energy installed approximately **300,000 pieces of more energy efficient kitchen equipment** in 2014. © 2014 McDonald's All trademarks used herein are property of their respective owners.

Changing for the better

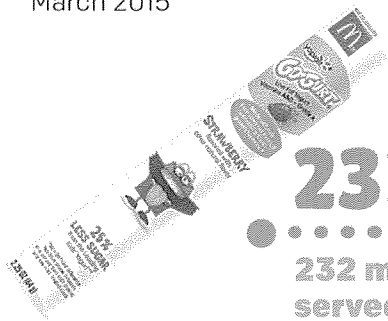
38 million

38 million Cuties were served by McDonald's® in Happy Meals and à la carte from about November 2014 to March 2015



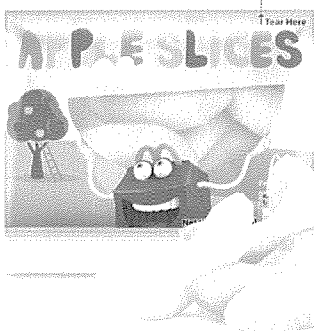
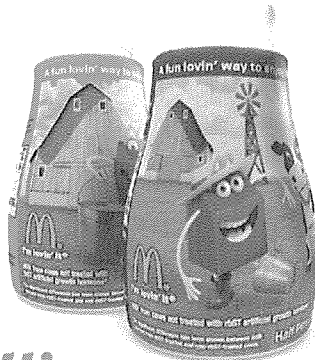
232 million

232 million Go-GURT® tubes were served across all McDonald's USA's restaurants from June 2014 to October 2015



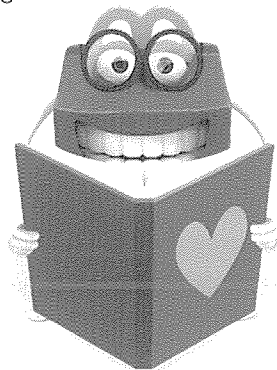
21 million

21 million additional milk jugs and juice boxes were served in Happy Meals and à la carte from July 2014 to May 2015. (Compared to the prior year July 2013-May 2014)



1.5 billion

Since 2012, McDonald's USA has served **more than 1.5 billion packages of apple slices** in kids' meals



32.5 million

Since 2013, McDonald's has distributed **32.5 million Happy Meal® Books** to kids through both sales and donations

Did You Know?



Every Cutie provides an excellent source of Vitamin C.

The Go-GURT® low fat strawberry yogurt available at McDonald's has 6g of sugar per 2.25 oz., while the leading kids' yogurt has 9g of sugar per 2.25 oz.

In the U.S., we have committed to only promoting milk, juice and water as beverage options in our Happy Meals.

During 2015 alone, McDonald's distributed 15.3 million Happy Meal Books through both sales and donations.

McDonald's and the Alliance for a Healthier Generation have a global partnership on a Clinton Global Initiative Commitment to Action to increase families' access to fruit, vegetables and low-fat dairy.

McDonald's nears sale of 2 billion servings of fruit, yogurt



Aamer Madhani, USA TODAY 9:42 p.m. EST January 19, 2016



McDonald's says it has sold nearly 2 billion servings of fruit and yogurt since making changes in 2011 to make its Happy Meal for kids more healthy. (Photo: AP)

McDonald's officials said Tuesday that the company is inching toward reaching 2 billion sales of fruit and yogurt sides in its Happy Meal marketed to children, a proud moment for a fast-food chain that has been criticized for pushing junk food to kids and exacerbating the problem of childhood obesity.

Jessica Foust, McDonald's chef and director for culinary innovation, said the company — which began automatically including fruit or low-fat yogurt in every Happy Meal in 2011 — should reach the milestone in the coming months.

"It's really impactful," Foust told USA TODAY. "If you were to look at this and spread it across the population that would mean that we delivered 27 fruit and low fat yogurt servings to every single kid in America, which is tremendous."

McDonald's began offering the choice between fruit (sliced apples or Cuties clementines when in season) or Go-Gurt with Happy Meals after years of pressure from consumer groups and food activists to increase the availability of fruits and vegetable options on their menu. At the same time, McDonald's cut the french fries

portion size in their kids meal by more than half.

In 2013, McDonald's also made a formal commitment with the Alliance for a Healthier Generation at the annual meeting of the Clinton Global Initiative to take a series of steps to improve access of fruits and vegetables at its restaurants and help families make more informed choices about what they're ordering.

The agreement with the Alliance has led to most restaurants offering side salads as an alternative to fries for customers ordering extra value meals, and the chain began including nutritional information or well-being messages on Happy Meal packaging.

Soda was also removed as an option from the Happy Meal menu boards. With that move, McDonald's saw a substantial increase in customers choosing milk or juice as a beverage, and a decrease in soda sales, according to the Alliance.

Howell Wechsler, CEO of the Alliance, said reaching the 2 billion sales of fruit and yogurt to children is a significant milestone for the fast-food chain. About 87% of children chose fruit, while 13% chose Go-Gurt, according to McDonald's data.

"It's a tremendous opportunity to get kids, particularly low-income kids, used to whole fruits that perhaps they haven't been exposed to enough," Wechsler said. "We need to make lot more progress at getting kids eating whole fruits."

The announcement comes as McDonald's CEO Steve Easterbrook is nearly a year into his push to remake America's biggest fast-food chain into a "modern progressive burger company."

The Oak Brook, Ill., company broke a seven-quarter sales slump in the U.S. in October. Over the last year, the company has sought to underscore efforts to improve the perception of its food, including announcing it was phasing out the use of chickens treated with human antibiotics and switching to real butter for its grilled breakfast items.

Company officials say they are responding to customers who are increasingly mindful of the ingredients they are serving.

McDonald's competition is also upping healthy options. This week, Atlanta-headquartered Chick-fil-A began selling a Superfood Side salad that features kale and broccolini

With its push of healthier options in Happy Meals, McDonald's says it serves nearly twice the fruit and yogurt than the combined sales of Starbucks, Panera Bread, Subway, Wendy's, Chick-fil-A, Burger King and Sonic.

Margo Wootan, director of nutrition policy for the Center for Science in the Public Interest, said McDonald's deserves praise for reaching the milestone, but the company still needs to make greater strides in promoting its healthier options to children.

"McDonald's isn't now a health food restaurant," said Wootan, whose group has pushed McDonald's to make changes to its menu. "But it's important because with kids and their eating habits, you're setting them on the path for the rest of their lifetimes. "

The fruit-and-yogurt push notwithstanding, McDonald's isn't giving up on high-calorie, low-nutritional value food.

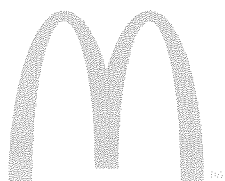
On Tuesday, the company announced it would begin selling a new item called McChoco Potato — the fast-food chain's signatures french fries covered in two kinds of chocolate sauce — in Japan next week.

Company officials say there are no plans currently to sell chocolate covered fries beyond Japan.

<http://www.usatoday.com/story/money/2016/01/19/mcdonalds-nears-sale-2-billion-servings-fruit-yogurt/79018448/>



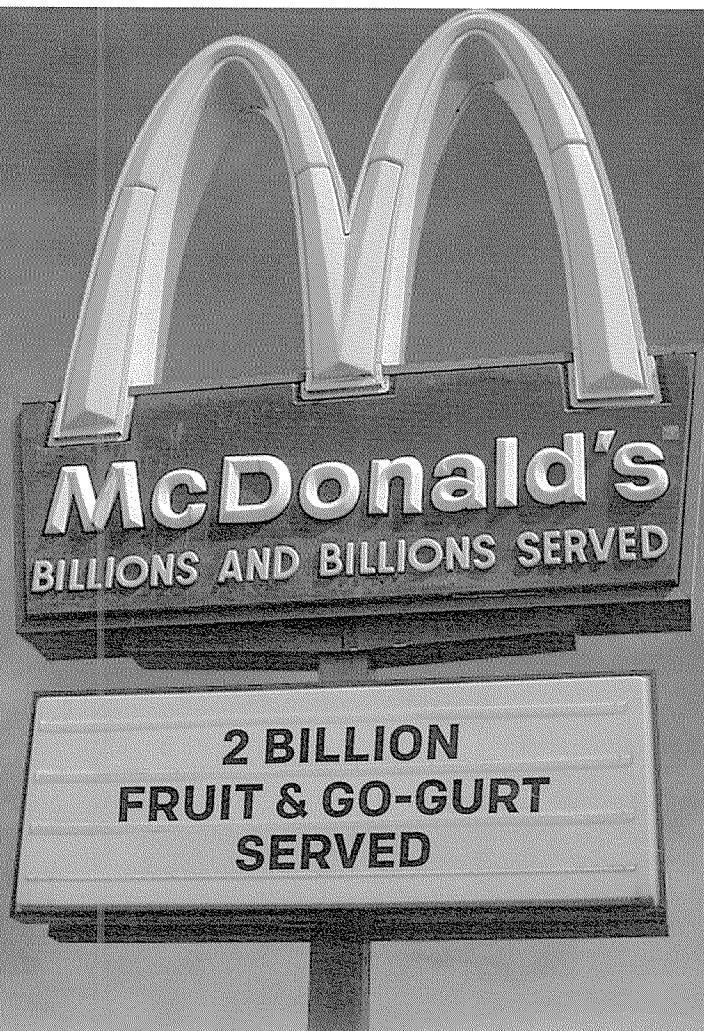
Why do we
now offer
Yoplait®
Go-GURT®
in Happy
Meals?



We believe fun food can also be good food.

For as long as we've been making kids smile, we've been working to make sure moms can feel good, too. That's why, in addition to low-fat milk and apple slices, we're now offering Go-GURT® Strawberry Yogurt as a new choice in our Happy Meals. Made exclusively for McDonald's®, it has 25% less sugar than the leading kids' yogurt*.

*At participating McDonald's. © 2014 McDonald's. Yoplait and Go-GURT are registered trademarks of YOPLAIT MARQUES (France) used under license. Go-GURT® at McDonald's has 6g of sugar per 2.25oz. The leading kids' yogurt has 9g of sugar per 2.25oz.



**In 2016, McDonald's® USA will
celebrate serving more than**

2 Billion sides*

**of fruit and Go-GURT®
since 2012**

* From January 2012-October 2015, more than 1.7 billion sides of fruit and Go-GURT were served with kids' meals. Of this, approximately 87% were fruit and 13% were Go-GURT. Projected 2016 data is based on historical numbers.

Yoplait and Go-GURT are registered trademarks of YOPLAIT MARQUES (France) used under license.



©2016 McDonald's

2013 Nutrition Progress

SCORECARD



The following provides highlights of McDonald's® USA's progress on our "Commitments to Offer Improved Nutrition Choices" between August 1, 2012 and July 31, 2013.

McDonald's added calorie information to

100%
of restaurant menus

nationwide to increase access to nutrition information.



100%

of McDonald's Happy Meals nationally advertised to kids **meet the nutrition criteria** in the Council for Better Business Bureaus' Food Pledge.



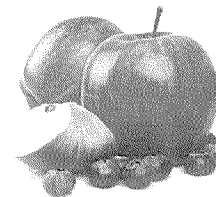
100%

of McDonald's USA national communications to kids since January 2013 have included a **nutrition or active lifestyle message**.



Happy Meals introduced more than

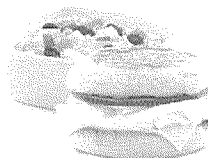
130 million
cups of apples.



Served more than

200 million
cups of fruit

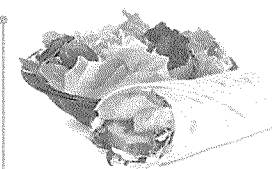
with menu offerings like Apple Slices, Fruit 'N Yogurt Parfait and Fruit & Maple Oatmeal.



420 million
servings of whole grain

with choices like Fruit & Maple Oatmeal, made with 100% natural whole grain oats, bakery-style buns* and the new English muffins.*

*Our bakery-style buns and new English muffins are made with 8 grams of whole grain.



Introduced

410 million

cups of vegetables with menu offerings like our premium salads and side salads. **80 million** cups alone came from Premium McWrap.



Served more than

220 million
cups of low-fat dairy

with choices like Fruit 'N yogurt parfait, fat-free chocolate milk and 1% low-fat white milk.



21% of all Happy Meals sold included either

1% low-fat white milk or fat-free chocolate milk.



↓12%

Amount McDonald's USA has reduced sodium across its national menu of food choices since early 2011.



McDonald's NEW YORK Economic Footprint

Number of Restaurants	683
Independent Owner/Operators	124
Est. Number of Employees by State	41,319
Sales Tax*	\$170,433,374
Income and Property Taxes*	\$30,870,632
Total Taxes*	\$201,304,006

London Economics created an Economic Impact Calculator to compile the following numbers:



2014 Total Economic Impact in New York**	\$830,884,240
2014 Economic Impact of Employment Income in New York**	\$566,307,300

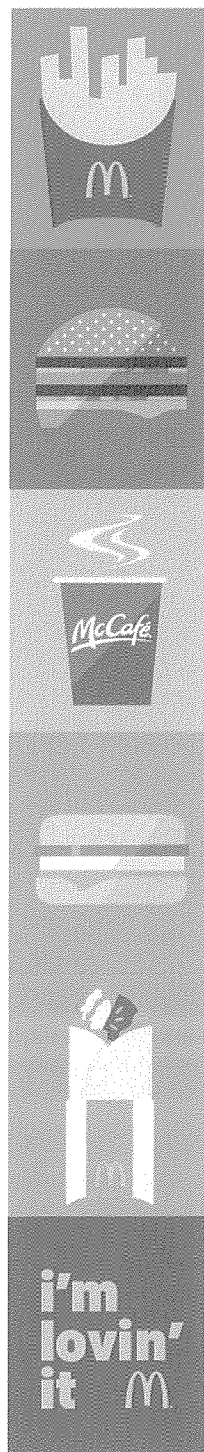
2014 Supplier Purchases From NEW YORK

\$37,751,176.00***

Apples	14,969,695 lbs
Milk	6,089,412 gallons
Strawberries	1,266,409 lbs
Supplier Employees By State	1,544

2014 Statewide Ronald McDonald House Charities

Ronald McDonald Care Mobiles #	1
Ronald McDonald Family Rooms #	2
Ronald McDonald Houses #	8
Ronald McDonald Programs #	11



*Estimate includes sales tax and property tax for all McDonald's restaurants, plus income tax paid on McDonald's Corporation's profits. The estimate does not include state and local income taxes paid by franchisees or any state payroll taxes paid by McDonald's Restaurants.

**Economic impact numbers are based on a comprehensive study completed by London Economics, one of Europe's leading specialist economics and policy consultancies. The study used data for McDonald's Corporation, McDonald's USA and franchised restaurants. The overall report examined McDonald's economic footprint in the United States in terms of its estimated contribution to GDP, tax, employment, economic activity of upstream industries and the development of entrepreneurship.

***Estimates based on calculations provided by suppliers and operations.

Giving families more choices

2014 PROGRESS REPORT UPDATE



McDonald's partnered with the Alliance for a Healthier Generation to promote balanced food and beverage choices.

MCDONALD'S COMMITS TO*

Provide customers a choice of a side salad, fruit or vegetable as a substitute for French fries in value meals

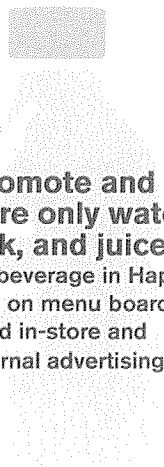


OR



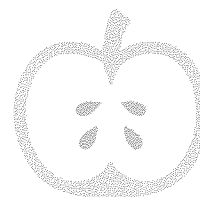
(Salad, fruit or vegetable option will vary per participating market)

Promote and feature only water, milk, and juice as the beverage in Happy Meals on menu boards and in-store and external advertising



Offer new fruit, vegetable, low/reduced fat dairy or water options in the Happy Meal and generate excitement for produce and dairy

Ensure 100% of all advertising directed to children to include a fun nutrition or children's well-being message

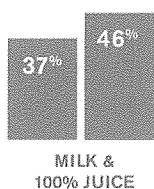


HIGHLIGHTS OF MCDONALD'S USA PROGRESS TO DATE



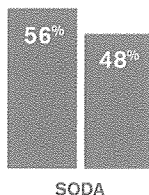
Value Meals: Side Salad, Fruit & Vegetable Offerings
In first month after national rollout (February 2015), 83% of restaurants offered produce as a substitute for fries.

More Happy Meals Served with Low-fat/Fat-free Milk and 100% Juice



Jul '13-May '14
Jul '14-May '15

21 MILLION additional milk jugs and juice boxes served (Jul '14 - May '15) compared to prior year.



SODA

Fruit & Low-Fat Dairy Served**



38 MILLION Cuties® clementines Nov '14-March '15

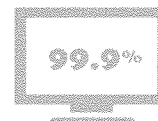


380 MILLION bags of apple slices Jan '14 - Dec '14

Go-GURT®

161 MILLION Go-Gurt® low-fat yogurt with 25% less sugar than the leading kids' yogurt*** Jul '14-May '15

External Ads with Qualifying Message



99.9% of McDonald's TV ads on programs directed to children included a nutrition or children's well-being message.

* All pieces of this commitment will be fulfilled in McDonald's restaurants in 20 major markets by 2020, representing more than 85% of global sales.

** In Happy Meals and a la carte.

*** Go-Gurt® at McDonald's has 6g of sugar per 2.25 oz. The leading kids' yogurt has 9g of sugar per 2.25 oz.

McDonald's and Alliance Partnership on Clinton Global Initiative Commitment

Response to the First Progress Report, Issued June 2015

NANCY BROWN
CEO
American Heart
Association

"This morning's announcement by the Alliance for a Healthier Generation and McDonald's shows tremendous strides in the effort to give families across the country healthier food options when dining out. Since the launch of this initiative with the Alliance for a Healthier Generation in 2013, McDonald's USA has worked to increase the dairy, fruit and vegetable offerings to children. A prime example includes the removal of soda from their Happy Meal selection; ever since, they have reported a nine percent point increase in their consumers making the healthy choice and choosing milk and juice before soda. This data shows families want healthier restaurant options, and providing those options will help them live healthier lives. As a co-founder of the Alliance for a Healthier Generation, alongside the Clinton Foundation, we are happy to celebrate the continued success of this partnership and are eager to see the continued growth over the next few years. Initiatives like this help families around the world take small steps together that lead them to improving their overall cardiovascular health."

**ROBERT WOOD
JOHNSON
FOUNDATION**
Childhood Obesity
Weekly Policy Update
(6/30/15)

REPORT: McDonald's Progressing on Healthier Foods and Beverages Commitments

"Following removal of soda from Happy Meal menu boards, the percentage of McDonald's customers selecting soda with Happy Meals declined by eight percentage points (56 percent to 48 percent), while the percentage of customers choosing milk or juice instead rose by nine percentage points (37 percent to 46 percent), according to an independent evaluation of recent commitments made by the company to promote healthier choices. The commitments were announced in 2013 following a partnership agreement with the Alliance for a Healthier Generation, covering the United States and other markets that comprise 85 percent of McDonald's total sales worldwide."

CHELSEA CLINTON
Vice Chair of the Clinton
Foundation

"Check out @McDonaldsCorp's progress on promoting healthier options with @HealthierGen, a @ClintonFdn partner" (on Twitter)

"I never thought I would be standing here at a childhood obesity conference thanking McDonald's." (Speaking at the 8th Biennial Childhood Obesity Summit 6/30/15)

HOWELL WECHSLER
CEO
Alliance for a Healthier
Generation

"The progress McDonald's is making is a critical step in the right direction. Any business practice that enhances the opportunity for families to make healthier choices is beneficial."

EXECUTIVE SUMMARY

2014 Progress Report

In September 2013, McDonald's partnered with the Alliance for a Healthier Generation ("Alliance") in a global effort to increase customers' access to fruits, vegetables, water, and low-fat dairy products and to help families make more informed food choices. McDonald's and the Alliance announced their partnership on a Commitment to Action at the Clinton Global Initiative ("CGI") Annual Meeting in September 2013. This Commitment to Action includes five specific commitments related to McDonald's menu offerings, menu boards, packaging, and advertising. McDonald's pledged to implement these actions in 20 major markets, which represent more than 85% of the company's global sales. The commitment includes interim goals for market-level compliance in 2016 and 2018 and final goal of fulfilling all commitments in all 20 markets by 2020.

McDonald's also committed to participate in an independent process to measure and verify the progress of its efforts. This document represents the first annual report on the company's progress towards fulfilling this Commitment to Action. It includes results from verification efforts that were piloted in the United States and Italy during the initial implementation period from September 2013 through December 2014.

Neither market was expected to have fulfilled all five commitments during this initial year. Instead, the markets were expected to see progress towards fulfilling aspects of the commitment in a set number of markets before the end of 2016. Subsequent reports will include additional markets and assess McDonald's progress towards its 2016, 2018, and 2020 goals.

McDonald's-Alliance Partnership on CGI Commitment to Action

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 the 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.

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

Commitment 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.

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

Commitment 5: 100% of advertising directed to children to include a fun nutrition or children's well-being message.

This report finds that progress was made in both markets on a number of the commitments. To summarize:

- McDonald's USA fulfilled Commitments 1, 3, 4, and 5 in 2014. While some of the commitments were met prior to 2014, two new initiatives taken during this inaugural year included removing sodas from the Happy Meal section of menu boards and introducing new fruit and low-fat dairy side items in Happy Meals. Although the United States did not fulfill Commitment 2 in 2014, progress was made in early 2015.
- McDonald's Italy fulfilled Commitments 2, 3, 4, and 5 in 2014. As for Commitment 1, Italy excluded sodas from in-store or external ads in 2014, as in years prior, and it removed soda logos from the Happy Meal section of menu boards at the end of 2014. Additional steps need to be taken to complete the phase out of the listing of beverages with added sugar from the Happy Meal section of menu boards in order to fulfill this commitment.

McDonald's-Alliance Partnership: CGI Commitment to Action			
1. Water, Milk, and Juice Were the Only Happy Meal Beverages on Menu Boards & Child-Directed Ads	<input checked="" type="radio"/>	<input type="radio"/>	
2. Side Salad, Fruit, or Vegetable Option Offered in Value Meals	<input type="radio"/>	<input checked="" type="radio"/>	
3. New Happy Meal Packaging Designs Utilized or New Happy Meal Fruit, Vegetable, or Low-Fat Dairy Side Offered	<input checked="" type="radio"/>	<input checked="" type="radio"/>	
4. At Least Four Happy Meal Boxes or Bags Dedicated a Panel to a Nutrition or Children's Well-Being Message	<input checked="" type="radio"/>	<input checked="" type="radio"/>	
5. Nutrition or Children's Well-being Messages Included on Child-Directed Ads	<input checked="" type="radio"/>	<input checked="" type="radio"/>	
<input checked="" type="radio"/> Criteria Fulfilled <input type="radio"/> Progress Made but Not Fulfilled <input type="radio"/> Not Fulfilled			

These conclusions are based on data collected from both McDonald's and external sources. McDonald's provided sales data, images of menu boards, and video files of television advertisements, among other data. Keybridge collected data from external sources to corroborate that the information reported by McDonald's accurately reflected the reality in restaurants and external communications. Keybridge analyzed all of the data to determine whether each market satisfied the five commitments.

Additional details about each market's efforts to fulfill each commitment and the data used to verify those efforts are included in the full report.

McDONALD'S-ALLIANCE PARTNERSHIP: CGI COMMITMENT TO ACTION

Progress on 2020 Commitment: United States

2014 SUMMARY OF PROGRESS BY COMMITMENT

1. Water, Milk, and Juice Were the Only Happy Meal Beverages on Menu Boards & Child-Directed Ads ●
2. Side Salad, Fruit, or Vegetable Option Offered in Value Meals ○
3. New Happy Meal Packaging Designs Utilized or New Happy Meal Fruit, Vegetable, or Low-Fat Dairy Side Offered ●
4. At Least Four Happy Meal Boxes or Bags Dedicated a Panel to a Nutrition or Children's Well-Being Message ●
5. Nutrition or Children's Well-being Messages Included on Child-Directed Ads ●

● Fulfilled ○ Progress Made but Not Fulfilled ○ Not Fulfilled

KEY STATISTICS BY COMMITMENT

1. Beverages Featured in Restaurants & External Ads

Nielsen Survey Data; TV Ad Data

100%

of restaurants sampled did not picture or list sodas on the Happy Meal section of menu boards.

100%

of restaurants sampled did not picture or list sodas on child-directed in-store ads.

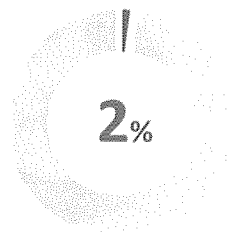
99.9%

of child-directed TV ads did not mention or show images of sodas.*

2. Value Meals: Side Salad, Fruit & Vegetable Offerings

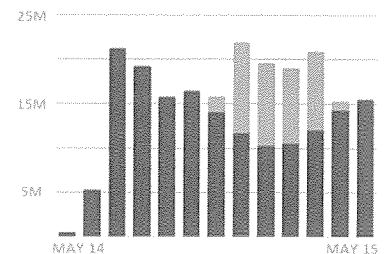
Sales Data

McDonald's reported that 2% of restaurants offered side salads in value meals in 2014; Nielsen found that 83% offered them in early 2015.



3. New Happy Meal Sides Introduced in 2014

Sales Data (Includes a la carte sales)



161 million yogurts served (Jul 14 - May 15)

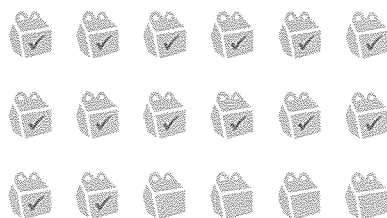
38 million clementines served (Nov 14 - Mar 15)

4. Happy Meal Boxes & Bags with Qualifying Messages

Images of Happy Meal Boxes/Bags

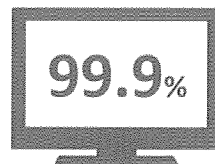
14

boxes/bags out of 18 dedicated a panel to a nutrition or children's well-being message, ten more than required.



5. Child-Directed Ads with Qualifying Message

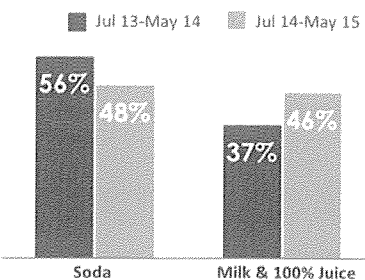
TV Ad Data



99.9% of McDonald's TV ads on programs directed to children included a fun nutrition or children's well-being message.*

IMPACT: Beverage Selections as a Percentage of Happy Meals

Sales Data



21 million

Additional milk jugs & juice boxes served in Happy Meals and a la carte from Jul 2014 - May 2015 compared to the prior year.

* The remaining ads shown during child-directed programs represent programming errors or unexpectedly high viewership among children.

McDONALD'S-ALLIANCE PARTNERSHIP: CGI COMMITMENT TO ACTION

Progress on 2020 Commitment: Italy

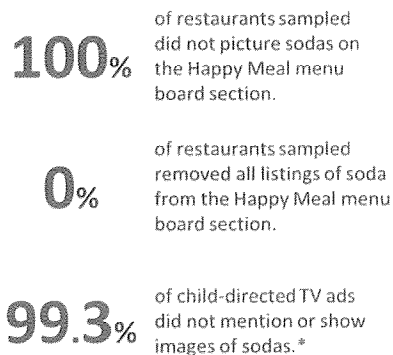
2014 SUMMARY OF PROGRESS BY COMMITMENT

1. Water, Milk, and Juice Were the Only Happy Meal Beverages on Menu Boards & Child-Directed Ads ①
 2. Side Salad, Fruit, or Vegetable Option Offered in Value Meals ●
 3. New Happy Meal Packaging Designs Utilized or New Happy Meal Fruit, Vegetable, or Low-Fat Dairy Side Offered ●
 4. At Least Four Happy Meal Boxes or Bags Dedicated a Panel to a Nutrition or Children's Well-Being Message ●
 5. Nutrition or Children's Well-being Messages Included on Child-Directed Ads ●
- Fulfilled ① Progress Made but Not Fulfilled ○ Not Fulfilled

KEY STATISTICS BY COMMITMENT

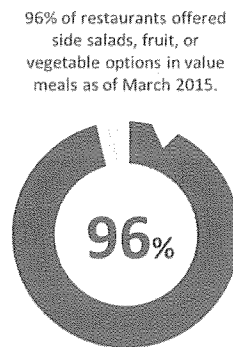
1. Beverages Featured in Restaurants & External Ads

Nielsen Survey Data; TV Ad Data



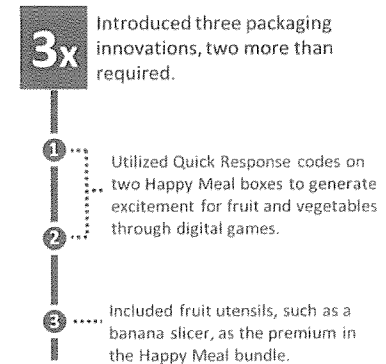
2. Value Meals: Side Salad, Fruit & Vegetable Offerings

Nielsen Survey Data



3. Qualifying Happy Meal Packaging Designs

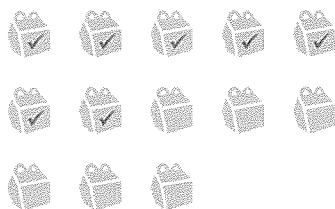
Qualitative Data



4. Happy Meal Boxes With Qualifying Message

Images of Happy Meal Box Designs

7 boxes out of 13 dedicated a panel to a nutrition or children's well-being message, three more than required.



5. Child-Directed Ads with Qualifying Message

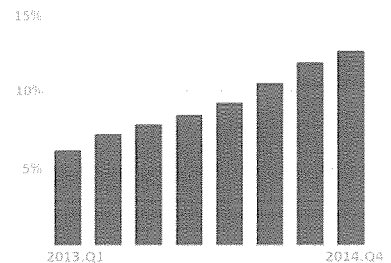
TV Ad Data



99.3% of McDonald's TV ads on programs directed to children included a fun nutrition or children's well-being message.*

IMPACT: Take Rates for Happy Meal Fruit Sides, 2013-14

Sales Data



49% Increase in average take rates of fruit sides in Happy Meals from 2013 to 2014.

* The remaining ads shown during child-directed programs represent programming errors or unexpectedly high viewership among children.

Letters

RESEARCH LETTER

Trends in Energy Intakes by Type of Fast Food Restaurant Among US Children From 2003 to 2010

The percentage of energy from fast foods consumed by US adults declined from 12.8% in 2007 to 2008 to 11.3% in 2009 to 2010.¹ Other than analyses of menu offerings,² there are no comparable data on fast food consumption by children. While sources of energy by food groups and sources have previously been evaluated,³ to our knowledge, no study has evaluated trends in energy by fast food restaurant (FFR) type. This study used data from the National Health and Nutrition Examination Survey to analyze trends in children's energy consumption by FFR type.

Methods | Data on the locations of origin for all foods/beverages including FFRs in the National Health and Nutri-

tion Examination Survey were first collected in 2003 to 2004.⁴ The present analyses were based on the first 24-hour recall from 4 cycles from 2003 to 2010.

Per University of Washington policies, the use of publicly available data was not considered human participant research. Participants or their parent/guardian provided written informed consent and all procedures were approved by the National Center for Health Statistics Research Ethics Review Board.

A multistep algorithm was developed to assign FFR eating occasions into 8 segments by the following restaurant type: burger, pizza, sandwich, chicken, Mexican cuisine, Asian cuisine, coffee/snack, or fish. Data on the latter 3 FFR types were not presented owing to their infrequent use by children. The dietary recall data were scanned for 1 of 26 sentinel foods characteristic of each FFR segment (eg, hamburger/pizza). Eating events with multiple sentinel foods were flagged for additional scrutiny. Details of the algorithm have been published.⁵

Figure 1. Trends in the Estimated Population Mean Energy Intake (A) and Proportion of US Children Consuming Any Food/Beverage (B) by Fast Food Restaurant Market Segment Among US Children Aged 4 to 19 Years in 2003 to 2010

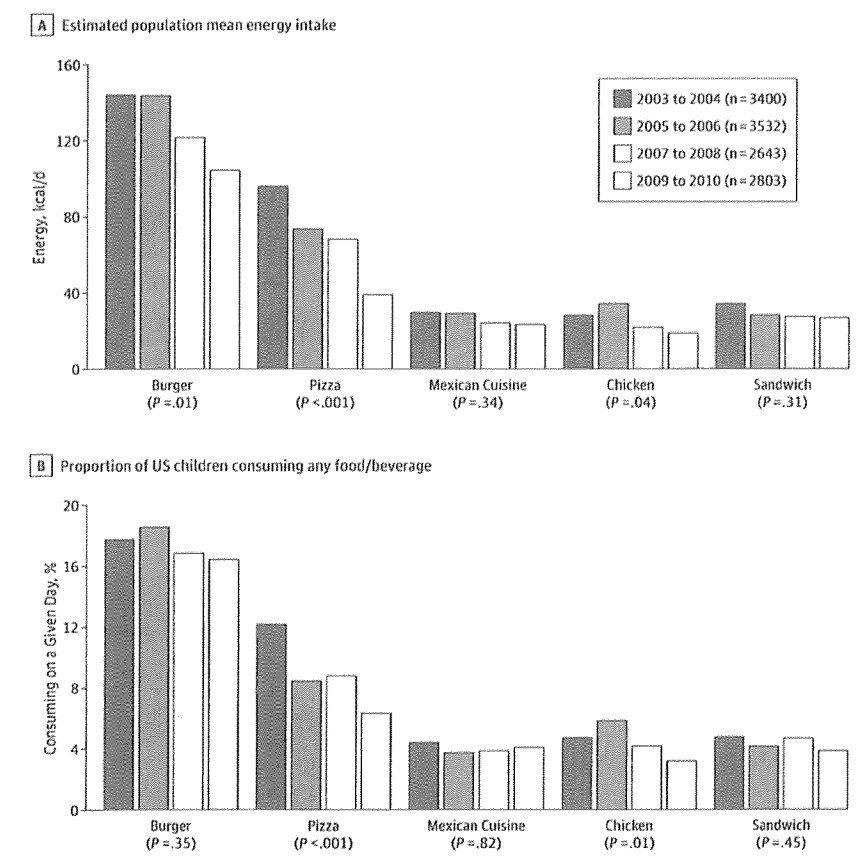
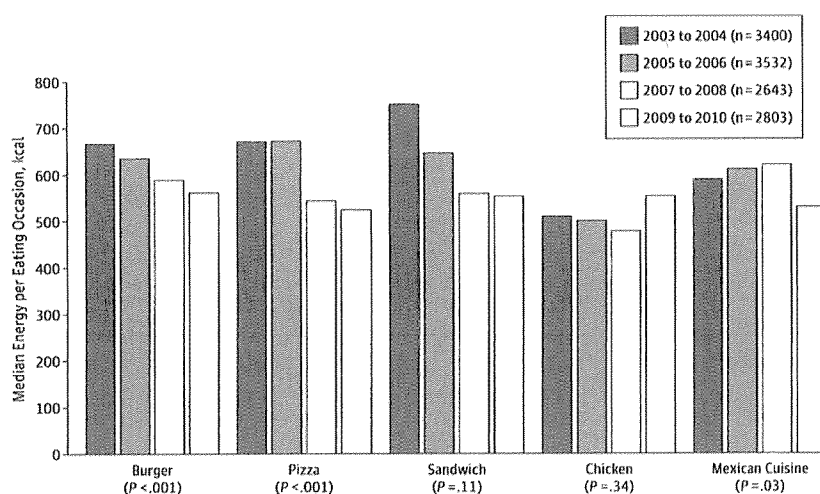


Figure 2. Trends in Estimated Median Energy Consumed per Eating Occasion by Fast Food Restaurant Market Segment Among US Children Aged 4 to 19 Years in 2003 to 2010



The survey-weighted arithmetic means of energy intakes were estimated by FFR type. Trends were tested using survey-weighted linear regression. The proportions of children who were FFR consumers were evaluated using survey-weighted logistic regression. Amounts of energy consumed per FFR eating occasion defined by meal name and time were evaluated to distinguish between the number of FFR eating events and the amount of energy consumed. All analyses used Stata 13 (StataCorp), accounted for the complex survey design, and were representative of the US population 4 to 19 years of age.

Results | Panel A in Figure 1 shows population-wide trends in children's mean energy intakes by FFR type. Energy intakes from burger, pizza, and chicken FFRs decreased significantly while energy intakes from other FFRs remained constant ($P > .15$ for others). Panel B in Figure 1 shows that the percentage of children consuming fast food on a given day dropped from 38.8% in 2003 to 2004 to 32.6% in 2009 to 2010 ($P = .008$). The proportion of children eating at burger restaurants remained stable ($P = .35$) and a modest drop was observed for chicken restaurants ($P = .01$). The observed decrease in energy from pizza restaurants may have been driven in part by a decrease in the number of consumers. While 12.2% of children obtained food/beverages from pizza restaurants in 2003 to 2004, only 6.4% did so in 2009 to 2010. The percentage consuming the other FFR types remained constant ($P \geq .29$). Median energy consumption per eating occasion declined (Figure 2) except for chicken and sandwich FFRs.

Discussion | Analyses of nationally representative data by FFR type compared with menus can provide insights into the contribution of fast foods to children's diets. Publicly available data can complement data obtained from consumer panels, which are costly, inaccessible to many public health stakeholders, and may not be representative of the US population, limiting their value to inform policy. The present results were consistent with

published sales reports. The decline in total pizza sales from 2003 to 2010 has been noted by industry sources.⁶ Burger and pizza restaurants accounted for much of the reduction in energy intakes. No fast food market segment experienced a significant increase in energy during the 8-year study. Analyses of population-based National Health and Nutrition Examination Survey dietary intakes data separated by FFR market segment should allow researchers to focus on children and other populations and can also be extended to monitor consumption for other dietary constituents of concern, including sodium, added sugars, and solid fats.

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Author Contributions: Dr Rehm had full access to all of the data in the study and takes responsibility for the integrity of the data and the accuracy of the data analysis.

Study concept and design: Both authors.

Acquisition, analysis, or interpretation of data: Both authors.

Drafting of the manuscript: Both authors.

Critical revision of the manuscript for important intellectual content: Both authors.

Statistical analysis: Rehm.

Obtained funding: Drewnowski.

Administrative, technical, or material support: Drewnowski.

Study supervision: Drewnowski.

Conflict of Interest Disclosures: Dr Drewnowski advises McDonald's Corporation on global issues related to public health nutrition. No other disclosures were reported.

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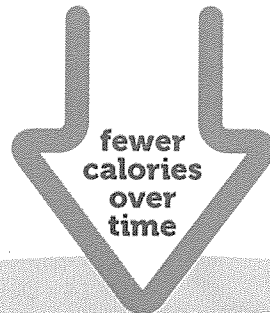
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Did You Know



Kids and Teens are Choosing Fewer Calories from Burger Restaurants?



2004

 144 calories*

 17.7%**

Though the number of children and teens reporting meals at burger fast food restaurants stayed relatively constant from 2003 to 2010, the calories ordered by a child or teen decreased dramatically. These findings are from an analysis of the National Health and Nutrition Examination Survey (NHANES) of meals reported by participants under the age of 19.¹

2010

 104 calories*

 16.4%[†]

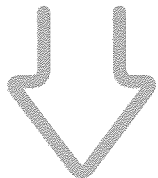
¹Colin D. Rehm & Adam Drewnowski. Trends in energy intakes by type of fast food restaurant among US children from 2003 to 2010. *JAMA Pediatrics*. 2015;6(3):318S-325S.

*Average Calorie Intake/Day in Population
**Percentage of Child Consumers

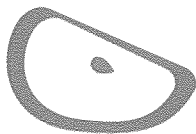
Since 2010

McDonald's® Happy Meal® Menu Has Changed

Starting nationwide in 2012, the small fry was replaced by a kid size fry of about 110 calories.²

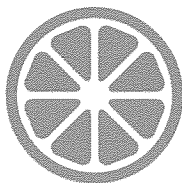


In 2014, McDonald's began offering side items options in addition to apple slices: Cuties® whole clementines in season and low-fat, lower sugar GO-Gurt® yogurt.



380 Mil.

Bags of apple slices
Jan '14 - Dec '14



38 Mil.

Cuties® Clementines
Nov '14 - March '15

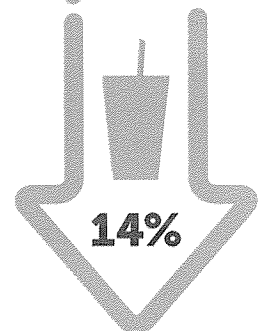
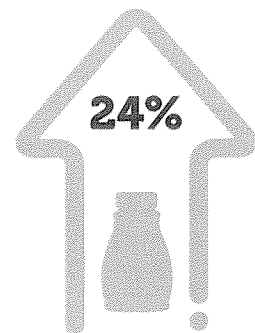


161 Mil.

Go-GURT® low-fat yogurt*
Jul '14 - May '15

Since removing soda from the Happy Meal menu board, sales of milk and 100% juice have increased substantially.³

Milk and juice
Jul '14 - May '15



Soda
Jul '14 - May '15

* Go-GURT® at McDonald's has 6g of sugar per 2.25 oz. This is 25% less than the leading kids' yogurt that has 9g of sugar per 2.25 oz.

²Brian Wansink & Andrew S. Hanks. Calorie reductions and within-meal calorie compensation in children's meal combos. *Obesity* 2014;22(3):630-632

³Wescott RF, Fitzpatrick BM, Phillips E. 2014 Progress Report McDonald's-Alliance for a Healthier Generation Partnership: Clinton Global Initiative Commitment to Action. 2015

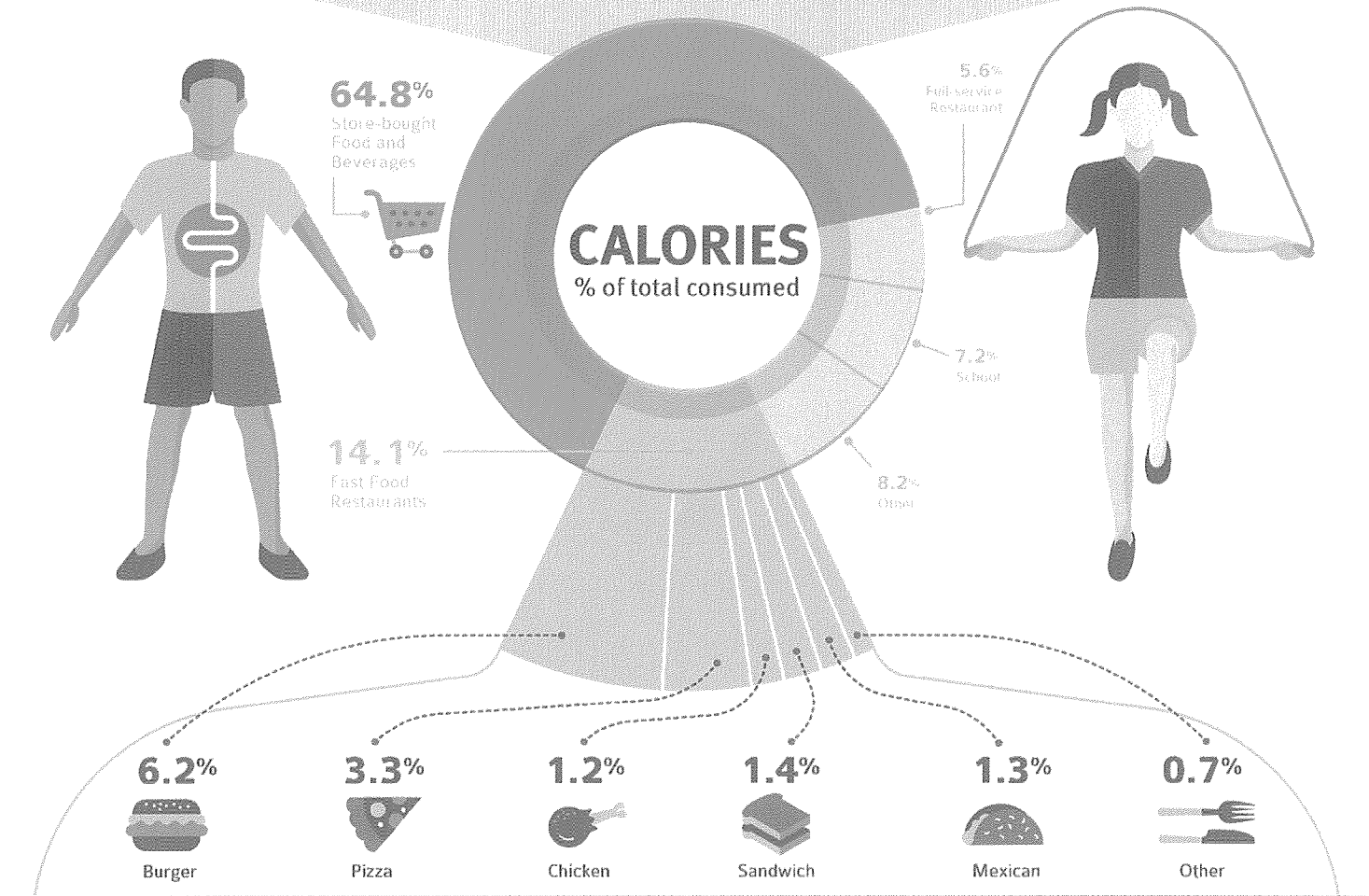


HOW MUCH DOES FAST FOOD CONTRIBUTE TO CHILDREN'S AND TEENS' DIETS?

PROBABLY NOT AS MUCH AS YOU THOUGHT!

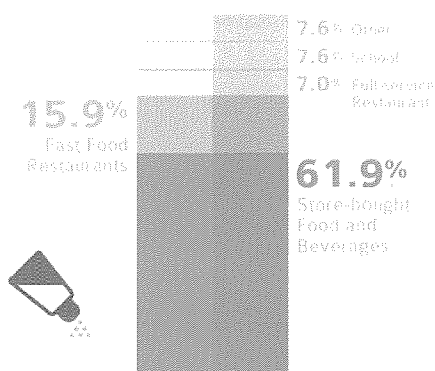
The illustrations below are based on a peer reviewed and published assessment of the contribution different types of fast food restaurants make to US children's and teens' diets using a new and improved research method.*

The objective of this research was to estimate the proportion of consumption of energy, sodium, added sugars, and solid fats among US children ages 4-19yrs by fast food restaurant type.



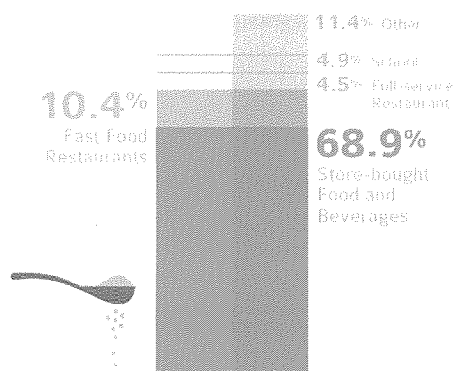
SODIUM

% of total consumed (mgs)



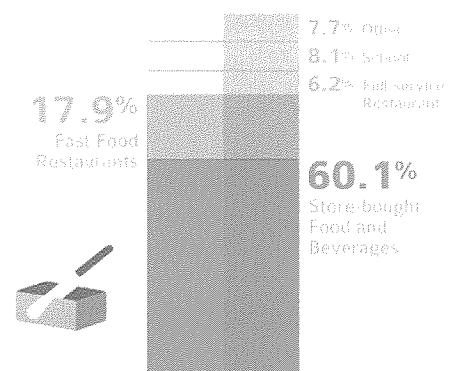
ADDED SUGARS

% of total calories from added sugars



SOLID FATS

% of total calories from solid fats



SOURCE: Rehm CD, Drewnowski A (2014) A New Method to Monitor the Contribution of Fast Food Restaurants to the Diets of US Children. PLoS ONE 9(7): e103543. doi:10.1371/journal.pone.0103543

*** RESEARCH METHOD:** This research analyses the first 24-h recall for 12,378 children in the 2003-2010 cycles of the nationally representative National Health and Nutrition Examination Survey (NHANES 2003-2010). NHANES data identify foods by location of origin, including stores and fast food restaurants (FFR). A novel custom algorithm divided FFRs into 8 segments and assigned meats and snacks to each. These included burger, pizza, sandwich, Mexican, Asian, fish, and coffee/snack restaurants. The contribution of each restaurant type to intakes of energy and other dietary constituents was then assessed by age group (4-11 y and 12-19 y) and by race/ethnicity.

FUNDING: This study was funded by a research grant from McDonald's Corp. to the University of Washington. The funders had no role in study design, data collection and analysis, decision to publish, or preparation of the manuscript.

McDonald's® Happy Meals average 18.8% Fewer Calories

Highlights from published research conducted at the Food and Brand Lab, Cornell University: Brian Wansink and Andrew S. Hanks. **Calorie reductions and within-meal calorie compensation in children's meal combos.** *Obesity* 2014; 22(3):630-632

Study Questions

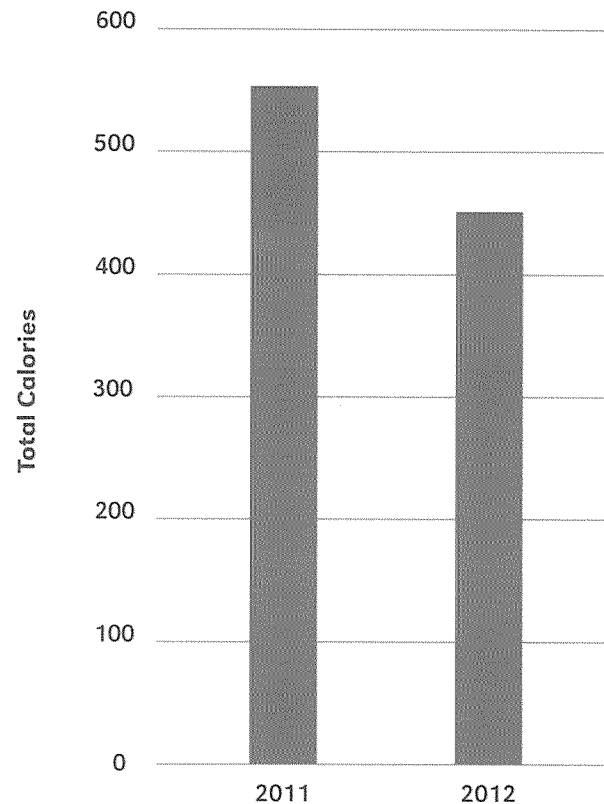
- What happens if McDonald's lowers calories in the Happy Meal®, mainly by reducing the portion size of French fries?
- Would lower-calorie changes lead to choices of other, more calorically dense meal items?

Study Methods

- Researches analyzed 232,424 itemized transaction records including a Happy Meal purchase. The data was collected at 30 representative company owned restaurants over the summer months (June-August) in 2011 and 2012.
- The 2011 Happy Meal included either a small French fry or apple slices with caramel dipping sauce. The new Happy Meal (introduced March 2012) included both a kid-size fry (52% smaller) and apple slices with no caramel sauce.



Change Between Average Happy Meal Calories Ordered in 2011 and 2012



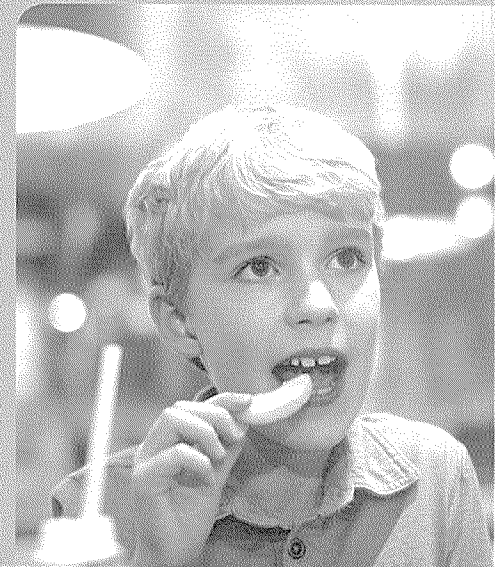
104↓
FEWER CALORIES

Key Discoveries

- The new Happy Meals purchased had an average of 18.8% (104) fewer calories. Customers did not appear to compensate by choosing higher calorie entrees within the meal.
- 94% of the calorie decrease was due to the smaller size French fry
- More milk was purchased

Implications Beyond the Restaurant

- Kids learn that fruit is a natural part of a meal
- Parents can offer smaller portions of favorite snack items instead of eliminating them altogether



For More Information:

<http://foodpsychology.cornell.edu/op/happymeal>
This project was partially funded by McDonald's

Calorie Reductions and Within-Meal Calorie Compensation in Children's Meal Combos

Brian Wansink¹ and Andrew S. Hanks²

Objective: What happens if a fast-food restaurant chain lowers the calories in a children's meal bundle (CMB), mainly by reducing the portion size of French fries? This study examines how such changes may influence within-meal selections. Specifically, do lower-calorie changes lead to within-meal calorie compensation?

Methods: Item-level anonymous transaction data were collected for thirty chain-owned representative US restaurants during June, July, and August of 2011 (pre-changes) and 2012 (post-changes) with a focus on transaction records that included a CMB. Mixed-effects, repeated measures estimation techniques were used for the analysis. Outcome measures were the percentage and caloric profile of specific entrée items, side items, and beverages purchased in all children selecting meals.

Results: The new CMB resulted in selected children's meals that had an average of 18.8% fewer calories ($P < 0.001$). Additionally, a greater percentage of meals had milk ($P < 0.001$) compared to the prior year.

Conclusion: Small changes in the automatic—or default—foods offered or promoted in children's meals can reduce calorie intake and improve the overall nutrition from selected foods as long as there is still an indulgence. Importantly, balancing a meal with smaller portions of favored foods might avoid reactance and overeating. Just as managers have done this in restaurants, parents can do this at home.

Obesity (2014) **22**, 630–632. doi:10.1002/oby.20668

Introduction

Despite recent evidence suggesting the prevalence of childhood obesity may have plateaued (1), childhood obesity is still a serious national issue (2). Additionally, children are not eating sufficient amounts of fruits and vegetables (3). Two possible approaches to reverse these trends are to 1) restrict children's access to calorically dense foods, or 2) preserve access to these foods but encourage selection of healthful options. Restrictive policies have been met with resistance and reactance (4,5), while less heavy-handed approaches gently guide or “nudge” children to make healthier selections (6–8). In this study, we explore the impact that changing default side options in children's meals at a national quick service restaurant had on within-meal items ordered and the calorie composition of the entire meal. Specifically, will introducing healthier, lower-calorie default foods influence what else is selected during that meal? We refer to this as within-meal calorie compensation.

Historically, the Happy Meal® (referred to as a children's meal bundle—CMB) at McDonald's restaurants was a “3-item” meal consisting of one of three entrées—hamburger, cheeseburger, or chicken

nuggets; side item—small size French fry (230 kcal) or 2.4 oz. package of apple slices with low fat caramel dip; and beverage—soft drink served with ice in a 12 fl. oz. cup, 100% apple juice (6.75 fl. oz.), 1% low fat chocolate (8 fl. oz.), or 1% low fat white milk (8 fl. oz.). By April 2012, all US restaurants had made three changes to the CMB. First, the small size fry was replaced with an even smaller “kid size” (~100 kcal). Second, a 1.2 oz. package of apple slices was included—increasing exposure to fruit (9)—and the low fat caramel dip was discontinued. Third, advertising in restaurant and television promotions in 2012 included a half pint milk jug containing 1% white or fat-free chocolate milk, while only the 1% white was featured previously. All other beverage options, such as apple juice and fountain beverages, were offered as before.

With these calorie reductions and nutritional improvements—portion reduction in French fries, inclusion of apples in every meal, elimination of caramel dipping sauce, and modification from 1% chocolate to fat free chocolate milk—it is unclear whether individuals compensated by selecting a higher calorie entrée or a more satiating beverage. Compensation of this sort has been documented when food options have been restricted in

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Author Contributions: Dr. Hanks had full access to all the data in the study and takes responsibility for the integrity of the data and the accuracy of the data analysis. Both Dr. Wansink and Dr. Hanks substantially contributed to the interpretation of the results and the writing of the manuscript.

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TABLE 1 Changing consumer choices in the children's meal bundles (CMB)

	Percentage of customers selecting CMB components			Average calories attributed to specific items in CMB		
	"3-Item" CMB: 2011	"4-Item" CMB: 2012	Difference	"3-Item" CMB: 2011	"4-Item" CMB: 2012	Difference
Nuggets	60.6% (0.007)	60.6% (0.007)	0.0% (0.004)	115 (1.282)	115 (1.129)	0.0 (0.818)
Hamburger	11.1% (0.004)	10.1% (0.004)	-1.0%* (0.003)	28 (1.081)	25 (0.972)	-2.5*** (0.705)
Cheeseburger	28.3% (0.006)	29.3% (0.006)	1.0%** (0.004)	85 (1.771)	88 (1.768)	3.1** (1.208)
Fries	87.9% (0.004)	100.0% (0.002)	12.3%*** (0.002)	202 (0.918)	101 (0.528)	-101.6*** (0.496)
Apples	12.1% (0.004)	100.0% (0.002)	87.7%*** (0.002)	12 (0.399)	15 (0.230)	2.7** (0.216)
Caloric soda	58.1% (0.023)	51.8% (0.025)	-6.3%*** (0.005)	64 (2.566)	57 (2.731)	-6.9*** (0.595)
Diet soda	4.0% (0.003)	3.3% (0.011)	-0.7%** (0.002)	-	-	-
Chocolate milk	16.5% (0.010)	20.3% (0.011)	3.79%*** (0.004)	28 (1.422)	26 (1.452)	-1.9*** (0.558)
White milk	5.3% (0.006)	6.5% (0.007)	1.12%*** (0.002)	5 (0.615)	6 (0.683)	1.1*** (0.225)
Apple juice	14.4% (0.012)	15.8% (0.012)	1.4%*** (0.004)	14 (1.182)	16 (1.200)	1.4*** (0.351)
Total calories				554 (0.749)	450 (0.681)	-104.4*** (0.570)

Results reported in this table are from mixed-effects repeated measures regressions where the specific restaurant location is the random effect and controls for monthly promotions are the fixed effects. Percentages may not add to 100% due to rounding. In 2012, each CMB was served with apples and a smaller serving of French fries. The new formulation for chocolate milk in 2012 was fat-free and had 40 fewer kcal. * $P < 0.05$; ** $P < 0.01$; *** $P < 0.001$. Standard errors in parentheses.

other contexts (5), though the somewhat ad-hoc nature of meal offerings limit generalizability. In this study, we examined components purchased in a child's meal at this national restaurant chain, both before and after the change in side offerings, over two three-month periods a year apart. The key objective was to study the changes in purchasing patterns of meal components to understand the degree to which within-meal calorie compensation might have occurred.

Methods

Daily anonymous transaction records for June, July, and August of 2011 and 2012, from 30 representative company-owned restaurants were collected for this study. All the restaurants fit three specific criteria: 1) transaction data were collected during the full study period; 2) the restaurants were geographically dispersed but demographically representative of the United States; and 3) the general sales patterns from the restaurants were similar to national averages. These dates were selected because between January and March, 2012, all US restaurants introduced the new CMB. Data immediately following—April and May—could yield imprecise results as customers adjusted. Also, the same set of months in both years was selected to control for potentially confounding seasonal effects.

Since the CMB is the primary focus of this research, 232,424 anonymous transactions in which a CMB was purchased were analyzed, which was a subset of all transactions collected. Data included a restaurant code, transaction date, and items purchased in an entire transaction. Since the data follow a repeated measures design with a before/after effect, mixed effects repeated measures regression models were used where fixed effects were monthly promotion controls and random effects were specific restaurant controls.

The analyses were handled in two phases. First, analyses of all CMB components were conducted where the dependent variables

were the daily percentages of CMB buyers who selected the various available CMB components. These daily percentages were generated for each store by adding the number of each CMB component selected across transactions and dividing by the total number of CMBs purchased in the store that day.

In the second phase, calorie composition of the average CMB was estimated to determine the change in calories selected with the new CMB. Amounts of calories were multiplied by the percentage of customers choosing a particular food on a given day, in a given restaurant. Changes in calories were then calculated to determine the nutritional impacts from changes to CMB.

Results

Side items (apples and French fries) served in the average "4-item" meal purchased in 2012 had 98 fewer kcal ($P < 0.001$; Table 1), accounting for 94% of the 104-kcal decrease for the entire meal ($P < 0.001$). To compensate for the portion or calorie reduction, CMB buyers may have chosen a more satiating or caloric entrée, such as a hamburger (250 kcal) or cheeseburger (300 kcal), instead of chicken nuggets (190 kcal). Despite the changes to the CMB, however, nearly 61% of customers still selected the chicken nuggets.

Beverage selection may also have been a suitable way for within-meal calorie compensation. Because chocolate milk can be more satiating than carbonated beverages (10), it would make sense for chocolate milk purchases to increase. Purchases of regular caloric soda decreased (from 58.1% to 51.8%; $P < 0.001$) while chocolate milk purchases increased (from 16.5% to 20.3%; $P < 0.001$). Whether this increase in chocolate milk purchases was due to the new promotions or due to within-meal calorie compensation is not known, yet advertisements in 2011 included 1% white milk, which

also increased (from 5.3% to 6.5%; $P < 0.001$). This potential within-meal calorie compensation is beneficial given the nutrient quality of milk and the national decrease in milk consumption across all ages (11). This percentage change is small but represents an increase of 2,790 CBM with white milk in this sample.

Discussion

Small changes in automatic (also known as default) offerings can significantly influence behavior, as long as there is still an indulgence. Restricting options, such as eliminating French fries all together, could spark psychological responses of resistance and reactance (13–15), such as within-meal calorie compensation, that leads to greater calorie intake (5). In contrast, offering a 56% smaller sized French-fry portion and making apple slices part of children's meals (16) positively reinforces healthy behaviors and potentially avoids the reactance evident in more restrictive situations. In this research, the only indication of potential within-meal calorie compensation was a substitution towards milk (predominantly chocolate), which also contains essential nutrients for young children. By doing so, restaurant preserves relations with its customer base, and diners (primarily children), are also positively affected—a win-win change (17).

Despite the usefulness of de-identified transaction records in measuring product demand, intake remains unmeasured, limiting the ability of this study to measure the overall impact on diet. In addition, while it is perfectly plausible that some children over-compensated for the calorie decrease in later snacks or meals, calorie compensation is highly variable among children (18) and systematic increases may be difficult to detect. Additionally, without customer-specific information, demographic controls cannot be utilized and specific customers cannot be tracked over time, and furthermore we have no indication of whether these diners knew of the changes. Consequently, we are unable to determine whether increases in milk purchases were due to within-meal calorie compensation or responses to advertising. We also recognize that the data do not indicate whether children or whether parents/guardians were responsible for making selections for the CMB, which could also influence within-meal compensation. Thus aggregate changes in meal purchasing patterns can be studied only allowing for suggestive evidence of within-meal calorie compensation.

Next, the data analyzed in this study only includes three months of data the year before (baseline) and the year when the new CMB was introduced (treatment). While a concurrent control would have been useful, this was not possible due to the nationwide rollout and accompanying national advertising.

Finally, these changes highlight some of the many menu adjustments made by national restaurant chains (19), though some may still question the nutritional quality of the new CMB. Evidence reported by the Centers for Disease Control and Prevention indicates fast food contributes less than 12% of a child's total caloric intake (21). Moreover, since apples are now served with every CMB, children might now begin to consider fruit as a standard side item for lunch or dinner.

Implications for this research may extend well beyond the fast food restaurant, and our findings merit further investigation of this approach in other settings. Understanding the mechanisms that trig-

ger healthful versus less healthful food decisions could lead to larger interventions for encouraging healthy eating. In addition, a growing body of literature shows that in many cases, restrictive policies can lead to adverse outcomes, while policies that preserve choice often leave individuals feeling empowered and less likely to compensate (20). Parents can leverage this insight to encourage healthier behaviors at home and avoid reactance and overeating. Balancing a meal with smaller portions of favored foods might do just that. ○

Acknowledgments

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The Most Fattening Restaurant Food? It's NOT at McDonald's

Upscale restaurant meals weigh in at 1500 calories or more, a shocking new report finds.

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Wednesday, January 08, 2014

While the fast food burgers and deep-fried nuggets get the bulk of the blame for our ever-expanding waistlines, new research shows that upscale, full-service restaurants can be equally destructive to our diets.

A sit-down meal at a restaurant that includes a split appetizer, an entrée and one side can set you back an average of 1,494 calories while providing 28 grams of saturated fat and 3,512 mg of sodium, according to an estimate published in the Journal of Nutrition Education and Behavior.



That one meal surpasses the FDA-recommended daily sodium (2,400 mg) and saturated fat (20 grams) maximums for adults, and represents three-quarters of the recommended number of daily calories (2,000). If you add a beverage and split dessert, the average meal would have 2,000-plus calories, the researchers found.

"It's no wonder so many studies show a link between eating out and obesity," said Margo Wootan, director of nutrition policy at the Center for Science in the Public Interest. "A lot of people think fast food is worse, but that's not usually the case." (FYI, a McDonald's Big Mac has a comparatively tame 550 calories, 10 grams of saturated fat, and 970 mg of sodium.)

Researchers from Drexel University took advantage of a unique law in Philadelphia, Penn., requiring any restaurant with 15 or more locations to publicly list nutrition information. They picked 21 full-service restaurants, with prices ranging from under \$10 to over \$25 per entrée or appetizer, and analyzed the nutritional information of all available options. Wootan noted that non-chain restaurants of the same price level would probably have similar offerings, and nutrition results.

Appetizers might be the thing to skip if you're trying to lighten up your meal. The researchers found that the average appetizer delivered 804 calories — just as many as the average entrée.

Burgers and sandwiches accounted for the highest average calorie counts (879) in entrees, as well as higher levels of saturated fat and sodium. Other entrees were about 100 calories lighter, but at 797 calories on average, they were by no means "lite" choices. And on their own, 30 percent of the entrees and appetizers exceeded the daily recommend values for saturated fat and sodium.

Get the Kid's Meal

The researchers found that entrees targeted toward children or seniors, or tagged as "healthy choice" options, had fewer calories — around 500 on average — and a little less salt and fat. Wootan noted that portion size is one of the biggest problems, so ordering small is a smart choice.

The extras that often come with a meal out could also add up quickly. Side dishes added an average 289 calories apiece. The typical alcoholic drink had 244 calories, higher than the average non-alcoholic drink, at 161 calories. Desserts weighed in at 700-plus calories.

So what should you do with all these numbers? Quit eating out? If you're like most Americans, you eat one-third of your calories away from home, and you're not likely to go cold turkey. But here are some tips for keeping restaurant meals in check:

- Any food prepared outside of your home is probably going to be less healthful than what you make yourself, so try to make eating out a treat
- Split entrees or ask the restaurant when you order to pack half of the entree to go.
- Only order appetizers or desserts on special occasions.
- If the menu has calorie counts, which will soon be more widely available, thanks to the Affordable Care Act, pay attention to them and make lighter choices.

Many public health experts, including study author Amy Auchincloss, PhD, MPH, of Drexel think that once calorie counts are required, many restaurants will realize how fattening and salty their meals are and lighten them up.

"Restaurants are realizing that just because people are interested in nutrition, they're not uninterested in taste," Wootan said.

In the meantime, order lightly.

Last Updated: 1/9/2014

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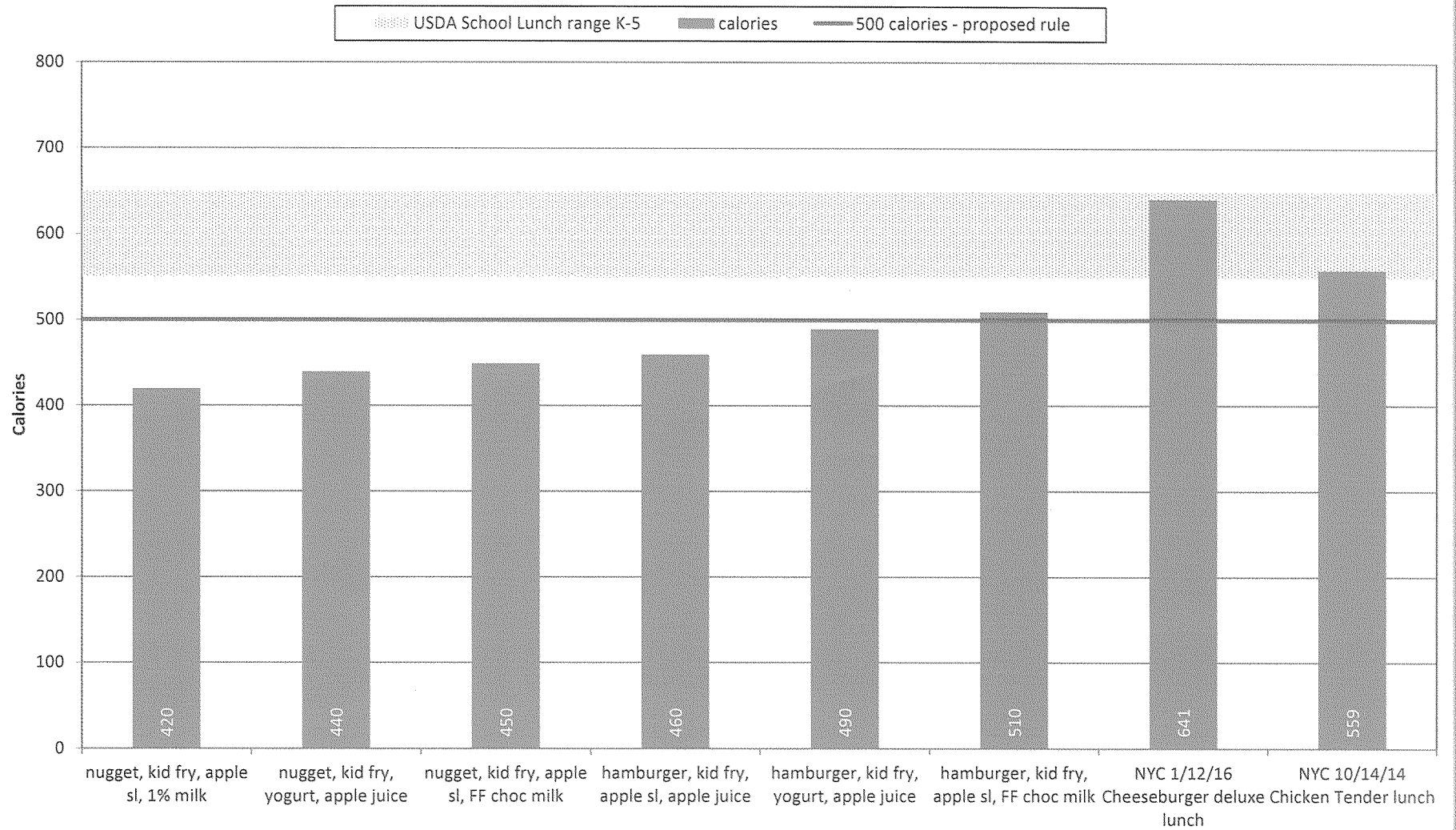
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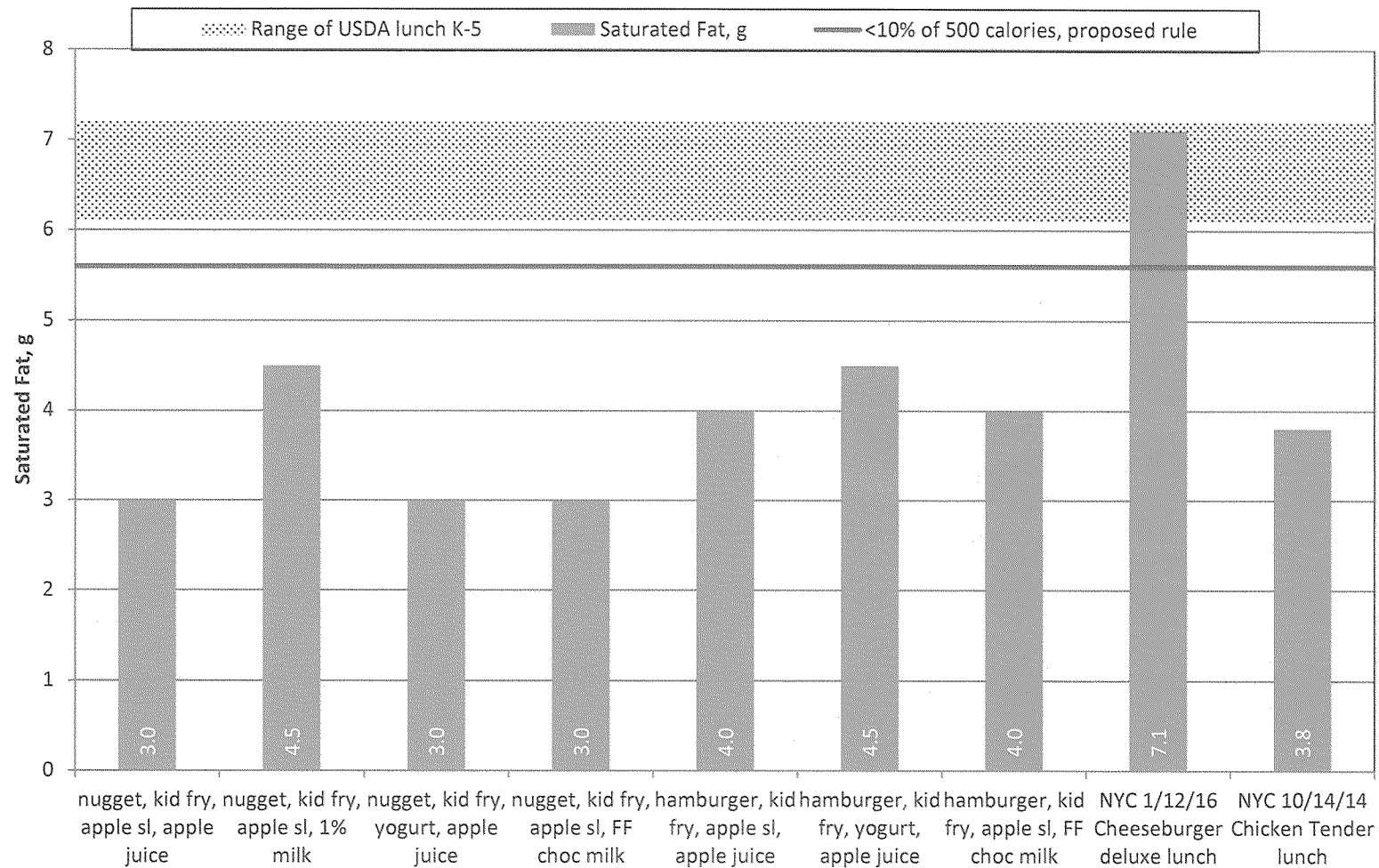
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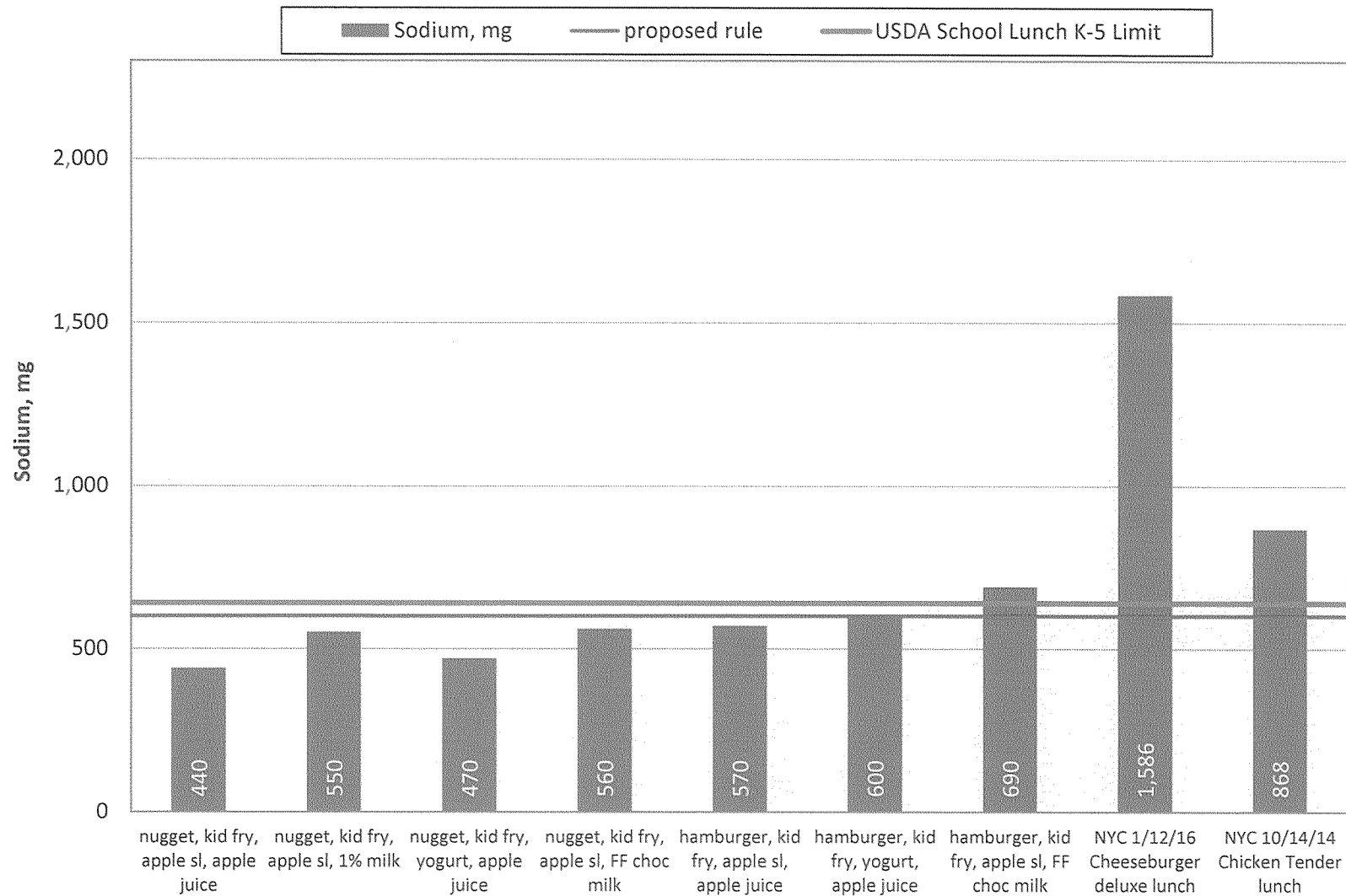
Child Lunch Calories, including Beverage



Child Lunch Meal Saturated Fat



Child Lunch Meal Sodium



HOW ARE YOU BUILDING
A HEALTHIER GENERATION?
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ANNUAL IMPACT REPORT

July 2013 - June 2014



DEAR FRIENDS:

Fiscal Year (FY) 2014 was a year of extraordinary growth and exciting new extensions of the Alliance for a Healthier Generation's core initiatives.

As this report outlines, the Alliance made enormous progress in activating four key societal systems—schools, out-of-school time programs, healthcare and the food and beverage industry—to create healthier environments for our nation's children.

None of this success would have happened without the support of an amazing group of people who make possible, and benefit from, the Alliance's evidence-based model of change. From students to CEOs, their personal stories and connections to our cause are highlighted throughout this report and inspire us all to keep building a healthier generation.

You will read how the Alliance's work directly impacted more than 20 million children, with a strong focus on reaching low-income and minority populations. More than 6,000 schools enrolled in the Alliance's Healthy Schools Program this year, by far the largest annual participation rate in the program's nine year history. More than 2.8 million children had access to healthcare benefits for the prevention and treatment of childhood obesity through a network of 56,000 healthcare providers. Millions more young people benefited from expanded access to healthy, affordable food and beverage choices that resulted from agreements negotiated by the Alliance with the corporate sector.

One of the highlights of FY 2014 was the dramatic growth in our Healthy Out-of-School Time Initiative. The number of community sites participating doubled and will grow exponentially over the next few years thanks to new national partnerships with two of the largest providers of out-of-school time programs: the Boys & Girls Clubs of America and the National Recreation and Park Association. These two amazing partners will work with the Alliance to ensure that 5.5 million young people, through 6,300 out-of-school time sites, will have access to healthier foods and increased opportunities for physical activity outside of the school day.

Another highlight was the Alliance's first agreement with a global corporation to improve the nutrition environment for children in restaurants. Our agreement with McDonalds, the world's largest restaurant chain, will increase customers' access to fruits and vegetables and help families and children to make healthier choices in the United States and in their top 20 markets worldwide—representing 85 percent of their total sales.

The Alliance was successful in bringing our program model into new settings, while expanding our work in communities that reach the children at greatest need. We are

helping schools on military bases and in communities disproportionately affected by obesity, such as the Navajo Nation, to become healthier places. And we launched an innovative pilot project to help juvenile justice centers, which house young people at exceptionally high risk for unhealthy habits, foster healthy eating and physical activity behaviors.

One last observation about the organization's extraordinary impact in FY 2014: The Alliance played a critical role in influencing national school nutrition policies by sharing inspirational success stories and introducing new tools, such as the Alliance Product Calculator, that provide invaluable support to schools implementing the new federal school nutrition standards. Through our technical assistance to schools, out-of-school time programs, and healthcare providers, and through our powerful influence on public and corporate policies, the Alliance for a Healthier Generation is making this nation a healthier place for our children.

For the first time in three decades, rates of child obesity have started to drop in at least one age group; modest declines have been seen in obesity rates among children between the ages of two and five. While this is encouraging, no progress has yet been seen in national data among older children, and any progress made to date with these younger children is extremely fragile. Much more dramatic progress in our fight against childhood obesity will be needed to avoid catastrophic public health and economic consequences. To see meaningful and lasting improvements, we will need to double down on our efforts to make the settings in which children live, learn and play healthier places. The Alliance's accomplishments for FY 2014 show that we are on the right track. With your continued support, we can reduce the current high rates of child obesity and give our children a world of good health.



With sincere gratitude,

Howell Wechsler

Howell Wechsler,
Chief Executive Officer

JEAN MCTAVISH

Principal

The work that the Alliance is doing is about saving kids' lives. I think about what it would be like if every child across the country had these resources and this kind of support.

Since my school (Edward A. Reynolds West Side High School) has been a part of the Alliance we have grown together as a community. They helped me set goals and put in a place a plan to make it happen. But being a healthy school isn't just something I can mandate; we all had to make a commitment. It takes the whole community to make that kind of change.

Some kids started out saying, "I don't eat green food" and then, you know what? Now they do. And they drink a lot of water. Being active is now what we do together. We play volleyball and basketball, and I created a spin studio and lead a morning class.

The kids tell me they feel a lot better. They feel less stressed. Where they come from, these kids are used to taking a lot of criticism. Now they're proud of being a part of a healthy school—and they know what it feels like to be distinguished.

We are now a community of champions.

▶ Watch Jean's story at HealthierGeneration.org/impact

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KASEIR ARCHIE

Student

It is important for kids to have a voice because we are the ones affected by this epidemic. We are the future. The Alliance gives kids like me a voice.

The Alliance has supported me in what I want to do. Hockey is a big part of my life and I spend a lot of time at the ice rink. That's where I teach nutrition classes to the younger kids. I teach them simple things that they can remember, like how to read labels and stay away from sugar. They try to listen to me because I am a hockey player and they know me. It feels really good to teach.

My mom now makes healthier choices. We eat more home cooked meals and we check the labels. I definitely like my mom's cooking better than fast food.

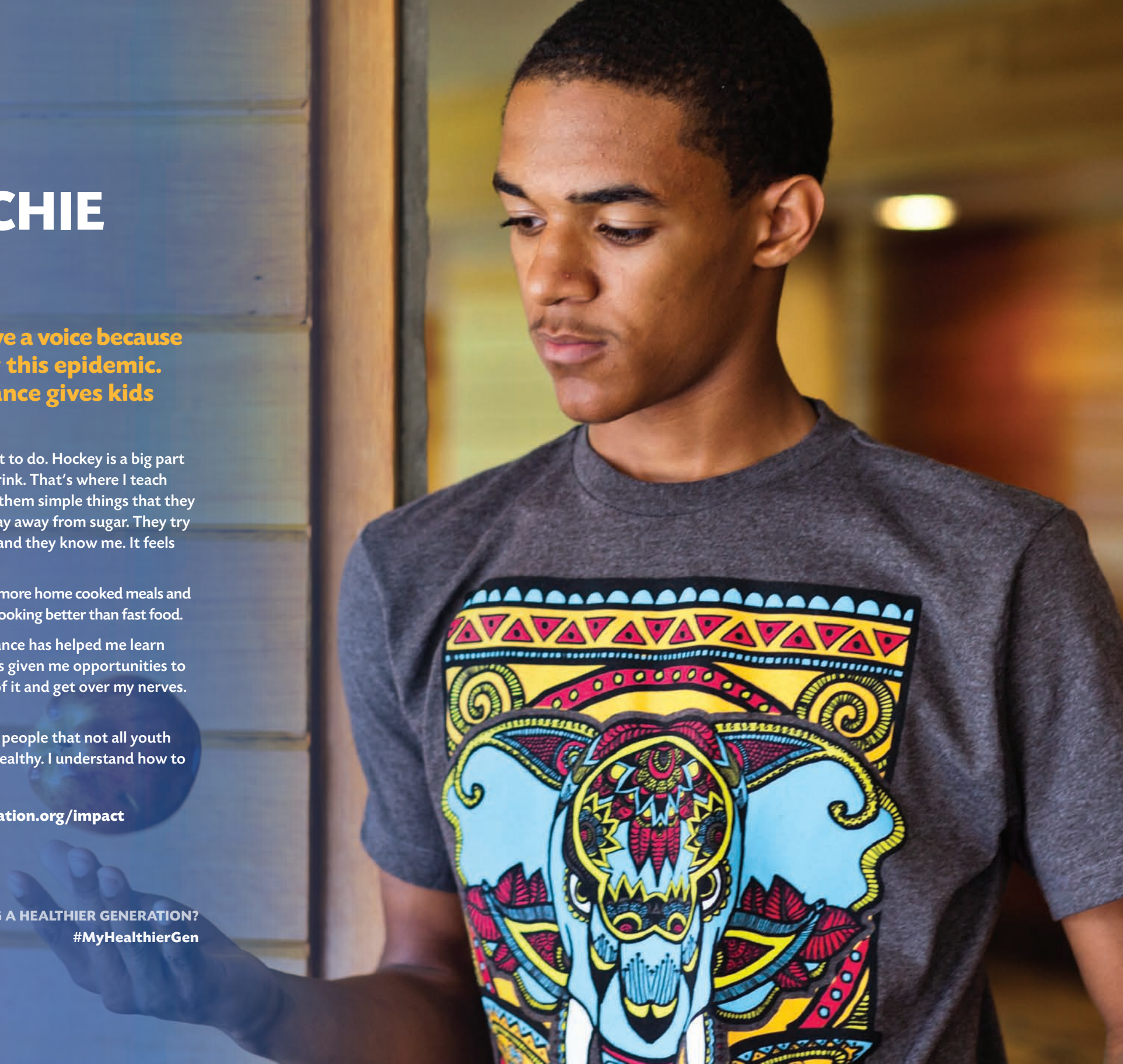
As a Youth Advisory Board Member, the Alliance has helped me learn the skills I need to give a good speech and has given me opportunities to speak in public. I'm starting to get the hang of it and get over my nerves. I feel more confident now.

Mostly, what I like about speaking is to show people that not all youth are going down a wrong path and eating unhealthy. I understand how to convince other people in our age group.

🎥 Watch Kaseir's story at HealthierGeneration.org/impact

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SCHOOLS

The Alliance for a Healthier Generation's Healthy Schools Program helps to create and sustain healthy school environments where students, especially those in greatest need, can flourish.

Healthy students learn better—studies show that they perform better on tests, get better grades, attend school more often and behave better in class. School participation in the Healthy Schools Program reached an all-time high last year as the Alliance has now helped 24,000 schools to increase quality physical activity, health education, and healthy eating for nearly 15 million students.

Growth in the Healthy Schools Program was largely due to its alignment with national partners, such as *Let's Move!* Active Schools, the Centers for Disease Control and Prevention (CDC), and the United States Department of Agriculture (USDA) to deliver a unified set of tools and evidence-based criteria to build and sustain a healthy school. Through the Healthy Schools Program, the Alliance continually seeks new and innovative ways to partner with and support the White House and federal agencies, as well as state and local entities, districts, schools and companies to bring about healthier campuses for students and staff.

The Alliance dedicated a great deal of its resources in FY 2014 to leading the way in support of schools' efforts to meet or exceed the federal school nutrition standards required by the Healthy, Hunger-Free Kids Act of 2010. The Act required schools around the country to implement updated nutrition standards at the start of the 2012-13 school year for meals served through the federally funded National School Lunch Program. The Alliance also led efforts to help schools prepare for the implementation of the USDA's Smart Snacks in School nutrition standards for the 2014-15 school year.

HEALTHY SCHOOLS PROGRAM IMPACT

24,000 schools

15 million students

5 military bases

267 nationally
recognized schools

Getting the new rules issued was just the first step. The Alliance's leadership in supporting successful implementation of the new standards included offering hundreds of user-friendly tools and real life success stories to help schools and companies promote healthy eating through meals and snacks in all corners of the school building. The most popular of the newly developed tools was the Alliance Product Calculator, promoted to all



schools in the country by the USDA as a helpful and accurate method for assisting with planning for healthy meals and snacks.

The Alliance analyzed schools in its Healthy Schools Program to learn more about their secret to school meal success. The findings: Schools that are thriving are using Alliance resources and technical support to not just implement the new guidelines and serve healthier foods, but to change their cafeteria culture to create an environment where good foods fit into their schools' wants and needs. In fact, schools participating in the Healthy Schools Program are exemplary in their efforts to serve healthy meals and 267 of them were honored at the Alliance for a Healthier Generation Healthy Schools Forum in Little Rock, Arkansas. President Clinton was among many important speakers who lauded the schools—100 percent of which had led the way in meeting or exceeding updated federal nutrition standards and serving healthy food to students.

The Healthy Schools Program also began to expand its successful model of systems change into new areas with high-need populations, including innovative work with the United States Department of Defense's Healthy Base Initiative. The Alliance was selected as the assessment partner to determine the current state of health at Department of Defense schools, and also as an implementation partner to introduce the Healthy Schools Program at 26 schools on five military bases.

This exciting expansion of the Alliance's work to critical populations of young people who are disproportionately affected by obesity also included further empowering Navajo Nation schools to use the Alliance's Healthy Schools Program Framework and tools to implement effective physical activity and nutrition policies and practices. The Alliance was so pleased with encouraging signs of improvement in FY 2014, it published a CEO blog and a white paper entitled, *Seeking Balance & Health in the Navajo Nation*. The report highlights three stories of hope from students and schools working to make sure that the next generation of Navajo children can live long and healthy lives.

ADRIENE HAYNES

Out-of-School Time Provider

The key for us—and for the Alliance—to changing behavior is allowing our children and parents to actually be able to apply what they learn. Being a part of that learning process is wonderful.

Every day, I go to work (with Concerned African Women, Inc.) to support the children and families in the communities around us that need us most. Over the years it's become clear that more of the families we serve have chronic health issues, such as diabetes, heart disease, and kidney disease. We knew we needed to do something to help. So we partnered with the Alliance and successfully followed their guidelines to create a healthier out-of-school time environment. We offer nutrition education for parents and students in a way that makes healthy eating as simple as possible. It's so important for children to learn alongside their parents.

Recently one mother had tears coming out of her eyes telling me how great our program was. Her 12-year-old daughter used to only want fried food and fried chicken was her favorite. Then by the end of our summer class she refused to eat anything fried. So much so that when they'd go grocery shopping, she'd say, "Mom, stay away from that outside aisle; that's where the unhealthy food is!" This kind of change happened in one summer!

📺 Watch Adriene's story at HealthierGeneration.org/impact

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STORMIE HART

Juvenile Youth

All my life I grew up with self-esteem problems, but now I can look at myself and say you're going to do something big. And here I am (with the Alliance), doing something big!

I've gone through a whole lot. I've been in and out of foster care. My mom is really bad on drugs. She really didn't show that she wanted me. I built up a brick wall and I wouldn't let anyone in.

Being here (at the Arkansas Juvenile Assessment and Treatment Center) changed me. I actually learned here how the things we eat affect our bodies. Just eating the right things and watching what you eat...you don't want to eat sugars and junk food all the time because all that is going to do is build up and turn into fat. I didn't know any of these things until I got here.

At [the] Agriculture [Program], I learned about planting seeds. It's amazing! Not a lot of people know how to maintain plants. But here we learned a lot of skills of how to keep plants alive.

I like helping out people and if I could I would just grow everything and then give it to people... I can't stand that there are people out there suffering. That's just me: I'm caring like that.

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OUT-OF-SCHOOL SETTINGS & COMMUNITIES

More than 15 percent of American youth are involved in afterschool programs and millions are more engaged in summer camps and community organizations.

In order to positively impact these children, in FY 2014, the Alliance was the first in the field to announce an exciting national expansion of its work to increase access to healthier foods and physical activity in out-of-school time environments. The announcement built on the success of an Alliance pilot program to support out-of-school time providers in eight urban centers, made possible through funding from the Walmart Foundation and others.

Through an unprecedented partnership commitment from the Boys & Girls Clubs of America announced by President Clinton in January, as well as a similar commitment from the National Recreation and Park Association, the Alliance's work in out-of-school time settings will reach 5.5 million young people in more than 6,300 out-of-school time sites, including 4,000 Boys & Girls Clubs. By utilizing the Alliance's process, tools and resources, these community organizations are able to improve access to healthier foods, increase physical activity opportunities, and engage in positive youth development

OUT-OF-SCHOOL SETTINGS IMPACT

5.5 million young people

6,300 sites

4,000 Boys & Girls Clubs of America sites

2 juvenile justice pilot states

The Alliance started piloting its work in out-of-school time settings in 2011 as a natural expansion of its early success in the school environment. A similar innovative expansion occurred this year as the Alliance began to promote and teach healthy habits (diet and exercise) among youth living in juvenile justice communities in two states—California and Arkansas—with support from the Clinton Foundation. The majority of youth in these settings are low-income minorities who



are disproportionately impacted by poor health, including unhealthy dietary behaviors and inadequate physical activity. The pilot presents a unique opportunity for the Alliance to create a more supportive, healthy environment for young people staying in juvenile justice centers and to teach them positive lessons about nutrition and fitness that they can take back to their families and communities.

With the continued support of Walmart and so many others, the Alliance will ensure that thousands of providers and communities have the tools needed to create healthy settings for young people.

“We believe by creating healthier environments that surround a child, we can reduce the prevalence of childhood obesity. Outside of the school day, millions of young people across the country spend the majority of their time in these structured programs.”

— PRESIDENT CLINTON

JOHN E. MOORE, MD, FAAP

General Outpatient Pediatrician

Our biggest goal is education. Together we're tackling the knowledge gap with families, one child at a time.

Years ago, a brother and sister came in for a check-up and each had gained about five pounds. The next checkup, they had gained another five.... then another. Once they hit their early teens, their grades were slipping, and they complained of being teased. Their mother was morbidly obese. I could see it before my eyes: I knew what path they were on.

I was motivated to help these siblings and so many of my other patients who were steadily getting heavier, and as a result, suffering from asthma, joint pain, and developing high cholesterol. But I didn't know how. I didn't have the tools to help.

So I reached out to the Alliance. And now I do.

Being a part of the Healthier Generation Benefit has helped so many of my patients, as well as my professional journey as a pediatrician. The staff of the Alliance has so much passion. That translates into more resources for me to do preventative care, to train my staff, and to educate my patients and their parents.

🕒 Watch Dr. Moore's story at HealthierGeneration.org/impact

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CHRIS VIEHBACHER

Sanofi Chief Executive Officer

Working closely with the Alliance offers us an opportunity to learn more about patient and community needs—including those of our people and their families—while reducing the economic burdens of chronic disease.

Earlier in my career, I started investing my own time and energy into tackling the obesity epidemic in my community. I stuck with it because I started seeing results. At Sanofi, I had the opportunity to invest company resources towards this critical effort and was committed to the opportunity to partner with the Alliance.

Our partnership with the Alliance is built on trust and collaboration. It also means that some of our employees are given the chance, like I had years ago, to engage in the communities around them by volunteering in and supporting the 90 New Jersey schools that are now a part of the Alliance's Healthy Schools Program.

Most importantly, we internalize the work of the Alliance and more than 13,000 children of our Sanofi US employees have access to the Alliance's Healthier Generation Benefit, providing their families with critical preventative services that will help instill life-long healthy habits.

We all must do what we can to change behaviors and reverse the trends of this epidemic and other chronic diseases—Sanofi has made this our top priority.

▶ Learn more about our work with industry at HealthierGeneration.org/industry

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INDUSTRY & HEALTHCARE

The Alliance's cornerstone strategy of engaging industry groups through voluntary agreements to fight obesity continued to have a profound impact on the health of America's children.

In FY 2014, the Alliance extended this work to the restaurant sector by brokering a commitment for global change from the world's largest restaurant chain. Announced by President Clinton at the 2013 Clinton Global Initiative Annual Meeting in New York City, McDonald's committed to increase customers' access to fruit and vegetables and help families and children make informed choices in keeping with balanced lifestyles in the United States and 19 other countries that comprise the restaurant chain's largest markets. The President was joined onstage with McDonald's CEO and President Donald Thompson and Dr. Howell Wechsler (pictured right).

Specifically, McDonald's committed to: provide customers a choice of a side salad, fruit or vegetable as a substitute for French fries in Value Meals; promote and market only water, milk, and juice as the beverage in Happy Meals for kids; utilize Happy Meal and other packaging innovations and designs to generate excitement for fruit, vegetable, low/reduced-fat dairy, and water options for kids; dedicate Happy Meal box or bag panels to communicate a fun nutrition or children's well-

being message; and ensure 100 percent of all advertising directed to children will include a fun nutrition or children's well-being message. McDonald's also selected a credible third-party evaluator, KeyBridge, to verify progress on the commitment in a clear and transparent manner.

In FY 2014, the Alliance built upon its success in strategically working with industry to ensure that schools and communities have greater access to healthier food options at affordable prices. The Alliance worked with 14 food companies and group purchasing organizations to expand industry school agreements already in place with the Alliance to



the out-of-school time environment; and it added General Mills as a partner to all existing agreements. As a result of the Alliance's work with industry, providers in both settings are choosing healthier food and beverage purchases for kids (instead of unhealthy options), and achieving real savings along the way.

In the healthcare sector, the Alliance continued to grow its work with both the American Academy of Pediatrics and the Academy of Nutrition and Dietetics to educate healthcare professionals about resources and best practices for coordinated care to prevent and treat childhood obesity. By working together through the Alliance's Healthier Generation Benefit, doctors and registered dietitians help children and their families adopt healthier lifestyle habits to improve their health and weight. In FY 2014, the Benefit included more than 20 companies working with 56,000 providers offering the health services benefit to more than 2.8 million kids.

The Alliance furthered its work to address barriers to the effective provision of preventive health services to children by releasing, in partnership with the Bipartisan Policy Center (BPC) and the American College of Sports Medicine (ACSM), a white paper entitled, *Teaching Nutrition and Physical Activity in Medical School: Training Doctors for Prevention-Oriented Care*. Representatives from these groups joined the Alliance to speak about the findings and recommendations at an Institute of Medicine Roundtable on Obesity Solutions in Washington, DC. The paper points to a skills and knowledge gap among medical professionals that must be addressed to reverse the nation's obesity epidemic.



INDUSTRY IMPACT

20 top global McDonald's markets

14 food companies and GPOs in out-of-school time

HEALTHCARE IMPACT

56,000 providers

20 companies

2.8 million kids

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MARYBELLE DOE

Mother

My son (Bobby Sena) had the passion and the drive. What he needed were the skills, a network, and encouragement. That's where the Alliance came in.

The Alliance has given so much to my son, to me as a mom and to us as a family. As a Youth Advisory Board member, Bobby was given the skills and support to run an afterschool fitness club, start a school garden, and the inspiration to encourage his teachers to make healthy eating a part of their lesson plans. He's received grants to build community gardens for homeless shelters. He's met with Florida's Governor and First Lady Michelle Obama.

As a mom, I've been given the chance to watch my son's confidence grow and his character strengthened. He is so driven that he's now set his sights on being President!

And at home, Bobby keeps the health of our family together. I've long struggled with my health and weight. He's given me the motivation I've needed to be healthier. Even on his first day of school this year, rather than focusing on himself, he said, "Mom, it's time to go on our walk. No excuses." So we did! And my heart burst with pride.

🎧 Read more inspiring stories at HealthierGeneration.org/stories

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ANNA-MARIE JENSEN

Supporter

Being a part of Team Healthier Generation gives me a way to help—so that no one else has to go through what I did as a kid.

I was the fat kid in school. The only one. I was tormented and the middle school years were the hardest. Even when I wanted to do sports, I was told, “let’s face it, you’re not an athlete, you’re not a runner.”

Well now I am. I am a runner, and I surprise the heck out of myself. My husband and I run marathons, our daughter runs in races too. At first, running was about burning calories but now it’s so much more. It’s about making a difference for someone else. It feels good to be a part of Team Healthier Generation: to do the work, get people to back me, and earn my way into a race.

I know a lot of parents who want to make healthier choices for their families but it is hard and confusing. The truth is, if I were growing up now, I wouldn’t be the only fat kid. I would have plenty of company! The Alliance is working to change that through education and support, and I’m glad to be on their team.

🔗 Join Team Healthier Generation at teamhealthiergeneration.org

HOW ARE YOU BUILDING A HEALTHIER GENERATION?

#MyHealthierGen

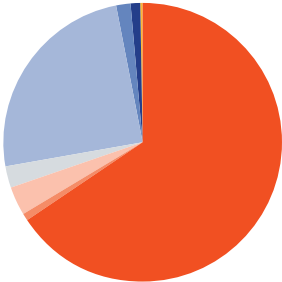


FINANCIALS

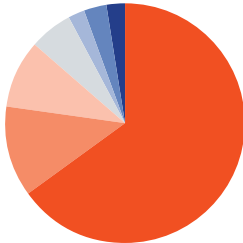
The goal of the Alliance for a Healthier Generation is to reduce the prevalence of childhood obesity and to empower kids nationwide to develop lifelong, healthy habits.

Research shows a strong link between a young person’s practice of healthy habits, including a good diet and regular physical activity, and an improvement in their overall life outcomes.

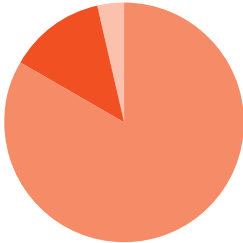
The Alliance works with schools, companies, community organizations, healthcare professionals and families to build healthier environments for millions of children. This report displays the financial activities of the Alliance during the fiscal year ending in June 30, 2014.



REVENUE		FY 2014
Grants		10,726,206
Government grants		114,296
Contributions		541,414
Grants from related parties		443,071
Contributions from related parties		4,000,000
Consulting fees		277,394
In-kind contributions		210,390
Interest and other income		8,447
TOTALS		16,321,218



EXPENSES		FY 2014
Salaries and fringe		10,563,652
Travel and meetings		1,971,566
Professional services		1,503,056
Office and other expenses		936,540
Technology		393,184
Depreciation		464,989
Grant awards and stipends		395,799
TOTALS		16,228,786



EXPENSE BREAKDOWN		FY 2014
Total Program expenses		13,562,207
Total Administrative expenses		2,088,428
Total Fundraising expenses		578,151
TOTALS		16,228,786

FUNDERS

Grants and Contributions

\$1,000,000 AND OVER

American Heart Association
Clinton Foundation
JPB Foundation
Kaiser Permanente National
Community Benefit Fund at the
East Bay Community Foundation
Michael and Susan Dell
Foundation*
Robert Wood Johnson
Foundation
Walmart Foundation

\$500,000 TO \$999,999

Desert Health Care Foundation
Health Foundation of
South Florida
NIKE, Inc.
sanofi-aventis US, LLC

\$100,000 TO \$499,999

Brita
Broward Regional Health
Planning Council, Inc.
Cellular One**

Department of Defense Healthy
Base Initiative
Dream Fund at UCLA*
Health Care Foundation of Greater
Kansas City*
Helios Education Foundation*
Jawbone
Juvenile Justice**
Mt. Sinai Health Care Foundation
Saint Luke's Foundation
School Board of Miami-Dade County,
Florida
The California Endowment

\$25,000 TO \$99,999

24 Hour Fitness USA, Inc.
Missouri Foundation for Health
Steele Foundation*
The Clorox Company
United Way Cleveland
Wasserman Foundation

* Assigned by the American Heart Association

** Assigned by the Clinton Foundation

Note: Total gift may cover multiple years

NEXT UP!

Below are notable developments that occurred after June 2014 that will be highlighted in next year's annual impact report:



◀ In September 2014, Alliance for a Healthier Generation and America's beverage companies announced a landmark CGI commitment to reduce beverage calories consumed across the nation by 20 percent.

More than 250 school, corporate and community leaders honored at the Alliance for a Healthier Generation 2014 Leaders Summit. ▶



◀ As of November 2014, more than 26,000 schools are participating in the Alliance's Healthy Schools Program.

HOW ARE YOU BUILDING A
HEALTHIER GENERATION?

#MyHealthierGen

HealthierGeneration.org

FOUNDED BY:



CLINTON FOUNDATION 2013-2014 ANNUAL REPORT



Unlocking Human Potential

CLINTON FOUNDATION 2013-2014 ANNUAL REPORT

We believe that the best way to unlock human potential is through the power of creative collaboration. That's why we build partnerships between businesses, NGOs, governments, and individuals everywhere to work faster, better, and leaner; to find solutions that last; and to transform lives and communities from what they are today to what they can be, tomorrow.

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COVER PHOTO: The Clinton Giustra Enterprise Partnership's distribution enterprise program in Peru is targeted to reach nearly 3,000 female entrepreneurs and at least double their current incomes.

*Debra Kellner / Clinton Giustra
Enterprise Partnership*



DEAR FRIENDS,

This past year has been a good one, as the Clinton Foundation has worked with inspiring partners and supporters around the world to empower people and advance causes important to our future. Over again, we have seen that the best results are produced by creative cooperation, and that we have only scratched the surface of what can and should be done.

Whether we are scaling up some of our longest running programs, like strengthening health systems in developing nations and helping smallholder farmers increase their incomes or beginning new efforts to empower women and girls and improve early childhood learning, we believe each of our initiatives can make a measurable difference. Because we want to be accountable for making that difference and because the power of success changes everyone's consciousness about what is possible, we incorporate data and metrics into all of the Foundation's work and constantly examine how we can touch more lives around the globe.

At the end of the day of course, the most important piece of data is the number of lives saved, improved, and empowered – or as we like to say, the number of people who are now living better life stories. We hope you will be inspired by the stories in the pages that follow.

We all make a decision every day about what we will do with our minds and hearts, and our family is grateful that so many gifted, dedicated people have chosen to work at the Clinton Foundation and grateful that you have done so much to make their work possible. The progress chronicled in the report belongs to you, too.

Sincerely,



PHOTO: President Clinton, Secretary Clinton, and Chelsea Clinton attend the Clinton Global Initiative University Opening Plenary at Arizona State University in March 2014.

Max W. Orenstein / Clinton Foundation

How We Achieve Impact



At the Clinton Foundation, we work to tackle global challenges where we know we can make a difference. Our programs focus on improving global health, increasing opportunity for women and girls, reducing childhood obesity and preventable disease, creating economic opportunity and growth, and helping communities address the effects of climate change. By creating opportunity, convening unlikely partners, and building on what works, we believe that we can empower people to take control of their own destinies.

PHOTO: Through the Anchor Farm Project, more than 36,000 smallholder farmers in Malawi and Tanzania are increasing their yields and improving their livelihoods.



WE CREATE OPPORTUNITY

Throughout the world – where intelligence, hard work, and ability are evenly distributed, but opportunity is not – we work to accelerate economic progress by providing people with access to the tools, capital, and markets they need to create profitable and diversified local businesses.

We connect people with better market opportunities, and provide them with agricultural training and business knowledge. Across Peru, Colombia, India, Haiti, El Salvador, and Mexico, our programs are expected to reach **more than 350,000 people**. In Malawi and Tanzania, we empower **more than 36,000 smallholder farmers** through agribusiness development, and in Haiti, we developed a full-cycle investing model to spur economic growth, increase incomes, and clean up the environment.

By offering the necessary resources and capacity development to sustain enterprises in Africa, Asia, Latin America, and the Caribbean, we can help people lift themselves out of poverty – and create opportunity for future generations.



WE CONVENE UNLIKELY PARTNERS

To create lasting solutions to both local and global challenges, we cultivate strategic partnerships and develop collaborative, collective approaches across sectors to work faster, better, and leaner.

After turning ideas into action for over a decade, we know that partnerships work. By working with governments and manufacturers, we have transitioned the markets for antiretroviral treatments to a high-volume, low-cost model – helping **8.2 million people** get access to life-saving treatments. We also create more resilient communities by partnering with local employers and governments to reduce **more than 33,500 tons of greenhouse gas emissions** in the U.S. annually, and conserve land and scale energy-efficient technologies globally. In an effort to reduce the prevalence of preventable disease and obesity rates in the U.S., we create health programs by engaging with local community stakeholders to reach **8 million people** and collaborate with leading food and beverage companies to provide access to healthier food options in **26,000 schools**. And to help ensure that our youngest generation can achieve success in the 21st century, we work with businesses and communities to educate parents on the importance of early language development.

By bringing expert partners together, we can overcome major barriers and expand the reach and impact of our work.



WE BUILD ON WHAT WORKS

When we bring people together from across sectors to solve both local and global challenges, we encourage partners to share their successes, as well as their failures, so we can build upon what works and create lasting solutions for a better tomorrow.

We provide platforms for people and organizations to share information and data so that we can scale solutions that work, overcome barriers, and galvanize action for partnerships to achieve more. These platforms have enabled **more than 3,100 Commitments to Action** to be made, reaching **more than 430 million people** around the world. Globally, we are working to collect and analyze data from **more than 190 countries** to assess the progress of women and girls, and chart a path forward for a 21st century policy agenda to ultimately achieve full participation. To make a difference at the local level, we have worked with **15 service partners** to mobilize volunteers to help address community priorities. And for 10 years, we have provided an important venue for school children, scholars, and others to explore President Clinton's work and that of our Foundation in Little Rock, Arkansas – helping educate and inspire **more than 3.3 million people** from around the world.

As we have seen through our initiatives, when we work together, we can impact more lives – more than any individual or organization can on their own.

PHOTO: The Union Des Apotres – Prodev School – which was built through a Clinton Global Initiative Commitment to Action – is the first school in Cite Soleil, Haiti, to have solar capacity. The Clinton Foundation helped facilitate the solar installation.

Max W. Orenstein / Clinton Foundation

ALLIANCE FOR A HEALTHIER GENERATION

Empowering kids nationwide to make healthy lifestyle choices

The Alliance for a Healthier Generation will reach 5.5 million young people through its work in improving access to healthier foods and physical activity in afterschool settings.

Dominic Arizona / Clinton Foundation





Childhood obesity has almost tripled in children and adolescents in the past 30 years. Today, nearly 1 out of 3 young people in America – ages 2 to 19 – is already overweight or obese, putting them at risk for serious health problems. The Alliance for a Healthier Generation (Alliance), founded by the Clinton Foundation and the American Heart Association, empowers kids to develop lifelong, healthy habits. The Alliance works with schools, companies, community organizations, health care professionals, and families to build healthier environments for millions of children.

INDUSTRY AGREEMENT MILESTONES

Over the past two years, the Alliance for a Healthier Generation has continued to engage some of America’s leading food and beverage companies to increase access to healthier options. Building on the success of its previous effort to remove calories from beverages sold in schools across the U.S. by 90 percent, in 2014 the Alliance negotiated a new voluntary agreement with the American Beverage Association, The Coca-Cola Company, Dr Pepper Snapple Group, and PepsiCo to reduce beverage calories consumed per person nationally by 20 percent by 2025. This effort will allow the beverage companies to leverage their marketing, innovation, and distribution strength to increase and sustain consumer interest in and access to beverage options in order to help consumers reduce the calories they consume. Additionally, the Alliance worked with 14 food companies and group purchasing organizations to expand industry school agreements already in place with the Alliance to the out-of-school time environment, and added General Mills as a partner to all existing agreements. Finally, in 2013 the Alliance joined with McDonald’s to increase customers’ access to fruit and vegetables and help families and children make informed choices in keeping with healthy, balanced lifestyles. See opposite page for details about the agreement.

HEALTHY SCHOOLS PROGRAM

Every day, 95 percent of school-aged kids and teens attend school. Aside from their home, it’s the place where kids spend most of their time, making schools a powerful place to shape the health, education, and well-being of students and staff. The Alliance’s Healthy Schools Program, launched in 2006, reaches more than 15 million students by helping more than 26,000 schools across the U.S. increase quality physical activity, health education, and healthy eating. Through guidance, tools, and resources, the Healthy Schools

Program supports schools’ efforts to implement policies and practices that meet federal requirements and further local health and wellness goals. Eighty percent of schools that receive assistance from the Healthy Schools Program’s field staff have made measurable progress toward creating healthier environments, and 95 percent have met or exceeded federal nutrition standards for school meals. Since the program’s inception, more than 1,000 schools have achieved national recognition from the Alliance for their schools’ health achievements. In 2014, six schools earned the National Healthy Schools Gold Award, doubling the number of schools in just one year to achieve Gold status since the inception of the Alliance’s Healthy Schools Program.

HEALTHY OUT-OF-SCHOOL TIME

Outside of the school day, millions of young people spend the majority of their time in structured, out-of-school time programs, including before- and after-school programs, summer camps, community centers, and faith-based organizations. In order to positively impact these children, in 2014 the Alliance announced a national expansion of its work to increase access to healthier foods and physical activity into out-of-school time environments. Through an unprecedented partnership with the Boys & Girls Clubs of America, announced at the Health Matters Annual Activation Summit, as well as a similar commitment from the National Recreation and Park Association, the Alliance’s work in out-of-school time settings will reach 5.5 million young people in more than 6,300 out-of-school time sites, including 4,000 Boys & Girls Clubs. By utilizing the Alliance’s programs, these community organizations will be able to improve access to healthier foods, increase physical activity opportunities, and engage in positive youth development.

Building healthier school environments for more than **15 million students** in more than **26,000 schools**

Ensuring **5.5 million young people** – through 6,300 out-of-school time providers – have access to healthier foods and physical activity afterschool

2.8 million children receiving health care benefits through a network of **56,000 health care providers**

The Alliance for a Healthier Generation is partnering with McDonald's to promote balanced food and beverage choices in 20 of McDonald's major markets. The Alliance and McDonald's announced their unprecedented partnership at the 2013 Clinton Global Initiative Annual Meeting.

MCDONALD'S COMMITS TO*



Provide customers with a choice of a side salad, fruit, or vegetable as a substitute for French fries in value meals



Offer new fruit, vegetable, low/reduced-fat dairy, or water options in the Happy Meal and generate excitement for produce and dairy



Promote and feature only water, milk, and juice as the beverage in Happy Meals on menu boards and in-store and external advertising



Ensure 100% of all advertising directed to children includes a fun nutrition or children's well-being message

THESE ACTIONS WILL AFFECT

85% OF MCDONALD'S
GLOBAL SALES

McDonald's will take these actions in restaurants in 20 major markets that represent more than 85 percent of global sales.

*All pieces of this commitment are expected to be implemented in 30-50% of the 20 major markets within three years and 100% of the 20 markets by 2020.

IT IS IMPORTANT FOR KIDS TO HAVE A VOICE, BECAUSE WE ARE THE

ones affected by this epidemic. We are the future. The Alliance for a Healthier Generation gives kids like me a voice.

The Alliance has supported me in what I want to do. Hockey is a big part of my life and I spend a lot of time at the ice rink. That's where I teach nutrition classes to the younger kids. I teach them simple things that they can remember, like how to read labels and stay away from sugar. They try to listen to me because I am a hockey player and they know me. It feels really good to teach.

My mom now makes healthier choices too. We eat more home-cooked meals and we check the labels. I definitely like my mom's cooking better than fast food.

The Alliance has helped me learn the skills I need to give a good speech and has given me opportunities to speak in public. I'm starting to get the hang of it and get over my nerves. I feel more confident now.

Mostly, what I like about speaking is showing people that not all youth are going on a wrong path and eating unhealthy. I understand how to convince other people in our age group.

Kaseir Archie

Youth Advisory Board Member
Alliance for a Healthier Generation

PHOTO: Kaseir Archie, member of the Alliance for a Healthier Generation's Youth Advisory Board, acts as a role model to younger kids by living healthy and teaching nutrition classes.

Dominic Arizona / Clinton Foundation



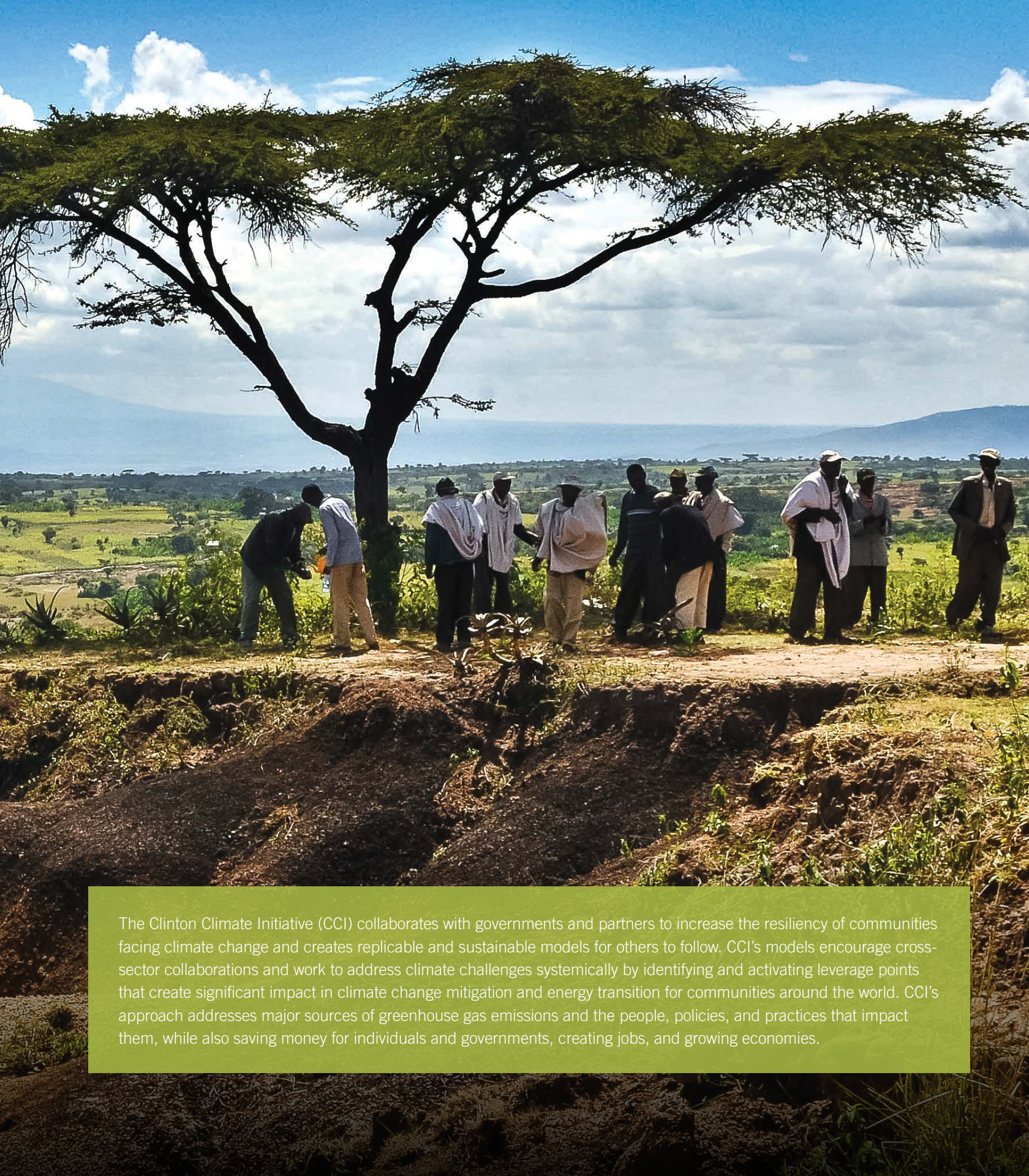


CLINTON CLIMATE INITIATIVE

From systemic thinking to systemic action: creating resilient communities

In Awassa, Ethiopia, the Clinton Climate Initiative's Forestry Program provides tools and financial models to help restore degraded lands.

Aaron Minnic / World Resources Institute



The Clinton Climate Initiative (CCI) collaborates with governments and partners to increase the resiliency of communities facing climate change and creates replicable and sustainable models for others to follow. CCI's models encourage cross-sector collaborations and work to address climate challenges systemically by identifying and activating leverage points that create significant impact in climate change mitigation and energy transition for communities around the world. CCI's approach addresses major sources of greenhouse gas emissions and the people, policies, and practices that impact them, while also saving money for individuals and governments, creating jobs, and growing economies.

FORESTRY PROGRAM

Environmental degradation is one driver of poverty in developing countries as well as a contributor to climate change, with deforestation and forest degradation contributing approximately 15 percent of global carbon emissions. The Clinton Climate Initiative's (CCI) Forestry Program works with governments and communities in developing countries to reduce emissions by creating sustainable solutions for managing forests and lands. CCI Forestry's goal is to provide developing countries with the knowledge and tools to improve land use while also helping to reduce carbon emissions by planting and conserving trees and restoring degraded lands to improve productivity. In 2013, CCI Forestry launched a new \$12.5 million program with the Kenyan government to deliver reliable greenhouse gas emissions data as well as planning tools for the land sector. Additionally, CCI's deforestation program in Indonesia issued over 10 million carbon credits, helping to support sustainable community development and forest conservation. In 2014, CCI launched a program in Ethiopia and Kenya to catalyze large-scale restoration by providing tools and financial models necessary to restore degraded lands, including national maps that identify priority sites for forest restoration, and reforestation plans for local communities.

ISLANDS DIESEL REPLACEMENT PROGRAM

Small island nations are highly vulnerable to climate change, yet have the potential to position themselves as global leaders in climate change action by taking advantage of their rich natural resources. CCI provides technical, financial, policy, and regulatory assistance that is critical to the development and execution of clean energy projects across a range of technologies, specifically in developing nations and small island nations which typically lack capacity and specialized skills to access these resources. CCI's Islands Diesel Replacement Program assists small island nations in developing and implementing sustainable energy, waste, and

water solutions, in turn reducing reliance on imported fossil fuels, limiting greenhouse gas emissions, and leveraging the financial and human development benefits of a low-carbon economy. CCI's Islands Diesel Replacement Program also supports developing countries with technical, financial, and policy advice, developing solutions to catalyze market transformation, and creating innovative models that can be scaled and replicated in other islands worldwide.

ENERGY EFFICIENCY PROGRAM

More than one-third of worldwide energy is consumed in buildings, yet studies show that we could reduce that energy use by as much as 30 percent. Reducing building energy use through energy efficiency and monitoring strategies can have significant environmental, occupant health, and economic impacts, yet achieving energy efficiency at scale in homes and businesses has remained a challenge. Through its building retrofit program and Home Energy Affordability Loan (HEAL) program, CCI is working to address barriers to achieving large-scale reductions in building energy use globally. Piloted in Arkansas, the HEAL program facilitates a commercial retrofit to employers' facilities and then provides a turnkey engagement process, similar to an employee benefit program, by which employees can make energy-efficiency improvements in their homes. Building on the successful efforts of HEAL in Arkansas, in 2013 CCI launched pilot replication efforts in six states including California, Wisconsin, Vermont, Michigan, Missouri, and North Carolina. Agreements are in place or under negotiation to pilot two additional sites outside of Arkansas in 2014. In total, HEAL has directly impacted more than 5,600 lives by helping create healthier homes while simultaneously saving money on energy bills. Together, CCI's HEAL and building retrofit programs are reducing more than 33,500 tons of greenhouse gas emissions annually across the U.S.

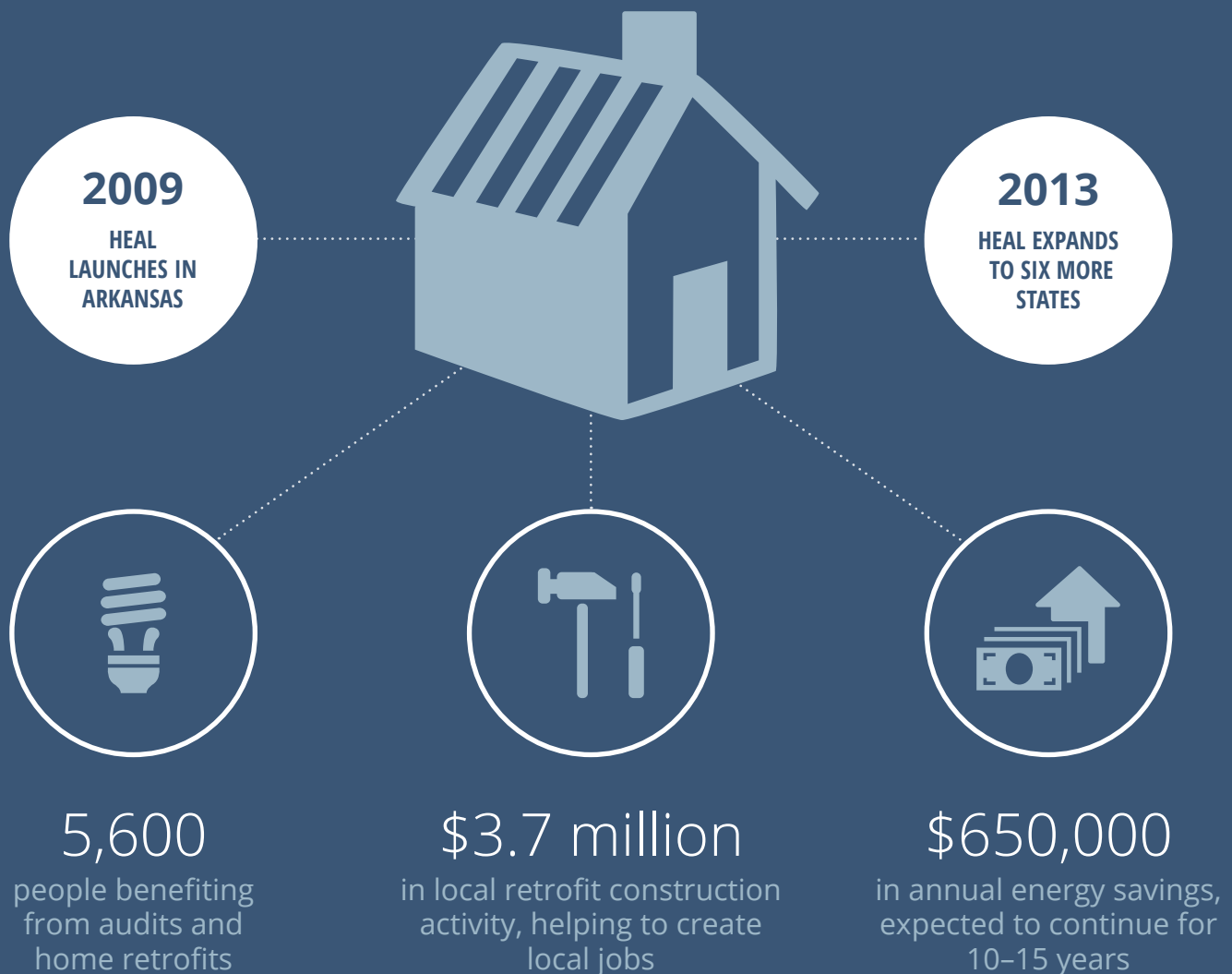
More than **33,500 tons of greenhouse gas emissions** being reduced annually across the U.S.

Launched a **\$12.5 million program** with the Kenyan government to deliver reliable greenhouse gas emissions data and planning tools

100 KW of installed solar capacity through the Seychelles Rooftop Solar Photovoltaic Rebate Program

Since launching the Home Energy Affordability Loan (HEAL) Program in 2009 in Little Rock, Arkansas, HEAL has worked with partners across the U.S. to expand the program in six states. As the first employer-sponsored energy efficiency program in the U.S., HEAL is designed to improve quality of life at both the corporate and homeowner levels through energy upgrades for companies and their employees' homes.

SCALING ENERGY EFFICIENCY



OVER 70 PERCENT OF KENYANS RELY ON AGRICULTURE AS THEIR

primary source of income. However, delivering reliable and accurate information to enable farmers to make informed production decisions is a constant challenge. Over the past year, I've been very pleased to work with the Clinton Climate Initiative (CCI) to develop the System for Land-based Emissions Estimations in Kenya (SLEEK) – a cutting-edge system to improve information about Kenya's land sector and find innovative ways to deliver this information to Kenyans.

SLEEK's primary aim is to allow Kenya to accurately estimate and track its emissions in the land sector. This includes forestry, agriculture, and other land uses. To do this, we need to bring together a wide range of data sources and scientific information – climate data, models of Kenya's plants and crops, information about the carbon content of our soils and maps of land use. This system will guide our reforestation effort, help reduce emissions from agriculture, and allow us to benefit from carbon markets.

By putting this information in the hands of farmers and communities we expect to have even more impact. Kenya is a society that embraces technology – over 75 percent of us own a mobile phone and we've pioneered M-Pesa, one of the most successful mobile money systems in the world. SLEEK will provide the data to develop apps that can help farmers in a wide range of ways, such as helping them make better decisions about which crop to plant, how many cattle their land can support, and where trees are most likely to survive.

SLEEK is bringing together scientists and policy makers from across the government, strengthening our capacity to share knowledge, and working across our academic boundaries. CCI has played a key role in supporting this process, providing Kenya's scientists and government officials with technical support, advice, and leadership. I look forward to seeing the incredible impact that this system will have on people's lives.

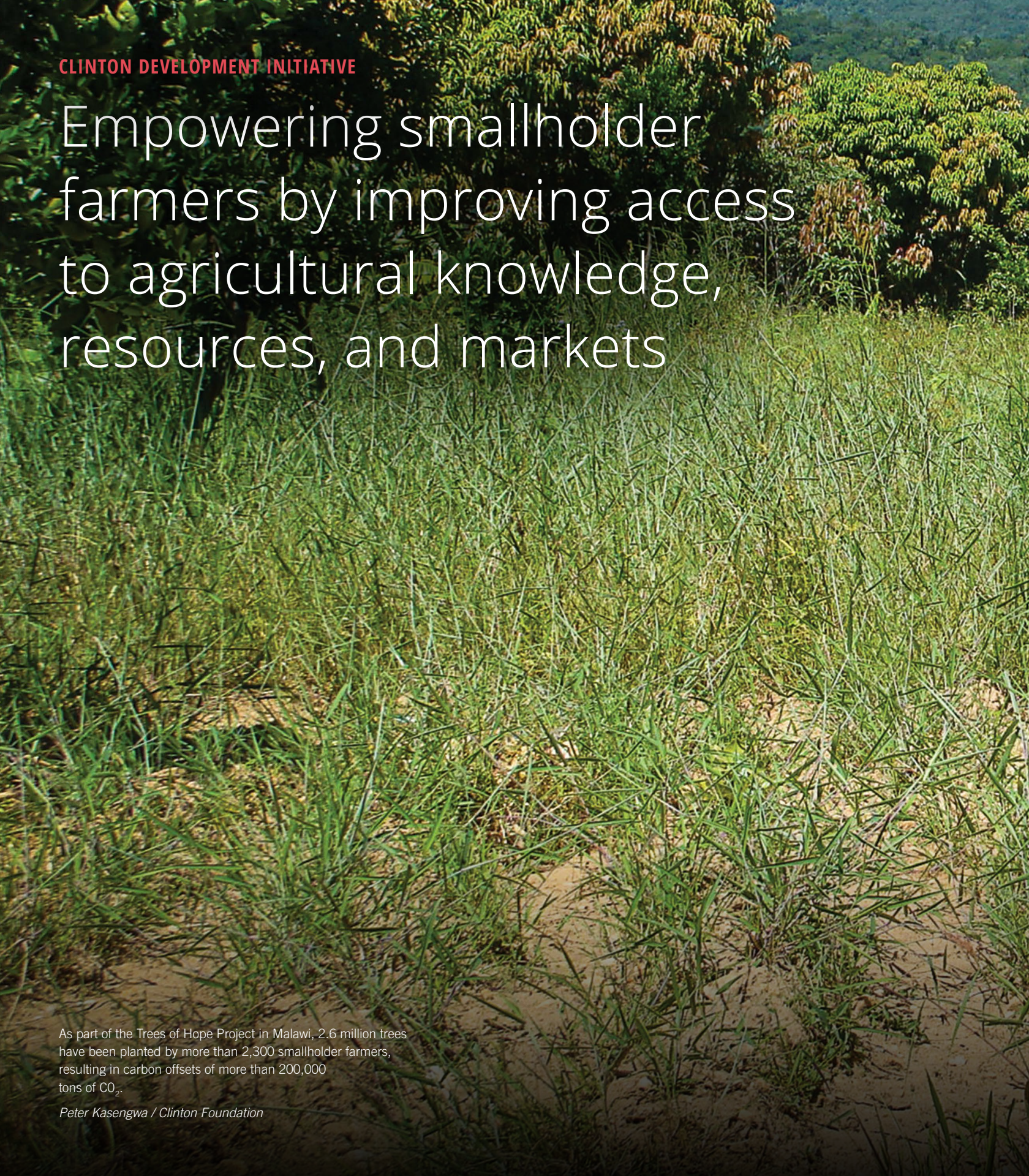
Elizabeth Adobi Okwuosa

Senior Soil Scientist, Kenya Agriculture and Livestock Research Organization
Government of Kenya

PHOTO: CCI's SLEEK Program will give farmers access to a wealth of climate, soil, and crop data through SMS and simple tablet applications. This will help farmers make better decisions about which crops to plant and when.

Clinton Foundation





CLINTON DEVELOPMENT INITIATIVE

Empowering smallholder farmers by improving access to agricultural knowledge, resources, and markets

As part of the Trees of Hope Project in Malawi, 2.6 million trees have been planted by more than 2,300 smallholder farmers, resulting in carbon offsets of more than 200,000 tons of CO₂.

Peter Kasengwa / Clinton Foundation



The Clinton Development Initiative (CDI) develops and operates agribusiness projects that empower smallholder farmers to increase their economic potential. In Malawi, Tanzania, and Rwanda, CDI integrates commercial farms and other agribusinesses with smallholder outreach to increase smallholder farmers' access to local markets and enable them to participate equitably in those markets. CDI's model puts farmers first by increasing their access to knowledge, inputs, services, and markets to improve their crop yields and increase and diversify their incomes. CDI works in close collaboration with governments, nongovernmental organizations, social investors, and farmer organizations.

THE ANCHOR FARM PROJECT

Farmers in Malawi and Tanzania face obstacles in both agricultural production and access to markets. Yields are declining as a result of weak linkages to farming resources, soil degradation, and erratic weather patterns due to climate change, while limited knowledge of market opportunities and prices hinders farmers' post-harvest profitability. The Clinton Development Initiative (CDI) established the Anchor Farm Project to enable smallholder farmers to gain access to improved seeds and inputs, training in climate-smart agronomic practices, linkages to buyers, and support in the formation of farmer clubs.

In Malawi, CDI's Anchor Farm Project is in its sixth season of operation, and engages with more than 31,000 farmers. In 2014, CDI transitioned to focus on seed multiplication and commercial crops such as maize and soya. This coming planting season, CDI is expanding its agribusiness operations by improving groundnut production through a joint venture, Moyo Nuts & Seeds, and increasing access to crop storage services through a community warehouse program. As the Anchor Farm Project continues to expand, CDI is working to better support farmers and their families by opening the first of three health clinics on three Anchor Farms in 2015. The clinics will provide health services and nutritional education to staff members and the surrounding communities.

In 2013, CDI expanded the Anchor Farm Project to Tanzania, and is currently working with more than 5,000 farmers. After making significant investments in infrastructure on its first commercial farm, CDI will plant 400 hectares of maize, soya, and sunflower this year to increase the local supply of high-quality seed and support community outreach.

THE TREES OF HOPE PROJECT

CDI established the Trees of Hope Project in 2007 in Malawi to reverse deforestation, adapt to and mitigate climate change, and bolster a self-sustaining marketplace by making tree farming more profitable and attractive for smallholder farmers. The

project coordinates community-led efforts in climate change adaptation through agroforestry and reforestation activities, reducing vulnerability of local communities to climate change through benefits derived from tree-based land-use systems that sequester carbon. Since the inception of the program, 2.6 million trees have been planted by more than 2,300 smallholder farmers. In 2014, CDI sold 11,524 carbon certificates for a total of \$88,367.

INVESTING IN AGRIBUSINESS: SOY & COFFEE

Through its partnership with the Hunter Foundation, CDI helped to establish two agricultural businesses in Rwanda: SoyCo Ltd and the Rwandan Farmers Coffee Company (RFCC). SoyCo's demand for soya will provide a market for more than 100,000 farmers and employ more than 200 individuals with factory jobs. RFCC built a coffee-roasting and packaging facility in Kigali with the capacity to process 3,000 tons of beans every year – which could improve the incomes for more than 50,000 smallholder farmers. Over the next year, CDI will shift its focus and work to apply its Anchor Farm model to expand the number of farmers benefiting from their agronomic training program in Rwanda, provide farmers access to improved seed, and increase the production and quality of key crops such as maize, soya, vegetables, and potatoes.

INCREASING AGRICULTURAL OPPORTUNITY

Farmers in Myanmar face many agricultural value chain challenges due to the country's weakened infrastructure, lack of investment, and barriers to communication. In 2014, CDI plans to launch its Seeds to Sale Project in Myanmar to focus initial efforts on providing a range of services to smallholder farmers – access to seeds and inputs, training, climate-smart agronomic practices, appropriate mobile financing products, and market linkages to buyers and processors. CDI plans to reach 15,000 farmers in the Rakhine and Shan states within the first three years of operation, targeting the production of high-value crops, such as chilies and onions.

More than 36,000 smallholder farmers increasing their incomes through the Anchor Farm Project in Malawi and Tanzania

2.6 million hardwood, citrus, and mango trees planted through the Trees of Hope Project in Malawi

150 percent average increase in soya yields by smallholder farmers in Malawi

To help farmers improve agricultural production and access to markets, CDI created the Anchor Farm Project in Malawi in 2008. In 2012, CDI scaled the project from one farm to five, and in 2013 CDI began working with the government of Tanzania to apply the successful model which works to improve farmers' livelihoods through access to better inputs, agronomic training, and market access.

THE ANCHOR FARM PROJECT MODEL

Step 1 Agricultural Education Campaign



Farmers learn about the Anchor Farm Project in three ways: hear an advertisement over the radio, observe a neighbor's successful crop achieved through the project, or attend an open field day sponsored by CDI.

Step 2 Join the Anchor Farm Project



Farmers join the project in groups of up to 20 people and learn about new agronomic techniques and make joint decisions about contracts and finances. One lead farmer serves as a field-based agricultural adviser.

Step 3 Crop Yields Increase



CDI accelerates farmers' access to high-quality seeds and inputs. Farmers plant their soya, maize, and groundnut crops using improved agronomic techniques, and their yields increase.

Step 4 Sell Crops & Increase Revenue



CDI connects and delivers farmers' crops to buyers to ensure profit. Farmers' spending power increases, and they can repay loans to establish a credit history and put the extra profits into savings.

Improving livelihoods for more than 36,000 smallholder farmers in Malawi and Tanzania

I FIRST LEARNED ABOUT THE ANCHOR FARM PROJECT IN 2012

after a visit to a friend's field. It was just before harvest. Upon walking through her field I noticed how strong, healthy, and productive her maize and soya crops were. She told me about the project, and how it had helped her improve her crop yields. I wanted to have healthier crops too. It was then that I joined the project. Lustia, the field officer who works for the Clinton Development Initiative in my village, has taught me to use new farming techniques to help improve my soil, make my land more productive, and increase yields of my crops.

Before joining the Anchor Farm Project, I produced about twenty-two 50 kg bags of maize and four to six 50 kg bags of soya beans each year. After the second growing season with the Anchor Farm Project, my annual production of maize increased to sixty 50 kg bags and my annual soya bean harvest to thirty-seven 50 kg bags, which has increased my yearly income from \$50 to \$750. Now, with this extra income, I have been able to build a new house and purchase a solar panel that brings light into my home, which enables my children to study at night.

After the second growing season with the Anchor Farm Project, my income increased further, and I was able to buy an ox cart – one of only seven ox carts in my village of more than 500 people. I also bought one full-grown ox to draw the cart, and one younger ox, which will soon be old enough to draw the cart too.

This year, I hope to increase my soya production, finish my house by pouring a concrete floor to replace my current dirt floor, and buy a vehicle. Having a vehicle will help me and others in my village access markets to buy and sell goods and reach hospitals for health care. I now serve as secretary of my local farmers' club which hosts demonstrations of new farming techniques, so I can help other farmers improve their crops and incomes so they can better support their families too.

Lucy Banda

Farmer

Anchor Farm Project

PHOTO: Lucy Banda, a smallholder farmer with the Anchor Farm Project in Malawi, has been able to build a new house from the extra income earned through higher yields.

Ariana Constant / Clinton Foundation



CLINTON GIUSTRA ENTERPRISE PARTNERSHIP

Empowering individuals in developing nations to work themselves out of poverty

In Maharashtra, India, the Clinton Giustra Enterprise Partnership will help farmers double their income over five years.

Kim Seidl / Clinton Giustra Enterprise Partnership



The Clinton Giustra Enterprise Partnership (Enterprise Partnership) combines the best of non-profit and for-profit approaches. The Enterprise Partnership creates new enterprises that capitalize market opportunities to generate both social impact and financial returns by addressing existing market gaps in developing countries' supply or distribution chains. The Enterprise Partnership works to enhance the economic and social benefits of marginalized and underserved communities by incorporating these individuals into one of three market-driven models – distribution enterprises, supply chain enterprises, and training center enterprises. Through these models, the Enterprise Partnership seeks to help people work themselves out of poverty.

DISTRIBUTION ENTERPRISES

A high degree of poverty often exists in rural areas due to the challenging terrain, scattered populations, and lack of infrastructure, which undermine opportunities for viable economic activity. As a result, these rural communities often have little or no access to basic, everyday staples. In 2013, the Clinton Giustra Enterprise Partnership (Enterprise Partnership) launched a distribution enterprise in one of the most rural and remote parts of Peru that is expected to equip nearly 3,000 women with sales skills training and consigned products such as packaged foods, personal care items, pharmaceuticals, solar lamps, and clean cookstoves. The Enterprise Partnership is working with partners such as Nestlé and Procter & Gamble to engage these female entrepreneurs in skills training by providing them with nutrition and hygiene education, which enables them to add value in the sales of these products. By selling these products to others within their communities, female entrepreneurs provide essential, life-changing goods that are otherwise hard or impossible to access, and are expected to be able to at least double their current incomes within one year of joining the enterprise.

SUPPLY CHAIN ENTERPRISES

Smallholder farmers and producers in developing countries often lack the resources, skills, and capital needed to sell their outputs to regional and multinational markets. Additionally, market buyers are unable to reliably source the quality and quantity of products they want and it is also expensive and impractical for buyers to source directly from a highly fragmented producer base. Through supply chain enterprises, the Enterprise Partnership works to bridge the gaps between markets, smallholder farmers, and producers. By efficiently consolidating and rapidly developing fragmented producer bases, and linking producers to quality buyers, the Enterprise Partnership works to bring real economic value to supply chains. In 2014, the Enterprise Partnership launched a cashew supply chain enterprise in Maharashtra, India, which purchases both cashew apples and cashew nuts from smallholder farmers

and consolidates, delivers, and sells the products directly to high-quality buyers. To further improve the livelihoods of thousands of cashew producers in the region, the Enterprise Partnership also launched a partnership with PepsiCo, where smallholder farmers will supply cashew apple fruit for PepsiCo's local juice business. By facilitating the sale of both cashew apples and cashew nuts to large markets while simultaneously improving the yield and quality of the crop, the Enterprise Partnership will help farmers to double their incomes over five years, and anticipates scaling the program to 15,000 farmers in the coming years.

In the Central Plateau and North regions of Haiti, the Enterprise Partnership is working to connect farmers with a network of over 40 strategically placed community depots as well as to provide good agricultural training, inputs, and purchasing of their harvests. Through a peanut supply chain enterprise which was launched in 2014, the enterprise will improve the livelihoods of 12,000 Haitian peanut farmers.

TRAINING CENTER ENTERPRISES

There is a shortage of quality labor to meet the growing demands of many industries within developing countries. Skill disparities often exist because there is frequently a mismatch between the workforce requirements of local industry and the existing competencies held among the pool of available workers. The Enterprise Partnership's training center enterprises support a range of employability programs aimed at improving the livelihoods for thousands of disadvantaged youth around the world. In 2013, the Enterprise Partnership launched a training center enterprise in Cartagena, Colombia, to prepare and place marginalized youth in quality hospitality jobs by providing them with the specific competencies and skill sets needed for housekeeping, hotel guest services, and as kitchen aides, baristas, food and beverages patrons, and administrative and accounting assistants. The training center will provide new training and education opportunities to more than 20,000 youth.

Nearly 3,000 female entrepreneurs targeted for a new rural and peri-urban distribution network in Peru

20,000 youth to receive new training and education opportunities through a training center enterprise in Colombia

Expected to double farmers' incomes through a cashew supply chain enterprise in India over five years

The Clinton Giustra Enterprise Partnership creates social enterprises to provide communities in developing nations with opportunities and tools to participate along the enterprise value chain. By creating replicable models, the Enterprise Partnership is bringing these solutions to rural and remote communities around the world, scaling the programs, and helping people improve their livelihoods and strengthen their communities.


SCALING UP SOCIAL ENTERPRISES



Current Enterprises

	Supply Chain Enterprise
	Distribution Center Enterprise
	Training Center Enterprise

Future Enterprises

	Supply Chain Enterprise
	Distribution Center Enterprise
	Training Center Enterprise

More than 350,000 people expected to be reached by existing enterprises
More than 1 million people targeted to benefit from scaling and replicating enterprises

MY NAME IS ARNOLD, AND I LIVE IN TIERRA MUSCADY, HAITI.

As a farmer, I take care of the land and grow peanuts, which is an important crop in Haiti. I grow peanuts to support my wife and three kids – two girls and one boy. In the past, I've struggled with planting and growing peanuts. Sometimes I could plant a little, which would help me earn some money. But other times I didn't have money, so I couldn't purchase seeds, and my family struggled.

When the Clinton Giustra Enterprise Partnership (Enterprise Partnership) came to help us, they completely supported us with credit, and taught us a way that we could break ground, organize the land, prepare the land, and plant the peanuts on our own. And as long as we were willing to work for it, we would be able to follow this new process and increase our yields.

I can say that the difference is huge. The way we were planting before was a little disorganized. We were planting any which way and the assistance we have been receiving from the Enterprise Partnership has completely changed our current yields from what we used to yield. Now we find that the yields are a lot higher and there is a progression taking place – we're increasing our yields rung by rung, like a ladder. So far this year, I've earned \$500, which is more than four times what I've earned before. Now I don't need to worry about not having enough money to support my family.

Arnold Petion Balde

Peanut farmer

Clinton Giustra Enterprise Partnership

PHOTO: Through the Clinton Giustra Enterprise Partnership's peanut supply chain enterprise in Haiti, Arnold Petion Balde learned new techniques for peanut farming, helping to improve his income fourfold.

Jacqueline Constant / Clinton Foundation



CLINTON GLOBAL INITIATIVE

Turning ideas into action

CLINTON GLO



The New York Times' Nicholas Kristof leads the "Putting Education to Work" Plenary session at the CGI 2014 Annual Meeting with John Chambers, Chairman and CEO, Cisco; Reem Al Hashimy, Minister of State, United Arab Emirates; Nisreen Mitwally, Alumna, Education For Employment; and Ashish Thakkar, Founder, Mara Group; Founder, Mara Foundation.

Cibele Vieira / Clinton Global Initiative

GLOBAL INITIATIVE



Established in 2005 by President Clinton, the Clinton Global Initiative (CGI) convenes global leaders to create and implement solutions to the world's most pressing challenges. CGI Annual Meetings have brought together more than 180 heads of state, 20 Nobel Prize laureates, and hundreds of leading CEOs, heads of foundations and NGOs, major philanthropists, and members of the media. To date, members of the CGI community have made more than 3,100 Commitments to Action, which have improved the lives of over 430 million people in more than 180 countries.

CGI LATIN AMERICA 2013

In December 2013, the Clinton Global Initiative (CGI) convened CGI Latin America in Rio de Janeiro, Brazil, where leaders from across the region and around the world developed commitments to carry Latin America’s social and economic progress into the future. Participants focused on developing human capacity, designing for green growth, and harnessing innovation and technology in the region. Commitments to Action made at the meeting will positively impact the lives of more than 500,000 people in Latin America and beyond. Commitment-makers include The Coca-Cola Company, The Republic of Colombia, Conservation International, IKEA Foundation, Inter-American Development Bank, Nestlé, and Nike, Inc.

CGI AMERICA HOLDS FOURTH MEETING IN DENVER

At the fourth annual meeting of CGI America, held for the first time in Denver, Colorado, attendees made more than 100 Commitments to Action, adding to the existing portfolio of CGI America commitments that are already affecting nearly 1.4 million lives. Among the highlights at the event, the AFL-CIO announced the progress of its 2011 commitment, which encouraged the investment of \$10 billion in workers’ capital and skilled labor to catalyze the large-scale reconstruction of America’s built environment. Raising their investment goal with contributions from CalPERS, CalSTRS, and teacher and public employee funds, the AFL-CIO reported the creation of more than 33,500 jobs and training of 900,000 workers.

CGI CELEBRATES ITS 10TH ANNUAL MEETING

In 2014, CGI hosted its 10th Annual Meeting, bringing together CGI members under the theme of “Reimagining Impact” to reflect on the progress of Commitments to Action made since CGI was founded in 2005 – and determine how to best address the urgent social, economic, and environmental challenges that lie ahead.

AN ENDURING COMMITMENT TO SAVE THE ELEPHANTS

At the 10th Annual Meeting – one year after announcing the Partnership to Save Africa’s Elephants – Secretary Clinton and Chelsea Clinton announced the Elephant Action Network to coordinate the diverse work of members taking place in this space to achieve more substantive and expansive impact. The Action Network began with 21 commitments made by 16 individual organizations, spanning 58 countries and encompassing three programmatic pillars: Stop the Killing, Stop the Trafficking, and Stop the Demand.

CONVENING LEADERS FOR ACTION IN THE MIDDLE EAST, AFRICA, AND THE MEDITERRANEAN

At the 10th Annual Meeting, Secretary Clinton announced that CGI will hold its inaugural CGI Middle East and Africa Meeting in the Spring of 2015 in Marrakech, Morocco, with a focus on economic development. Representing CGI members’ dedication to mobilizing action in these regions, President Clinton and His Majesty King Abdullah II ibn Al Hussein of Jordan announced a group of new cross-sector member commitments impacting Jordan. CGI will also hold a meeting in Athens in 2015 to encourage new commitments to address a spectrum of issues affecting the Mediterranean region.

A FORWARD-LOOKING FOCUS ON OCEANS

Over the past two years, members of the CGI community have increasingly looked to address the interconnected issues of climate change, oceans, and conservation. At the 10th Annual Meeting, Leonardo DiCaprio, founder of the Leonardo DiCaprio Foundation, was honored with a Clinton Global Citizen Award for his leadership in addressing ocean stewardship and climate change. Later at the Annual Meeting, Ted Waitt of the Waitt Foundation joined President Clinton in announcing a full-day convening of the CGI Oceans Action Network, taking place in Boston in March 2015.

Partnerships between private sector and NGOs have more than doubled from 2005 to 2013

Over 10 years, CGI commitments have become increasingly focused on direct interventions such as skills development, access to capital, STEM, and access to education

3,100 Commitments to Action, improving the lives of over 430 million people in more than 180 countries

Working with CGI member Palantir Technologies, CGI conducted an analysis of its Commitments to Action portfolio to better understand how CGI members are improving lives around the world – and understand how these findings can inform the next 10 years of commitment-making. Announced at the 10th Annual Meeting, the findings confirmed trends that have been observed over the first decade of CGI – notably that effective partnerships have become central to addressing global challenges.

2005

SINGLE MEMBER
COMMITMENTS

35%

PARTNERSHIP
COMMITMENTS

65%

2013

SINGLE MEMBER
COMMITMENTS

9%

PARTNERSHIP
COMMITMENTS

91%

Commitments implemented through partnerships produced results that, on average, reflected 20% more impact relative to initial goals than commitments carried out by a single entity.

AS PRESIDENT AND CEO OF INTERNATIONAL MEDICAL CORPS,

I know my own work with the Clinton Global Initiative (CGI) has helped to lift our organization to new levels. We have built partnerships, thought big, and reached high. Much progress has been made. But recent disasters have vividly illustrated that our work is not finished.

The convening power of CGI was displayed most dramatically with the birth of the Haiti Action Network in 2008, and was further galvanized after the 2010 Haiti earthquake. In 2012, CGI's Response & Resilience Track was created – focusing on the idea that to be effective, we must work together to build resilience and prepare for a disaster before it strikes.

Building resilience acknowledges that individuals, families, and communities are the true First Responders.

That's why, in 2013, International Medical Corps developed its First Responders Commitment to Action, to give over 100,000 women in Africa the tools they need to be their own best First Responders to recurring emergencies, such as drought and famine. By investing in a community before these emergencies take hold, we can create greater resilience.

As we reflect on the history of CGI and look toward the challenges of the decade ahead, I believe the community's new focus on resilience will prompt the world to reimagine what can happen when all of us – including those directly affected by adversity – work together to meet those challenges with creative answers. I am honored to contribute to CGI's mission of working together to create solutions to the world's most pressing challenges.

Nancy Aosse

President and Chief Executive Officer
International Medical Corps

PHOTO: International Medical Corps' 2013 commitment, First Responders: A New Approach to Resilience, aims to mitigate the shock of recurrent emergencies by addressing maternal health, mental health, nutrition, and improved sanitation services through peer-to-peer education, training of frontline health care workers, and increasing the capacity of health care systems.

International Medical Corps



CLINTON FOUNDATION IN HAITI

Investing in sustainable economic growth

In 2014, the Clinton Foundation, NRG Energy, Urban Zen, Happy Hearts Fund, and Digicel supported the completion of the solar panel installation at the Union Des Apotres – Prodev School. The Union Des Apotres – Prodev School is the only solar powered school in Cite Soleil, Haiti.

Max W. Orenstein / Clinton Foundation



The Clinton Foundation has been actively engaged in Haiti since 2009, focusing on economic diversification, private sector investment, and job creation in order to create long-term, sustainable economic development. After the 2010 earthquake, President Clinton formed the Clinton Foundation Haiti Fund and raised \$16.4 million from individual donors for immediate relief efforts. Since 2010, the Clinton Foundation has raised a total of \$36 million for Haiti, including relief funds as well as funds for projects focused on restoring Haiti's communities, sustainable development, education, and capacity building. The Clinton Foundation continues to concentrate on creating sustainable economic growth in sectors including energy, tourism, agriculture, and apparel/manufacturing; to work to develop new markets for Haitian products; to engage international companies and investors; and to strengthen local organizations, entrepreneurs, and businesses.

SMALL BUSINESS GROWTH AND DIVERSIFICATION

The Foundation has continued to work alongside the government of Haiti to foster economic development and improve the business environment. The Foundation continues to collaborate closely with the Haitian Center for Investment Facilitation, providing pro-bono consulting through an initiative with the New York University Stern School of Business & Strategy, and has worked to promote small- and medium-sized enterprises in Haiti by identifying new investors, partners, and distribution channels and by assisting with business development skills and training. In 2014, the Foundation supported the growth of 20 entrepreneurial businesses and organizations across Haiti, including Sustainable Recycling Solutions (SRS). With initial support from the Clinton Foundation of \$200,000, SRS has received additional investments to scale their work. As a result, SRS has doubled the number of their direct employees to more than 50 people and has installed a flaking machine to further refine their recycled plastic products and increase their profit margins, which they are passing along to 2,000 plastics collectors.

ECONOMIC, ENVIRONMENTAL, AND SOCIAL IMPACT

Working in Haiti, President Clinton has championed a model of sustained economic growth coupled with positive social and environmental results. The creation of good jobs and economic diversification are paramount to these sustainability efforts. The full-cycle investing model launched by the Haiti team in 2012 has continued to be successful by looking at the entirety of applicable value chains for businesses and recognizing that comprehensive engagement yields greater results than a single intervention at one point. For three years, the team has been working with Caribbean Craft, the largest exporter of Haitian artisan and handcrafted products, on developing and diversifying its business model, as well as connecting it to numerous international retailers including West Elm and TOMS. The Clinton Foundation has also assisted with the creation of a new TOMS shoe factory in Haiti, which is working to achieve a monthly production of 50,000 pairs of shoes.

The Clinton Foundation has continued to focus on developing international markets for Haitian agricultural products such as coffee, which more than 100,000 Haitian farmers rely on as

their main source of income. To help coffee farmers improve their livelihoods, the Clinton Foundation collaborated with La Colombe, the L. Shaw Foundation, and others to create the Haiti Coffee Academy in Thiotte, which delivers basic and financial literacy training to area farmers, grows new varieties of coffee, collaborates with farmers on improved agricultural practices, and links smallholder farmers with large international buyers like Four Seasons Hotels and Resorts.

TARGETED INVESTOR MISSIONS

During 2013, the Foundation continued to facilitate high-level visits to Haiti from more than 50 leaders in international business and philanthropy. These visits highlighted important industries throughout the country, and have led to new investments in renewable energy, agriculture, and tourism. In 2013, the Clinton Foundation helped to facilitate more than \$30 million in foreign direct investment into Haiti.

EDUCATION

In 2014, with support from NRG Energy, Urban Zen, and the Happy Hearts Fund, the Clinton Foundation helped to facilitate the completion of a large solar installation at the Union Des Apotres – Prodev School in Cite Soleil, Haiti. The school was built by Digicel as part of their Clinton Global Initiative Commitment to Action to build 150 schools throughout Haiti. The Clinton Foundation, the government of Haiti, and the University of Haiti’s Faculty of Sciences – Haiti’s largest public university – are working together to revitalize the campus’s main building in Port-au-Prince by utilizing green building construction.

ENERGY, AGRICULTURE, AND ENVIRONMENT

To address Haiti’s high-energy costs and associated environmental and agricultural concerns, the Clinton Foundation is working to develop commercially viable projects which holistically address these needs. In 2013, the Foundation worked with NRG Energy and other partners to install over 225 KW of solar power at schools, medical facilities, and small businesses, and has facilitated the planting of more than 350,000 trees and plants throughout the country.

Committed \$36 million in overall assistance to Haiti

More than 117,000 lives impacted through programs and partnerships

More than 11,200 short- and long-term jobs created through the Foundation’s work

In Haiti the Clinton Foundation focuses on creating sustainable economic growth, developing and supporting local businesses, and creating access to new markets. By supporting local businesses through a full-cycle investing model, the Clinton Foundation is empowering Haitians to strengthen and reinvest in their own communities.

FULL-CYCLE INVESTING: HOW RECYCLING CAN STRENGTHEN A COMMUNITY



PROJECT IMPACT

4.5 million pounds
of recycled
plastic collected

2,000 collectors
engaged

50 employees
hired

MY NAME IS TANIA AND I HAVE BEEN WORKING AS A POTTER FOR

Papillon Enterprise for the last two years. Shelley Clay started Papillon Enterprise in our community in Delmas to create jobs for mothers so we can afford to take care of our families. We make jewelry and pottery that we sell to people from all over and I am one of 300 proud employees. I became a mother at age 16 and shortly after, the father of my baby died. I had to quit school after ninth grade to take care of my baby. I have six brothers and sisters, and we all live together with my mother in a one room wooden shelter. My brother Ronald also works for Papillon Enterprise and the two of us support our whole family with our earnings. My daughter is now in the first grade and I am making sure that she is able to get a good education.

I would love to someday use my earnings to start a little commerce business that some of my family members could run while I am at work. I love being a potter and would be happy if I could do that for the rest of my life. Learning how to make mugs, cups, bowls, and plates has helped me, not only economically, but it has given me pride and dignity and my mother is so proud of what I have accomplished. We started the pottery program with support from the Clinton Foundation and now we also have solar power to help us with the electricity for the kilns. I now have the opportunity to teach other people how to do pottery and it makes me so happy to be able to have this opportunity.

Tania Sylvert

Potter

Papillon Enterprise

PHOTO: Tania Sylvert paints a ceramic mug at Papillon Enterprise in Haiti. Papillon Enterprise was founded in 2008 to give mothers an opportunity to earn an income and support their families, and has expanded with support from the Clinton Foundation.

Max W. Orenstein / Clinton Foundation



CLINTON HEALTH ACCESS INITIATIVE

Increasing access to life-saving medicines and strengthening health systems



Community members in Sialwiindi, Zambia, stand outside the Manyemunyemu Health Post, which serves more than 3,000 people. To increase health services in the area, the Clinton Health Access Initiative is supporting the training of nearly 3,000 Community Health Assistants over the next five years.

Max W. Orenstein / Clinton Foundation



The Clinton Health Access Initiative (CHAI) began its work by addressing the HIV/AIDS crisis and strengthening health systems in the developing world. At the invitation of national governments, CHAI works to lower the prices of and increase access to life-saving medicines and diagnostics, and build stronger health care infrastructure in underserved countries. CHAI creates and implements these programs with a sustainable model so that its government partners will eventually run the programs without assistance. CHAI has expanded this model to increase access to treatments for malaria, diarrhea, and tuberculosis; accelerate the rollout of new vaccines; and lower maternal, child, and infant mortality.

HIV/AIDS

The HIV work of the Clinton Health Access Initiative (CHAI) is centered on the overarching vision of supporting partner governments to create a sustainable, efficient, and effective response with quality prevention and treatment services made available to all in need. In 2013, CHAI helped several countries implement the new World Health Organization (WHO) guidelines for lifelong care and treatment of HIV-positive pregnant and breastfeeding women, as part of its focus on pediatrics and prevention of mother-to-child transmission (PMTCT) of HIV. In Uganda, for example, CHAI supported the government to improve the supply chain for PMTCT commodities, develop training curriculums, and coordinate partners. In 2013, more than 95 percent of the country's 1,500 health facilities providing PMTCT services had transitioned to the new guidelines, which call for all HIV-positive pregnant and breastfeeding women to be put on life-long treatment. In 2014, CHAI worked with Roche Diagnostics to reduce the cost of HIV viral load tests in low- and middle-income countries. By increasing access to viral load testing, this agreement will dramatically improve the quality of HIV treatment services and strengthen capacity to achieve the global goal of ensuring that 90 percent of all people receiving antiretroviral therapy achieve viral suppression.

CHAI has also worked to scale up HIV testing, particularly point-of-care (POC) CD4 technologies that facilitate timely initiation of treatment through prompt delivery of test results to HIV positive patients. Globally, CHAI's work to expand access to POC CD4 facilitated an 18 percent increase in the number of these optimal testing devices across Ethiopia, Kenya, Lesotho, Mozambique, Swaziland, and Zambia. Across these countries, POC CD4 testing volumes of 500,000 tests in 2013 have resulted in an estimated 200,000 additional test results received by patients; 50,000 additional patients initiated on antiretroviral therapy; a reduction in the price per result received from \$19.45 to \$12.43; and savings from reduced wastage of \$3.4 million.

HUMAN RESOURCES FOR HEALTH

In nearly all of the 70 countries where CHAI works, there is a severe health workforce shortage. In 2013, CHAI continued to support the government of Rwanda's Human Resources for Health (HRH) Program, by convening support from a consortium of schools: thirteen universities, nine medical schools, six nursing schools, one school of public health, and two schools of dentistry. In 2013, more than 100 U.S. faculty members in medicine, nursing, midwifery, and health management went to Rwanda for one-year assignments, where more than 1,200 lectures and over 80,000 clinical hours of teaching time were delivered. CHAI's HRH team supported the Ministry of Health of Rwanda by providing daily strategic, analytical, and operational support. In December 2013, the Rwanda HRH program successfully transitioned management of the program to the government of Rwanda – another sign of the success of CHAI's emphasis on capacity transfer to government partners. Today, the HRH program continues to work with more than 25 U.S. academic institutions to advance health workforce training in Rwanda.

VACCINES

To make immunization supplies more available, CHAI is designing and rolling out improved vaccine stock management systems in Ethiopia, Nigeria, and Tanzania, as well as working to improve the supply chain design and replenishment process for vaccines. In Nigeria, CHAI is piloting a new vaccine replenishment system based on improved ordering and delivery models in Lagos and Kano states. In this pilot program, the percentage of CHAI supported health facilities with sufficient vaccine stocks has dramatically increased, from 43 percent to 100 percent in Lagos, and from 31 percent to 80 percent in Kano, over the course of the 10 vaccine delivery cycles completed thus far.

8.2 million people in more than 70 countries with access to HIV/AIDS treatment at CHAI-negotiated prices

Assisted in securing a 45 percent reduction in the price for pentavalent vaccine

Assisted in securing a 50 percent reduction in the price of long-acting reversible contraceptives

Since 2002, the Clinton Health Access Initiative (CHAI) has been working to lower the cost of and expand access to life-saving treatments. By collaborating with manufacturers on the supply side and governments on the demand side – and transitioning the medicine market to a high-volume, low-cost model – CHAI has enabled millions of people to receive life-saving treatments. In 2006, CHAI began working in partnership with UNITAID to catalyze the pediatric market for antiretrovirals and diagnostics, which has substantially increased access to pediatric treatment globally.

INCREASING ACCESS TO LIFE-SAVING PEDIATRIC ANTIRETROVIRAL TREATMENT IN PARTNERSHIP WITH UNITAID



THE CURRENT OUTBREAK OF THE EBOLA VIRUS IN WEST AFRICA

is the largest Ebola outbreak ever recorded, both in terms of numbers of cases and geographical spread. The Clinton Health Access Initiative (CHAI) in Liberia, a trusted partner in rebuilding Liberia's post-conflict health system, has contributed to the government of Liberia's strategic Ebola response since the end of March by providing direct support to case management, training, and supply chain management.

As soon as Ebola was confirmed in Liberia, the Ministry of Health and Social Welfare (MOHSW) appointed CHAI Country Director, Dr. Moses Massaquoi, to be the chair of the national Case Management committee, responsible for coordination of case investigation, ambulances, disinfection, burial, and treatment centers. As the response grows, the CHAI team continues to play a pivotal role in coordination, and has spearheaded the government's efforts to standardize treatment protocol, develop policy, protocol, and guidelines for the compassionate use of experimental medication and alternative therapies, and significantly increase bed capacity at Ebola Treatment Units.

At the onset of the outbreak, CHAI created and nationally distributed a triage flowchart to guide health workers in identifying suspected and probable Ebola cases. In late August, with the generous support of the Norwegian government, CHAI mobilized a team to rapidly source and procure over \$170,000 worth of critical PPE items to help Liberian health workers protect themselves from infection. Additionally, CHAI supported the establishment of a novel new training center which can train 60 people per week and combines traditional classroom learning, 'cold' training in a mock Ebola treatment unit with Ebola survivors serving as expert patients, and 'hot' training in an operational Ebola treatment unit. So far, CHAI has facilitated training for over 200 students, including Liberian health workers, African Union Staff, International Rescue Committee, the Cuban Team, and members of the U.S. Military.


CHAI was the first partner to provide targeted support to Ebola-related supply chain management through the establishment and management of a temporary warehouse at the MOHSW in June. Additionally, CHAI helped to standardize the requisition process, developed a basic inventory management system, created a pipeline monitoring tool, and served as the secretariat for the logistics subcommittee until the UN Logistics Cluster was activated.

Clinton Health Access Initiative in Liberia

PHOTO: In Liberia, CHAI supported the Ministry of Health and Social Welfare to establish the staging area at the logistics hub to allocate supplies by county and Ebola Treatment Unit. Since the end of March, CHAI has been supporting Liberia in case management, health workforce training, and supply chain management for the Ebola outbreak.

Lauren Zinner / Clinton Health Access Initiative



A photograph of a woman with short, curly blonde hair and glasses, wearing a blue and gold patterned shirt. She is looking towards a green bell pepper held by a hand in a blue and white polka-dot glove. The background is blurred, showing other people and tables in what appears to be a community center or market.

CLINTON HEALTH MATTERS INITIATIVE

Reducing the prevalence of preventable disease in the United States

The Clinton Health Matters Initiative is working with local organizations in Coachella Valley, California, to increase access to fresh produce in underserved communities.

Adam Schultz / Clinton Foundation



The Clinton Health Matters Initiative (CHMI) works to improve the health and well-being of people across the U.S. by activating individuals, communities, and organizations to make meaningful contributions to the health of others. By implementing evidence-based systems, environmental, and investment strategies, CHMI aims to ultimately reduce the prevalence of preventable diseases, close health inequity and disparity gaps, and ultimately reduce health care costs associated with preventable diseases, thus improving the quality of life for people across the U.S.

NATIONAL HEALTH TRANSFORMATION

To address the detrimental effect of rising rates of chronic and non-communicable diseases on the health of individuals in the U.S., the Clinton Health Matters Initiative (CHMI) is developing and implementing programs that tackle some of the nation’s most pressing health issues: prescription drug abuse, diabetes and pre-diabetes, military and veterans health, inequitable access to healthy foods, and worksite wellness. In 2013, CHMI launched “Project Play” with Nike and the Aspen Institute to build campaigns, share knowledge, and facilitate research to increase regular physical activity for children across the country. At the 2014 Health Matters Annual Activation Summit, CHMI and the James Beard Foundation announced America Cooks with Chefs: The 800 Calorie Challenge, a cooking competition that pairs six home cooks with six celebrity chefs to create healthy, approachable meals. Additionally, CHMI, in partnership with the Jed Foundation launched the Jed & Clinton Health Matters Campus Program in 2014 to promote emotional well-being and mental health programming, reduce substance abuse, and prevent suicide among college and university students. The Campus Program is now working with more than 60 colleges across the U.S.

COMMUNITY HEALTH TRANSFORMATION

Manageable, good health is a basic need for all residents regardless of zip code or demographics, but over the past several decades, poor health outcomes and the resulting disparities have been steadily increasing. To help address these challenges, CHMI works in regions disproportionately impacted by chronic disease to close these gaps. Since CHMI began its community transformation work in 2012, it has expanded its focus communities to include Northeast Florida and the Greater Houston Area, alongside the Coachella Valley, California, and Central Arkansas. In each community, CHMI publishes a regional Blueprint for Action – a five-year strategic plan developed with input from over 150 stakeholders in each region which sets local priorities and outlines action steps to improve health indicators unique to each community. CHMI’s community

transformation programs are reaching 8 million people. CHMI will hold its Blueprint for Action meeting for its newest focus community of Adams County, Mississippi, in December 2014.

INTEGRATING DIGITAL HEALTH & INNOVATION

Today, 80 percent of all Internet users – 59 percent of whom are adults in the U.S. – are searching for health information online. By working with start-ups, government, non-profits, and corporations to leverage technology and innovation, CHMI helps provide access to tools and resources to help empower people, communities, and organizations to live healthier. In 2013, CHMI launched a health-based codeathon series with Ace Hotel and Jawbone across the U.S. which challenged developers and designers to create mobile or online applications focused on the social determinants of health. In 2014, CHMI launched a women’s health codeathon series to spur greater participation of women in digital health. In addition, CHMI formed strategic partnerships in 2013 with both The Jed Foundation and Facebook to create *Help A Friend In Need* – an online guide to help people identify and help friends in distress. Facebook has translated the guide into 20 languages and has rolled it out across 9 different countries.

HEALTH MATTERS ANNUAL ACTIVATION SUMMIT

The Health Matters Annual Activation Summit showcases the Clinton Foundation’s systemic approach to the issue of health with specific examples from CHMI’s work with communities and organizations across the country. The summit combines topical conversations, active working sessions and think tanks to highlight the leading opportunities and innovations in health advancement with the country’s foremost health and innovation experts. At the summit in 2013, CHMI generated more than 50 strategic partnerships with national and local entities, which collectively reflect an investment of more than \$100 million in health and wellness. The summit in January 2014 led to 30 additional new strategic partnerships, totaling \$200 million in investments, which will touch 75 million people across the U.S.

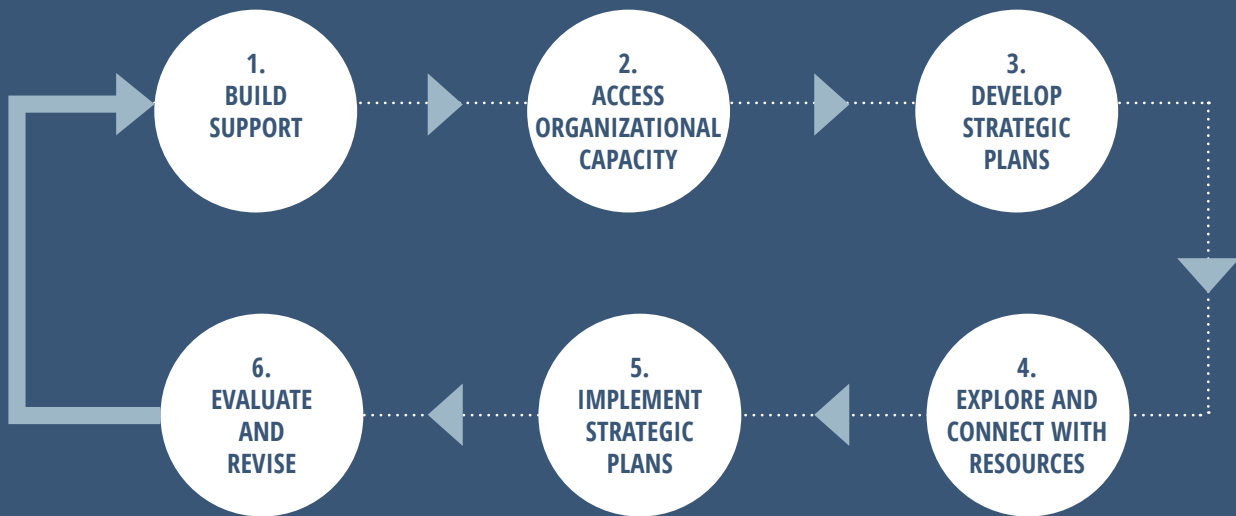
Strategic partnerships worth \$200 million which will touch 75 million people in the U.S.

Working with 40 organizations to improve employee wellness

Online audience of more than 75,000 participated in our health-focused conversations and events

Whether it's working to reduce health disparities in a community or collaborating with health and technology start-ups to create new health-focused applications, the Clinton Health Matters Initiative follows a six-step process to drive systemic change and create measurable results.

APPROACH



REACH

8 Million People



Implemented health transformation programs reaching 8 million people in Coachella Valley, Central Arkansas, Northeast Florida, Greater Houston, and Adams County, Mississippi

150 Developers



Worked with 150 developers to create 40 digital health prototypes and bring three of these digital applications to market

60 Colleges



Launched the Jed & Clinton Health Matters Campus Program focused on improving mental health and substance abuse in over 60 colleges in the U.S.

THERE ARE TWO NATIONAL HEALTH ISSUES THAT ARE AFFECTING

college campuses across the country, and that are leading causes of death for college students: mental illness and substance abuse and misuse. Mental health and substance abuse issues affect every campus, yet not enough people are talking about them.

According to the 2013 American College Health Association–National College Health Assessment, in the past year, more than half of college students have experienced “overwhelming anxiety,” and about 32 percent have reported feeling “so depressed that it was difficult to function.” In addition, almost 1 in 4 of the nation’s college students meet medical criteria for substance abuse.

That is why we are breaking the silence. We’ve teamed up with the Clinton Health Matters Initiative to launch The Jed & Clinton Health Matters Campus Program, which is designed to help colleges and universities promote emotional well-being and improve mental health programming, reduce substance abuse, and prevent suicide. To participate in the Campus Program, schools take a confidential, online self-assessment about their current mental health, suicide prevention, and substance abuse programming, which is then evaluated against recommended practices. We then jointly provide a confidential feedback report and on-the-ground technical assistance with practical recommendations for enhancement. Already, we’ve been able to provide guidance to more than 60 colleges across the country.

By creating the space for constructive dialogue and change, we can help ensure that our young adults are able to reach their full potential.

John MacPhee

Executive Director and CEO

The Jed Foundation

PHOTO: The Jed & Clinton Health Matters Campus Program is working with more than 60 colleges across the U.S. to build their capacity to promote student health and improve mental health programming.

Jed Foundation



CLINTON PRESIDENTIAL CENTER

Inspiring and educating visitors from across the state and around the world

In 2014, the Clinton Presidential Center featured the artwork of renowned American artist Dale Chihuly, who is credited with revolutionizing the Studio Glass movement.

Dale Chihuly / Red Reeds, Clinton Presidential Center



The William J. Clinton Presidential Center and Park is a world-class educational and cultural venue offering a variety of special events, exhibitions, educational programs, and lectures throughout the year. Located on the banks of the Arkansas River in Little Rock, Arkansas, the Center has welcomed more than 3.3 million visitors from around the world since opening in 2004. Most importantly, the Center is a reflection of the work – past, present, and future – of the 42nd President of the United States. The Center is home to the Little Rock offices of the Clinton Foundation, the William J. Clinton Presidential Library and Museum, and the University of Arkansas Clinton School of Public Service.

CULTURAL AND EDUCATIONAL VENUE

The William J. Clinton Presidential Center’s permanent exhibits tell the story of the Clinton administration, while the diverse temporary exhibits give visitors a reason to continue to come back and learn something new. For every temporary exhibit, the educational staff at the Center creates a customized curriculum that meets the grade-specific educational standards established by the Arkansas Department of Education, as well as the Common Core framework. 2013 and 2014 temporary exhibit highlights include:

Oscar de la Renta: American Icon

“Oscar de la Renta: American Icon” celebrated the art of American fashion and featured more than 30 of de la Renta’s iconic creations. The exhibit traced de la Renta’s fashion evolution and inspiration from the Dominican Republic, Spain, France, and the U.S. In the 1960s, Dominican-born de la Renta moved to the U.S., where he launched his signature ready-to-wear label and quickly became known as a leading figure in international fashion design. De la Renta’s talent and exquisite taste elevated American fashion. His remarkable eye was matched only by his generous heart. His legacy of philanthropy extended from children in his home country who now have access to education and health care, to some of New York’s finest artists whose creativity has been sustained through his support.

Spies, Traitors, and Saboteurs: Fear and Freedom in America

Created by the International Spy Museum in Washington, D.C., “Spies, Traitors, and Saboteurs: Fear and Freedom in America” explored nine major events and periods in U.S. history when Americans were threatened by domestic enemies. With each major event, visitors were able to track the incident as it happened, witness the government and public response, and examine the complexities of securing the nation without compromising the civil liberties upon which it was founded.

Chihuly

In May 2014, the Center welcomed the artwork of renowned American artist Dale Chihuly. Chihuly is credited with revolutionizing the Studio Glass movement and elevating the perception of the glass medium from the realm of craft to fine

art. An immersive and astounding visual presentation of color, shape, and form, this exhibition was curated by the Chihuly Studio to commemorate the 10th anniversary of the Center.

COMMITMENT TO THE ENVIRONMENT

The Center was designed to exemplify President Clinton’s long-standing commitment to the environment. When the Center opened in 2004, it was recognized with a Silver Leadership in Energy and Environmental Design (LEED) certification by the U.S. Green Building Council (USGBC). By incorporating additional sustainability practices in 2007, the Center received a Platinum LEED certification for Existing Buildings from the USGBC – the first federally maintained facility to receive this recognition.

On Earth Day in 2014, the Choctaw Building at the Center was recognized as the oldest LEED-certified building in Arkansas, and among the oldest of all LEED-certified buildings in the U.S. The retrofits that led to the LEED certification will yield a variety of benefits in the future including approximately \$30,000 of energy savings a year; a healthier and more comfortable work environment for employees and visitors; and water savings of 44.62 percent beyond the LEED baseline. This historic building dates back to 1899, and is currently home to the Little Rock offices of the Clinton Foundation and the University of Arkansas Clinton School of Public Service.

INSPIRING PUBLIC SERVICE

The University of Arkansas Clinton School of Public Service enrolled its 10th class in the fall of 2014 in its two-year Master of Public Service degree – growing from 16 students in 2004 to more than 100 students today. Since the school opened its doors almost a decade ago, and as part of their “hands-on” curriculum, students have completed more than 560 field projects in 71 different countries. The speaker series has offered more than 900 programs that are free and open to the public and has provided an opportunity for the students to interact with leading academics, newsmakers, and world leaders. The school’s graduation and job placement rates exceed 85 percent.

\$10.5 million in-kind value of service from Clinton Presidential Center volunteers

More than 3.3 million visitors from around the world

Clinton School students have completed more than **560 field projects in 71 different countries**

The Clinton Presidential Center opened its doors to the world on November 18, 2004. For a decade, the Center has served as a premiere educational and cultural venue, an extension of the classroom, and a cornerstone of the community. Thanks to 10 years of dedicated volunteers and staff, more than 474,000 volunteer hours have been donated, helping the Center welcome more than 3.3 million visitors to Little Rock, Arkansas.



FROM MY OFFICE IN DOWNTOWN LITTLE ROCK, I DON'T HAVE TO

look far to experience President Clinton's influence. The Clinton Presidential Center has literally reinvented the landscape of our great city, creating an economic ripple effect that has been at the center of a decade of revitalization in Arkansas's capital city.

As a resident of this community, I enjoy the exhibits, programs, events, amenities, and cultural opportunities available only at the Center. As the president and CEO of the Little Rock Convention and Visitors Bureau, I am grateful to the Center for serving as a significant economic engine that has facilitated major expansion and development of our downtown and beyond. Little Rock, once the best kept secret in the country, is now truly an amazing destination!

An area that was once desolate and distressed has now welcomed more than 3.3 million visitors from around the world. Since 2003, the year prior to the Center's opening, Little Rock's tourism tax receipts, including hotel and restaurant taxes, have increased by more than 64 percent and over 1,800 hotel rooms have been added. In addition, annual visitation to Pulaski County has grown almost 33 percent to over 5.7 million people annually.

President Clinton designed the Center to represent a bridge, which is a powerful and compelling metaphor. And I can't think of a better way to describe what the Center has meant to this community. It has, literally and figuratively, linked our past to our very bright future.

Gretchen Hall

President and CEO

Little Rock Convention and Visitors Bureau

PHOTO: The Clinton Presidential Park Bridge, part of the Clinton Presidential Center Library and Park, runs along the Arkansas River and connects community members and visitors between Little Rock and North Little Rock.

Arkansas Department of Parks and Tourism



DAY OF ACTION

Giving back to communities through service opportunities

Volunteers help put up siding and paint homes at a Habitat for Humanity site project as a part of the Clinton Foundation's Day of Action in Denver, Colorado. The Clinton Foundation, in partnership with Concerts for Kids, Habitat for Humanity of Metro Denver, and Project C.U.R.E., gathered hundreds of volunteers for a Day of Action, completing service projects across Denver.

Max W. Orenstein / Clinton Foundation

DAY OF ACTION



Founded by Chelsea Clinton in the wake of Hurricane Sandy, the Clinton Foundation Day of Action program seeks to create service opportunities and mobilize thousands of volunteers to give back to their communities. Since 2012, the Clinton Foundation has hosted 11 Days of Action in the U.S. and abroad, which have mobilized more than 3,600 volunteers donating more than 18,000 volunteer hours.

TAKING ACTION

In November 2012, during the immediate aftermath of Hurricane Sandy, individuals, companies, and organizations came forward and asked the Clinton Foundation what they could do that would make a difference in the lives of New Yorkers who were confronting the wreckage from the hurricane. In an effort to help those who had been affected – and to channel the outpouring of support the Foundation received toward meaningful action – Chelsea Clinton established the first Clinton Foundation Day of Action, and mobilized more than 1,000 volunteers.

Since November 2012, Chelsea has continued to lead the Day of Action program to provide a platform where anyone can give back and get involved, and to inspire others to come together to make a difference. Everyone has something to give – whether it’s time, money, skills, or ideas – but it’s up to us to come together to take action. Today, the Day of Action program works with partners to identify community priorities and provides service opportunities for community members and Foundation friends, supporters, and partners to make a difference.

HURRICANE SANDY ANNIVERSARIES

Recognizing that effective disaster response involves multi-year efforts that address long-term challenges faced by impacted communities, in 2013 and 2014, to continue to support the long-term Hurricane Sandy rebuilding efforts, the Clinton Foundation partnered with the St. Bernard Project and the New York City Department of Parks and Recreation. In 2013, Chelsea Clinton helped break ground on the first “Resilient House” – a project announced at Clinton Global Initiative (CGI) America to build a home modeled to be energy efficient, cost effective, and able to withstand future disasters.

At both of these Days of Action, hundreds of volunteers participated in multiple service projects throughout the Rockaways and Queens, where they worked to rebuild houses, clean and update public parks, and paint schools.

EXPANDING A COMMITMENT TO SERVICE

Inspired to organize more opportunities to give back, the Clinton Foundation Day of Action program has expanded over the last two years to help other communities across the country and around the world. In 2013, the Clinton Foundation organized five Days of Action in the U.S. and abroad, which mobilized more than 1,400 people in Chicago, Illinois; St. Louis, Missouri; Queens and Staten Island, New York; and Rio de Janeiro, Brazil.

In 2014, more than 1,300 volunteers participated in five Days of Action in the City of Coachella, California; Phoenix, Arizona; Little Rock, Arkansas; Denver, Colorado; and Queens and Staten Island, New York. In conjunction with the Health Matters Activation Summit, volunteers helped repair homes and provide health resources to the residents of the City of Coachella where Mayor Eduardo Garcia and Chelsea Clinton led the repair efforts. During the Clinton Global Initiative University (CGI U) Meeting in March, President Clinton, Chelsea Clinton, Mayor of Phoenix Greg Stanton, and co-founders of Americans for Responsible Solutions former U.S. Representative Gabrielle Giffords and former astronaut Mark Kelly joined the more than 600 CGI U students in Phoenix to help transform a previously vacant 15-acre lot in downtown Phoenix into a vibrant and sustainable public space. And during the CGI America meeting in Denver, Senator Michael Bennett, Chelsea Clinton, and Governor John Hickenlooper joined volunteers to clean up parks, sort medical supplies, distribute and package goods at a food bank, paint homes, and clean up yards. The Clinton Presidential Center in Little Rock, Arkansas, organized four Days of Action in 2014, which included supporting community clean up efforts following the deadly tornadoes that struck the area in April.

Mobilized 3,600 volunteers to support community priorities

11 Days of Action organized since 2012

More than 18,000 hours of service volunteered since 2012

From the Coachella Valley, California, to Rio de Janeiro, Brazil, the Day of Action program is working with local partners to mobilize volunteers to help make a meaningful difference in their communities. Since 2012, more than 3,600 volunteers have donated more than 18,000 hours of service.

18,631

Total Hours Volunteered



Thanks to the **15 Day of Action Partners** who have helped give back to local communities:

Chicago Cares
City Harvest
Concerts for Kids
FEMA
Grupo ABC
JFK Hospital
Laureate
Luciano Huck

New York Cares
NYC Department of Parks and Recreation
NYC Service
Presidential Inaugural Committee
St. Bernard Project
Team Rubicon
Tenet Healthcare

SINCE HURRICANE SANDY HIT IN 2012, THE CLINTON FOUNDATION

has provided ongoing support to the Rockaways through their Day of Action program, and more specifically to New York City's Department of Parks. It's hard to imagine that we could have recovered as well as we have without the assistance of hard-working volunteers like the dedicated people the Clinton Foundation brought together who worked so hard in our parks.

In the first days after the storm, Clinton Foundation Day of Action volunteers literally dug out a playground buried in sand. We were all moved by President Clinton and Chelsea Clinton's visit – a bright moment in the midst of many difficult days. The following fall, Clinton Foundation volunteers returned for another day of service, when we did a beach and dune clean-up and were able to remove a large number of trees and shrubs that died as a result of salt damage. We were so pleased that Chelsea Clinton was able to join us and help us. Among other activities with volunteers, she personally removed two dead pine trees from the playground.

This year, Clinton Foundation volunteers returned to Rockaway Park on a dismal, rainy day. The weather didn't deter their spirit and commitment to the service project, which included restoring the landscape around a Sandy-damaged playground (planting, weeding, and mulching) and removing fencing in a dune preserve. A return visit by President Clinton really boosted everyone's spirits. He was interested in the improvements to the beach and boardwalk since his last visit, particularly impressed that we are approaching the restoration of Rockaway with resiliency in mind.

We look forward to working with the Clinton Foundation Day of Action program in the future and will be forever grateful for the support since 2012.


Jill Weber

Rockaway Administrator
NYC Department of Parks and Recreation

PHOTO: Volunteers at the third Day of Action in the Far Rockaways help restore a playground that was damaged by Hurricane Sandy in 2012.

Juliana Thomas / Clinton Foundation



A group of young professionals are seated in a meeting room, facing towards the left. In the foreground, a Black woman on the left and a white woman on the right are looking intently at something off-camera. The woman on the left is wearing a dark blazer over a white top and has a lanyard with a badge around her neck. The woman on the right is wearing a blue button-down shirt and is holding a small white card. They are both sitting at desks with notebooks and pens. In the background, other people are seated at similar desks, some looking towards the front of the room. The room has a modern, professional feel with neutral tones and large windows in the background.

JOB ONE

Bringing businesses together to address youth employment

Job One is a growing network of businesses, non-profits, and other partners from across the country that have committed to help young people access new pathways to employment.

John Hanacek / Clinton Global Initiative



More than five years have passed since the end of the Great Recession, and yet 5.6 million young Americans between the ages of 16 and 24 are out-of-school and out-of-work. This staggering number strains local communities and limits long-term economic growth. Economists estimate that our youth unemployment challenge could cost the U.S. roughly \$20 billion in lost earnings alone over the next decade. Job One focuses on addressing this challenge by improving career pathways for unemployed youth.

ADDRESSING YOUTH EMPLOYMENT THROUGH
BUSINESS-LED COMMITMENTS TO ACTION

Through Job One, a key focus area of Secretary Clinton’s work at the Clinton Foundation, the Foundation is bolstering an often-missed element from our national workforce training conversations: business-designed and -led career pathways for opportunity youth – young people who are both out-of-school and out-of-work. By working hand-in-hand with businesses, leading non-profits, economists, and advocates across the country, the Clinton Foundation is helping to identify and scale effective ways for companies to address their core business needs through engaging opportunity youth.

In 2014, Job One encouraged and spotlighted 16 Clinton Global Initiative (CGI) Commitments to Action that expand training, hiring, or mentoring opportunities for youth and build the business case for more companies to engage unemployed youth. Thirteen private sector businesses announced Job One Commitments:

Improving Edu Performance and Employability in Nevada
Committed by Barrick Gold

Elevating the Importance of Manufacturing Careers for Youth
Committed by Corning

FITE Entrepreneurs: Salon Industry Careers for Women
Committed by Dermalogica

Cohort Mentoring for College Access and Persistence
Committed by EY

First Jobs for Opportunity Youth
Committed by Gap Inc.

Jive for Jobs: Supporting Opportunity Youth
Committed by Jive

JPMorgan Chase Summer Skills Development and
Jobs Initiative
Committed by JPMorgan Chase

The Lifeway Empowerment Program
Committed by Lifeway Foods

Courtyard’s Playbook for Youth Success
Committed by Marriott (Courtyard by Marriott)

Bridging the Opportunity Divide for Youth
Committed by MDC Partners

Pathways to STEM Jobs via Internships and Job Shadowing
Committed by Microsoft

Foundation Bridging the Gap: Connecting Opportunity
Youth to Technology
Committed by Salesforce.com

Symantec Cyber Career Connection (SC3)
Committed by Symantec

In addition, Secretary Clinton announced Job One commitments by the Small Business Majority to recruit 100 small businesses across the country to adopt new youth employment actions; by Leaders Up, an innovative new organization, to create new training and hiring opportunities through the Starbucks supply chain; and by North America’s Building Trades to launch a best-in-class pre-apprenticeship program for the high-paid skilled construction industry.

To encourage more partners to create new economic opportunities for youth across the country and to support these recent commitments, CGI has launched the U.S. Youth Employment Action Network. The Action Network will help CGI members share best practices and generate additional commitments over the coming year.

13 private sector companies
committed to create new
training, hiring, or mentoring
opportunities for U.S. Youth


16 Commitments to Action
valued at more than **\$37
million** when fully funded
and implemented

Expected to directly impact
more than **150,000 youth
in the U.S.** and create new
scalable models

Economists estimate that the youth unemployment challenge could cost the U.S. roughly \$20 billion in lost earnings alone over the next decade. Job One is bringing together businesses and other organizations to address this challenge and improve career pathways for unemployed youth.

5.6 MILLION OUT-OF-SCHOOL AND OUT-OF-WORK YOUTH IN THE U.S.



 = 100,000 out-of-school and out-of-work youth



16 COMMITMENT MAKERS CREATING INNOVATIVE
SOLUTIONS WORTH MORE THAN \$37 MILLION

WE BELIEVE THAT FIRST JOBS ARE A POWERFUL FORCE IN A YOUNG

person's life, allowing them to create indelible life skills, perspective, and economic opportunities. When our co-founders, Doris and Don Fisher, opened the first Gap store more than 45 years ago they made a promise to our employees and customers to do more than sell clothes. As part of that commitment, we've invested in our communities and helped thousands of young people build important skills for both life and work with first job experience.

Today, young people struggle to find these first jobs, facing difficult economic challenges since the recession. This is one of the reasons why we were excited to be a part of Job One at the 2014 Clinton Global Initiative America Meeting and expand our work to equip underserved youth with the skills and experience they need to get on pathways to success.

When young people are empowered to actively shape their own economic future, they have an increased potential to lift themselves, their families, and communities to greater opportunity. We have seen the impact a first job plays in creating that potential, so we're working closely with Job One to help raise awareness among the public and other businesses about the significant role employers have in empowering underserved youth. Today's young people are not just future employees or customers – they are future leaders with the potential to take our economy to new heights. It's time we tapped into that potential.

Gail Gershon

Executive Director, Community Leadership
Gap Inc.

PHOTO: Shadé Robinson, a graduate of Gap Inc.'s This Way Ahead program, currently works at an Old Navy store in New York City. Gap Inc. is one of 16 organizations that has committed to help youth access new pathways to employment.

Katie Osgood / Katie Osgood Photography



A photograph of two women in traditional Indian attire sitting and talking. The woman on the left is wearing a green sari with a floral pattern and has her hands clasped. The woman on the right is wearing a red sari and is smiling. They are both wearing bindis on their foreheads. In the background, other women in colorful saris are visible, some with their heads covered. The overall scene suggests a community gathering or a conversation.

NO CEILINGS: THE FULL PARTICIPATION PROJECT

Accelerating progress for women and girls to achieve full participation everywhere

Women in the Jabrouli Village in Lucknow, India, participate in a No Ceilings conversation about the progress they've seen in their communities and the challenges they still face. President Clinton led the conversation while visiting Clinton Foundation projects in Asia in 2014.

Barbara Kinney / Clinton Foundation



No Ceilings: The Full Participation Project is an initiative led by Secretary Clinton and Chelsea Clinton to advance the full participation of women and girls around the world. Access to equal rights and opportunities for women and girls is the unfinished business of the 21st century and is essential for achieving prosperity, stability, and security across the globe. No Ceilings brings together global partners to build an evidence-based case for full participation and accelerate progress for women and girls.

PROGRESS REPORT

To understand where we need to go, we need to know what we’ve achieved. Building on the Clinton Foundation’s strong investment in women and girls, No Ceilings is establishing innovative partnerships to engage in a data-driven evaluation of the status of women and girls over the last two decades since the 1995 UN Fourth World Conference on Women in Beijing. In 2014, No Ceilings announced a partnership with the Bill & Melinda Gates Foundation to collect and compile this data into a compelling, accessible, and shareable report on the progress of women and girls and the challenges that remain. The full progress report will be released as a written report and data visualization in early 2015. Informed by the data, No Ceilings will release a 21st century policy agenda to help close the participation gap.

NO CEILINGS CONVERSATIONS

In addition to the critical data, hearing directly from women and girls about the progress and challenges they are seeing in their own lives will help focus efforts to advance full participation. In 2014, No Ceilings launched the No Ceilings Conversations to discuss the diversity of challenges that women and girls face in all aspects of society. Since February 2014, No Ceilings has hosted both live and virtual conversations across three continents and on social media platforms including Google Hangouts and Twitter.

Conversations with Secretary Clinton and Chelsea Clinton engage women and girls, as well as men and boys, to share their thoughts on progress and challenges for women and girls in every corner of the globe. Recent conversations have focused on adolescent girls, success in science, technology, engineering, and math (STEM) fields, economic opportunity through entrepreneurship, women in the workforce, education, and maternal health.

No Ceilings will continue to host these conversations through 2015. In an additional effort to hear from a broad audience, No Ceilings also launched a public survey for individuals to share their perspective.

COMMITMENTS TO ACTION

No Ceilings is taking new and measurable actions to help achieve full participation by convening stakeholders from all sectors to accelerate progress for women and girls globally. During the 2014 Clinton Global Initiative Annual Meeting, Secretary Clinton and Chelsea Clinton announced two new Commitments to Action: CHARGE and Connected Women.

CHARGE – the Collaborative for Harnessing Ambition and Resources for Girls’ Education – is a \$600 million commitment by No Ceilings and the Center on Universal Education at the Brookings Institution that brings together 30 cross-sector partners to help 14 million girls receive a safe and quality secondary education over the next five years. The collaborative will ensure that girls can attend and complete primary and secondary school; make schools safer and more secure; improve the quality of learning; support girls’ transition to higher education and employment; and cultivate local leaders to champion this work at the grassroots level.

Connected Women: Accelerating the Female Mobile Economy is a commitment to increase women’s participation in mobile technology. Led by GSMA and its partners, the commitment will study and analyze the barriers to access in regions with limited mobile participation for women. With this information, the partners commit to launch initiatives that will equip women in low-income and middle-income communities in the Philippines, Myanmar, Indonesia, Afghanistan, and the Gulf region with access to mobile devices and services that will facilitate full participation in their communities.

More than 10,000 people in over **150 countries** have shared their perspective on the participation gap by completing the No Ceilings survey

Galvanized more than 30 partners to commit more than \$600 million, ensuring 14 million girls can enter and succeed in secondary education

More than 12,000 participants engaged in live and virtual No Ceilings dialogues

No Ceilings is working with partners to collect and analyze data to chart the progress of women and girls globally over the last 20 years, and identify the challenges that remain to achieve full participation.

DATA TO DRIVE PROGRESS

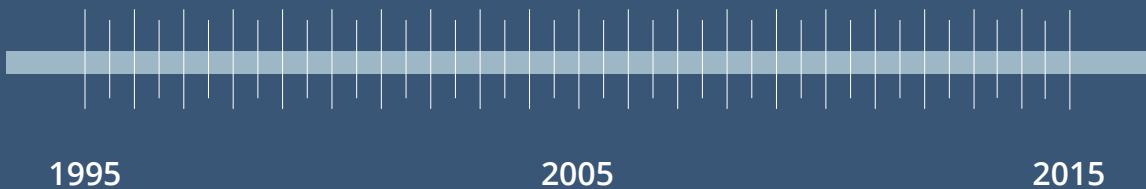
1.8 million+

Data points



190+

Countries



1995

2005

2015

**MAKING AN EVIDENCE-BASED CASE TO HELP WOMEN
AND GIRLS ACHIEVE FULL PARTICIPATION**

AT SEATTLE GIRLS' SCHOOL WE TALK A LOT ABOUT THE ISSUES

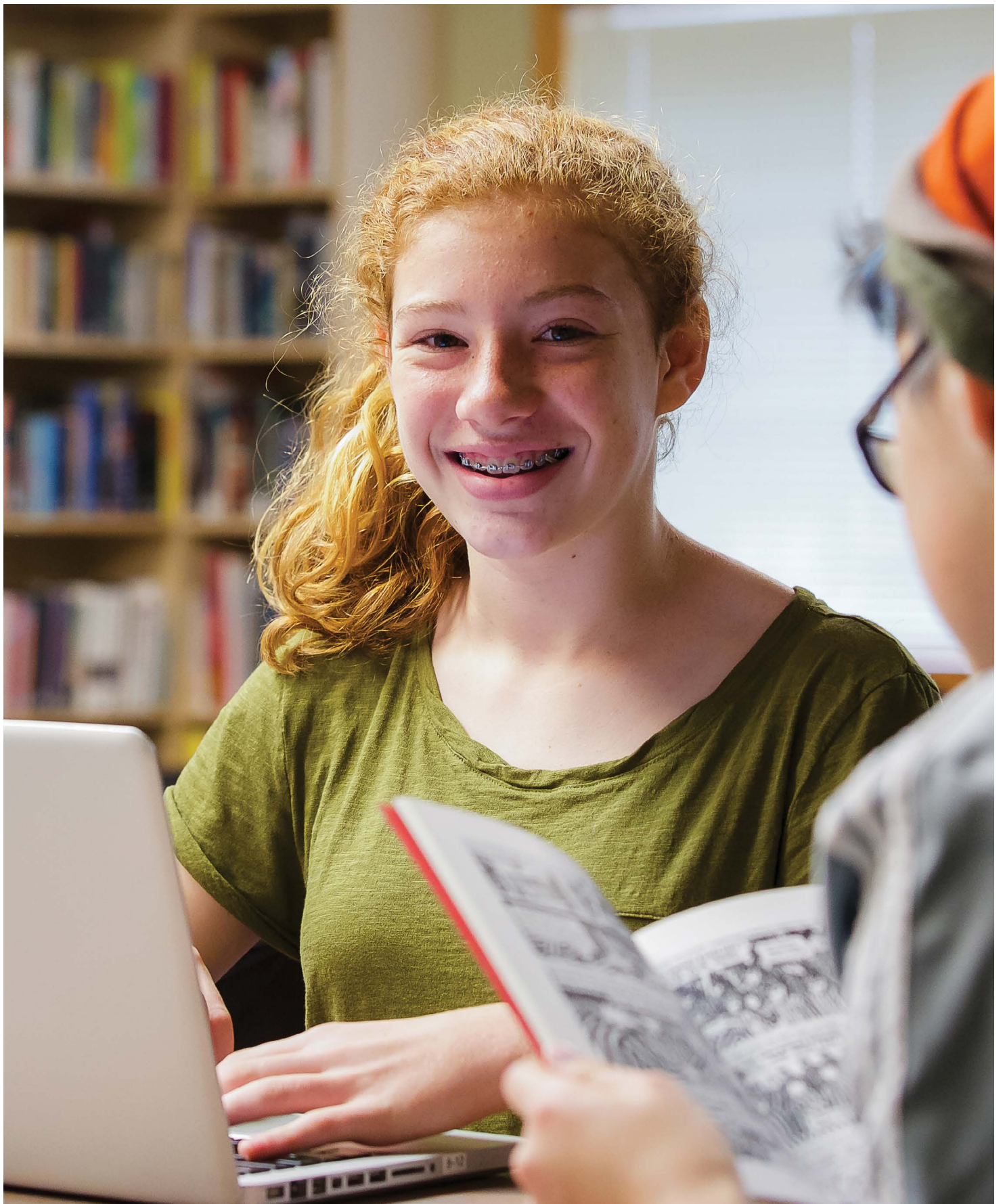
facing women and girls around the world. At our school, we are trying to address the underrepresentation of girls in STEM – science, technology, engineering, and math – with our own STEAM program that also adds an “A” for the arts. So when I had the opportunity to speak during a No Ceilings conversation, I asked Secretary Clinton and Chelsea Clinton what they thought about the importance of getting girls involved in STEM for their future in the workforce. It was exciting to hear the Secretary and Chelsea share their knowledge with us, and I was surprised to hear the facts Chelsea shared. Now I feel even more motivated to do something about this issue. Knowing that these inspiring leaders wanted to hear what we had to say and that our opinions mattered really boosted my confidence and helped me to believe that I can make change happen.

Franny Rainbow

7th grade student
Seattle Girls' School

PHOTO: Franny Rainbow, a student at Seattle Girls' School in Seattle, Washington, participated in the first No Ceilings conversation where she spoke with Secretary Clinton, Chelsea Clinton, and America Ferrera via Skype.

Leslie McDaniel / Seattle Girls' School



TOO SMALL TO FAIL

Helping prepare America's children to succeed in the 21st century



Young children are read to at the Hillary Rodham Clinton Children's Library and Learning Center in Little Rock, Arkansas. The library, which opened in July 2013, honors Secretary Clinton's continued commitment to children's health and early literacy.

Nelson Chenault / Clinton Foundation



Too Small to Fail, a joint initiative launched in 2013 by the Clinton Foundation and Next Generation, aims to help parents and communities take meaningful actions to improve the health and well-being of children ages zero to five, and prepare them to succeed in the 21st century. Studies show that by age four, children from lower income families hear, on average, 30 million fewer words than their peers from higher income families, creating a “word gap” that sets them back before they’ve entered their first classroom. Working with partners across the country, Too Small to Fail is building a public action campaign focused on closing this word gap to help ensure that all children start school ready to learn.

MEDIA PARTNERSHIPS

Univision

In 2014, Too Small to Fail partnered with Univision, the leading media company serving Hispanic America, to launch “Pequeños y Valiosos” (“Young and Valuable”), a multi-platform campaign. Through this partnership, Univision is delivering expert research, commentary, and information on early vocabulary development across the company’s multimedia platforms to reach Hispanic families. As part of this initiative, Univision launched “Acción por los Niños” (“Action for the Children”), a month-long campaign featuring targeted PSAs, news, and public affairs programming to encourage parents to pledge 15 minutes a day to talk, read, and sing with their children. During this month, more than 20,000 families took Univision’s 15-minute-per-day pledge and thousands of families attended 34 community events across the country. Since the campaign launched, “Pequeños y Valiosos” has generated 273 million viewer impressions.

Television Integration

In 2013, Secretary Clinton and Chelsea Clinton brought together more than 100 entertainment industry executives to encourage them to raise awareness about the “word gap” by integrating early learning messaging into their programs. Since then, four TV shows (*Orange Is the New Black*, *Parenthood*, *The Fosters*, and *Royal Pains*) have incorporated talking, reading, and singing messaging into their storylines, with four additional shows committing to integrate content during the 2014 season.

CITIES STRATEGY

Too Small to Fail has launched two “city campaigns” to provide critical early literacy resources to low-income communities in Tulsa, Oklahoma, and Oakland, California. In 2014, Secretary Clinton met with community, business, education, and religious leaders in both cities to explore the best ways to empower parents and caregivers to promote early vocabulary development. The multi-platform city campaign, called “Talking is Teaching,” will broadcast television commercials and radio

spots, print messages on billboards and bus shelters, provide resources and tips through local text messaging, and distribute a Sesame Street “Talking, Reading, and Singing Together” toolkit to parents and community organizations. In Oakland specifically, Too Small to Fail is partnering with medical professionals at UCSF Benioff Children’s Hospital Oakland and Kaiser Permanente Oakland to reach parents with information and tools to promote early vocabulary development. Each city has a robust evaluation system in place to help determine the most impactful messages and interventions for raising awareness and facilitating behavior change.

PARTNERING WITH PEDIATRICIANS

In June 2014 at CGI America, Too Small to Fail and the American Academy of Pediatrics (AAP) announced a partnership to promote the Academy’s first policy statement on early literacy, focusing on the importance of reading with young children from the time they are born. In collaboration with Too Small to Fail, the AAP created an early literacy toolkit for distribution to its 62,000 pediatric members that includes tips to help parents talk, read, and sing to their infants and toddlers. As part of this partnership, Scholastic, Inc. also donated 500,000 children’s books through Reach Out and Read, a non-profit organization that helps pediatricians and medical providers distribute early literacy resources to low-income families.

REACHING PARENTS VIA TEXT MESSAGES

Too Small to Fail also announced a partnership with Text4baby, a free mobile service that promotes maternal and child health information through text messaging, to educate parents about early brain and vocabulary development in the first year of their child’s life. As part of the partnership, *Sesame Street* will provide research-based tips for talking, reading, and singing with children in everyday moments and routines that Text4baby will integrate into its national texting service, reaching more than 700,000 parents nationwide.

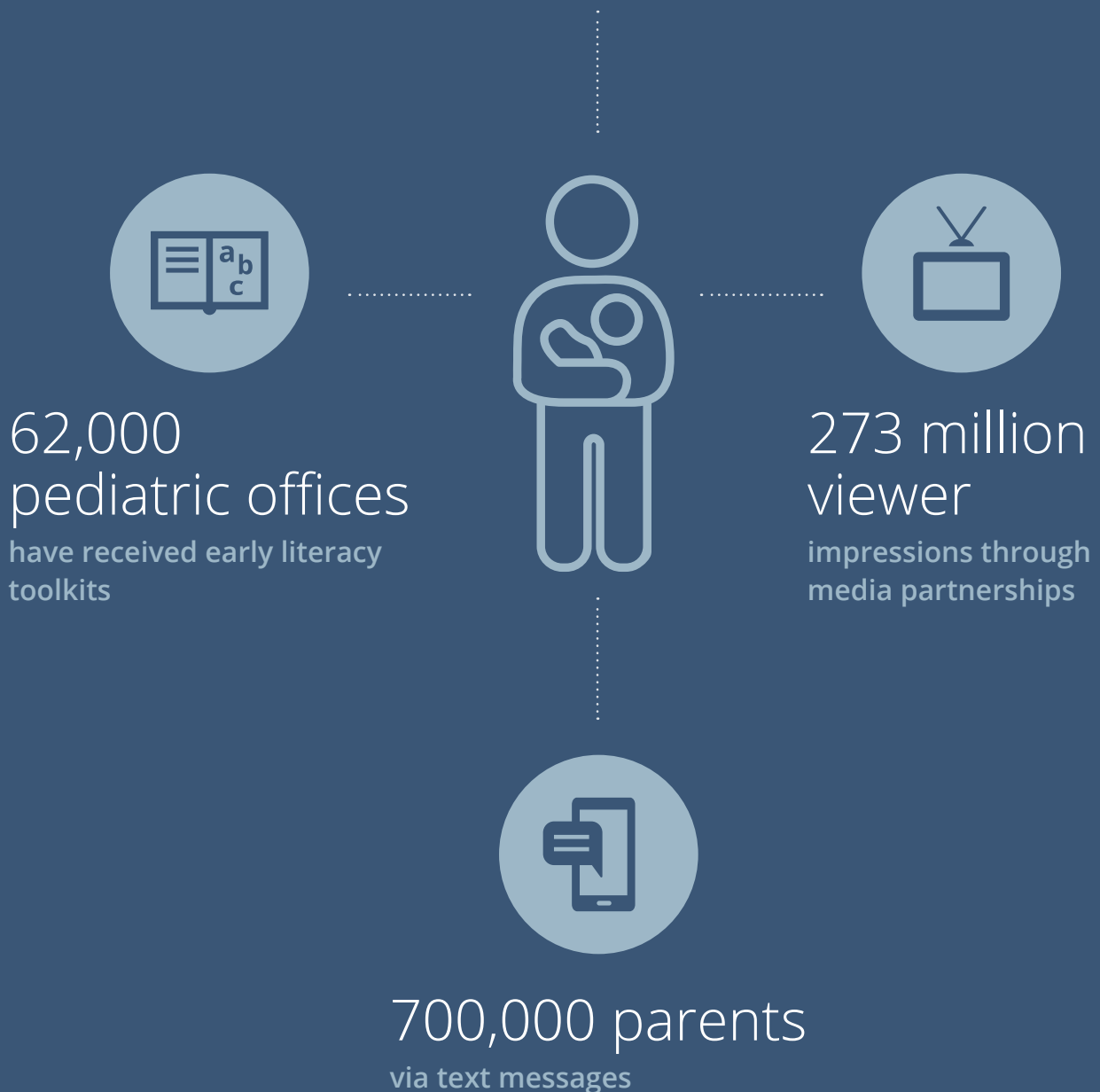
3.5 million viewers reached through 4 prime-time television shows to raise awareness about the word gap

Launched “Talking is Teaching” campaign in Tulsa and Oakland to educate parents about the importance of talking, reading, and singing

500,000 books donated by Scholastic to be distributed to families by Reach Out and Read to 5,000 pediatric sites across the U.S.

Too Small to Fail is reaching parents across multiple touch points throughout their day with tips and information about how to talk, read, and sing to their young children.

WORKING TO REACH PARENTS



AT UCSF BENIOFF CHILDREN'S HOSPITAL OAKLAND IN OAKLAND,

California, we hold the health of our community's children above all else. Our hospital is 100 percent devoted to kids and our mission is to provide the best care possible for all children. We serve a diverse population, and last year alone, we saw 250,000 patients. We are proud of our work to prevent illness and heal young patients.

This is why we are thrilled about our new partnership with Too Small to Fail and its campaign to close the word gap, "Talking is Teaching: Talk, Read, Sing." This initiative helps us address the root causes of many problems affecting Oakland's children. The neurodevelopmental benefits of simply talking, reading and singing to young children is profound – the more parents engage in these activities, the more likely their children will have a better future.

Talking, reading, and singing not only helps to close the word gap, but also increases children's resilience and improves their health. Through "Talking is Teaching," our pediatricians will model good communication for parents and caregivers, and help them improve their health and self esteem. Our hospital staff will provide tools to families that will help them communicate more with their young children, including baby clothing and blankets with prompts to talk, read, and sing; a Sesame Street family resource guide; and children's books. Our entire hospital will be converted into a learning space for families. We plan to share evaluation findings with other communities and children's hospitals so they can integrate this campaign into their own settings.

We are honored to work with Too Small to Fail in implementing the "Talking is Teaching: Talk, Read, Sing" campaign in Oakland. Together, we are shifting the paradigm of health and medicine to one that can ultimately improve children's overall well-being.

Dr. Bert Lubin

Chief Executive Officer

UCSF Benioff Children's Hospital Oakland

PHOTO: Gabrielle with her daughter at UCSF Benioff Children's Hospital in Oakland, California, at Too Small To Fail's "Talking Is Teaching: Talk, Read, Sing" campaign launch in July 2014.

Goodby Silverstein & Partners

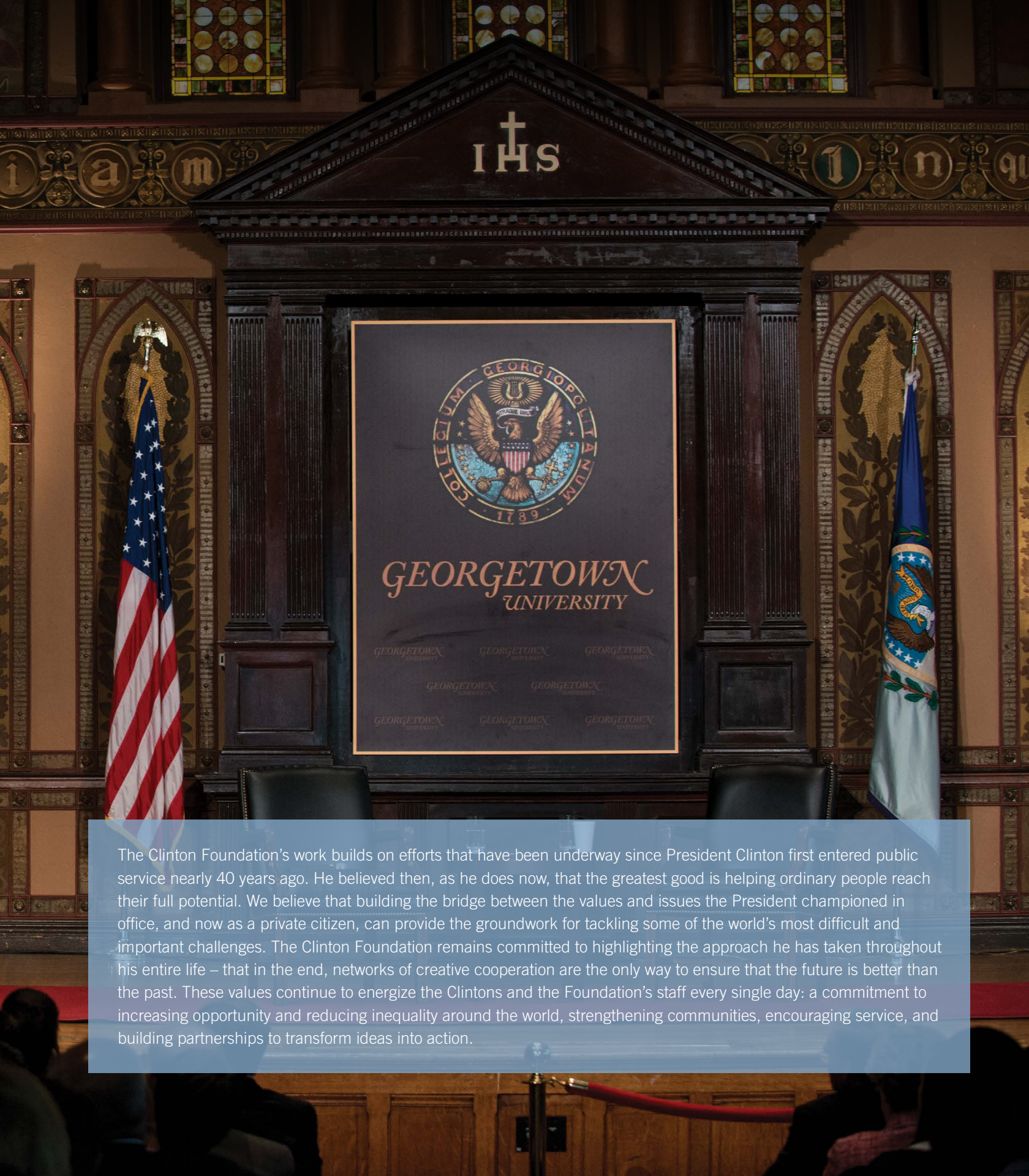


Honoring the Past and Embracing the Future



In April 2013, President Clinton delivered the first in a series of four lectures at Georgetown University.

Beatrice Moritz / Clinton Foundation



The Clinton Foundation's work builds on efforts that have been underway since President Clinton first entered public service nearly 40 years ago. He believed then, as he does now, that the greatest good is helping ordinary people reach their full potential. We believe that building the bridge between the values and issues the President championed in office, and now as a private citizen, can provide the groundwork for tackling some of the world's most difficult and important challenges. The Clinton Foundation remains committed to highlighting the approach he has taken throughout his entire life – that in the end, networks of creative cooperation are the only way to ensure that the future is better than the past. These values continue to energize the Clintons and the Foundation's staff every single day: a commitment to increasing opportunity and reducing inequality around the world, strengthening communities, encouraging service, and building partnerships to transform ideas into action.

THE CLINTON LECTURES AT GEORGETOWN

In April 2014, President Clinton delivered the second in a series of four lectures at Georgetown University exploring the themes of purpose, policy, people, and politics. With a commitment to fiscal discipline and an aggressive poverty-fighting agenda including expansions in the Earned Income Tax Credit, the Clinton administration fought to reduce inequality and created a remarkable period of shared prosperity. Today, many of the Foundation's initiatives focus on giving individuals and communities the opportunity to thrive economically by building systems and developing enterprises that provide access to credit, training, and new markets to ensure their businesses grow and thrive.

WILLIAM JEFFERSON CLINTON FEDERAL BUILDING

In 2013, the headquarters of the Environmental Protection Agency in Washington, D.C. was renamed the William Jefferson Clinton Federal Building in honor of President Clinton's enduring commitment to clean air, clean water, and environmental preservation while in the White House – with a focus on children's health, Superfund site restoration, decreased soot and smog air quality, and greatly expanded protection for national parks, and other landmark areas. Today, the Clinton Climate Initiative works in 38 countries on effective ways to combat climate change and build resilient communities by working on solutions with the people, policies, and practices that impact our environment.

20TH ANNIVERSARY OF AMERICORPS

In September 2014, the Foundation celebrated the 20th anniversary of AmeriCorps. President Clinton issued a clarion call to the next generation of service leaders through the creation of AmeriCorps – one of his proudest achievements in office. Twenty years later, more than 900,000 members have contributed more than 1.2 billion hours in service. President Obama and President Clinton addressed this year's incoming class on the South Lawn of the White House where they participated in the pledge ceremony of 700 new AmeriCorps members. Today, the Clinton Foundation continues to promote and provide access to more opportunities to serve including the Day of Action program and a recently announced Clinton Global Initiative (CGI) Commitment, the "Serve a Year" campaign dedicated to developing new service positions and establishing a new "Employers of Service" program.

ADDRESSING INEQUALITY AROUND THE WORLD

In 2013, President Clinton and Chelsea traveled to Africa – a region the President championed throughout his administration – to bring new resources to the Foundation's ongoing work on health access, agribusiness development, and CGI commitments in the region, stopping in Malawi, Zambia, Tanzania, Rwanda, and South Africa. In July 2014, President Clinton traveled to Asia where he saw the impact of the Foundation's projects first-hand in India, Vietnam, and Indonesia. In Banda Aceh, he visited several locations that had been devastated in the Tsunami 10 years earlier to showcase ways in which several communities succeeded in "building back better." He met with local fisherman in the village of Lampuuk to explore how CGI commitments from Wetlands International and Bumblebee can best be used to restore the coast. Visits to projects around the world allow President Clinton to evaluate how the Foundation can maximize its impact, and provide him with opportunities to identify new partners and resources.

PRESIDENTIAL LEADERSHIP SCHOLARS PROGRAM

In September 2014, the Clinton Presidential Center joined the Presidential Centers of Presidents Lyndon B. Johnson, George H.W. Bush, and George W. Bush to launch the Presidential Leadership Scholars Program, a partnership between their presidential libraries and their foundations. The program is designed to help participants develop the leadership skills necessary to address the toughest problems of the 21st century. The curriculum draws from presidential archives surrounding key moments in each administration. The inaugural class will begin in February 2015 at Mt. Vernon, Virginia, outside of Washington, D.C.

20TH ANNIVERSARY OF THE C.O.P.S. PROGRAM

In October 2014, the U.S. Conference of Mayors hosted a summit on the Community Oriented Policing Services (C.O.P.S.) program. The event celebrated the 20th anniversary of the bill signing, which funded 100,000 new community police officers by 1999. Community policing builds bonds of trust between officers on the beat and people in their communities, and is proven to be one of the most effective strategies to combat crime. The Clinton Foundation applies this same philosophy and approach of building up communities and investing in people as a guiding principle for all of the initiatives and their programming.



In September 2014, President Clinton joined President Obama and thousands of AmeriCorps members at the White House to honor the 20th anniversary of the creation of AmeriCorps – one of President Clinton's proudest achievements in office.

Corporation for National and Community Service

Thank You



THE CLINTON FOUNDATION WAS ESTABLISHED ON THE BELIEF

that, working together, we could do more to solve problems and improve lives than any one of us could alone. Under the leadership of President Clinton, Secretary Clinton, and Chelsea Clinton, we have brought this vision to life in many ways, helping communities to tackle the challenges and seize the opportunities of the 21st century. I joined the Clinton Foundation last year both inspired by the Foundation's remarkable progress and excited to continue the work ahead. By bringing together non-profits, governments, businesses, and private citizens, we're building a better future for more people around the world, every day – and we hope you will join us.

You've now read in this Annual Report about our life-changing programs. In Malawi, Colombia, and other countries, we're helping smallholder farmers to lift themselves out of poverty. In the U.S., we're helping communities to live healthier lives. All around the world, we're helping to advance full participation for women and girls and equip communities to be more resilient in their response to climate change. In everything we do, our role is to bring partners together, figure out what works, and be a catalyst to bring good ideas to scale. We are proud of our results and grateful to the generous supporters who make our work possible.

In 2013, more than 20,000 individuals donated to the Clinton Foundation. We feel tremendous responsibility to those supporters to keep learning from what works and what doesn't, and to keep bringing people together to improve lives. We evaluate everything we do with hard data and real stories from the ground – because we believe that results you can measure are the only results that matter, and because we want to be both effective and efficient in our work. We're investing in our analytical capabilities so we can become ever more rigorous in holding ourselves accountable. We're also working to secure the future of the Foundation by raising funds for an endowment and by finding ways to excite and engage new supporters of every generation.

I believe that the people in this Foundation are among the most talented and inspiring people I've ever known. However, our story isn't the story of a single family or a single organization; it's the story of many people choosing to believe we have more impact when we come together. Thank you for being part of that story with us.

We won't be satisfied by yesterday's success. There's too much work to be done. We're humbled to serve, and to serve with you.

Please join us for the work ahead.

Thank you.



Eric Braverman
Chief Executive Officer
Clinton Foundation

PHOTO: With support from the Clinton Foundation, the Union Des Apotres – Prodev School has been able to plant a school garden and trees to help reforest the school grounds.

Max W. Orenstein / Clinton Foundation

2013 Financials

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year Ended December 31, 2013 | GAAP Basis | Audited

REVENUE AND SUPPORT

Contributions	\$198,824,447
Grants	\$92,923,660
Other Revenue	\$ 2,993,050
Total Revenue and Support	\$294,741,157

EXPENSES (PERCENT OF TOTAL EXPENSES)

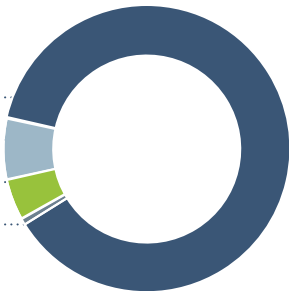
PROGRAM SERVICES

Clinton Health Access Initiative	\$127,781,347	(57.4%)
Clinton Global Initiative	\$23,684,078	(10.6%)
Clinton Presidential Center	\$12,288,987	(5.5%)
Clinton Climate Initiative	\$8,406,801	(3.8%)
Clinton Giustra Enterprise Partnership	\$5,039,288	(2.3%)
Clinton Development Initiative	\$2,575,401	(1.2%)
Clinton Health Matters Initiative	\$1,676,729	(0.8%)
Other Programs	\$15,180,749	(6.8%)
Management and General	\$15,633,562	(7%)
Fundraising	\$10,129,160	(4.5%)
Provision for Uncollectible Pledges	\$225,000	(0.1%)
Total Expenses	\$222,621,102	

Change in Net Assets	\$72,120,055
Net Assets, Beginning of Year	\$211,397,916
Net Assets, End of Year	\$283,517,971

2013 EXPENDITURES

Program	88.4%
Management and General	7%
Fundraising	4.5%
Provision for Uncollectible Pledges	0.1%



STATEMENT OF FINANCIAL POSITION

As of December 31, 2013

ASSETS

CASH AND CASH EQUIVALENTS

Unrestricted	\$65,647,516
Restricted	\$86,645,545

FIXED ASSETS AND OTHER

Property and Equipment, Net of Accumulated Depreciation	\$110,206,478
Beneficial Interest in Net Assets of Related Entity	\$365,000
Investments	
Endowments	\$14,649,160
Other	\$3,720,098
Total Investments	\$18,369,258
Inventory and Prepaid Expenses	\$2,397,481
Multiyear Pledges and Grants Receivable	\$65,731,104
Accounts Receivable	\$2,192,744
Total Assets	\$351,555,126

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$14,298,984
Deferred Revenue	\$53,663,185
Long-term Debt	\$74,985
Total Liabilities	\$ 68,037,154

NET ASSETS

Total Net Assets	\$283,517,972
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Total Liabilities and Net Assets	\$351,555,126
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Invest in Impact



\$1,000 can provide tools, inputs, and training materials to plant 5,600 citrus trees in Africa

\$5,000 can provide an entrepreneur training course and a fully-equipped coffee cart for a woman in Haiti to launch her own micro-franchise

\$10,000 can provide more than 1,300 children in the U.S. with a healthy school breakfast every day for one week

\$50,000 can provide more than 350 African farmers with the resources they need to increase their profits per year by about 90 percent

PHOTO LEFT: President Clinton tours the Haiti Coffee Academy in Thiotte with Todd Carmichael and JP Iberty, co-founders of La Colombe, and Tobin Bickley, chief financial officer of La Colombe. The Clinton Foundation collaborated with La Colombe and others to create the coffee academy to help farmers improve their livelihoods.

PHOTO RIGHT: Following the launch of the partnership between Too Small to Fail and Univision, Secretary Clinton and Univision President and CEO Randy Falco read a book to children at the East Harlem Head Start School in New York City.



WAYS TO GIVE

People around the world have been inspired to join the Clinton Foundation in its efforts towards making a measurable, meaningful, and sustainable difference in millions of lives and communities. The Foundation's life-changing work would not be possible without the continuous support from our friends and donors.

1. GIVE A TAX-DEDUCTIBLE GIFT

To support the Clinton Foundation's work, please donate online at clintonfoundation.org/support.

2. BECOME A CLINTON FOUNDATION AMBASSADOR

Members contribute \$1,000 or more annually and join a network of leaders who receive special recognition and benefits from the Clinton Foundation.

3. INCLUDE THE CLINTON FOUNDATION IN YOUR WILL

Learn more by visiting clintonfoundation.org/planned-giving.

4. GIVE A GIFT OF STOCK OR A DONATION FROM YOUR IRA

The Clinton Foundation would be grateful for your gift of stock or a donation from your IRA.

Join Us



BECOME A CLINTON FOUNDATION AMBASSADOR

Clinton Foundation Ambassadors play a critical role in making a difference in the lives of people around the world. Their annual support enables the Clinton Foundation to fulfill its mission to improve global health, increase opportunity for women and girls, reduce childhood obesity and preventable disease, create economic opportunity and growth, and help communities address the effects of climate change. Ambassadors enjoy a unique relationship with the Clinton Foundation and receive special recognition and benefits, including invitations to exclusive briefings and events.

For more information, please visit clintonfoundation.org/ambassadors.

PHOTO LEFT: Secretary Clinton and Chelsea Clinton host Girls: A No Ceilings Conversation at the Lower East Side Girls Club in New York City.

Max W. Orenstein / Clinton Foundation

PHOTO RIGHT: While visiting CHAI projects in Cambodia, Chelsea Clinton meets Basil – one of the first children to receive pediatric antiretroviral treatment in the country.

Ken Avelino / Clinton Foundation



JOIN CLINTON FOUNDATION 20/30

Through leadership development, professional growth, and volunteer opportunities, Clinton Foundation 20/30 provides emerging leaders in their 20s and 30s with a platform to build a better world by, for, and in the year 2030. To become a member, and for more information, please visit clintonfoundation.org/2030.

ADDITIONAL INFORMATION

For more information on giving a gift to the Clinton Foundation please call 646 775 9179 or email development@clintonfoundation.org. Checks can be made payable to the Clinton Foundation and sent to:

Clinton Foundation
Attn: Development Department
610 President Clinton Avenue, Little Rock, Arkansas 72201

Donations to the Clinton Foundation, a 501(c)(3) organization, are tax-deductible as applicable by law.

Board of Directors

BRUCE LINDSEY

Chairman of the Board (2005–present)

Bruce Lindsey serves as the chairman of the Board for the Clinton Foundation. Bruce joined the Foundation in 2001 as general counsel and served as CEO from 2003 to 2013. Bruce served as assistant to the President and deputy counsel to the President throughout President Clinton's two terms in office. In 1993, Bruce was also director of the Office of Presidential Personnel where he supervised the selection and approval of political appointees in the Cabinet departments and to Presidential boards and commissions. During the 1992 Presidential campaign, he served as the National Campaign Director. He had previously been a partner at Wright, Lindsey & Jennings, a law firm in Little Rock, where he is currently of counsel. Bruce received a J.D. from Georgetown University Law Center and a B.A. from Rhodes College.

CHELSEA CLINTON*

Vice Chair of the Board (2011–present)

Bruce Lindsey serves as the chairman of the Board for the Clinton Foundation. Bruce joined the Foundation in 2001 as general counsel and served as CEO from 2003 to 2013. Bruce served as assistant to the President and deputy counsel to the President throughout President Clinton's two terms in office. In 1993, Bruce was also director of the Office of Presidential Personnel where he supervised the selection and approval of political appointees in the Cabinet departments and to Presidential boards and commissions. During the 1992 Presidential campaign, he served as the National Campaign Director. He had previously been a partner at Wright, Lindsey & Jennings, a law firm in Little Rock, where he is currently of counsel. Bruce received a J.D. from Georgetown University Law Center and a B.A. from Rhodes College.

PRESIDENT BILL CLINTON*

2013–present

William Jefferson Clinton was the first Democratic president in six decades to be elected twice – first in 1992 and then in 1996. Under his leadership, the country enjoyed the strongest economy in a generation and the longest economic expansion in U.S. history, including the creation of more than 22 million jobs. After leaving the White House, President Clinton established the Clinton Foundation. Today, the Foundation works to improve global health and wellness, increase opportunity for women and girls, reduce childhood obesity, create economic opportunity and growth, and help communities address the effects of climate change. In addition to his Foundation work, President Clinton has served as the top United Nations envoy for the Indian Ocean tsunami recovery effort and as the UN Special Envoy to Haiti. Today, the Clinton Foundation is supporting economic growth, capacity building, and education in Haiti. President Clinton was born on August 19, 1946, in Hope, Arkansas. He and his wife Secretary of State Hillary Rodham Clinton have one daughter, Chelsea, and live in Chappaqua, New York.

FRANK GIUSTRA*

2013–present

Frank Giustra is president and chief executive officer of Fiore Financial Corporation, a private firm managing a broad portfolio of private equity investments. Frank has an established track record of building natural resource companies through access to capital and creative deal-making. As president and later chairman and chief executive officer of Yorkton Securities in the 1990s, he grew the firm into a leading natural resource investment bank. As chairman of Endeavour Financial from 2001 to 2007, his vision and leadership led to the successful launch of numerous resource companies, including Wheaton River Minerals (acquired by Goldcorp), Silver Wheaton, and Pacific Rubiales Energy. Frank's entrepreneurial successes also include the founding of Lionsgate Entertainment, now one of

the world's largest independent film companies. Frank is a strong believer in philanthropy, and devotes much of his time to a variety of causes. In 1997, he established The Radcliffe Foundation, and holds the position of president. The Radcliffe Foundation supports a wide variety of international and local charities. In 2007, Frank and President Bill Clinton launched the Clinton Giustra Enterprise Partnership, with the focus of creating social and economic development programs in parts of the world where poverty is widespread, including Colombia, Peru, Mexico, and Haiti. Frank is a member of the board of the Clinton Giustra Enterprise Partnership, the International Crisis Group, the Radcliffe Foundation, Lionsgate Entertainment Corporation, Endeavour Mining Corporation, Petromanas Energy Inc., and a trustee of the Boston's Museum of Fine Arts. In addition, he sits on the board of the Streetohome Foundation, a Vancouver Foundation that envisions access to safe, clean and affordable housing for everyone in Vancouver.

ROLANDO GONZALEZ BUNSTER*

2013–present

Rolando Gonzalez Bunster is the chairman and chief executive officer of InterEnergy Holdings. Prior to founding InterEnergy, he founded and managed InterEnergy's predecessor, Basic Energy Ltd. (Bahamas), a holding company that owned and operates electrical generation and distribution assets in the Dominican Republic, Panama and Jamaica. Rolando is a pioneer of the electric sector of the Dominican Republic, being credited with the signing of the country's first state utility PPA, as well as being one of the key participants in the privatization of the state controlled electricity businesses. His track record in the country dates back to the late 1980's, when he developed the country's first barge mounted power plant in partnership with Seaboard Corporation. Since then, Rolando has successfully developed, acquired and managed over 1,500MW of generating capacity in the Dominican Republic, Argentina, Jamaica and Panama. In addition to overseeing the management of all group operating companies, he led all significant aspects of project development, financing and the relationship with

**Independent, voting director as defined in the IRS instructions for Form 990.*

governments and multilateral organizations such as the World Bank's International Finance Corporation (IFC) and the Inter-American Development Bank (IDB). Prior to founding Basic Energy, Rolando was the international vice president of New York-based multi-billion dollar conglomerate Gulf & Western Industries Inc., reporting directly to Chairman and CEO Charles Bludhorn. Rolando is the chair of the International Initiatives Committee of Georgetown University, a member of the Latin American Board of Georgetown University, and serves on the Board of Advisors of the Georgetown College of Arts and Sciences, his alma matter. He is also a member of the Board of Directors of the Clinton Foundation, and the Energy & Climate Committee of the Clinton Global Initiative, focusing on clean and renewable energies. Further to this, Rolando is a member of the Institute of the Americas as well as serving on the board of The Walkabout Foundation – a non-profit organization focused on funding research to find a cure for paralysis and donating wheelchairs to people in need around the world.

AMBASSADOR ERIC GOOSBY, MD*

2013–present

Dr. Eric Goosby has dedicated his professional life to fighting HIV/AIDS from treating patients to running international programs. After serving four years in the U.S. State Department as Ambassador-at-Large and U.S. Global AIDS Coordinator, overseeing the implementation of the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), Dr. Goosby returned to the University of California, San Francisco where he is professor of Medicine and director of the Center for Implementation Sciences, Global Health Sciences. While at the State Department, he also led the Office of Global Health Diplomacy, advancing the United States' global health mission to improve and save lives and foster sustainability through a shared global responsibility. As CEO and chief medical officer of Pangaea Global AIDS Foundation, 2001-2009, he played a key role in the development and implementation of HIV/AIDS national treatment scale-up plans in South Africa, Rwanda, China, and Ukraine. During the Clinton Administration, Dr. Goosby was director of the Ryan White Care Act at the U.S. Department of Health and Human Services (HHS), and later, served as deputy director of the White House National AIDS Policy Office and Director of the Office of HIV/AIDS Policy at HHS.

HADEEL IBRAHIM*

2013–present

Hadeel Ibrahim is the founding Executive Director of the Mo Ibrahim Foundation, which was established in 2006 to support leadership and governance in Africa. In addition to the Mo Ibrahim Foundation, Hadeel is a member of the boards of Femmes Africa Solidarité (FAS), Mary Robinson Foundation for Climate Justice, 1:54 Contemporary African Art Fair, the Governing Board of the African Governance Institute (AGI), and the co-chair of Africa Central in New York. Hadeel is also a member of the advisory boards of Africa 2.0, a member of Amnesty International's Secretary General's Global Council, and MIT Legatum Center for Development & Entrepreneurship. She is a co-opted member of the Royal African Society Council, member of the British Council Provocation Group, is leading an anti-corruption review, and is a patron of Restless Development, a youth led development agency.

LISA JACKSON*

2013–present

Lisa Jackson is vice president of Environmental Initiatives at Apple Inc., reporting to CEO Tim Cook. She oversees Apple's efforts to minimize its impact on the environment, including removing toxics from its products, incorporating renewable energy in its facilities, and continually raising the bar for energy efficiency in the electronics industry. Lisa previously served as administrator of the U.S. Environmental Protection Agency. Appointed by President Barack Obama, she focused on reducing greenhouse gases, protecting air and water quality, preventing exposure to toxic contamination, and expanding outreach to communities on environmental issues. Lisa has also served as chief of staff to New Jersey Governor Jon S. Corzine and as commissioner of the state's Department of Environmental Protection. She earned a bachelor's degree in chemical engineering from Tulane University, where she currently serves on the board of directors, and a master's degree in chemical engineering from Princeton University.

CHERYL MILLS*

2004–2009, 2013–present

Cheryl Mills is founder and chief executive officer of the Blacklvy Group, a company that grows and builds businesses in Sub-Saharan Africa. Prior to founding Blacklvy, Cheryl served as counselor and chief of staff at the U.S. Department of State where she managed the foreign policy and operational priorities for the \$55 billion agency. Prior to joining the State Department, she served as senior vice president for administration and operations as well as general counsel at New York University. During her tenure, Cheryl identified and convened strategic partners and negotiated the structure, framework, terms and conditions for the establishment of the University's campus in the United Arab Emirates. Cheryl came to New York to join Oxygen Media, where she served as senior vice president for corporate policy and public programming. She previously worked in Washington, D.C., where she served as deputy counsel to the President at the White House. Cheryl's legal experience also includes serving as associate counsel to the President, as deputy general counsel of the Clinton/Gore Transition Planning Foundation, and as an associate at the Washington, D.C. law firm of Hogan and Hartson. Cheryl currently serves on the boards of BlackRock, Inc. (corporate), the Clinton Foundation, and the See Forever Foundation (not-for-profit). She received her Juris Doctor degree from Stanford Law School and her Bachelor of Arts degree from the University of Virginia.

CHERYL SABAN, PH.D.*

2013–present

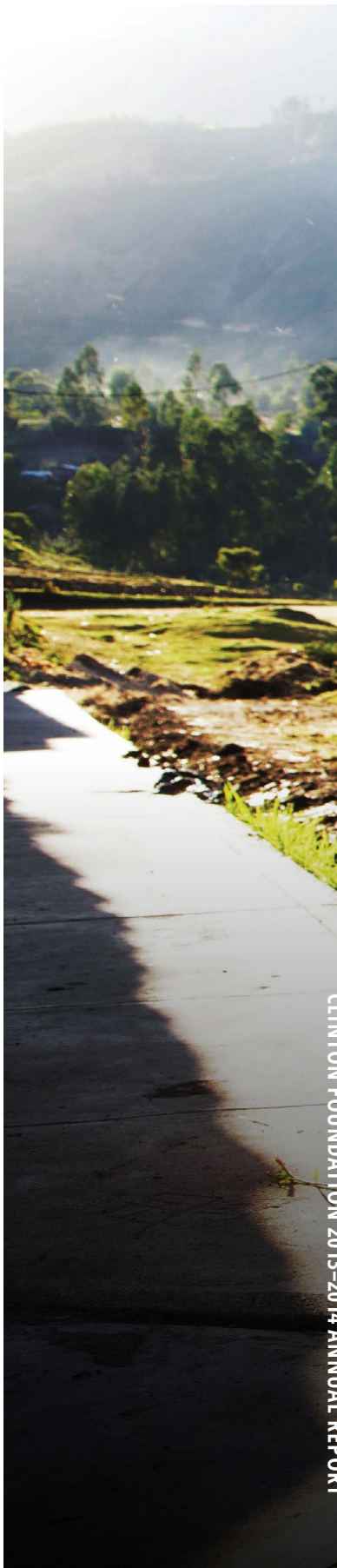
Cheryl Saban, Ph.D., is a writer, psychologist, former U.N. Representative, philanthropist and advocate for women and children. In 2009, she founded the Cheryl Saban Self Worth Foundation for Women & Girls, a non-profit organization for the advancement and empowerment of girls and women. Dr. Saban is the President of the Saban Family Foundation, which supports children's medical and education programs, and sits on the boards of the Clinton Foundation, Girls Inc., Children's Hospital Los Angeles, The Saban Research Center, and The Saban Community Center. She is the author of several books, including *What is Your Self-Worth – A Woman's Guide to Validation*. Dr. Saban holds a Ph.D. in Psychology from California Coast University, and is a member of the American Psychological Association.



CLINTONFOUNDATION.ORG



This report was printed on paper containing 10 percent post consumer waste, reflecting the Clinton Foundation's commitment to protecting our environment.



Testimony by New York State Senator Gustavo Rivera
City Council Hearing on the “Healthy Happy Meals” bill
January 26, 2015

Thank you for the opportunity to submit testimony to the New York City Council Committee on Health regarding setting nutritional standards for meals which distribute incentive items aimed at children.

As we all know, childhood obesity is a major problem in our country. We all share the responsibility of improving the health of our youth. In order to have a healthy populace, it is important to teach children early about nutrition and to hold restaurants and fast-food chains accountable so they provide healthy meal options.

During my time as a State Senator, I have worked to push for policies that will help tear down some of the institutional barriers that stand in the way of New Yorkers having a healthier lifestyle. In 2011, I introduced a bill similar to the bill we are here to discuss today in the State Senate that would set statewide nutritional standards for meals that are accompanied by a toy. My legislation would require meals to meet certain nutritional guidelines which limit the amount of fat, sugar, calories and sodium per meal.

I truly believe that to combat obesity, diabetes and the other health issues that are plaguing our youth we must put forth policies that create an environment that encourages children to develop healthy habits. The goal of Councilman Kallos’ “Healthy Happy Meal’s” bill and my bill in the State Senate is the same - to allow children to make healthy food choices without any misguided influence, while holding restaurants accountable for the food they are advertising to children. This type of policy has proven to do both.

As a State Senator for the Northwest Bronx, I have made working to improve the health of Bronx residents and all New Yorkers a priority. Unfortunately, the Bronx is ranked as New York State’s unhealthiest county and has been ranked at the bottom several years in a row. Our borough has the highest rates of obesity and diabetes in the entire City, 30.5 percent and 13.1 percent respectively. There are several factors that contribute to why Bronx residents have poor health – one of them is the fact that our residents live surrounded by conditions that make having a healthy lifestyle and making healthy choices quite challenging.

In 2010 and 2011, two municipalities in California enacted laws prohibiting restaurants from giving away free toys or other incentives with children’s meals or with foods and beverages not meeting minimal nutritional criteria. The Center for Disease Control and Prevention (CDC) and Stanford University conducted a study on the health effects these ordinances had on children. The CDC found that the law caused some restaurants and/or fast food chains to provide healthier meal options, resulting in a significant decrease in total fat and sodium over time in children’s meal orders. Additionally, the CDC found that some restaurants and/or fast-food chains expanded their healthy menu

options across the United States. The Stanford study found that kid's meals at Burger King and McDonald's were slightly healthier after these laws were implemented.

Moreover, a study conducted by researchers at New York University found that if all children's combination meals met the nutritional criteria outlined in Councilman Kallos' "Healthy Happy Meal" bill, there would be a 9 percent reduction in calories for children whose purchases included a children's combination meal and a 10 percent reduction in sodium and calories from fat.

Let me be clear: the "Healthy Happy Meal" bill will not solve our childhood obesity problem, but it will give us an additional tool in helping our city's kids and their parents make healthier choices.

I would like to thank the City Council for exploring legislation aimed at combating childhood obesity and City Council Member Ben Kallos for proposing this measure at the city level while we work to enact similar nutritional standards across New York State.



Written Statement on Proposed Bill 442

Before the New York City Council

Committee on Health

On Behalf of the National Restaurant Association

January 28, 2016

The National Restaurant Association (the “Association”) appreciates the opportunity to provide comments on proposed bill 442 to amend the administrative code of the city of New York in relation to setting nutritional standards for distributing incentive items aimed at children (the “Legislation”).

The Association is the leading business association for the restaurant and foodservice industry which is comprised of one million locations employing 14 million people who serve 130 million guests daily. The Association represents more than 435,000 member restaurant establishments. Restaurateurs are job creators. Despite being an industry of predominately small businesses, the restaurant industry is the nation’s second-largest private-sector employer, employing almost 10 percent of the U.S. workforce.

The restaurant industry in New York is integral to the economy and job creation. In fact, every \$1 spent in New York’s restaurants generates an additional \$0.88 in sales for the economy and every extra \$1 million spent in New York’s restaurants generates an additional 20.6 jobs in the state. In 2015, restaurants accounted for 796,000 jobs in New York or 9% of employment in the state. New York City has a particularly high number of eating and drinking establishments, and thus, a high number of restaurants and employees impacted by costly regulations.

The National Restaurant Association and its members have concerns about this Legislation as expressed herein.

This Legislation is overly broad and would restrict a food establishment’s ability to engage in a wide array of marketing, promotional, and charitable activities.

Proposed bill 442 has vast applications for affected establishments. Far from just applying to the traditional promotional items associated with a children’s meal, this Legislation applies to any possible incentive item (including gift cards, trading cards, or balloons) that could possibly be issued in association with any meal or side item that does not conform to certain standards. Potentially, this Legislation could prohibit celebratory gestures such as a cake topper or balloons associated with a birthday ice cream cake or cup cake. It is even possible that this Legislation could impose fines on restaurants that provide coloring placemats or access to gaming apps designed to educate children on the importance of nutrition and physical activity, or to simply entertain a child during meal times. Perhaps even more troubling is the potential restriction of charitable programs in restaurants that benefit community organizations. Restaurants and other foodservice establishments often offer incentive items that seek to raise funds for community programs. Unduly restricting these activities will only hurt the customers and communities we serve. While we understand the Council’s goal to address childhood obesity, the Association believes that

restricting an establishment's ability to offer these kind of promotional and charitable programs is not the best way to achieve the intended goals.

Restaurants are increasingly expanding their menu offerings of better for you menu items.

From family dining to quick service establishments, restaurants are continuing to expand better for your options for all customers, including children. One example of this committed action is the Association's Kids LiveWell program. Kids LiveWell has truly been a groundbreaking initiative. To join Kids LiveWell, restaurants voluntarily agree to offer and promote a selection of qualifying menu items including a full meal (entrée, side, and beverage) along with an additional side that meet defined nutrition criteria based on leading health organizations' scientific recommendations, including the USDA Dietary Guidelines. The initiative focuses on increasing consumption of fruits and vegetables, lean protein, whole grains and low-fat dairy, and limiting total calories, total fats including unhealthy fats, total sugar, and sodium. With this program the industry has added nearly 678 menu items including nearly 360 meals, 440 servings of fruit, 360 servings of vegetables, 100 servings of whole grains, and 250 servings of lean protein to children's menus across the country. In just five years, Kids LiveWell has grown from 19 brands and 15,000 locations to nearly 140 national, regional, and local, chain and independent restaurant brands representing nearly 42,000 locations. The voluntary program, which provides parents with a growing selection of better for you children's menu choices is located now in every state, with even amusement parks and museums participating.

Additionally, better for you children's meals are one of the hottest culinary trends in today's restaurants. The Association's 2016 What's Hot survey of 1600 chefs continues to rank better for you children's meals in the top category for the fifth consecutive year. Restaurants will continue to respond to this consumer trend with an increasing array of nutritious choices available in children's meals.

The Legislation intrudes into parental responsibilities and private choices.

Parents, not politicians, should decide what children eat. This Legislation insults the decision making power of parents to make eating choices for their children. Parents are competent and capable of making decisions for their children, including when to provide their children with a toy. Consumer research conducted in 2010 when Santa Clara County and San Francisco debated the issue of toy bans demonstrated that six in ten voters believed restaurants should be allowed to include toys in meals for kids, and that 78 percent believed that the ultimate decision about what kids should or should not eat should rest with parents.

This Legislation does not actively fight child obesity.

The Association believes a holistic and sensible approach to food and healthy living will achieve the greatest results in addressing childhood obesity. Childhood obesity is a complex problem that requires an emphasis on healthy eating, nutrition education, and physical activity. The *2015-2020 Dietary Guidelines* shift away from prior year recommendations focusing on food components or nutrients in isolation to recommendations focusing on overall eating patterns and physical activity. Indeed, the *2015-2020 Dietary Guidelines* embody the idea that a healthy eating pattern is not a rigid prescription, but rather “an adaptable framework in which individuals can enjoy foods that meet their personal, cultural, and traditional preferences and fit within their budget.” Banning incentives or other token rewards from a meal that does not meet specific nutritional requirements runs counter to a total diet approach and frankly, lacks any scientific evidence demonstrating a positive impact on childhood obesity.

The Legislation has a layering effect on regulations targeting restaurants in New York City.

This Legislation singles out restaurants across the city and does not apply to other providers of food. Unfortunately, restaurant companies are already dealing with the uncertainty of having to comply with other legislation and regulations that only apply to restaurants. Our members need time to consider the implications of these existing requirements before additional mandates are considered.

Last year, the New York City Department of Health finalized a rule that requires chain restaurants to post icons next to menu items or combination items that are high in sodium. While this regulation is currently the subject of ongoing litigation, chain restaurants are faced with the uncertainty of how this regulation could impact their businesses going forward. Additionally, fast food restaurants across the city are complying with the recently mandated minimum wage increases as part of the New York Department of Labor’s Fast Food Wage Board. The cumulative effect of these increases, which began to phase in at the end of last year, will have a negative effect on businesses in New York.

Conclusion

In conclusion, the National Restaurant Association believes that the Legislation is both overreaching and unnecessary. We encourage the New York City Council to work with the



industry to find workable solutions to childhood obesity and look forward to continuing its ongoing work with the Council to protect the restaurant and hospitality industry in the City of New York.

Respectfully Submitted,

A handwritten signature in black ink that reads "Joan McGlockton". The signature is written in a cursive, flowing style.

Joan McGlockton
Vice President
National Restaurant Association



NEW YORK
STATE
RESTAURANT
ASSOCIATION

Comments
of
The New York State Restaurant Association
to the
Committee on Sanitation Health
Intro. 0442-2014
January 26, 2016

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NEW YORK
STATE
RESTAURANT
ASSOCIATION

Good morning members of the Committee. My name is Melissa Autilio Fleischut and I am the President and CEO of the New York State Restaurant Association, a trade group that represents food and beverage establishments both in New York City and throughout New York State. The New York State Restaurant Association is the largest hospitality trade association in the State of New York and it has advocated on behalf of its members for over 80 years. Our members represent one of the largest constituencies regulated by the City with more than 20,000 eating and drinking locations based in New York City.

New York City is one of the pillars of the culinary arts world. Our restaurants employ hundreds of thousands of New Yorkers and are a backbone of the tourism trade. As one of the most important industries in New York City, its growth and survival should be supported by all levels of New York City and New York State government.

While working to prevent childhood obesity is a laudable goal, Intro 0442-2014 is both overreaching and unnecessary in today's current environment.

It is overreaching in its attempt to include every possible type of eating establishment in New York City. The vast majority of food service establishments are not providing toys or prizes to children with their meals. Some may be providing small items like coloring books or crayons to help keep them occupied while waiting for their food. These items are not promoted or marketed, but would be illegal under this proposed law.

Most small mom and pop restaurants do not have the ability to have food items tested to see if they meet the nutritional guidelines under this proposed law. It is neither simple nor is it inexpensive to have your menu tested for all of the nutritional content listed under this legislation.

It would seem that the real target of this legislation is to prohibit large multi-national chain restaurants who offer kids meals with toys. These restaurants are already required to provide caloric information on menus and menu boards. Detailed nutritional information is provided voluntarily by many of these chains and all will have to comply with the Nutrition Labeling Education Act passed by



NEW YORK
STATE
RESTAURANT
ASSOCIATION

the federal government and set to take effect at the end of 2016.

As further proof that this law is unnecessary take the two big burger chains as evidence. Burger King announced in 2015 that it will no longer offer toys with its kid's meals. McDonald's, while still offering toys, has made many healthy changes to its kid's meals. In partnership with the Alliance for a Healthier Generation (co-founded by the American Heart Association) and the Council of Better Business Bureaus, McDonald's is working to ensure they are offering a nutritionally sound meal. For example, their Happy Meal bundle currently offers child sized portions of an entrée, kids sized fry and choice of low-fat yogurt, apple slices or a Cuties clementine and beverage choices that include milk and juice.

In conclusion, the New York State Restaurant Association encourages the New York City Council to work with the industry to find workable solutions to childhood obesity and looks forward to continuing its ongoing work with the Council to protect the restaurant and hospitality industry in the City of New York.

Respectfully Submitted,

Melissa Fleischut
President and CEO
New York State Restaurant Association
1001 Avenue of the Americas, 3rd Floor
New York, New York 10018
212-398-9160

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

Name: Maurakemell, Dept. of Health (PLEASE PRINT)

Address: _____

I represent: NYC Dept. of Health

Address: _____

**THE COUNCIL
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Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 1/26/16

Name: Marie A. Bragg, PhD (PLEASE PRINT)

Address: 227 E 30th St

I represent: NYU School of Medicine

Address: 227 E. 30th St

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THE CITY OF NEW YORK**

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☐ in favor ☐ in opposition

Date: 1/26/15

Name: Brian Elbel (PLEASE PRINT)

Address: 580 1st Ave NYC

I represent: PMA School of Medicine

Address: _____

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**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 442 Res. No. _____

☐ in favor ☐ in opposition

Date: 01/26/2016

(PLEASE PRINT)

Name: HAROLD DUKES

Address: 5 BEYOND PLACE

I represent: NY5 NAACP

Address: SAME

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Date: 1-26-16

(PLEASE PRINT)

Name: NICK FREUDENBERG

Address: 26 2016

I represent: WU School of Public Health

Address: 55 West 125th Street NY

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Date: Jan 26, 2016

(PLEASE PRINT)

Name: Kimberly Libman

Address: 1216 Fifth Avenue NY NY

I represent: The New York Academy of

Address: Medicine

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Date: 1/26/15

(PLEASE PRINT)

Name: Michael Davoli

Address: 132 W. 32nd St

I represent: American Cancer Society

Address: _____

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Date: 1/26/16

(PLEASE PRINT)

Name: Dan Kass

Address: _____

I represent: NYC DOHMH

Address: _____

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Date: 1/26/16

(PLEASE PRINT)

Name: Tom Merrill

Address: _____

I represent: NYC DOHMH

Address: _____

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Date: 1/26/16

Dr. Sonia Angell (PLEASE PRINT)

Name:

Address:

I represent:

Address:

**THE COUNCIL
THE CITY OF NEW YORK**

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☒ in favor ☐ in opposition

Date: 1/26/16

Robin Vitale (PLEASE PRINT)

Name:

Address:

I represent:

Address:

**THE COUNCIL
THE CITY OF NEW YORK**

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☐ in favor ☐ in opposition

Date: _____

Thomas Green (PLEASE PRINT)

Name:

Address:

I represent:

Address:

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THE CITY OF NEW YORK**

Appearance Card

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☒ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Dr. Charles Platen

Address: 695 Park Avenue

I represent: Hunter College

Address: _____

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 442

☐ in favor ☒ in opposition

Date: 24 JAN 2016

(PLEASE PRINT)

Name: Gerald Fernandez

Address: 1144 Narra gansett Blvd. PHOEN. RI 02905

I represent: McDonalds

Address: _____

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 442 Res. No. _____

☐ in favor ☒ in opposition

Date: 01/26/16

(PLEASE PRINT)

Name: Dr. Andy Goody

Address: _____

I represent: McDonald's

Address: _____

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Appearance Card

I intend to appear and speak on Int. No. 442

Res. No. 442

☐ in favor

☒ in opposition

Date: 1/26/16

(PLEASE PRINT)

Name: Anthony "Tony" HERBERT

Address: 1656 E 93rd. ST. Bklyn NY 11236

I represent: The NYS Minority Restaurant & Nightlife Assoc

Address: 26 Court St. Bklyn NY
Suite 701

Please complete this card and return to the Sergeant-at-Arms

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 442

Res. No. 442

☒ in favor

☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Diana Torres-Burgos MD MPH

Address: 150 St Andrews Rd, ST NY 10306

I represent: National Hispanic Health Foundation

Address: 1216 Fifth Ave, Rm 457 NY NY 10029

Please complete this card and return to the Sergeant-at-Arms