

**Canadian Children's Food and Beverage Advertising Initiative  
Kraft Canada Inc. Commitment**

Kraft Canada has for many years been a strong supporter of Advertising Standards Canada (ASC) and its advertising self-regulation programs. Consistent with that historical commitment, Kraft Canada agreed in April, 2007 to support the Canadian Children's Food & Beverage Advertising Initiative (the Initiative). The goal of this Initiative is to use advertising to help promote healthy dietary choices and healthy lifestyles among Canadian children. While it remains the primary responsibility of parents to guide their children's behaviour in these areas, Kraft Canada and other industry members (the Participants) voluntarily pursue this Initiative as a means of assisting parents in their efforts.

The Initiative provides that each Participant will, in consultation with the ASC, develop a Commitment incorporating certain core principles. This document sets forth Kraft Canada's Commitment. We are aware that the information described in Sections A and B below will be made available to the public on the Initiative website.

**A. Identifying Information**

**1. Corporate name and address:**

Kraft Canada Inc.  
95 Moatfield Dr  
Toronto, ON M3B 3L6

**Contact information of an individual(s) responsible for Commitment implementation:**

Corporate Affairs Director  
Kraft Canada Inc.  
95 Moatfield Dr  
Toronto, ON M3B 3L6

Phone: 416-441-5000

**2. Name of the specific entities covered by the Commitment**

All businesses of Kraft Canada Inc.

**3. Name of each brand and/or product line that is covered by the Commitment**

Our Commitment covers all Kraft Canada products. If we do decide to advertise to children it will be within the terms of our Commitment. In such a case we will immediately advise the ASC.

## B. Core Principles

### 1. Overview of the Kraft Canada Commitment

In early 2005, Kraft Canada announced its intention to limit its advertising based on certain nutrition criteria. Kraft Canada does not advertise in media primarily directed to children under 6. In addition, for TV, radio, print and internet advertising directed primarily to children between 6 and 11, Kraft only advertises products that meet the nutrition criteria identified in the Initiative with the goal of promoting healthier dietary choices and healthy lifestyles. This also applies to the following media: video and computer games rated “Early Childhood” or “EC,” that are inherently primarily directed to children under 12, and other games that are age-graded on the label and packaging as being primarily directed to children under 12. It also covers DVDs of “G” rated movies in which content is primarily directed to children under 12, and other DVDs in which content is primarily directed to children under 12, cellular phones, PDAs, and word-of-mouth advertising when it is primarily directed to children under 12.

### 2. Description of how Kraft Canada intends to comply with the percentage requirement of the Advertising Message principle:

#### a. Percentage of child-directed ads to be based on nutrition criteria

1. Television: 100% of ads
2. Radio: 100% of ads
3. Print: 100% of ads
4. Internet: 100% of ads

#### b. The proposed method by which Kraft Canada intends to calculate media impressions for television, radio, print and Internet (excluding company owned websites) necessary to satisfy the percentage requirement:

1. Television: Kraft Canada restricts its advertising to only those products that meet the nutrition criteria identified in the Initiative:
  - any program where 35% or more of the total audience is under 12
  - any program that falls within time periods traditionally regarded as “kids’ viewing time” (as designated by media providers), irrespective of the size of the child viewing audience.

Audience composition will be determined based on Nielsen-reported average audience figures for the most recently completed four-quarter television season.

Print and Radio: Kraft Canada does not advertise in publications or on radio directed primarily to children under 6. In addition, Kraft Canada will advertise only those products with nutrition criteria identified in the Initiative in publications directed primarily to children under 12, based on the individual publisher’s decision to categorize their publications as “children’s magazines” in Canadian Advertising Rates & Data (CARD).

With reference to radio advertising, as there is no child-specific radio format in Canada, there is currently no such radio advertising engaged in by Kraft Canada.

2. The current list of publications that Kraft Canada has determined are primarily directed to children under 12 include:

**English:**

Brainspace Magazine  
Kayak: Canada's History Magazine for Kids  
kidsworld magazine  
OWL  
chickadee  
Chirp  
The Magazine  
Whoa!  
Wild  
Zamoff Magazine

**French:**

J'Aime Lire  
Les Debrouillards  
En Primeur Jeunesse  
Les Expolarateurs

Each year, Kraft Canada will update ASC with the list of publications, and radio networks if applicable, where it may choose to advertise for the upcoming year.

3. Internet: Kraft Canada does not advertise on web sites where 35% or more of the total visitors are under 6. In addition, on web sites where more than 35% of the total visitors are children under 12, Kraft Canada will advertise only those products that meet the nutrition criteria identified in the Initiative. Total visitors for websites will be determined based on average, annual total visitor data as reported by ComScore.

**c. The proposed method by which Kraft Canada intends to measure advertising on Kraft Canada owned websites;**

None of Kraft Canada's own websites is directed primarily to children under 6. In addition, Kraft Canada features only those products with nutrition criteria identified in the Initiative on its own and external websites where 35% or more of the total visitors are children under 12, as determined either by ComScore or by site registration data.

- d. **For products representing healthy dietary choices, state the scientific and/or governmental standard(s), or the company developed standard(s) on which Kraft Canada is relying to designate the product as a healthy dietary choice**

Kraft Canada is committed to adopting the Initiative's uniform nutrition criteria as part of our "better-for-you" program.

Background: Kraft Canada has its own category specific nutrition criteria for "better-for-you" products. Developed by Kraft's nutrition experts and dietitians, the nutrition criteria are derived from Health Canada's Eating Well with Canada's Food Guide, Nutrition Recommendations for Canadians, and the Food and Drug Regulations. Kraft continues to update these criteria to reflect current nutrition science and updated dietary guidance from public health authorities.

3. **The manner by which Kraft Canada intends to implement the Licensed Character principle:**

Kraft Canada only uses Licensed Characters in advertising products that meet the nutrition criteria identified in the Initiative. As well, the use of Licensed Characters is already limited in children's broadcast advertising under the provisions of the Broadcast Code for Advertising to Children.

4. **A description of the manner by which Kraft Canada intends to implement the Product Placement principle:**

Kraft Canada will not pay for or actively seek to place its food and beverage products in the program/editorial content of any medium primarily directed to children under 12.

5. **A description of the manner by which Kraft Canada intends to implement the Interactive Games principle:**

Kraft Canada has already implemented the Interactive Games principle. In Interactive Games incorporated into websites primarily directed to the under-12 audience, we only depict products that meet the nutrition criteria established by the Initiative.

6. **A description of the manner by which Kraft Canada intends to implement the Advertising in Schools principle:**

Kraft Canada stopped all in-school advertising and marketing several years ago.

7. **An implementation schedule for each commitment set forth in the Kraft Canada's Commitment:**

Because Kraft Canada's commitments are already in place, no implementation schedule is required.

**C. Supporting Data**

**For each product that Kraft Canada intends to comply with the healthy dietary choices portion of the Commitment:**

- a. the product's name;**
- b. the product's nutritional labeling;**
- c. the product's ingredient list;**
- d. the established scientific, governmental and/or company developed standard relied on; and**
- e. the basis for concluding that the product meets the standard.**

Please refer to our Exhibits for the above-listed materials as to each item qualifying for the new CAI nutrition criteria as of October, 2014.