

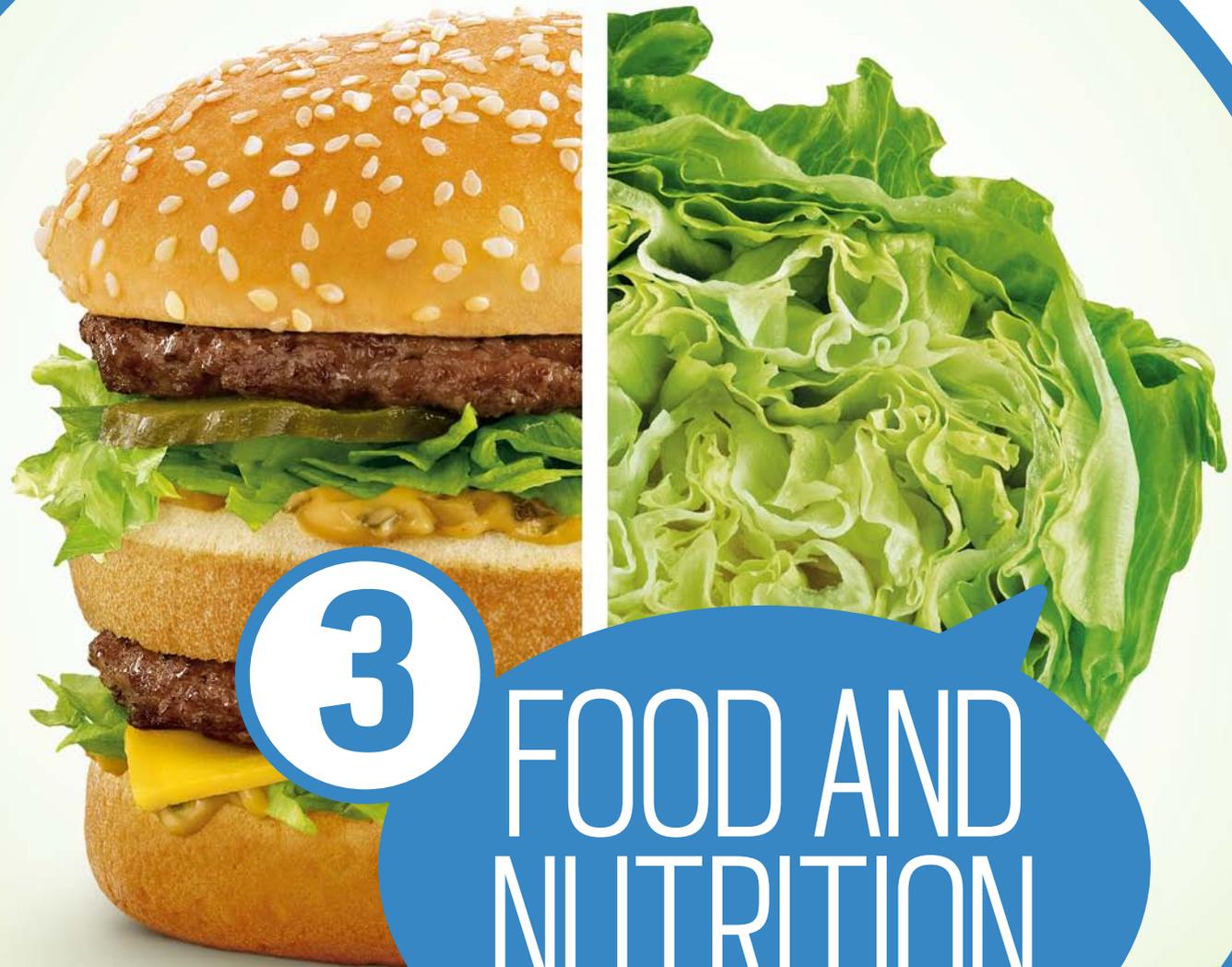
Kilojoule labelling on menu boards was introduced nationally in 2012.

Salad or Fries became a standard option with every Extra Value Meal in 2011.

The sodium content in our cheese will be reduced by 20% in 2012, impacting 14 menu items.

Today, 1 in 3 Happy Meals sold include either a Seared Chicken Snack Wrap, apple slices, low-fat flavoured milk, fruit juice or water.

In 2012 we introduced lamb to our menu for the first time.



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FOOD AND NUTRITION

## MAINTAINING CUSTOMER TRUST

Our customers choose McDonald's because they love our food and trust us to serve safe, hot and fresh food to them every time they visit. Over the past decade McDonald's has been on a journey to address community concerns around the nutritional value of our menu items and we have made many positive changes. Some of these include introducing healthier options for both adults and kids, ensuring nutrition information is easily accessible so customers can make informed choices and taking significant steps to address community concern regarding the marketing of our food, specifically to children.



We actively communicate with experts and informed third parties to help guide our menu decisions. We have a close, ongoing working relationship with The Food Group Australia - Accredited Practising Dietitians - and we turn to them regularly for advice and information about nutrition. We also consult regularly with government departments, health and nutrition bodies, research groups and nutritionists.

Likewise, we regularly ask our customers what they want from us. Amongst other forms of research, our ongoing customer satisfaction survey tracks customer perceptions of their most recent visit to McDonald's. Customers are asked to rate their overall satisfaction with their visit plus provide detailed views on the following attributes: value for money; speed of service; friendly staff; taste of food; cleanliness; hot food and order filled correctly.

In addition we operate a customer service phone line and email system to answer questions and receive feedback from the public. In 2011, the customer service department received 88,163 emails, phone calls and letters from the public. Of these contacts, 36,706 were complaints with the remaining 51,457 contacts being questions, compliments or comments.

## FOOD SAFETY

We are proud of McDonald's food safety record in Australia but will never be complacent. We continue to be vigilant about food safety standards and collaborate with government, industry bodies and other experts to support innovation and improvement in food safety practices.

To ensure the integrity of our food we have stringent food safety procedures in place at every stage of the food preparation process.

Our food safety plan is based on the Hazard Analysis Critical Control Point (HACCP) approach. A HACCP plan identifies hazards to which products might be exposed and the critical points where control measures must be in place. It then establishes a system for monitoring them as well as plans for corrective action. Every restaurant has a HACCP-based plan in place and every supplier is required to have a written and externally-verified HACCP plan for every food and packaging product supplied to the McDonald's Australia system.

As part of our comprehensive HACCP plans hundreds of different safety and quality inspections and checks are in place to monitor food as it moves through our supply chain to our customers over our restaurant counters. As an example, a meat patty undergoes 52 quality checks before it arrives in a restaurant. The results of these checks are recorded which means it is easy to verify that procedures have been followed.

## HEALTHIER MENU OPTIONS

Research tells us that many of our customers view our healthier menu options as a critical element of our corporate responsibility. McDonald's Australia is committed to providing appealing, healthier menu items for our customers and as a result our menu is regularly reviewed and changes made.

Working closely with Accredited Practising Dietitians at The Food Group Australia a number of menu changes have been made over the past decade to improve the nutritional value of our food. We will continue to review and update our menu based on customer and stakeholder feedback.

In a world first, early in 2007 nine McDonald's meals earned the Heart Foundation Tick indicating that these menu options had been independently tested to ensure they met the Heart Foundation's strict nutrition and promotion standards. Our aim was to help our customers more confidently make healthier choices when visiting our restaurants.

In 2011 the National Heart Foundation ended its Tick licensing program in the quick service restaurant sector. This unfortunately meant that McDonald's was no longer able to participate in the Heart Foundation Tick program. However our positive relationship with the National Heart Foundation continues and a range of healthier options remains on the menu.

Our current 1+2+3 Happy Meal menu means parents and children can choose the meal components that best suit their nutrition requirements and taste preferences. The Happy Meal menu includes the Seared Chicken Snack Wrap, Fruit Bag, CalciYum low-fat flavoured milk, juice and water as well as traditional favourites such as Chicken McNuggets, small Fries and Cheeseburger.

## McDONALD'S GETS GRILLED



In a first for the quick service restaurant industry, in 2012 McDonald's Australia gave independent production company WTFN the opportunity to access-all-areas, inviting cameras to capture a complete and candid look at McDonald's food supply chain and create a television documentary.

The documentary reviewed and revealed the journey the food takes, from the Australian farmers who supply to McDonald's, through to the final menu items available in the restaurant. Filmed over a period of one week in January, the documentary invited six everyday Australians, from across the country, behind-the-scenes and asked for their honest opinions.

The final documentary called McDonald's Gets Grilled aired on Channel Seven on 2nd April to over one million viewers and was an important step towards dispelling some of the myths and misconceptions about our food. The documentary can be seen in full on the McDonald's Australia YouTube channel at [www.youtube.com/user/McDonaldsAustralia](http://www.youtube.com/user/McDonaldsAustralia).

To continue our focus on being transparent and open with our customers, we're also planning to open our kitchen doors to the public in the near future. Customers will be able to take a tour behind the counter at McDonald's and see how Big Macs, Fries and Bacon and Egg McMuffins are made.

# OUR FOOD AND NUTRITION JOURNEY OVER A DECADE (2002–2012)

McDonald's CEO Guy Russo starts attending obesity forums and meetings with key organisations such as Diabetes Australia and the Obesity Taskforce.

- A range of core menu improvements are launched including:
- A reduction in the sugar content of our buns. Our buns contain no more than 5 per cent sugar which is similar to the sugar content of hamburger buns found in a supermarket.
  - **New white meat chicken nuggets.**



• **McDonald's vegetable oil blend is improved so that it is virtually free of trans fatty acids and meets standards for healthier oils.**

- A range of sodium reduction projects are begun across a range of products including dressings, sauces, bread and chicken.
- Seared chicken launches in a range of salads and burgers.



- **A range of menu enhancements are launched including wraps fortified with fibre.**
- A new healthier choice Happy Meal item is added to the menu - the seared chicken Snack Wrap.
- McDonald's and other quick service restaurants introduced the Quick Service Restaurant Initiative for Responsible Advertising and Marketing Communications to Children.

• As a member of the Australian Food and Grocery Council Quick Service Restaurant Forum McDonald's is an active participant in the Australian Government's Food and Health Dialogue. The Dialogue's primary activity is action on food innovation, including a voluntary reformulation program across a range of commonly consumed foods. The reformulation program aims to reduce the saturated fat, added sugar, sodium and energy, and increase the fibre, wholegrain, fruit and vegetable content across nominated food categories.

• **The sodium content in our cheese is reduced by 20%, impacting 14 menu items.**



2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012



- **Salads Plus menu is launched including salads, fruit parfait, Chicken Foldover and a Lean Beef Burger.**
- An alternative Happy Meal is introduced, consisting of a toasted cheese and tomato sandwich, sultanas and orange juice with less than 6 grams of fat per serve.
- McDonald's begins to consult with Accredited Practising Dietitians at The Food Group Australia.
- The Quickstart breakfast menu is introduced and includes breakfast cereals, yoghurts, juices and fruit cups.



- **New warm chicken salads are added to the menu.**
- Deli Choices menu launches. Three out of seven products contain less than 10g fat.
- McDonald's participates in the DAA (Dietitians Association of Australia) conference.

- McDonald's Australia is the first national restaurant chain to earn the Heart Foundation Tick on a range of meals.
- McDonald's wins best stand at Dietitians Association of Australia conference.
- **Happy Meal Choices introduced and includes fruit bag, apple juice and water.**



- **A choice of Garden Salad or Fries with any Extra Value Meal is introduced.**
- A healthier option for breakfast is added to the menu - Uncle Tobys Oats with Apple and Sultanas.
- The sodium content of Crispy Chicken Strips is reduced by over 40 per cent.

# NUTRITION INFORMATION

**Favourites**

<b>Big Mac*</b>	<b>Quarter Pounder*</b>	<b>McChicken*</b>	<b>Cheeseburger*</b>
3550kJ 2610kJ	3790kJ 2840kJ	3200kJ 2260kJ	

**Chicken McNuggets®**

6pk	2860kJ 1920kJ
10pk	3840kJ 2900kJ

with Sweet & Sour sauce

**extra value meal**

Upgrade your meal

+658kJ	+184kJ
+1340kJ	+509kJ

**snacks**

BananaBerry Blast Smoothie	Hot Fudge Sundae
767kJ	1450kJ

The average adult daily energy intake is 8700kJ

McDonald's is committed to helping our customers make informed decisions about their food choices.

- In 2012 we introduced menu board labelling which provides clear kilojoule content information for customers prior to their purchase decision.
- In 2004 we introduced nutrition labelling on our packaging.
- This was enhanced in 2006 to include percentage Daily Intake figures.
- Nutrition information for all of our products has also been available on the McDonald's corporate website since it was developed.



## ADDING LAMB TO THE MENU

Responding to the popularity of lamb in Australia, The Serious Lamb Burger and The Serious Lamb Taster were introduced to the menu in 2012. The Serious Lamb Burger included a lamb patty, tomato, beetroot, aioli, tomato sauce, onion and an egg. The Serious Lamb Taster incorporated some of the flavours from The Serious Lamb Burger, in a wrap.

The new menu items were developed after 18 months of planning. The process began with customer research and included working with local Australian lamb suppliers to ensure the continuous supply of meat and significant testing to develop the right flavour profile.

The lamb products were on the menu for 12 weeks in 2012 and the success of the innovation means that lamb is likely to return to the menu at a later date.

The lamb was being sourced from farmers in New South Wales, Victoria and South Australia and provided another positive opportunity for McDonald's to work with Australian producers.

# SUSTAINABLE COFFEE— THAT TASTES GOOD TOO

With 687 McCafés (as at 31 December 2011) in Australia, McDonald's is the biggest coffee shop chain in the country. As such, we believe it is important to offer our customers a great tasting coffee which also supports coffee workers, their communities and the environment.

To do this we continue to ensure all coffee is sourced from Rainforest Alliance certified farms. In just one year McDonald's Australia has sourced approximately 1.5 million kilograms of coffee beans from Rainforest Alliance Certified farms.

The Rainforest Alliance is an independent, non profit environmental organisation with over 20 years experience in the development and promotion of standards in sustainable forestry, farming and tourism. To learn more about the Rainforest Alliance go to [www.rainforest-alliance.org](http://www.rainforest-alliance.org).

After listening to feedback from our customers, our focus continues to be improving the taste and quality of our coffee. To do this we introduced a richer, darker coffee blend more suitable for the Australian palate, embarked on a national program to make selected crew into dedicated baristas and standardised equipment maintenance across every McCafé.

Consumer research has already indicated this improvement program has been a success with a Canstar Blue survey conducted in September 2011 indicating that McCafé now has the most satisfied customers of all the major coffee chains in Australia.





## RESPONSIBLE MARKETING

Being a favourite place for children, we know we have a responsibility to communicate appropriately with families and young people.

Due to increased stakeholder and community concern around marketing practices to children, in 2009, McDonald's Australia instigated the introduction of the self-regulatory Quick Service Restaurant Initiative for Responsible Advertising and Marketing Communications to Children. Along with other quick service restaurants, the Australian Association of National Advertisers and Australian Food and Grocery Council this initiative provides industry standards and guidelines for advertising to children. All members of the Initiative agree to abide by these guidelines.

The key to this agreement is that when we are promoting food and beverages primarily to children under 14 years we will only use foods that are healthier options. For a meal to be considered a healthier choice it should reflect general principles of healthy eating as defined by credible nutrition authorities and must comply with defined criteria for energy, saturated fat, sugar and sodium. These criteria were developed by a team of Accredited Practising Dietitians in consultation with national guidelines and authorities on children's nutrition.

As part of the joint initiative, a complaints mechanism has been established whereby consumers can make a complaint directly to the Advertising Standards Bureau providing a single speedy source for complaint resolution.

As part of the Initiative, an independent organisation - Healthy Kids - was contracted to monitor company compliance with the Initiative. At the end of 2011 Healthy Kids published its first analysis and the report found widespread compliance with the Initiative.

## TOYS AND McDONALD'S

We have always used toys and characters with our foods as a response to the desire of parents for their child's McDonald's experience to be a fun and special occasion. However we recognise there is some community concern around the use of our toys in our promotions and so we have reduced our toy advertising on television by 80 per cent since 2002.

Our toy advertising now represents only three per cent of the total McDonald's Australia media budget. This is down from 11.3 per cent in 2007.

As a participant of the Quick Service Restaurant Initiative for Responsible Advertising and Marketing Communications to Children, when using these characters, toys and personalities as part of a promotion for food or beverages to children under 14 years, the food or beverage used will be one of our healthier options.

## CHILDREN'S SPONSORSHIPS

Since our first restaurant opened McDonald's and its franchisees have always given back to the communities in which we operate and we are proud to be providing much needed support to various grassroots organisations.

The main purpose of our support is to add value to the community, and to encourage kids to be active and embrace balanced lifestyles. From the very outset, all sponsorships are defined by agreed parameters by both organisations involved.

We have a policy in place regarding the types of vouchers made available to children as part of our sponsorship agreements. The policy states that all children's vouchers must offer a healthier choice and that a carer or parent must be present if a child under 14 years wants to redeem the voucher.

