

The Canadian Children's Food and Beverage Advertising Initiative: Nestlé Canada Inc.'s Commitment

Introduction

Nestlé Canada Inc. is pleased to participate in the Canadian Children's Food and Beverage Advertising Initiative (CCFBAI.)

Nestlé Canada's vision is to be Canada's number one food and beverage company, helping Canadians live happier and healthier lives. We strive to do this in several ways. First, we continually use our extensive scientific knowledge to develop new products to help consumers manage their health and well-being and to improve the taste and nutritional profiles of existing products. Secondly, Nestlé Canada is actively engaged with industry groups such as the Food and Consumer products of Canada, Concerned Children's Advertisers and the Long Live Kids Initiative. We also support community groups that encourage healthy active living for children such as Active Playgrounds and organizations like FoodBanks Canada that provide nutrition support to those in need.

Canadian Children's Food and Beverage Advertising Initiative Core Principles

Under the Children's Advertising Initiative, we have committed to:

- devote 100 per cent of our television, radio, print and Internet advertising directed primarily to children under 12 years of age to promote products that represent healthy dietary choices, or not direct advertising primarily to children under 12,
- incorporate only products that represent healthy dietary choices or include healthy lifestyle messages in interactive games primarily directed to children under 12 years of age,
- reduce the use of third party licensed characters in advertising directed primarily to children under 12 that does not meet the Children's Advertising Initiative criteria for healthy dietary products or healthy lifestyle messaging,
- not pay for or actively seek to place food and beverage products in program/editorial content of any medium primarily directed to children, and
- not advertise food or beverage products in elementary schools - pre-kindergarten through Grade 6.

This principle also applies to advertising primarily directed to children on:

- company-owned websites or micro-sites primarily directed to children under 12 years of age
- video and computer games rated "Early Childhood" or "EC," which 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
- DVDs of movies that are rated "G" whose content is primarily directed to children under 12, and other DVDs whose content is primarily directed to children under 12
- mobile media such as cell phones, PDAs and through word of mouth where advertising on those media is primarily directed to children under 12.

Nestlé's Global Marketing Communication to Children Policy

Nestlé globally is committed to providing responsible communication to consumers and has developed a Global Marketing Communications to Children Policy which commits to the following:

Core principles

- We are not specifically targeting children under 6 years of age
- When conducting marketing activities and communication to children aged 6 to under 12 years, this can only be with products which achieve the Nestlé Nutritional Foundation (NF)*.

Marketing in Schools

We will not engage in marketing activities in schools with children under 12 years of age (primary schools) unless specifically requested by, or agreed with, the school administration and for educational purposes. We will only participate in such activities with products that meet the NF.

Child audience definition

Only products that meet the NF can communicate directly to children aged 6 to under 12. Communication is considered as targeted to children when the audience composition is 35% or more of children under 12 years of age.

Digital marketing

Only products that meet the NF may engage into any kind of digital marketing, including company owned websites, targeted to children aged 6 to under 12.

***Nestlé Nutritional Foundation (NF):** Every product that successfully achieves the Nestlé Nutritional Profiling System criteria attains the Nutritional Foundation (NF) status. A product will only achieve the NF status when all of its nutritional factors meet the criteria for its category. These factors include total energy, public health sensitive nutritional factors and other category specific factors.

A. Identifying Information

1. The Corporate name and address of the Participant:

**Nestlé Canada Inc.
25 Sheppard Avenue West
North York, Ontario
M2N 6S8**

2. The name and contact information of the Participant's representative responsible for overall implementation of the Participant's Commitment.

**Catherine O'Brien
Vice President of Corporate Affairs
Nestlé Canada Inc.
25 Sheppard Avenue West
North York, Ontario
catherine.obrien@ca.nestle.com
416.218.2667**

3. The name of the specific entity or entities covered by the Participant's Commitment.

Nestlé Canada Inc. – which includes Nutrition, Coffee/Beverage, Confectionery, Frozen, Food Services divisions.

4. The name of each brand and/or product line that is covered by the Participant's Commitment.

Currently no Nestlé Canada brands are directly advertised to children under 12. Should this change, Nestlé Canada will immediately notify ASC and update this Commitment.

B. Core Principles

1. An overview of the way in which the Participant intends to comply with the Advertising Messaging and Content Principle, namely that: Participants will devote 100% of their television, radio, print and Internet advertising primarily directed to children under 12 years of age to further the goal of promoting healthy dietary choices and healthy lifestyles.

Nestlé will exceed the standards established by the Children's Initiative in the following manner:

- **Nestlé will not specifically target children under 6 years of age.**
- **When communicating to children aged 6 to under 12, Nestlé will only advertise products with a nutritional profile which helps children achieve a healthy balanced diet, including clear limits for such ingredients as sugar, salt and fat. Additionally, Nestlé Canada will only advertise products to children that meet criteria under the CCFBAI for foods that can claim biologic role claims as per the CFIA Guide to Food Labelling and Advertising.**

2. A description of how the Participant intends to comply with the percentage requirement of the Advertising Messaging and Content Principle, including the following information:

For each covered medium (TV, radio, print and Internet), Nestlé Canada will devote 100% of its advertising directed to children ages 6 to under 12 to products with a nutritional profile which helps children achieve a healthy balanced diet, including clear limits for such ingredients as sugar, salt and fat, and meet the CCFBAI criteria. As per above, Nestlé Canada will not specifically target children under 6. For all media where 35% or more of the total audience is under 12 years of age will be considered “children’s advertising”.

b) the method by which the Participant proposes to calculate media impressions for television, radio, print and Internet (excluding company owned websites) necessary to satisfy the percentage requirement;

Our media buying agency is aware of our CCFBAI Commitment and purchases ads based on compliance. A full report is provided to ASC.

c) the method by which the Participant proposes to measure advertising on Participant owned websites, if different than under Section B.2.b. above;

For websites that it owns, Nestlé Canada will devote 100% of its communication directed to children ages 6 to under 12 to products with a nutritional profile which helps children achieve a healthy balanced diet, including clear limits for such ingredients as sugar, salt and fat, and meet the CCFBAI criteria. As per above, Nestlé will not specifically target children under 6.

d) for Participant’s products representing healthy dietary choices, descriptive statements of the standard on which the Participant is relying as an appropriate authority. Examples of such standards include:

Nestlé Canada will only advertise products to children 6 to under 12, and will restrict that advertising to products with a nutritional profile (NF*) which helps children achieve a healthy balanced diet, including clear limits for such ingredients as sugar, salt and fat.

***Nestlé Nutritional Foundation (NF):** Every product that successfully achieves the Nestlé Nutritional Profiling System criteria attains the Nutritional Foundation (NF) status. A product will only achieve the NF status when all of its nutritional factors meet the criteria for its category. These factors include total energy, public health sensitive nutritional factors and other category specific factors.

The manner by which the Participant intends to implement the Licensed Character Principle, namely that: While the use of licensed characters is already restricted in children’s broadcast advertising, Participants will also commit to reduce their use of third party licensed characters in advertising that appear in other media primarily directed to children under 12, if such advertising does not otherwise comply with the messaging and content options set out elsewhere in this Commitment Outline. The Participant in its Commitment under this Section B. 3. will include the following:

Licensed Characters: Per our policy, Nestlé Canada does not use any licensed characters, other than our own copyright characters to market products in

broadcast, print or internet advertising, so that our communication is clearly distinguished from such content.

4. A detailed description of the way in which the Participant intends to implement the Product Placement Principle, namely that:

Product Placement: Nestlé Canada commits to not paying for or actively seeking to place its products in the program/editorial content of any medium primarily directed to children under 12 for the purpose of promoting the sale of those products.

5. A detailed description of the way in which the Participant intends to implement the Interactive Games Principle, namely that:

Interactive Games: Per our policy, Nestlé Canada does not intend to target children under 6. In any interactive game primarily directed to children aged 6 and under 12 where our products are incorporated into the game, the interactive games would incorporate only those products with a nutritional profile which helps children achieve a healthy balanced diet, including clear limits for such ingredients as sugar, salt and fat, and meet the CCFBAI criteria.

6. A detailed description of the way in which the Participant intends to implement the Advertising in Schools Principle, namely that:

Advertising in Schools: Nestlé Canada remains committed to adhering to standards established by schools individually and by school boards overall. Furthermore, Nestlé Canada commits to not advertising any of its products in elementary schools.

7. An implementation schedule for each commitment set forth in the Participant's Commitment.

All commitments are effective immediately for Calendar Year 2012. Should there be any changes, ASC will be immediately notified and this Commitment will be updated accordingly.