

# The Canadian Children's Food and Beverage Advertising Initiative:

## Year One Compliance Report



Advertising Standards Canada  
July 2009



ASC  
NCP

Advertising Standards Canada  
Les normes canadiennes de la publicité

# Foreword

Advertising Standards Canada (ASC) is pleased to issue the *Canadian Children's Food and Beverage Advertising Initiative (CAI): Year One Compliance Report*. This Report documents the progress made by the participating companies in implementing their CAI commitments during 2008 – the inaugural program year.

The CAI is an important initiative by 18 of Canada's leading food and beverage advertisers that is changing the landscape of food and beverage advertising directed to children. Companies participating in the CAI have committed either to not direct advertising primarily to children under the age of 12, or to shift their advertising to products that are consistent with the principles of sound nutrition guidance.

Because transparency and accountability are key elements of the CAI, ASC, the independent advertising industry self-regulatory body, was asked to administer the program. ASC has a 50-year track record of successful advertising self-regulation, including developing and administering Canada's rigorous framework for regulating children's advertising. As the CAI administrator, ASC's role includes approving and publishing the participating companies' program commitments; annually auditing their compliance; and publicly reporting on the results.

ASC's first annual Report clearly demonstrates that the participating companies have fulfilled their commitments – including meeting and exceeding the original CAI requirements. These are significant achievements, and we congratulate these companies for their dedication and perseverance in ensuring adherence to their public commitments.

The CAI was announced six months after the launch of a similar initiative in the United States, which is administered by the Council of Better Business Bureaus (CBBB). ASC gratefully acknowledges the CBBB and Elaine D. Kolish, the U.S. program Vice President and Director, for their support in the implementation of the Canadian program.

Advertising Standards Canada invites you to review this Report and to visit [www.adstandards.com/childrensinitiative](http://www.adstandards.com/childrensinitiative) to learn more about the CAI.

We welcome your feedback.

**Linda J. Nagel**  
*President & CEO*  
Advertising Standards Canada

## About Advertising Standards Canada

Advertising Standards Canada (ASC) is the national independent advertising industry self-regulatory body committed to creating and maintaining community confidence in advertising. ASC members, leading advertisers, advertising agencies, media and suppliers to the advertising industry are committed to supporting responsible and effective advertising self-regulation. A not-for-profit organization, ASC administers the *Canadian Code of Advertising Standards*, the principal instrument of advertising self-regulation in Canada, and a national mechanism for accepting and responding to consumers' complaints about advertising. Complaints are adjudicated by independent volunteer councils, comprising senior industry and public representatives. ASC reports to the community on upheld complaints through its online *Ad Complaints Reports*. Through ASC Clearance Services, ASC provides advertising copy review in five regulated categories to ensure compliance with specific laws, regulations, codes and guidelines.

# Table of Contents

<b>Executive Summary</b>	<b>i</b>	<b>V. Conclusions and Going Forward</b>	<b>27</b>
<b>I. Overview</b>	<b>1</b>	<b>Exhibits</b>	<b>29</b>
<b>II. Background</b>	<b>2</b>	Exhibit 1: Summary Table of Participants’ Nutrition Criteria per Serving Size	29
CAI Core Principles	3	Exhibit 2: Summary Table of Participants’ Definitions of Advertising Directed Primarily to Children Under 12 Years of Age	30
<b>III. The Participants’ Commitments</b>	<b>4</b>	<b>Appendices</b>	<b>32</b>
CAI Nutrition Criteria	4	Appendix 1: List of Products Included in Participants’ Commitments	32
Defining Advertising Directed Primarily to Children Under 12	5	Appendix 2: List of Child-Directed Company-Owned Websites	33
<b>IV. Evaluation of Participant Compliance</b>	<b>6</b>	Appendix 3: Canadian Children’s Food and Beverage Advertising Initiative Reference Document	34
ASC’s Independent Audit	6	Appendix 4: CAI Media Release (April 16, 2007)	36
Participant Compliance Reports	7	Appendix 5: Framework for Regulating Children’s Advertising in Canada	39
1. Cadbury Adams Canada Inc.	8	Overview	39
2. Campbell Company of Canada	10	Excerpts from the Canadian Association of Broadcasters’ <i>The Broadcast Code for Advertising to Children</i>	40
3. Coca-Cola Ltd.	11	Excerpts from the <i>Canadian Code of Advertising Standards</i> and Interpretation Guideline #2	43
4. General Mills Canada Corporation	12	Appendix 6: About Concerned Children’s Advertisers	48
5. Hershey Canada Inc.	13		
6. Janes Family Foods Ltd.	14		
7. Kellogg Canada Inc.	15		
8. Kraft Canada Inc.	17		
9. Mars Canada Inc.	19		
10. McCain Foods (Canada)	20		
11. McDonald’s Restaurants of Canada Limited	21		
12. Nestlé Canada Inc.	22		
13. Parmalat Canada	23		
14. PepsiCo Canada ULC	24		
15. Unilever Canada Inc.	25		
16. Weston Bakeries Limited	26		

# Executive Summary

This is the first Report by Advertising Standards Canada (ASC) on the progress made by the participating companies (Participants) in the Canadian Children's Food and Beverage Advertising Initiative (CAI), in implementing and meeting the commitments (Commitments) they have made under the CAI for the period January 1, 2008 to December 31, 2008. As the independent national advertising industry self-regulatory body, ASC is serving as CAI program administrator.

Recognizing it could make a meaningful contribution to support the health of Canadian children, in April 2007, Canada's food and beverage industry announced an innovative three-pronged approach to complement the existing robust Canadian framework for regulating advertising to children.

In developing the approach, perspectives on the issue of childhood health and obesity were sought from 16 leading public health experts, academics and non-governmental organizations, including Active Healthy Kids, Canadian Diabetes Association, Canadian Obesity Network, Health Canada, Heart & Stroke Foundation of Canada, Public Health Agency of Canada and Obesity Canada.

The approach consisted of three components:

- The Canadian Children's Food and Beverage Advertising Initiative (CAI);

- Strengthening the self-regulatory framework for advertising to children by adding new Interpretation Guidelines to the Canadian Association of Broadcasters' (CAB) *The Broadcast Code for Advertising to Children* and the *Canadian Code of Advertising Standards* that encompass healthy child development and appropriate food and beverage consumption (a description of the framework for regulating advertising to children can be found in Appendix 5); and
- A new social marketing initiative by Concerned Children's Advertisers<sup>1</sup>, including two *Long Live Kids* television public service announcements addressing healthy eating and physical activity.

The CAI Participants reviewed in this Report are: Cadbury Adams Canada Inc.; Campbell Company of Canada; Coca-Cola Ltd.; General Mills Canada Corporation; Hershey Canada Inc.; Janes Family Foods Ltd.; Kellogg Canada Inc.; Kraft Canada Inc.; Mars Canada Inc.; McCain Foods (Canada); McDonald's Restaurants of Canada Limited; Nestlé Canada Inc.; Parmalat Canada; PepsiCo Canada ULC; Unilever Canada Inc. and Weston Bakeries Limited. Two new Participants – Burger King Restaurants of Canada, Inc. and Ferrero Canada Ltd. – joined subsequent to the launch of the CAI and are not covered in the 2008 reporting period.

<sup>1</sup> For further information about Concerned Children's Advertisers see Appendix 6.

Eight Participants committed to not engage in advertising directed primarily to children under 12 years of age, and eight committed to include only better-for-you products in child-directed advertising<sup>2</sup>. In this Report, the key principles and criteria of the CAI are outlined, as well as a summary of each Participant's Commitment. Exhibit 1 sets out the nutrition criteria used by the eight Participants that advertise to children. Although these criteria vary in specific detail, all are consistent with established scientific and/or Canadian government standards, including but not limited to:

- *Canada's Food Guide*;
- Canadian Food Inspection Agency's *Guide to Food Labelling and Advertising*, particularly in regard to nutrient content claims, health or biological role claims and healthy eating claims; and
- Heart & Stroke Foundation's *Health Check*<sup>TM</sup> program.

The methodology used by ASC to assess compliance is detailed in Section IV. The methodology included a three-part independent assessment process, as well as a review of detailed reports and documentation required to be submitted by each Participant.

During the reporting period, in adherence to their Commitments:

- 10 of the 16 Participants had fully implemented their Commitments as of January 1, 2008;
- Three had fully implemented their Commitments by March 31, 2008; and
- The remaining three CAI Participants were fully compliant by December 31, 2008.

As participation in the CAI is voluntary, a high degree of compliance was anticipated and achieved. Only two compliance issues were uncovered. These were inadvertent, and immediately corrected by the involved Participants.

- While Cadbury Adams Canada Inc. deactivated access to its only child-directed company owned website in January 2008, the website could still be accessed indirectly using a link found through a search engine. Cadbury had been unaware that the site could be accessed in this manner, and this was resolved immediately upon ASC bringing it to the attention of the company; and
- A magazine advertisement for Kraft Canada Inc.'s Kraft Peanut Butter, a product not covered by the company's approved Commitment, was inadvertently published in one edition of a child-directed magazine in the fall of 2008.

The first year of the CAI has clearly shown that the Participants have taken their Commitments very seriously. This involved ensuring that all key company personnel understand that adhering to the respective Commitments is a high corporate priority. The principles and values underlying the Commitments were also communicated to and embraced by the Participants' partners, including advertising agencies and media organizations. The importance that Participants placed on complying with their Commitments and their ongoing diligence ensured that they successfully met and even exceeded the original CAI requirements during the reporting period.

From the outset of the CAI, all Participants that engaged in child-directed advertising exceeded the CAI's baseline requirement by committing that 100% of their advertising (rather than the minimum 50% required for participation) would be for products that meet the CAI standards. Also, while the original requirement called for products to meet at least one criterion, all Participants that advertise directly to children under 12 do so for products that meet at least two of the CAI criteria<sup>3</sup>.

<sup>2</sup> In this report "child-directed advertising" is used interchangeably with the phrase "advertising directed primarily to children under 12".

<sup>3</sup> Summary chart in Section III

Because television is still the primary medium used by children's advertisers, ASC conducted a spot check after the first full year of implementation of the CAI to obtain a snapshot of the children's television advertising landscape. In early 2009, ASC continuously monitored child-directed television advertising for four days on each of four Canadian channels that broadcast programming specifically directed to the under-12 audience. ASC's analysis revealed that television advertising spans many categories of child-directed products, including toys, video games, on-line games, DVDs, in-theatre movies and party locations, as well as food and beverages. Of all the advertising viewed on the four channels during children's time, less than one-fifth (16%) was for food and beverages. Further, almost 80% of this food and beverage advertising was for products covered under the CAI<sup>4</sup>.

Going forward, ASC will focus on four goals:

- First, while the reach of the CAI is already substantial – now including 18 Participants from the inaugural 16 – ASC will continue to focus on expanding the number of Participants;
- Second, ASC will continue to monitor developments in nutrition science and government policies/guidelines to assist Participants in ensuring that the CAI's standards and criteria remain current and relevant;
- Third, ASC will continue to consider feedback from all stakeholders – non-governmental organizations, the public, media, government and industry – on the CAI and its progress; and
- Finally, recognizing that parents are the primary gatekeepers of the food and beverage products that their children consume, ASC will work with Concerned Children's Advertisers to provide links to relevant media literacy tools parents can use as initial discussion points with their children via the CAI website.

<sup>4</sup> ASC independent monitoring

# I

## Overview

---

This is the first Report by Advertising Standards Canada (ASC) on the progress made by the participating companies (Participants) in the Canadian Children's Food and Beverage Advertising Initiative (CAI) in implementing and meeting the Commitments they made under the CAI for the period January 1, 2008 to December 31, 2008. As the independent national advertising industry self-regulatory body, ASC is serving as CAI program administrator.

The following 16 Participants are covered in this Report:

1. Cadbury Adams Canada Inc. (Cadbury)
2. Campbell Company of Canada (Campbell)
3. Coca-Cola Ltd. (Coca-Cola)
4. General Mills Canada Corporation (General Mills)
5. Hershey Canada Inc. (Hershey's)
6. Janes Family Foods Ltd. (Janes)
7. Kellogg Canada Inc. (Kellogg)
8. Kraft Canada Inc. (Kraft Canada)

9. Mars Canada Inc. (Mars)
10. McCain Foods (Canada) (McCain)
11. McDonald's Restaurants of Canada Limited (McDonald's)
12. Nestlé Canada Inc. (Nestlé)
13. Parmalat Canada (Parmalat)
14. PepsiCo Canada ULC (PepsiCo)
15. Unilever Canada Inc. (Unilever)
16. Weston Bakeries Limited (Weston Bakeries)

This report covers the first full year of the CAI. During the reporting period, in adherence to their Commitments:

- 10 of the 16 Participants had fully implemented their Commitments as of January 1, 2008;
- Three had fully implemented their Commitments by March 31, 2008; and
- The remaining three CAI Participants were fully compliant by December 31, 2008.

## II

# Background

The Canadian advertising industry has a long-standing commitment to responsible and respectful advertising to children through a rigorous regulatory and self-regulatory framework. Under this framework, all child-directed broadcast advertising of food or beverages is first pre-cleared by ASC Clearance Services to ensure compliance with the regulatory provisions of the *Food and Drugs Act* and the Canadian Food Inspection Agency's *Guide to Food Labelling and Advertising*. Next, as a condition of broadcast licence by the Canadian Radio-television and Telecommunications Commission, all child-directed broadcast advertising must adhere to and be pre-cleared under the provisions of the Canadian Association of Broadcasters' (CAB) *The Broadcast Code for Advertising to Children*, which governs what may and may not be said or shown in broadcast advertising to children under 12. Finally, the *Canadian Code of Advertising Standards*, which applies to advertising in all media, including the Internet, provides an effective complaint mechanism for the adjudication of consumers' complaints about advertising messages in Canada.

Over the past several years, childhood health and obesity have emerged as serious and complex concerns. The Canadian food and beverage industry recognized that it could make a meaningful contribution to supporting the health of Canadian children, and to that end has developed an integrated and comprehensive approach to complement the existing robust Canadian framework for regulating advertising to children.

In developing the approach, perspectives on the issue of childhood health and obesity were sought from 16 public health experts, academics and non-governmental organizations, including Active Healthy Kids, Canadian Diabetes Association, Canadian Obesity Network, Health Canada, Heart & Stroke Foundation of Canada, Public Health Agency of Canada and Obesity Canada.

In April 2007, Canada's food and beverage industry announced an innovative three-pronged approach to use its creativity and marketing activities to promote and support healthy dietary choices and healthy lifestyles to children under 12, and to shift its children's advertising and marketing emphasis to foods and beverages that are consistent with the principles of sound nutrition guidance. This approach consisted of:

- The launch of the Canadian Children's Food and Beverage Advertising Initiative (CAI), with 16 inaugural Participants that collectively accounted for the overwhelming majority of food and beverage television advertising to children under 12;
- The strengthening of the self-regulatory framework for advertising to children by adding new Interpretation Guidelines to the CAB's *The Broadcast Code for Advertising to Children* and the *Canadian Code of Advertising Standards* that encompass healthy child development and appropriate food and beverage consumption (a description of the framework for regulating advertising to children can be found in Appendix 5); and



- The launch of a new social marketing initiative by Concerned Children's Advertisers, including two *Long Live Kids* television public service announcements addressing healthy eating and physical activity<sup>5</sup>.

The 16 inaugural Participants are: Cadbury Adams Canada Inc.; Campbell Company of Canada; Coca-Cola Ltd.; General Mills Canada Corporation; Hershey Canada Inc.; Janes Family Foods Ltd.; Kellogg Canada Inc.; Kraft Canada Inc.; Mars Canada Inc.; McCain Foods (Canada); McDonald's Restaurants of Canada Limited; Nestlé Canada Inc.; Parmalat Canada; PepsiCo Canada ULC; Unilever Canada Inc. and Weston Bakeries Limited.

Because transparency and accountability are critical elements of the CAI, the Participants asked ASC, the national advertising industry self-regulatory body, to act as the independent third-party administrator. ASC has a 50-year history of successful advertising self-regulation, including the development and administration of a rigorous framework for regulating children's advertising in Canada. As the administrator of the CAI, ASC's responsibilities include working with Participants on the development of their Commitments; ensuring that all products advertised to children and referenced in the Commitments meet the CAI's criteria; publishing the Commitments made by the Participants; auditing Participants' compliance; and publicly reporting the results.

(Full details of the 2007 announcement and the core principles of the CAI can be found in the *Canadian Children's Food and Beverage Advertising Initiative Reference Document* in Appendix 3 of this Report and the April 16, 2007 CAI Media Release in Appendix 4 of this Report).

Following the April 2007 announcement, ASC worked with each Participant to develop its individual Commitment and ultimately approved each of them upon completion. On February 6, 2008, the Participants' Commitments were publicly announced and published in a dedicated section of ASC's website ([www.adstandards.com/childrensinitiative](http://www.adstandards.com/childrensinitiative)). Two new Participants – Burger King Restaurants of Canada, Inc. and Ferrero Canada Ltd. – joined subsequent to the launch of the CAI and are not covered in the 2008 reporting period.

## CAI CORE PRINCIPLES

Under the CAI each Participant has agreed to develop an individual Commitment addressing five core principles:

- Devote at least 50% of its television, radio, print and Internet advertising directed primarily to children under 12 years of age to further the goal of promoting healthy dietary choices and/or healthy active living;
- Incorporate only products that represent healthy dietary choices 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 for products that do not meet the CAI's product criteria<sup>6</sup>;
- 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<sup>7</sup>.

<sup>5</sup> For further information about Concerned Children's Advertisers see Appendix 6.

<sup>6</sup> These criteria apply to advertising in media other than broadcast advertising as the use of licensed characters in children's broadcast advertising is already restricted under the CAB's *The Broadcast Code for Advertising to Children*.

<sup>7</sup> This limitation does not apply to displays of food and beverage products, and charitable/not-for-profit activities including fundraising, public service messaging and educational programs.

## III

# The Participants' Commitments

The Commitments describe how each company would implement the CAI's five core principles.

### CAI Nutrition Criteria

In accordance with the CAI, each Participant advertising to children under 12 identified specific nutrition criteria that would be used to determine those products that could be included in its Commitment. These company-specific nutrition criteria were developed based on a review of respected national and international scientific reports/guidelines, including those published by Health Canada and the U.S. Institute of Medicine. These are reflected in Health Canada's and the Canadian Food Inspection Agency's (CFIA) policies and standards, including:

- ***Eating Well with Canada's Food Guide*** (provides population dietary guidance); and
- ***Food and Drugs Act and Regulations***, and ***Guide to Food Labelling and Advertising*** (sets out permissible claims, including nutrient content claims, biological role claims and function claims).

The CAI requires that a Participant's nutrition criteria meet at least one of the following:

- Foods that reflect the dietary guidelines of *Canada's Food Guide*;
- Foods that meet criteria for diet-related health claims or biological role claims as per the *CFIA Guide to Food Labelling and Advertising*;
- Foods that meet the criteria for nutrient claims as per the *CFIA Guide to Food Labelling and Advertising*; or
- Foods that meet the standards for participating in the Heart & Stroke Foundation's *Health Check™* program.

Prior to ASC's final approval of individual Participant's Commitments, ASC retained an independent dietitian to evaluate each of the products covered to ensure they met the CAI's criteria. The following table sets out which of the policies or standards delineated in the CAI core principles were met by Participants' nutrition criteria. It is notable that while the CAI required the Participants to meet only one of the standards, all Participants engaging in advertising primarily directed to children under 12 years of age have set criteria that meet more than one standard.

### Summary of CAI Standards Met by Participants

	<i>Canada's Food Guide</i>	CFIA health or biological role claims	CFIA nutrient claims	<i>Health Check™</i>
Campbell	✓		✓	✓
General Mills	✓	✓	✓	
Kellogg	✓	✓	✓	
Kraft Canada	✓	✓	✓	
McDonald's	✓	✓		
Nestlé	✓	✓		
Parmalat	✓	✓		✓
Weston Bakeries	✓	✓		

The specific nutrition criteria followed by each Participant are outlined in Exhibit 1 on page 29 of this Report.

### Defining Advertising Directed Primarily to Children Under 12<sup>8</sup>

Under the CAI, Participants were required to specify how they define “advertising directed primarily to children under 12 years of age.” These definitions are derived from various third-party measurements, such as BBM Nielsen for broadcast or ComScore for the Internet, supplemented in many cases by a company’s existing corporate policies and procedures. Exhibit 2 on page 30 of this Report sets out the specific definition used by each Participant.

It is important to note that the Participants’ Commitments under the CAI address only advertising directed primarily to children under 12. For example, television advertising directed primarily to parents/caregivers or aired in family programming or other non-children’s programming is outside the scope of the CAI.

<sup>8</sup> The CAI does not extend to Quebec where the *Consumer Protection Act* prohibits advertising in that province to children under 13.

## IV

# Evaluation of Participant Compliance

During the reporting period, in adherence to their Commitments:

- 10 of the 16 Participants had fully implemented their Commitments as of January 1, 2008;
- Three had fully implemented their Commitments by March 31, 2008; and
- The remaining three CAI Participants were fully compliant by December 31, 2008.

Of the 16 Participants:

- Eight Participants committed to not advertise directly to children under 12 years of age: Cadbury, Coca-Cola, Hershey's, Janes, Mars, McCain, PepsiCo and Unilever.
- Eight Participants committed to include only products meeting the nutrition criteria outlined in their individual Commitments in child-directed advertising: Campbell, General Mills, Kellogg, Kraft Canada, McDonald's, Nestlé, Parmalat and Weston Bakeries. These eight Participants all committed to devote 100% of their television, radio, print and Internet advertising directed primarily to children under 12 years of age to further the goal of promoting healthy dietary choices and/or healthy active living – double the CAI baseline requirement of 50%.

To evaluate the Participants' compliance with their respective Commitments, ASC both independently audited individual Participant compliance and reviewed detailed

compliance reports, certified by a senior corporate officer as being complete and accurate, submitted by each Participant.

### ASC's Independent Audit

ASC independently audited the compliance of the Participants in the following three ways:

- All television advertising by Participants that had been pre-cleared by ASC's Children's Clearance Committee was reviewed to determine if the advertised products were those approved for inclusion in the Participants' Commitments. It is a condition of broadcast licence by the Canadian Radio-television and Telecommunications Commission that all children's commercials must be pre-cleared by ASC's Children's Clearance Committee under the CAB's *The Broadcast Code for Advertising to Children* and carry a valid ASC approval number prior to being broadcast in Canada.
- All consumer complaints submitted to ASC in 2008 were reviewed to identify any concerns from members of the public with regard to a Participant's compliance with its Commitment. Of the 108 complaints involving advertising by food manufacturers, retailers and restaurants that were submitted to ASC during the period from January to December 2008, none involved children's advertising.

- Company websites, third-party websites, children's television programming and children's magazines were periodically monitored for compliance.

## Participant Compliance Reports

Each CAI Participant was required to submit a comprehensive report detailing its compliance during the reporting period. The report included submissions from the advertising agencies and media buying groups used by the company, as well as certification by a senior executive or officer of the company as to the veracity and completeness of the report.

The reports included listings of all products advertised directly to children under 12 years of age; the placement of these advertisements both by specific media and the programs or magazines in which the advertisements were run; and the percentage of the audience by age for the programs or magazines at the time the advertisement was placed.

## CONTENT OF PARTICIPANT COMPLIANCE REPORTS

All Participants submitted an assessment document containing the following information:

- A description of how the Commitment was communicated to all relevant personnel, both within the company and to outside partners such as advertising agencies, media buying groups, public relations firms, etc.;
- A complete list of any products that were advertised directly to children under 12 years of age in both measured media (television, radio, print, third-party websites) and company-owned websites, as well as detailed information indicating the programming, publications and locations of such advertising, and copies of the advertising that was placed;
- A list of any discrepancies between the actual advertising and the company's Commitment;
- Documentation showing the ingredient statement/Nutrition Facts Table for each of the advertised products (current as at December 31, 2008) for which there were any changes from the product information that accompanied the approved Commitment;
- A list of the child-directed advertising in which third-party licensed characters have been used, noting any deviations from the company's Commitment;
- A list of the child-directed interactive games that incorporate the company's products, which products are incorporated, which games (if any) incorporate healthy active living messaging, a description of any changes made to any interactive games to comply with the Commitment and any deviations from the company's Commitment;
- In the case of companies that had committed to not advertise directly to children under 12 years of age, sufficient documentation to show that this Commitment was met;
- Supporting documentation regarding the policies in place to ensure that the company is not paying for, or actively seeking to place its products, in the program/editorial content of any medium primarily directed to children under the age of 12, noting any deviations from the company's Commitment or any unanticipated placement activity that occurred;
- Supporting documentation regarding the policies in place to ensure that the company is not advertising in elementary schools, details of all the activities in elementary schools in which the company engaged and the CAI exemption applicable to each, noting any deviations from the company's Commitment.

## OVERALL COMPLIANCE EVALUATION

This evaluation covers the first full year of the CAI. As participation in the CAI is voluntary, a high degree of compliance was anticipated and achieved. The following are the results of ASC's compliance evaluation for each Participant.

## 1 CADBURY ADAMS CANADA INC.

### Commitment Summary<sup>†</sup>

- Committed to not advertise any products in measured media directly to children under 12.

### Implementation Date

- March 31, 2008

### Implementation Activities

The Commitment was communicated to relevant personnel through written announcements. Additionally, an information and training session was held with the marketing team to train and educate key personnel about Cadbury's Commitment. The company's advertising was reviewed by both marketing and legal personnel who include compliance with the Commitment as part of their review process. The Commitment has also been communicated to all third-party media buyers and agencies, and as contracts are renewed or revised with any media buyers or agencies provisions are included to require compliance with the Commitment.

### Compliance Evaluation

With the exception of a minor deviation described in (2) below, based on ASC's review of the company's report and ASC's independent auditing, ASC concluded that Cadbury met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

### (1) Measured and Online Media, including Company-owned Websites

ASC's review of the company's media plans and compliance report for all products indicates that with the exception of the game indicated in (2) below, there was no advertising primarily directed to children under 12 in measured media.

### (2) Use of Product in Interactive Games

The only instance of advertising occurred on the Magical Elves website, where a seasonal product was incorporated into the game. Cadbury's Commitment had indicated that this product use would be terminated by March 2008. The company de-activated access through its website in January 2008; however, ASC's independent monitoring revealed that the website could still be accessed indirectly through a search engine. Discussion with the company confirmed that this continued access was inadvertent and it was immediately corrected once the issue was brought to the company's attention.

### (3) Use of Third-party Licensed Characters

Cadbury did not engage in any child-directed advertising in which third-party licensed characters were used.

### (4) Product Placement

Cadbury put procedures and contractual requirements in place with suppliers to preclude any non-compliant product placement.

### (5) Advertising in Elementary Schools

Cadbury did not engage in any advertising in elementary schools during the reporting period.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

The company participated in two programs in the reporting period.

EcoLeague™ is a youth empowerment initiative, the objective of which is to inspire community- and school-based environmental action. The program was developed in partnership with the charitable organization Learning for a Sustainable Future.

Also during the reporting period, Cadbury continued to offer educational tours of its Toronto manufacturing facility to certain elementary schools. These tours are part of a long-standing community outreach program and are neither advertised nor marketed in schools or elsewhere. The company arranges tours at the request of teachers of Grades 3 through 8 who want to use the tour as an adjunct to their curriculum. The tour focuses on the manufacturing process and includes a classroom session.

Both of these programs fall under the CAI's exemption allowed for charitable/not-for-profit, public service messaging and educational programs.

## 2 CAMPBELL COMPANY OF CANADA

### Commitment Summary<sup>†</sup>

- Committed that 100% of advertising in measured media and on company-owned websites primarily directed to children under 12 would provide a healthy lifestyle message and/or promote better-for-you foods and meet the following guidelines:
  - Soups – meet the Heart & Stroke Foundation's *Health Check*<sup>™</sup> nutrition criteria: fat, sodium and positive nutrition
  - Snack crackers – in line with *Canada's Food Guide* (grain product serving, ≤35% of calories from fat, low in saturated fat and 0 g of trans fat).

### Implementation Date

- August 1, 2007

### Implementation Activities

The Commitment was communicated to relevant personnel through information meetings, briefing notices and an information session conducted by ASC for key marketing and agency partner personnel.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent auditing, ASC concluded that Campbell met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

#### (1) Measured and Online Media, including Company-owned Websites

ASC's review of the company's media plan and compliance report indicates that 100% of the advertising impressions for brands that were advertised directly to

children under 12 during the reporting period were for healthier dietary choice products as defined in the company's Commitment.

#### (2) Use of Product in Interactive Games

The company-owned [www.pfgoldfish.com](http://www.pfgoldfish.com) site was online during the 2008 audit period. Promotion of this URL was communicated on Goldfish<sup>®</sup> packaging and Campbell company website. No child-directed media promotion of this URL was conducted by Campbell.

#### (3) Use of Third-party Licensed Characters

Campbell did not engage in any child-directed advertising in which third-party licensed characters were used.

#### (4) Product Placement

The company did not place products in any program/editorial content directed to children under the age of 12.

#### (5) Advertising in Elementary Schools

The company does not advertise in elementary schools. The only activity in which it engages is *Labels for Education*, a 10-year school fundraising program with a focus on instilling healthy eating and living habits in children. Eligible registered schools can collect labels from participating Campbell products and redeem them for educational resources, ranging from sports equipment and musical instruments, to health and wellness videos and books. All *Labels for Education* communication is directed to adults (parents and teachers).

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).



### 3 COCA-COLA LTD.

#### Commitment Summary<sup>†</sup>

- Committed to not advertise any products in measured media directly to children under 12.

#### Implementation Date

- Pre-2007

#### Implementation Activities

The Commitment was communicated directly to key internal personnel, buyers and agencies of the company.

#### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Coca-Cola met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

#### (1) Measured and Online Media, including Company-owned Websites

ASC's review of the company's media plans and compliance report for all products indicates that there was no advertising primarily directed to children under 12 in measured media.

#### (2) Use of Product in Interactive Games

No interactive games were directed to children under 12 years of age.

#### (3) Use of Third-party Licensed Characters

The company did not direct any advertising to children under the age of 12, nor did it use any third-party licensed characters directed to this age group.

#### (4) Product Placement

The company did not place products in any program/editorial content directed to children under the age of 12.

#### (5) Advertising in Elementary Schools

The company does not advertise in elementary schools. The only activity in which it engages is the sale of 100% juices and bottled water in smaller package sizes, in accordance with the Canadian Beverage Industry's School Beverage Guidelines and consistent with the allowable exemptions under the CAI.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

## 4 GENERAL MILLS CANADA CORPORATION

### Commitment Summary<sup>†</sup>

- Committed that 100% of advertising in measured media and on company-owned websites primarily directed to children under 12 would be for Healthy Dietary Choices products and meet the guideline of having no more than 12 g of sugar per serving.
- Company-owned websites targeted primarily to children under 12 will feature only Healthy Dietary Choices products and meet the guideline of having no more than 12 g of sugar per serving.
- Use of third-party licensed characters will be limited to Healthy Dietary Choices products and meet the guideline of having no more than 12 g of sugar per serving.

### Implementation Date

- December 31, 2008 for full compliance.

### Implementation Activities

General Mills conducted an information and training session with all its marketing personnel and its outside agencies and media buyers. In addition, all new marketing hires receive one-on-one training to familiarize them with the Commitment. General Mills' advertising agency and media buyers have advised all of their partners of the company's Commitment and all proposals are now required to include a kids' composition analysis. General Mills meets with its agency every quarter to ensure that all media buys are in compliance with its Commitment.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent monitoring, ASC concluded that General Mills met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

### (1) Measured and Online Media, including Company-owned Websites

General Mills undertook the reformulation of several products in order to comply with the company's Healthy Dietary Choices product standard. As a result, the company was not anticipated to be in full compliance with its Commitment until December 31, 2008.

### (2) Use of Product in Interactive Games

By year-end, General Mills did not host any Canadian websites with interactive games. At the start of the year the only Canadian website that it was still possible to access was [www.luckycharms.ca](http://www.luckycharms.ca), but the site has now been decommissioned and is no longer active. Further, the company requested that each of its promotional partners include a health break in any interactive games hosted on their websites.

### (3) Use of Third-party Licensed Characters

Currently, General Mills has a contract with Nickelodeon signed prior to the execution of the CAI. During the life of the contract the company's overall spending will decrease and will only be for Healthy Dietary Choice products.

### (4) Product Placement

General Mills did not pay for or actively seek to place any product, regardless of nutrition profile, in the program content of any medium primarily directed to children under 12 for the purpose of promoting the sale of those products.

### (5) Advertising in Elementary Schools

General Mills did not directly market food products of any kind, regardless of nutrition profile, in schools.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

## 5 HERSHEY CANADA INC.

### Commitment Summary<sup>†</sup>

- Committed to not advertise any products in measured media directly to children under 12.

### Implementation Date

- August 1, 2007

### Implementation Activities

Hershey's communicated its Commitment to its agencies and media buyers by including it in all 2008 contracts with these partners. As a result, all strategy briefs were prepared in light of, and included mention of, the Commitment, and the need for compliance was confirmed to the company in writing by each of the relevant parties.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Hershey's met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

#### (1) Measured and Online Media, including Company-owned Websites

ASC's review of the company's media plans and compliance report for all products indicates that there was no advertising primarily directed to children under 12 in measured media.

#### (2) Use of Product in Interactive Games

Hershey's did not host or advertise in any child-directed interactive games.

#### (3) Use of Third-party Licensed Characters

Hershey's did not include any third-party licensed characters in any advertising primarily directed to children under 12, nor did it license any characters who are themselves primarily targeted to children under 12.

#### (4) Product Placement

Hershey's did not seek or pay for product placement in any medium primarily directed to children under 12.

#### (5) Advertising in Elementary Schools

Hershey's did not engage in any advertising in elementary schools during the reporting period. The company's involvement with the Hershey's Track and Field Games in Canada is limited to sponsorship of track meets and is not an in-school initiative. This program falls under the exemption allowed for charitable/not-for-profit, public service messaging and educational programs.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

## 6 JANES FAMILY FOODS LTD.

### Commitment Summary<sup>†</sup>

- Committed to not advertise any products in measured media directly to children under 12.

### Implementation Date

- January 1, 2008

### Implementation Activities

Janes communicated its Commitment both internally and to its agencies and media buyers.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Janes met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

### (1) Measured and Online Media, including Company-owned Websites

ASC's audit indicates that there was no advertising primarily directed to children under 12 in measured media.

### (2) Use of Product in Interactive Games

No interactive games were directed to children under 12 years of age.

### (3) Use of Third-party Licensed Characters

Janes did not include any third-party licensed characters in any advertising primarily directed to children under 12.

### (4) Product Placement

Janes did not seek or pay for product placement in any medium primarily directed to children under 12.

### (5) Advertising in Elementary Schools

Janes did not engage in any advertising in elementary schools during the reporting period.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

## 7 KELLOGG CANADA INC.

### Commitment Summary<sup>†</sup>

- Committed that 100% of advertising in measured media and on company-owned websites primarily directed to children under 12 would be for foods that meet the company's Nutrient Criteria, as follows:
  - **Calories:** No more than 200 calories per serving;
  - **Saturated/Trans Fat:** No more than 2 g of saturated fat/0 g of trans fat per serving;
  - **Sodium:** No more than 230 mg of sodium per serving (excluding *Eggo*<sup>®</sup> products at 460 mg); and
  - **Sugars:** No more than 12 g (label) of sugars per serving (excluding sugars from fruit and dairy).
- When Kellogg committed to the program, its Commitment applied to television programs in which 50% or more of the projected audience is children under 12. In 2008, in implementing this Commitment, the "children's programming" included in Kellogg's media buy directives included certain programs for which 35% or more of the total audience was under 12 years of age. As a result of how the Commitment actually operated in 2008, Kellogg has updated its definition of "children's programming" to include programs with a projected audience at the time the media is planned of 35% to 49% children under 12.

### Implementation Date

- December 31, 2008 for full compliance.

### Implementation Activities

The company implemented an internal compliance plan for the Commitment and engaged in numerous training and other one-on-one sessions with Kellogg personnel, as well as media partners. Commitment compliance expectations were also incorporated into individual accountabilities for appropriate personnel. The company engages in a rigorous multi-disciplinary internal review

process for all advertising and promotional materials to ensure compliance with all regulatory and self-regulatory initiatives, including the CAI. In addition, the company has implemented ongoing training and updates will be conducted to ensure continued compliance. Kellogg's advertising agency and media buyers have advised all of their partners of the company's Commitment. Kellogg meets with its agency quarterly before all media purchases are completed to ensure that all media buys are in compliance with its Commitment.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Kellogg met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

#### (1) Measured and Online Media, including Company-owned Websites

Kellogg is involved in the reformulation of several products as part of the company's journey to improve the nutrition profile of some of its products. As a result, the company was not anticipated to be in full compliance until December 31, 2008. As of June 30, ASC's review of the company's media plan and compliance report indicated that over 70% of advertising impressions for brands that were advertised directly to children under 12 during the reporting period met the company's Nutrient Criteria. By year-end, the annual compliance figure had risen to 82% for the year, meaning that compliance in the second half of 2008 averaged 94%. In accordance with the company's Commitment, any product that has not been reformulated to meet the company's Nutrient Criteria will no longer be marketed to children under the age of 12. As a result, two products – *Pop-Tarts*<sup>®</sup> pastries and *Yo-Gos Bits*<sup>®</sup> pieces – will no longer be marketed to children under the age of 12; as of January 1, 2009, 100% of the company's advertising and marketing to children under 12 was fully compliant.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

### **(2) Use of Product in Interactive Games**

For the full year 2008, the company included healthy lifestyle messaging and automatic use breaks (every 15 minutes) on all sites that contain content designed to appeal to, or are targeted primarily to, children under 12. This goal was accomplished through the development of the “get your move on” messaging tool, which encourages children, in fun and creative ways, to become physically active.

In addition, as of July 1, 2008, the company implemented an online age screening program designed to restrict access i) by children under six years of age across Canada; ii) by children under 13 years of age in the province of Quebec; and, in respect of products that do not meet the company's Nutrient Criteria.

Where products were integrated into an online activity, only better-for-you products were depicted.

### **(3) Use of Third-party Licensed Characters**

While the company has existing obligations regarding the use of licensed characters that will be honoured, all new obligations are being executed in compliance with the company's Commitment, and use of licensed characters is being restricted to only those products that meet the company's Nutrient Criteria.

### **(4) Product Placement**

Kellogg did not seek or pay for product placement in any medium primarily directed to children under 12. This Commitment has been formally codified in the company's written operating principles for product placement.

### **(5) Advertising in Elementary Schools**

Kellogg did not engage in any advertising in elementary schools during the reporting period. In addition, while beyond the scope of the CAI, the company has implemented a policy to ensure that any activities directed to students over 12, or likely to reach or engage these students, must relate to nutrition, education and/or physical activity initiatives.

## 8 KRAFT CANADA INC.

### Commitment Summary<sup>†</sup>

- Committed that 100% of advertising in measured media and on company-owned websites primarily directed to children under 12 would be for better-for-you dietary choices that meet the company's *Sensible Solution* nutrition guidelines. These guidelines vary for different food products. Some examples include:

**Convenient meal products** can qualify in one of two ways (per serving):

- Depending on the type of product, upper caloric limits will range from 250 to 600 calories;
- Contain no more than 30% of calories from fat and no more than 10% of calories from saturated fat plus trans fat;
- Contain no more than 25% of calories from added sugar;
- Contain no more than 480 to 960 mg of sodium;
- Contain no more than 60 to 90 mg of cholesterol; and
- Are a "source of" vitamin A, C, E, calcium, magnesium, potassium, iron, protein and fibre **or** contain at least a half-serving of fruit, vegetables or 8 g of whole grain **or** have a functional nutritional benefit.

**OR**

- Must be free of or low in calories, fat, saturated fat, sugar or sodium, **or** must have 25% less of one of these in comparison to the base product or an appropriate reference product, **or** meets the definition for lean or extra lean; and must be reviewed by the Nutrition Department.

**100% juice** nutrition criteria (per serving) include:

- Contains no more than 120 calories;
- Contains a serving size of no more than 250 mL; and
- Is a "source of" vitamin A, C, E, calcium, magnesium, potassium, iron, protein and fibre **or** contains at least a half-serving of fruit or vegetables **or** has a functional nutritional benefit.

### Cereals:

Cereals with smaller (30 g) serving sizes when served with  $\frac{1}{2}$  cup of fat free milk can qualify in one of the following ways:

- Contain no more than 170 calories;
- Contain no more than 30% of calories from fat and no more than 10% of calories from saturated fat plus trans fat;
- Contain no more than 360 mg of sodium;
- Contain no more than 25% of calories from added sugar;
- Contain at least 2.5 g of fibre or 8 g of whole grain;
- Are a "source of" vitamin A, C, E, calcium, magnesium, potassium, iron, protein and fibre **or** contain at least a half-serving of fruit, vegetables or 8 g of whole grain **or** have a functional nutritional benefit.

### Implementation Date

- August 1, 2007

### Implementation Activities

Kraft Canada's Commitment was communicated to all Kraft Canada employees via internal notification. A meeting was held between Kraft Canada and its media planning and investment agency to review the policy and Kraft Canada's commitment to it. In addition, a follow-up soft copy was forwarded for its files and ongoing reference.

### Compliance Evaluation

With the exception of a minor deviation described in (1) below, based on ASC's review of the company's report and ASC's independent auditing, ASC concluded that Kraft Canada met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

#### (1) Measured and Online Media, including Company-owned Websites

The only instance of non-compliance involved an advertisement for Kraft Canada Inc.'s Kraft Peanut Butter, which was not originally intended to be advertised to children

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

because it is not a *Sensible Solution* product. One print advertisement was inadvertently published in an edition of *Famous Kids*, a child-directed magazine, in the fall of 2008 as a result of a last-minute ad space made available to Kraft by the publisher. *Famous Kids* was advised of the error and has taken note that Kraft will advertise only *Sensible Solution* products in child-directed publications in the future.

### **(2) Use of Product in Interactive Games**

In interactive games incorporated into websites primarily directed to the under-12 audience, the company depicts only products included in the Commitment that meet Kraft Canada's *Sensible Solution* standards. In 2008, the only brand that had online gaming was Honeycomb cereal, an approved product in Kraft Canada's Commitment. The online gaming ran for four weeks during a promotion and in the YTV website promotional window.

### **(3) Use of Third-party Licensed Characters**

Kraft Canada did not engage in any child-directed advertising in which third-party licensed characters were used.

### **(4) Product Placement**

Kraft Canada has instructed its marketing and promotions professionals that they may not solicit or accept opportunities to engage in paid product placement with respect to any child-directed television program or movie.

### **(5) Advertising in Elementary Schools**

Kraft Canada did not engage in any marketing or advertising in elementary schools during the reporting period.

### **(6) Other**

During the reporting period, Kraft Canada ran Year Five of its *Try Something New* (now entitled *Try Something You*) healthy active living program in partnership with YTV. The program is advertised on YTV and online at [www.ytv.com](http://www.ytv.com). The goal of the program is to provide tools (nutritious recipe ideas) and ideas (games and activities) that empower youth to become active participants in leading healthy active lifestyles.

Additionally, Kraft Canada also promotes healthy active lifestyles with its *Kraft Hockeyville* program. This program was launched in 2006 in partnership with the CBC and NHL/NHLPA, and is a multimedia program that acknowledges Canada's most hockey-proud community by awarding \$100,000 in arena upgrades to the winning community and \$25,000 each to four runner-up communities. In addition, the winner hosts a pre-season NHL game in its upgraded arena.



## 9 MARS CANADA INC.

### Commitment Summary<sup>†</sup>

- Committed to not advertise any products in measured media directly to children under 12.

### Implementation Date

- February 5, 2008

### Implementation Activities

The company communicated its Commitment and guidelines to all its agency partners and required each partner to sign a Commitment document to ensure they were fully engaged and aligned with the company's Commitments.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Mars met its Commitment obligations for the reporting period from January 1 through December 31, 2008<sup>9</sup>.

### (1) Measured and Online Media, including Company-owned Websites

ASC's review of the company's media plans and compliance report for all products indicates that there was no advertising primarily directed to children under 12 in measured media.

### (2) Use of Product in Interactive Games

No interactive games were directed to children under 12 years of age.

### (3) Use of Third-party Licensed Characters

Mars did not include any third-party licensed characters in any advertising primarily directed to children under 12.

### (4) Product Placement

Mars did not seek or pay for product placement in any medium primarily directed to children under 12.

### (5) Advertising in Elementary Schools

Mars did not engage in any advertising in elementary schools.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

<sup>9</sup> In October 2008 the acquisition by Mars, Incorporated of the Wm. Wrigley Jr. Company was finalized. Mars' Commitment under the CAI was developed prior to the acquisition and thus relates only to Mars Canada products. Mars, Incorporated is currently examining how its CAI Commitment might apply to the marketing practices of the Wm. Wrigley Jr. Company.

## 10 McCAIN FOODS (CANADA)

### Commitment Summary<sup>†</sup>

- Committed to not advertise any products in measured media directly to children under 12.

### Implementation Date

- 2007/2008 fiscal year

### Implementation Activities

McCain's Commitment was communicated to media buyers and promotional agencies both verbally and in writing, and a copy of the Commitment was forwarded to key personnel and account representatives.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that McCain met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

### (1) Measured and Online Media, including Company-owned Websites

ASC's review of the company's media plans and compliance report for all products indicates that there was no advertising primarily directed to children under 12 in measured media.

### (2) Use of Product in Interactive Games

No interactive games were directed to children under 12 years of age.

### (3) Use of Third-party Licensed Characters

McCain did not use any third-party licensed characters in any advertising primarily directed to children under 12.

### (4) Product Placement

McCain did not seek or pay for product placement in any medium primarily directed to children under 12.

### (5) Advertising in Elementary Schools

McCain did not engage in any advertising in elementary schools during the reporting period.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

## 11 McDONALD'S RESTAURANTS OF CANADA LIMITED

### Commitment Summary<sup>†</sup>

- Committed that 100% of advertising in measured media and on company-owned websites primarily directed to children under 12 would be for better-for-you foods that meet the company's nutrition guidelines, as follows:
  - No more than 600 calories per meal;
  - No more than 35% of calories from fat;
  - No more than 10% of calories from saturated fat; and
  - No more than 25% of total energy from added sugars.

### Implementation Date

- January 1, 2008

### Implementation Activities

The CAI Commitment was communicated to agency partners through the briefing process at the beginning of the year. The Commitment was then discussed on a project level to ensure that the guidelines were being followed. In addition, the media agency worked with its suppliers to audit the audience targeted in the children's media plan to ensure compliance.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that McDonald's met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

### (1) Measured and Online Media, including Company-owned Websites

ASC's review of the company's media plan and compliance report indicates that all brands advertised directly to children under 12 during the reporting period were products included in the company's Commitment. The only brand advertised was the four-piece Chicken McNuggets® Happy Meal®. In addition, separate non-food corporate Balanced Lifestyles vignettes were aired, with the objective of showing children fun and easy ways to include activity in their daily routines.

### (2) Use of Product in Interactive Games

McDonald's did not include any products in interactive games.

### (3) Use of Third-party Licensed Characters

McDonald's did not include any third-party licensed characters in any advertising primarily directed to children under 12, nor has Ronald McDonald been used in any national advertising. Where used, Ronald McDonald only promoted healthy active living messaging and has not been tied to food or premium advertising.

### (4) Product Placement

McDonald's did not seek or pay for product placement in any medium primarily directed to children under 12.

### (5) Advertising in Elementary Schools

McDonald's did not engage in any advertising in elementary schools during the reporting period.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

## 12 NESTLÉ CANADA INC.

### Commitment Summary<sup>†</sup>

- Committed that 100% of advertising in measured media and on company-owned websites primarily directed to children under 12 would be for better-for-you foods, and would be limited to advertising for NESQUIK® one-third less sugar and NESQUIK® 25% less sugar.

### Implementation Date

- January 1, 2008

### Implementation Activities

Nestlé's Commitment was communicated to advertising and promotional agencies as well as to key internal personnel.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Nestlé met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

### (1) Measured and Online Media, including Company-owned Websites

ASC's review of the company's media plans and compliance report for all products indicates that there was no advertising primarily directed to children under 12 in measured media.

### (2) Use of Product in Interactive Games

Nestlé did not use any products in interactive games.

### (3) Use of Third-party Licensed Characters

Nestlé did not use any third-party licensed characters in any advertising primarily directed to children under 12.

### (4) Product Placement

Nestlé did not seek or pay for product placement in any medium primarily directed to children under 12.

### (5) Advertising in Elementary Schools

Nestlé did not engage in any advertising in elementary schools during the reporting period.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

## 13 PARMALAT CANADA

### Commitment Summary<sup>†</sup>

- Committed that 100% of advertising in measured media and on company-owned websites primarily directed to children under 12 would be for better-for-you foods that represent healthier dietary choices in accordance with *Canada's Food Guide* and that meet the criteria for nutrient content claims.

### Implementation Date

- January 1, 2008

### Implementation Activities

The Commitment was communicated through internal reviews and a meeting held with external agencies.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent monitoring, ASC concluded that Parmalat met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

### (1) Measured and Online Media, including Company-owned Websites

ASC's review of the company's media plan and compliance report indicates that all brands advertised directly to children under 12 during the reporting period were better-for-you products as defined in the company's Commitment. The only brands advertised were Black Diamond Smart Growth and Black Diamond Cheestrings/Ficello in three flavours: Marbelicious, Mozzarella and Cheddarific.

### (2) Use of Product in Interactive Games

Only better-for-you products were included in interactive games.

### (3) Use of Third-party Licensed Characters

Parmalat did not include any third-party licensed characters in any advertising primarily directed to children under 12.

### (4) Product Placement

Parmalat did not seek or pay for product placement in any medium primarily directed to children under 12.

### (5) Advertising in Elementary Schools

Parmalat did not engage in any advertising in elementary schools during the reporting period. Parmalat has provided milk for the Dairy Farmers of Canada's school milk program. This program falls under the exemption allowed for charitable/not-for-profit, public service messaging and educational programs.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

## 14 PEPSICO CANADA ULC

### Commitment Summary<sup>†</sup>

- Committed to not advertise any products in measured media directly to children under 12.

### Implementation Date

- January 1, 2008

### Implementation Activities

The Commitment was presented, reviewed and agreed to by all PepsiCo senior leadership, marketing, sales and legal teams, as well as its marketing agency partners.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that PepsiCo met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

### (1) Measured and Online Media, including Company-owned Websites

ASC's review of the company's media plans and compliance report for all products indicates that there was no advertising primarily directed to children under 12 in measured media.

### (2) Use of Product in Interactive Games

PepsiCo did not direct any interactive games to children under 12 years of age.

### (3) Use of Third-party Licensed Characters

PepsiCo did not purchase or utilize any third-party licensed characters for the purpose of advertising directed to children under 12.

### (4) Product Placement

PepsiCo did not seek or pay for product placement in any medium primarily directed to children under 12.

### (5) Advertising in Elementary Schools

PepsiCo did not engage in any advertising in elementary or middle schools.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

## 15 UNILEVER CANADA INC.

### Commitment Summary<sup>†</sup>

- Committed to not advertise any products in measured media directly to children under 12.

### Implementation Date

- December 31, 2008

### Implementation Activities

Unilever communicated its Commitment to all affected internal and agency stakeholders.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Unilever met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

### (1) Measured and Online Media, including Company-owned Websites

ASC's review of the company's media plans and compliance report for all products indicates that there was no advertising primarily directed to children under 12 in measured media.

### (2) Use of Product in Interactive Games

No interactive games were used by Unilever Canada Inc. While it can be accessed in Canada, the website [www.popsicle.com](http://www.popsicle.com) is not directed to Canadians and is not promoted or controlled by Unilever Canada Inc.

### (3) Use of Third-party Licensed Characters

Unilever did not use any third-party licensed characters in any advertising primarily directed to children under 12.

### (4) Product Placement

Unilever did not pay for, or actively seek to place its products in, the program/editorial content of any medium directed primarily to children under the age of 12.

### (5) Advertising in Elementary Schools

Unilever did not engage in any advertising in elementary schools.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).

## 16 WESTON BAKERIES LIMITED

### Commitment Summary<sup>†</sup>

- Committed that 100% of advertising in measured media and on company-owned websites primarily directed to children under 12 would be for healthier choice products, specifically the Wonder+ and Wonder+ Headstart products.

### Implementation Date

- March 31, 2008

### Implementation Activities

The company's Commitment was outlined orally or in writing to all media buyers and agencies retained to work with the company during the reporting period.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent monitoring, ASC concluded that Weston Bakeries met its Commitment obligations for the reporting period from January 1 through December 31, 2008.

#### (1) Measured and Online Media, including Company-owned Websites

ASC's review of the company's media plan and compliance report indicates that all brands advertised directly to children under 12 during the reporting period were better-for-you products as defined in the company's Commitment.

#### (2) Use of Product in Interactive Games

Only better-for-you products were used in interactive games directed to children under 12 years of age.

#### (3) Use of Third-party Licensed Characters

Weston Bakeries did not use any third-party licensed characters in any advertising for Wonder+ and Wonder+ Headstart primarily directed to children under 12.

#### (4) Product Placement

Weston Bakeries did not seek or pay for product placement in any medium primarily directed to children under 12.

#### (5) Advertising in Elementary Schools

Weston Bakeries did not engage in any advertising in elementary schools during the reporting period.

#### (6) Other

The company is an official supplier to the 2010 Winter Olympic Games in Vancouver. The company advertised during the Beijing Summer Olympics, running inspirational, parent-directed commercials that depicted children participating in Olympic sports.

The company also advertises its Wonder+ Fresh Fitness Challenge, which does not focus on any product messages nor encourage product purchase in any way. Instead, it focuses on exciting children and parents about the upcoming Challenge. This program is optional and free of charge for any schools that wish to participate.

<sup>†</sup> For complete information on this Commitment see [www.adstandards.com/en/childrensinitiative/participantcommitments.html](http://www.adstandards.com/en/childrensinitiative/participantcommitments.html).



# V

## Conclusions and Going Forward

The first year of the CAI has clearly shown that the Participants have taken their Commitments very seriously. This involved ensuring that all key company personnel understand that adhering to the respective Commitments is a high corporate priority. The principles and values underlying the Commitments were also communicated to and embraced by the Participants' partners, including advertising agencies and media organizations. Nonetheless, implementation of the Commitments was challenging, and required Participants to think differently about marketing opportunities and activities they may previously have considered. The importance that Participants placed on complying with their Commitments, and their continuing diligence, ensured that they successfully met and even exceeded the original CAI requirements.

As part of their Commitment to the core principles of the CAI, as well as their corporate and global objectives, Participants elected to either:

- No longer advertise directly to children under 12; or
- Advertise to children under 12 only products meeting the nutrition criteria outlined in their individual Commitments.

From the outset of the CAI, all Participants that engaged in child-directed advertising exceeded the CAI's baseline requirement by committing that 100% of their advertising (rather than the minimum 50% required for participation) would be for products that meet the CAI standards. Also, while the original requirement called for products to meet at least one criterion, all Participants that advertise directly to children under 12 do so for products that meet at least two of the CAI criteria<sup>10</sup>.

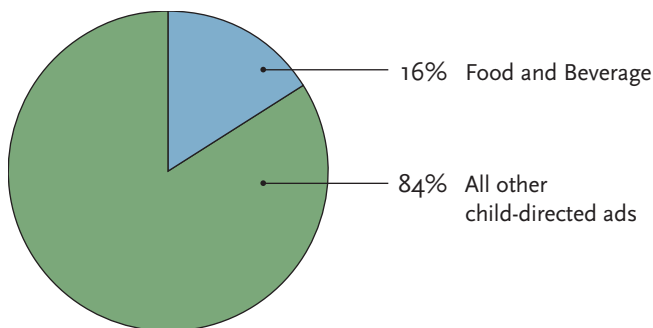
As participation in the CAI is voluntary, a high degree of compliance by the Participants was anticipated and achieved. Only two compliance issues were uncovered. These were inadvertent, and immediately corrected by the Participants concerned.

Many of the products covered under the CAI, and those that account for the bulk of CAI Participants' child-directed advertising, are in categories such as breakfast cereals, soups, cheese products and bread. These categories are part of the grain products or milk and alternatives food groups, which provide important sources of nutrients for children. In particular, it has long been established that there is an important and positive link between a healthy breakfast (of which many of these products may be a part) and better performance in school<sup>11</sup>.

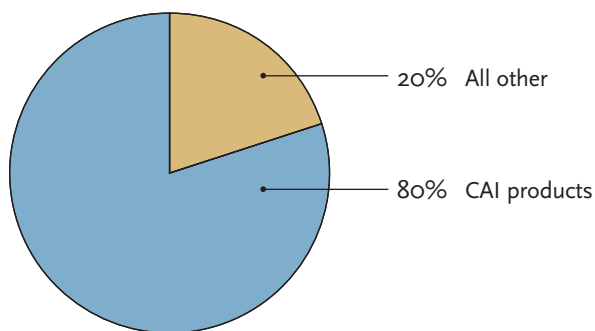
<sup>10</sup> Summary chart in Section III

<sup>11</sup> [www.dietitians.ca/child/pdf/backgroundunder.pdf](http://www.dietitians.ca/child/pdf/backgroundunder.pdf)

Because television is still the primary medium used by advertisers, ASC conducted a spot check after the first full year of implementation of the CAI to obtain a snapshot of the children's television advertising landscape. In early 2009, ASC continuously monitored child-directed television advertising for four days on each of four Canadian channels that broadcast programming specifically directed to the under-12 audience. ASC's analysis revealed that television advertising spans many categories of child-directed products, including toys, video games, on-line games, DVDs, in-theatre movies and party locations, as well as food and beverages. Of all the advertising viewed on the four channels during children's time, less than one-fifth (16%) was for food and beverages.



Further, almost 80% of this food and beverage advertising was for products covered under the CAI<sup>12</sup>.



Going forward, ASC will focus on four goals:

- First, while the reach of the CAI is already substantial – now including 18 Participants from the inaugural 16 – ASC will continue to focus on expanding the number of Participants;
- Second, ASC will continue to monitor developments in nutrition science and government policies/guidelines to assist Participants in ensuring that CAI's standards and criteria remain current and relevant;
- Third, ASC will continue to consider feedback from all stakeholders – non-governmental organizations, public, media, government and industry – on the CAI and its progress; and
- Finally, recognizing that parents are the primary gate-keepers of the food and beverage products that their children consume, ASC will work with Concerned Children's Advertisers to provide links to relevant media literacy tools parents can use as initial discussion points with their children via the CAI website.

<sup>12</sup> ASC independent monitoring

## Exhibit 1

# Summary Table of Participants'† Nutrition Criteria per Serving Size

Company	Product	Participant Specific Nutrition Criteria							Other Nutrition Criteria				
		Calories Kcal	Saturated Fat g	Trans Fat g	Total Fat g	Sodium Mg	Sugars g	≤ 25% Reduction vs. Reference Food <sup>1</sup>					
Campbell	Soup					≤ 650		Low fat	Source of vitamin A, C, iron, calcium, folate or fibre. Meets Heart & Stroke Foundation's <i>Health Check</i> <sup>TM</sup>				
	Snack Crackers		≤ 2	0	≤ 35% of cal.		≤ 1		In line with <i>Canada's Food Guide</i>				
General Mills								Minimum for at least one category					
	Cereals & Snacks	175	2 (sat + trans)		3	230	12**	2	5	5	5	5	
Kellogg	Cereals & Snacks	200	2	0		230	12**						
	Eggo products	200	2	0		460*	12						
Kraft Canada <sup>††</sup>	Kool-Aid	30					8		Excellent source of vitamin C				
	Honeycomb cereal	120	0.2		1	130	10		Low in fat. Source of fibre				
	Kraft Dinner (original)	210	1		2	410	7		Source of calcium, iron, protein and 5 other essential nutrients				
	Del Monte Juice Grab 'n Go	100				20	22		Excellent source of vitamin C				
	Ritz Bits Cheese sandwiches	90	1.5	0.1	4	180	3	33% less fat than original	Contains 3g of whole grains				
McDonald's	Kids Meal	≤ 600	≤ 10% of cal.		≤ 35% of cal.		≤ 25% total by weight						
Nestlé	Nesquik 25% or 1/3 less sugar	In addition to sugar criteria, this product meets all Nestlé Profiling System criteria for public health sensitive nutrients.						25% less sugar 1/3 less sugar	In line with <i>Canada's Food Guide</i> and various health or biological role claims				
Parmalat	Cheese								In line with <i>Food and Drugs Act</i> . Source of calcium, protein, vitamin A				
Weston Bakeries	Wonder+ 100% whole wheat								Contains 100% whole grains				
	Wonder+ Headstart								Benefits of Omega-3 DHA				

<sup>1</sup> Reference amount is a specific regulated quantity of a type of food, established by Health Canada, usually eaten by an individual at one sitting.

\* Eggo products guideline is 460 g per serving as these products are served as a main dish.

\*\* Excluding naturally occurring

† Companies engaging in advertising primarily directed to children under 12 as of their Commitment implementation date.

†† Products represent sample SKU; there are slight variances between SKUs.

## Exhibit 2

# Summary Table of Participants' Definitions of Advertising Directed Primarily to Children Under 12 Years of Age

	DEFINITION
<b>Cadbury</b>	<p>All media: consideration of the age group to which the creative is designed to target or appeal</p> <p>Television:</p> <ul style="list-style-type: none"> <li>Majority of audience of program in which the advertising is featured consists of children under 12 according to BBM Nielsen</li> </ul> <p>Radio:</p> <ul style="list-style-type: none"> <li>Majority of listening audience of programming in which advertising is featured consists of children under 12 according to BBM Nielsen</li> </ul> <p>Print:</p> <ul style="list-style-type: none"> <li>Majority of readers of publication in which advertising is featured consists of children under 12</li> </ul> <p>Internet:</p> <ul style="list-style-type: none"> <li>At least 50% of estimated impressions of online advertising would reach children under 12</li> </ul>
<b>Campbell</b>	<p>For all media:</p> <ul style="list-style-type: none"> <li>Those programs with a child audience composition that is over three times the proportion of that age group in the general population (composition index exceeding 300)</li> </ul>
<b>Coca-Cola</b>	<p>Advertising in any medium where one or more of the following conditions are present:</p> <ul style="list-style-type: none"> <li>The users of the particular medium are solely, or substantially, children;</li> <li>The message is presented in such a way that it appeals directly to children; or</li> <li>In the case of television, the commercial message appears during, just before or just after a program that, according to the broadcaster, is targeted to the under-12 audience</li> </ul>
<b>General Mills</b>	<p>For all media:</p> <ul style="list-style-type: none"> <li>Any program where 35% or more of the total audience is under 12 years of age</li> </ul>
<b>Hershey's</b>	<p>For all media:</p> <ul style="list-style-type: none"> <li>30% or more of the annual audience on average is composed of children under 12</li> </ul> <p>For unmeasured Internet:</p> <ul style="list-style-type: none"> <li>Hershey will refrain from including subject matter, graphics, language and features that are targeted to or specifically appeal primarily to children under 12</li> </ul>
<b>Janes</b>	<p>Commercial messages for a product in any medium where one or more of the following conditions are present:</p> <ul style="list-style-type: none"> <li>The users of the particular medium or audience of the program are solely, or substantially, children;</li> <li>The message is presented in such a way that it appeals directly to children; or</li> <li>In the case of television, the commercial message appears during, just before or just after a program that, according to the broadcaster, is targeted to the under-12 audience</li> </ul>
<b>Kellogg</b>	<p>Television, radio or non-Kellogg/third-party Internet media:</p> <ul style="list-style-type: none"> <li>50% (reduced to 35% by December 31, 2008) or more of the projected audience is composed of children under 12</li> </ul> <p>Print:</p> <ul style="list-style-type: none"> <li>Publications specifically designed to appeal to, or which are targeted primarily to, children under 12</li> </ul>
<b>Kraft Canada</b>	<p>Television:</p> <ul style="list-style-type: none"> <li>Any program where 35% of the total audience is under 12</li> <li>Any program that falls within time periods traditionally thought of as "childrens' viewing time" (as designated by media providers), irrespective of the size of the child viewing audience</li> <li>Audience composition will be determined based on Nielsen reported average audience figures for the most recently completed four-quarter television season</li> </ul>

**Kraft Canada**

## Print:

- Individual publisher's decision to categorize their publications as "children's magazines" in Canadian Advertising Rates and Data (CARD)

## Internet:

- Any website where more than 35% of the total number of visitors are under 12. Total number of visitors will be determined based on average annual total visitor data as reported by ComScore

**Mars**

## Television and other media:

- The commercial message appears during, just before or after a program that, according to the broadcaster, at the time of the media buy is primarily intended for the under-12 audience;
- The program or vehicle involved includes content primarily directed to children under 12;
- The audience for the program, daypart, publication, website or other medium at the time of the media buy is expected to include more than 25% children under 12 on an annualized basis

**McCain**

## Commercial messages for a product in any medium where one or more of the following conditions are present:

- The users of the particular medium or audience of the program are solely, or substantially, children;
- The message is presented in such a way that it appeals directly to children; or
- In the case of television, the commercial message appears during, just before or just after a program that, according to the broadcaster, is targeted to the under-12 audience

**McDonald's**

- Media purchased according to Nielsen standard demographics for audiences under 12
- Advertising to children under 12 for Internet is based on ComScore estimates for measured websites or by site registration data

**Nestlé**

## Television, radio, print and Internet:

- Advertising directly to children under 12 will be determined by the respective broadcast/measurement entity for each medium

**Parmalat**

## Television:

- Any program traditionally considered to be children's programming for which 35% or more of the annual audience is composed of children under 12

## Radio:

- Any program for which 35% or more of the annual audience is composed of children under 12

## Print:

- Publications categorized by their publishers as "children's magazines" in Canadian Advertising Rates & Data (CARD)

## Internet:

- Websites for which 35% or more of the annual visitors are children under 12, as reported either by ComScore for measured websites, or by site registration data

**PepsiCo**

## Advertising in any media where one or more of the following conditions are present:

- The users of the particular medium are solely, or substantially, children;
- The message is presented in such a way that it appeals directly to children; or
- In the case of television, the commercial message appears during, just before or just after a program that, according to the broadcaster, is targeted to the under-12 audience

**Unilever**

## All media:

## Unilever will consider the following factors, no one of which will be controlling:

- Whether the specified medium in which the ad is placed is used primarily by children under 12;
- Whether the ad was intended/created to appeal primarily to children under 12; and
- For television ads, whether the ad appears during, just before or just after a program generally understood to be children's programming, considering the time of day during which the ad appears and the media outlet

**Weston Bakeries**

As determined by the respective broadcaster/measurement entity for each medium

## Appendix 1

# List of Products Included in Participants' Commitments

### **Cadbury Adams Canada Inc.**

None

### **Campbell Company of Canada**

*Goldfish* Pasta in Chicken Broth  
*Campbell's Goldfish* Tomato Splash  
*Campbell's Chicken NoodleO's*  
*Campbell's* Mega Noodles  
*Campbell's* Tomato  
*Pepperidge Farm Goldfish* Cheddar

### **Coca-Cola Ltd.**

None

### **General Mills Canada Corporation**

*Cinnamon Toast Crunch*  
*Lucky Charms*  
*Fruit Gushers*  
*Fruit by the Foot*  
*Fruit Shapes*  
*Dunkaroos* Chocolatey Chip  
*Dunkaroos* Cinnamon Graham  
Cookies  
*Fruit Roll-ups*

### **Hershey Canada Inc.**

None

### **Janes Family Foods Ltd.**

None

### **Kellogg Canada Inc.**

*Crispix Krispies* cereal  
*Corn Pops* cereal  
*Froot Loops* cereal  
*Froot Loops Smoothie* cereal  
*Kellogg's Frosted Flakes* cereal  
*Fun Pack* to go *Froot Loops* and  
*Corn Pops* cereal  
*Mini-Wheats* cereal (five flavours)  
*Rice Krispies* cereal  
*Rice Krispies* Vanilla flavour cereal  
*Rice Krispies* Cocoa cereal  
*Rice Krispies Squares* bars  
(three varieties)  
*Pop-Tarts* pastries  
*Yo-Gos Bits* snacks  
*Yo-Gos Rollers* snacks  
*Eggo* frozen breakfast products  
(10 varieties)

### **Kraft Canada Inc.**

*Kool-Aid Singles* beverages  
*Kool-Aid Jammers*  
*Kool-Aid Sugar Free* drink mix  
*Del Monte* Juice  
*Honeycomb* cereal  
*Kraft Dinner* macaroni and cheese  
*Ritz Bits* Cheese sandwiches

### **Mars Canada Inc.**

None

### **McCain Foods (Canada)**

None

### **McDonald's Restaurants of Canada Limited**

Four-piece *Chicken McNuggets*  
*Happy Meal* with 1% white milk  
and apple slices with caramel dip  
Hamburger *Happy Meal* with 1%  
white milk and apple slices with  
caramel dip

### **Nestlé Canada Inc.**

*Nesquik* one-third less sugar  
*Nesquik* 25% less sugar

### **Parmalat Canada**

*Black Diamond Cheestrings* (three  
flavours)  
*Black Diamond Ficello* Smart Growth  
Stringable Cheese

### **PepsiCo Canada ULC**

None

### **Unilever Canada Inc.**

None

### **Weston Bakeries Limited**

*Wonder+* brands

## Appendix 2

# List of Child-Directed Company-Owned Websites

### **Cadbury Adams Canada Inc.**

None

### **Campbell Company of Canada**

[www.pfgoldfish.com](http://www.pfgoldfish.com)

### **Coca-Cola Ltd.**

None

### **General Mills Canada Corporation**

None

### **Hershey Canada Inc.**

None

### **Janes Family Foods Ltd.**

None

### **Kellogg Canada Inc.**

[www.frostedflakes.ca](http://www.frostedflakes.ca)

[www.getyourmoveon.ca](http://www.getyourmoveon.ca)

[www.eggo.ca](http://www.eggo.ca)

[www.poptarts.ca](http://www.poptarts.ca)

[www.frootloops.ca](http://www.frootloops.ca)

[www.missionnutrition.ca](http://www.missionnutrition.ca)

### **Kraft Canada Inc.**

[www.bekool.ca](http://www.bekool.ca)

[www.beeboy.org](http://www.beeboy.org)

### **Mars Canada Inc.**

None

### **McCain Foods**

None

### **McDonald's Restaurants of Canada Limited**

[www.happymeal.com](http://www.happymeal.com)

### **Nestlé Canada Inc.**

[www.nesquik.ca](http://www.nesquik.ca)

### **Parmalat Canada**

[www.cheestrings.ca](http://www.cheestrings.ca)

### **PepsiCo Canada ULC**

None

### **Unilever Canada Inc.**

None

### **Weston Bakeries Limited**

[www.wonderbread.ca](http://www.wonderbread.ca)

## Appendix 3

# Canadian Children's Food and Beverage Advertising Initiative Reference Document

## April 16, 2007

### OUR VISION

The food and beverage industry in Canada is committed to advertising and marketing products to Canadian children in a responsible way to help prepare them to make wise decisions about healthy dietary choices and healthy lifestyles. We recognize that the special nature and needs of children requires particular care and diligence on the part of advertisers

### OUR COMMITMENT

The food and beverage industry plays a significant role in supporting the health of Canadians, especially children. Accordingly, companies participating in this initiative are committed to follow one or both of these practices:

- Use their creativity and marketing activities to promote and support healthy dietary choices and healthy lifestyles to children under 12 years of age.
- Shift their children's advertising and marketing emphasis to foods and beverages that are consistent with the principles of sound nutrition guidance, including those that are lower in total calories, fats, salt and added sugars and higher in nutrients that are significant to public health.

These commitments will be realized through the means set out in the following pages.

### CHARTER PARTICIPANTS

Cadbury Schweppes	Kraft Canada Inc.
Campbell Company of Canada	McCain Foods (Canada )
Coca-Cola Ltd.	McDonald's Canada
General Mills Canada, Corporation	Nestle Canada Inc.
Hershey Canada	Parmalat Canada Inc.
Janes Family Foods	PepsiCo Canada
Kellogg Canada Inc.	Unilever Canada
	Weston Foods Canada

#### Advertising messaging and content

Participants will devote at least 50%<sup>13</sup> of their television, radio, print and internet advertising directed primarily to children under 12 years of age<sup>14</sup> to further the goal of promoting healthy dietary choices and healthy lifestyles. This will be achieved in one of the following ways (or some combination of each):

- By advertising products that represent healthy dietary choices in accordance with company developed standards that are consistent with established scientific and/or government standards. Examples of standards include:
  - Foods that reflect the principal advice of Canada's *Food Guide* particularly foods that meet the criteria for nutrient content claims including "free" or "low" claims for calories as well as fat, saturated fat, trans fat, sugar, salt as per the Canadian Food Inspection Agency *Guide to Food Labelling and Advertising*
  - Foods that meet the criteria for diet-related health claims or biologic role claims as per the CFIA *Guide to Food Labelling and Advertising*

<sup>13</sup> This minimum percentage may be increased over time.

<sup>14</sup> Measured in media impressions at the time the advertising is purchased, as determined by reliable third party data such as BBM Nielsen ratings for TV and radio, ComScore for Internet, PMB (Print Measurement Bureau) data for magazines, Nadbank for newspapers, COMB (Canadian Outdoor Measured Bureau) for outdoor and others. The 50% commitment will be calculated separately for each advertising medium. Measurement of advertising on company-owned websites will be determined in accordance with standards established as part of the company's commitment.



- Foods that meet the criteria for healthy eating claims as per CFIA's *Guide to Food Labelling and Advertising*
- Foods that meet the standards for participating in the Heart & Stroke Foundation's *Health Check™* program

By advertising that prominently includes healthy lifestyle messages designed to appeal to children, such as messages that:

- encourage physical activity
- encourage good dietary habits, consistent with established scientific and/or government standards such as Canada's *Food Guide* or Canada's *Physical Activity Guide for Children*
- focus on portion controlled options
- appeal specifically to children under the Long Live Kids! social marketing initiative encouraging children to eat smart, move more and be media wise
- promote government healthy active living initiatives

#### Use of Products in Interactive Games

Participants will commit that, in any interactive game primarily directed to children under 12 where the company's food or beverage products are incorporated into the game, the interactive game must incorporate or be accompanied by products representing healthy dietary choices or healthy lifestyle messaging as set out above.

#### Use of Licensed Characters

While the use of licensed characters is already restricted in children's broadcast advertising<sup>15</sup>, participants will also commit to reduce their use of third-party licensed characters in advertising that appears in other media primarily directed to children under 12<sup>16</sup>, if such advertising does not otherwise comply with the messaging and content options set out above. Each participating company in its commitment statement will identify the percentage reduction in its use of licensed characters.

#### Product Placement

Participating companies will commit to not paying for or actively seeking to place their food or beverage 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.

#### Advertising in Schools

Participating companies will remain committed to adhering to standards established by schools individually and by school boards overall. Furthermore, participants will commit to not advertising food or beverage products in elementary schools.<sup>17</sup>

#### Implementation

Each participating company will formalize and publish an individual plan, commitment details, and implementation schedule approximately 6 months following the formal announcement of the Children's Food and Beverage Advertising Initiative.

#### Auditing and Enforcement

The plans for each participating company, including their specific commitments that identify the healthy dietary choices criteria, will be established in consultation with Advertising Standards Canada (ASC) under a new program administered by ASC.

ASC will be responsible for auditing commitments by participating companies. In order to confirm compliance by participating companies, auditing will include the review of advertising materials, product information, and media impression information (see footnote 2 above) submitted to ASC on a confidential basis.

ASC will publish annual compliance reports identifying those companies that meet/exceed their commitments as well as those who have failed to do so. ASC will also respond to all public inquiries relating to these reports.

<sup>15</sup> Broadcast Code for Advertising to Children – Clause 7: Promotion by Program Characters, Advertising-Generated Characters, and Personal Endorsements.

<sup>16</sup> This commitment does not extend to the use of licensed characters on packaging, provided the packaging does not appear in advertising directed to children under 12. This limitation will not apply to the use of company-created/owned characters.

<sup>17</sup> This limitation will not apply to displays of food and beverage products, charitable /not-for-profit activities including fundraising, public service messaging and educational programs.

## Appendix 4

FOR IMMEDIATE RELEASE

### CAI Media Release - April 16, 2007

## Canada's Food And Beverage Industry Unveils Integrated Children's-focused Initiatives:

### *New Social Marketing Campaign and Advertising Commitment Focused on Healthy Active Living*

Toronto, ON., April 16 – Today Canada's food and beverage industry announced three significant initiatives that will affect the landscape for advertising and marketing directed to children under 12. Joined by the Minister of Health, the Hon. Tony Clement, Concerned Children's Advertisers (CCA), Food & Consumer Products of Canada (FCPC) and Advertising Standards Canada (ASC) laid out the unique, integrated approach Canada is taking to help children and their families make wise choices related to healthy eating and active living.

- Among today's announcements is the launch of a new social marketing initiative developed by CCA, which includes two new Long Live Kids television PSAs addressing healthy eating and physical activity.
- Under the new *Canadian Children's Food & Beverage Advertising Initiative*,<sup>15</sup> leading Canadian food and beverage companies will devote at least 50 per cent of their ads directed to children under 12 toward the promotion of healthy dietary choices ("healthier for you" products) and/or health active living messages. In support of this industry has announced that it will create a transparent, accountable compliance auditing process whereby Advertising Standards Canada, the independent advertising self-regulatory body, will publish the commitments made by the participating companies, audit their compliance and publicly report on the results on an annual basis.
- Additionally, new interpretation guidelines for children's food and beverage advertising have been added to the *Broadcast Code for Advertising to Children* and the *Canadian Code of Advertising Standards*.

"On behalf of the government of Canada, I would like to congratulate industry for taking steps to help enhance the self-regulatory measures that are currently in place. I am

very encouraged to see the extent to which industry consulted all stakeholders including public health experts, NGOs, government and academics to arrive at this unique collaboration that both educates and safeguards children," said Minister Tony Clement, the Minister of Health. "The Standing Committee on Health made reference to further study in this area. Today industry is moving beyond looking at the issue to taking action that will be both measurable and accountable."

### **LONG LIVE KIDS – A SOCIAL MARKETING PROGRAM FOR THE HEALTH OF CHILDREN**

Part of a multi-faceted social marketing, education and media literacy program created by CCA, Long Live Kids includes a series of child-directed television public service announcements, a new online workshop for parents and educators, real life workshops by leading Canadian educator Linda Millar, as well as curriculum and community resources for children in grades K – 8. CCA's 'research-driven' and 'kid validated' programs focus on helping children to make wise media, and life choices today and in the future, including helping them to develop a critical thinking filter around all media. The first Long Live Kids television PSA launched in 2004 (called "Health Rock"), reached 96 per cent of Canadian children and 83 per cent of those aware of the PSA agreed that it would make them stop and think about their food and activity choices, further 61 per cent reported it will make them act differently.

"An announcement of this scope and scale is only possible with a great deal of will and collaboration. The real power of today is that 16 leading Canadian health, education and

community NGO's have come together, with government and industry, to inform and enable change for the health of Canadian children. In addition to responsible advertising practices, social marketing, education and media literacy have been identified as critical tools necessary to support healthy lifestyles for our children. We are very pleased to be announcing this next phase. Combining changes to advertising practices with enhanced social marketing and education initiatives makes Canada's approach truly unique and powerful," said Cathy Loblaw, President, CCA.

## LEVERAGING ADVERTISING AND MARKETING RESOURCES: THE CANADIAN CHILDREN'S FOOD & BEVERAGE ADVERTISING INITIATIVE

Under the new *Canadian Children's Food & Beverage Advertising Initiative*, 15 Canadian companies including: Cadbury Schweppes, Campbell, Coca-Cola Ltd., General Mills, Hershey, Jane's Family Foods, Kellogg, Kraft., McCain Foods, McDonald's, Nestle, Parmalat, PepsiCo, Unilever and Weston Foods will devote at least 50 per cent of their television, radio, print and internet advertising directed primarily to children under 12 years of age to further the goal of promoting healthy dietary choices and/or healthy active living beginning January 2008. Each participating company will also formalize and publish an individual plan that sets out how their commitments will be achieved. ASC will act as the independent third party administrator - publishing the commitments made by the participating companies, auditing participant compliance, and publicly reporting on the results. In effect these companies will be shifting the emphasis of their children's advertising and marketing to healthy active living messages and/or foods and beverages that are consistent with the principles of sound nutrition guidance, including those that are lower in total calories, fats, salt and added sugars and higher in nutrients that are significant to public health.

"The food and beverage industry is well aware of the global, and Canadian, concerns around childhood obesity and are committed to bringing industry's resources to the

table to help address a complex societal and public health issue. Several years ago, industry set out to bring forward meaningful changes that leveraged the strength of Canada's existing system while integrating recommendations from Canadian and international issue experts including the International Institute of Medicine (IOM). Today industry is unveiling a comprehensive initiative not only on TV but in key areas of interest including the Internet, entertainment media, in schools and through the use of licensed characters. It's a natural evolution that builds on the food industry's extensive efforts in the area of product reformulation as well as packaging and portion-size innovation," said Nancy Croitoru, President and CEO, FCPC.

"We are pleased to see that industry has used established standards such as Canada's Food Guide and the Heart and Stroke Health Check program to guide the dietary recommendations as it relates to its commitment," said Sally Brown, CEO of the Heart and Stroke Foundation. "There remains much that can be done to help address the issue of obesity in Canada; industry's efforts around product reformulation combined with this powerful advertising commitment are positive steps forward that we will continue to monitor and encourage."

## STRENGTHENING THE SYSTEM TO PROTECT KIDS

As it stands today, Canada has one of the strongest frameworks in the world for regulating advertising to children. Canada's system for regulating children's food and beverage commercials starts with government regulations under the *Food and Drugs Act*. Additionally, children's food and beverage commercials are subject to the requirements of the Canadian Association of Broadcasters' *Broadcast Code for Advertising to Children*. Adherence to this broadcast code, including preclearance of each children's commercial by a committee that includes industry and parent representatives, is a condition of broadcast license by the Canadian Radio-television and Telecommunications Commission. Canada's self-regulatory system also

includes a rigorous system for responding to consumer complaints about advertisements under the provisions of *Canadian Code of Advertising Standards*, which covers all media.

Today's announcement strengthens the advertising framework by adding new Interpretation Guidelines. Published today, and effective in September of this year, both the *Broadcast Code for Advertising to Children* and the *Canadian Code of Advertising Standards*, which covers all media, will be enhanced with provisions that encompass healthy child development and appropriate food and beverage consumption. These Interpretation Guidelines will help ensure that advertising to children encourages responsible product use, and that the amount of food shown being consumed does not exceed an appropriate single serving size. "ASC will ensure that the Canadian Children's Food & Beverage Advertising Initiative is both accountable and transparent to the Canadian public," said Linda J. Nagel, ASC President and CEO.

Advertising Standards Canada (ASC) is the national advertising industry self-regulatory body committed to creating and maintaining community confidence in advertising. ASC members – leading advertisers, advertising agencies, media, and suppliers to the advertising industry – are committed to supporting responsible and effective advertising self-regulation. A non-profit organization, ASC administers the *Canadian Code of Advertising Standards*, the principal instrument of advertising self-regulation in Canada, and a national mechanism for accepting and responding to consumers' complaints about advertising. Complaints are adjudicated by independent volunteer

councils, and ASC reports to the community on upheld complaints in its quarterly *Ad Complaints Report*. Through ASC Clearance Services, ASC provides advertising copy review to ensure compliance in five regulated categories. ASC is celebrating its 50th anniversary in 2007.

Concerned Children's Advertisers (CCA) is a non-profit organization of 22 member companies, supported by over 40 partner companies and governments, issue experts and NGOs, that work together to contribute positively to the media and life issues that affect children. For over 17 years, Concerned Children's Advertisers has been giving Canadian children tools to be media and life wise through its award-winning public service announcements and education programs.

Food & Consumer Products of Canada (FCPC) is the largest industry association representing Canadian-operated food and consumer product companies that make and market retailer and national brands sold through retail and foodservice outlets. In 2005, the industry employed approximately 300,000 Canadians across the country, making it the largest employer in the Canadian manufacturing sector, and generated \$24 billion annually in GDP (13% of the Manufacturing Gross Domestic Product).

On an annual basis, the industry donates an estimated \$100 million in cash donations to charitable causes and over 5 million bags of groceries to food banks in Canada. The industry has a record of embracing world-class regulatory standards and is governed by 442 federal and provincial pieces of legislation, as well as thousands of regulations and self-imposed standards.

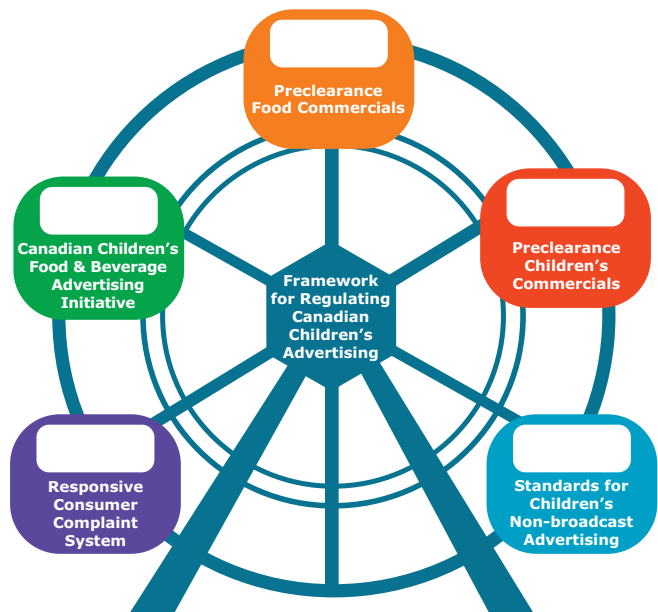
## Appendix 5

# Framework for Regulating Children's Advertising in Canada<sup>††</sup>

### OVERVIEW

Canada has a robust framework for regulating children's advertising, including both regulatory and self-regulatory components. Children's food and beverage commercials are subject to the Canadian Association of Broadcasters' *The Broadcast Code for Advertising to Children (Children's Broadcast Code)*. Adherence to the *Children's Broadcast Code*, which requires preclearance of each children's commercial by ASC's Children's Clearance Committee in advance of airing, is a condition of broadcast licence by the Canadian Radio-television and Telecommunications Commission (CRTC). In accordance with the provisions of the *Children's Broadcast Code*, the Children's Clearance Committee includes industry and parent representatives, as well as a CRTC representative. In addition, prior to broadcast, each children's food and beverage commercial undergoes a separate technical review to ensure compliance with the applicable provisions of the federal *Food and Drugs Act and Regulations* and the Canadian Food Inspection Agency's *Guide to Food Labelling and Advertising*.

Canada's self-regulatory system also includes a rigorous system for responding to consumer complaints about advertisements in all media, including the Internet, under the provisions of *Canadian Code of Advertising Standards (Code)*, which covers all media. The *Code* and its Interpretation Guidelines include special provisions regarding advertising to children.



<sup>††</sup> The Quebec *Consumer Protection Act* prohibits advertising in that province to children under 13.

## EXCERPTS FROM THE CANADIAN ASSOCIATION OF BROADCASTERS' THE BROADCAST CODE FOR ADVERTISING TO CHILDREN

### II. THE CODE

#### 1. Definitions

(a) "Children's Advertising" refers to any paid commercial message that is carried in or immediately adjacent to a children's program. Children's advertising also includes any commercial message that is determined by the broadcaster as being directed to children and is carried in or immediately adjacent to any other program.

(b) Children – "Children" refers to persons under 12 years of age.

(c) A Child Directed Message – "A child directed message" refers to a commercial message on behalf of a product or service for which children are the only users or form a substantial part of the market as users, and the message (i.e. language, selling points, visuals) is presented in a manner that is directed primarily to children.

(d) Children's Program – A "children's program" refers to a program that is directed to the under-12 audience, as defined by the broadcaster.

(e) Commercial Message – A "commercial message" has the same meaning as that defined in the Television Broadcasting Regulations, 1987.

(f) Premium – A "premium" is anything offered with or without additional cost, and is conditional upon the purchase of the advertiser's regular product or service.

(g) The Code – This Code shall be known as "The Broadcast Code for Advertising to Children" and shall hereinafter be referred to as "the Code".

#### 2. Jurisdiction

All Children's advertising must conform to the Code, be

precleared in accordance with the procedures set out from time to time by the ASC and have the requisite ASC clearance number.

#### 3. Factual Presentation

(a) No children's advertising may employ any device or technique that attempts to transmit messages below the threshold of normal awareness.

(b) Written, sound, photographic and other visual presentations must not exaggerate service, product or premium characteristics, such as performance, speed, size, colour, durability, etc.

(c) The relative size of the product must be clearly established.

(d) When children's advertising shows results from a drawing, construction, craft or modelling toy or kit, the results should be reasonably attainable by an average child.

(e) The words "new", "introducing", "introduces" or similar words may be used in the same context in any children's advertising for a period of up to one year only.

#### 4. Product Prohibitions

(a) Products not intended for use by children advertised either directly or through promotions that are primarily child-oriented.

(b) Drugs, proprietary medicines and vitamins in any pharmaceutical form, with the exception of children's fluoride toothpastes.

#### 5. Avoiding Undue Pressure

(a) Children's advertising must not directly urge children to purchase or urge them to ask their parents to make inquiries or purchases.

(b) Direct response techniques that invite the audience to purchase products or services by mail or telephone are prohibited in children's advertising.

(c) In children's advertising which promotes premiums or contests, the product must receive at least equal emphasis. Promotion of the premium or contest must not exceed one-half of the commercial time. In promoting contests which have an age restriction that excludes children, this must be made clear orally or visually.

## 6. Scheduling

(a) The same commercial message or more than one commercial message promoting the same product cannot be aired more than once in a half-hour children's program. In children's programs of longer duration, the same commercial message or more than one commercial message promoting the same product must not appear more than once in any half-hour period.

(b) No station or network may carry more than four minutes of commercial messages in any one half-hour of children's programming or more than an average of 8 minutes per hour in children's programs of longer duration.

(c) In children's programs, only paid commercial messages are included in the four minutes per half-hour limitation. Promotions and public service announcements may occupy the time difference between the Code limit and the CRTC regulation limit. Broadcasters will, however, consider the appropriateness of the content of public service announcements before scheduling in children's programs.

(d) For the purposes of this section, the time devoted to the broadcasting of a children's program includes any time devoted to a commercial message that is inserted within the program and/or immediately adjacent to the end of the program and also includes any time devoted to a child-directed commercial message inserted between the end of the program and the beginning of the following program.

## 7. Promotion by Program Characters, Advertiser-Generated Characters, and Personal Endorsements

(a) Puppets, persons and characters (including cartoon characters) well-known to children and/or featured on

children's programs must not be used to endorse or personally promote products, premiums or services. The mere presence of such well-known puppets, persons or characters in a commercial message does not necessarily constitute endorsement or personal promotion. (For example, film clips or animation are acceptable as a mood or theme-setting short introduction to commercial messages before presenting the subject of the commercial message itself.) These puppets, persons and characters may not handle, consume, mention or endorse in any other way the product being advertised.

(b) This prohibition does not apply to puppets, persons and characters created by an advertiser which may be used by advertisers to sell the products they were designed to sell as well as other products produced by the same advertiser or by other advertisers licensed to use these characters for promotional purposes.

(c) Professional actors, actresses or announcers who are not identified with characters in programs appealing to children may be used as spokespersons in advertising directed to children.

(d) Puppets, persons and characters well-known to children may present factual and relevant generic statements about nutrition, safety, education, etc. in children's advertising.

## 8. Price and Purchase Terms

(a) Price and purchase terms, when used, must be clear and complete. When parts or accessories that a child might reasonably suppose to be part of the normal purchase are available only at extra cost, this must be made clear in audio and video.

(b) The cost must not be minimized as by the use of "only", "just", "bargain price", "lowest price(s)", etc.

(c) The statement in audio, "it has to be put together" or a similar phrase in language easily understood by children must be included when it might normally be assumed that the article would be delivered assembled.

(d) When more than one toy is featured in a commercial message it must be made clear in audio and video, which toys are sold separately (this includes accessories).

### 9. Comparison Claims

(a) Commercial messages shall not make comparisons with a competitor's product or service when the effect is to diminish the value of other products or services.

(b) In the case of toys or children's possessions, comparisons should not be made with the previous year's model, even when the statements or claims are valid.

### 10. Safety

(a) Commercial messages, except specific safety messages, must not portray adults or children in clearly unsafe acts or situations (e.g. the use of flame or fire is not permitted in children's advertising).

(b) Commercial messages must not show products being used in an unsafe or dangerous manner. (e.g. tossing a food item into the air and attempting to catch it in the mouth, etc.)

### 11. Social Values

(a) Children's advertising must not encourage or portray a range of values that are inconsistent with the moral, ethical or legal standards of contemporary Canadian society.

(b) Children's advertising must not imply that possession or use of a product makes the owner superior or that without it the child will be open to ridicule or contempt. This prohibition does not apply to true statements regarding educational or health benefits.

#### *Interpretation Guidelines for Clause 11*

i. Child-directed messages for food products in broadcast advertising that are inconsistent with the pertinent provisions of the *Food and Drugs Act and Regulations*, or the

Canadian Food Inspection Agency's *Guide to Food Labelling and Advertising* shall be deemed to violate Clause 11 (Social Values) of the *Broadcast Code for Advertising to Children*. This Interpretation Guideline is intended, among other purposes, to ensure that advertisements representing mealtime clearly and adequately depict the role of the product within the framework of a balanced diet, and snack foods are clearly presented as such, not as substitutes for meals.\*

ii. Every "child-directed message" for a product or service should encourage responsible use of the advertised product or service with a view toward the healthy development of the child.\*\*

iii. Advertising of food products should not discourage or disparage healthy lifestyle choices or the consumption of fruits or vegetables, or other foods recommended for increased consumption in Canada's *Food Guide to Healthy Eating*, and Health Canada's nutrition policies and recommendations applicable to children under 12.\*\*

iv. The amount of food product featured in a "child-directed message" should not be excessive or more than would be reasonable to acquire, use or, where applicable, consume, by a person in the situation depicted.\*\*

v. If an advertisement depicts food being consumed by a person in the advertisement, or suggests that the food will be consumed, the quantity of food shown should not exceed the labelled serving size on the Nutrition Facts Panel (where no such serving size is applicable, the quantity of food shown should not exceed a single serving size that would be appropriate for consumption by a person of the age depicted).\*\*

Note: These Guidelines do not form part of the *Code*. They are intended to provide guidance regarding the interpretation and application of Clause 11 to food product advertising.

\* April 2004

\*\* September 2007



## 12. Substantiation Required

Where measurable claims are made regarding specific products - performance, safety, speed, durability, etc., the advertiser must be prepared on request to provide the Children's Advertising Section with evidence supporting such claims, and/or a sample of the product.

## 13. Assessment

Each commercial message shall be judged on its individual merit.

# EXCERPTS FROM THE CANADIAN CODE OF ADVERTISING STANDARDS

### 1. Accuracy and Clarity

(a) Advertisements must not contain inaccurate or deceptive claims, statements, illustrations or representations, either direct or implied, with regard to a product or service. In assessing the truthfulness and accuracy of a message, the concern is not with the intent of the sender or precise legality of the presentation. Rather, the focus is on the message as received or perceived, i.e. the general impression conveyed by the advertisement.

(b) Advertisements must not omit relevant information in a manner that, in the result, is deceptive.

(c) All pertinent details of an advertised offer must be clearly and understandably stated.

(d) Disclaimers and asterisked or footnoted information must not contradict more prominent aspects of the message and should be located and presented in such a manner as to be clearly visible and/or audible.

(e) Both in principle and practice, all advertising claims and representations must be supportable. If the support on which an advertised claim or representation depends is test or survey data, such data must be reasonably competent and reliable, reflecting accepted principles of research design and execution that characterize the current state of

the art. At the same time, however, such research should be economically and technically feasible, with due recognition of the various costs of doing business.

(f) The entity that is the advertiser in an advocacy advertisement must be clearly identified as the advertiser in either or both the audio or video portion of the advocacy advertisement.

### 2. Disguised Advertising Techniques

No advertisement shall be presented in a format or style that conceals its commercial intent.

### 3. Price Claims

(a) No advertisement shall include deceptive price claims or discounts, unrealistic price comparisons or exaggerated claims as to worth or value. "Regular Price", "Suggested Retail Price", "Manufacturer's List Price" and "Fair Market Value" are deceptive terms when used by an advertiser to indicate a savings, unless they represent prices at which, in the market place where the advertisement appears, the advertiser actually sold a substantial volume of the advertised product or service within a reasonable period of time (such as six months) immediately before or after making the representation in the advertisement; or offered the product or service for sale in good faith for a substantial period of time (such as six months) immediately before or after making the representation in the advertisement.

(b) Where price discounts are offered, qualifying statements such as "up to", "XX off", etc., must be in easily readable type, in close proximity to the prices quoted and, where practical, legitimate regular prices must be included.

(c) Prices quoted in advertisements in Canadian media, other than in Canadian funds, must be so identified.

### 4. Bait and Switch

Advertisements must not misrepresent the consumer's opportunity to purchase the goods and services at the

terms presented. If supply of the sale item is limited, or the seller can fulfil only limited demand, this must be clearly stated in the advertisement.

### 5. Guarantees

No advertisement shall offer a guarantee or warranty, unless the guarantee or warranty is fully explained as to conditions and limits and the name of the guarantor or warrantor is provided, or it is indicated where such information may be obtained.

### 6. Comparative Advertising

Advertisements must not, unfairly, discredit, disparage or attack other products, services, advertisements or companies, or exaggerate the nature or importance of competitive differences.

### 7. Testimonials

Testimonials, endorsements or representations of opinion or preference, must reflect the genuine, reasonably current opinion of the individual(s), group or organization making such representations, and must be based upon adequate information about or experience with the product or service being advertised, and must not otherwise be deceptive.

### 8. Professional or Scientific Claims

Advertisements must not distort the true meaning of statements made by professionals or scientific authorities. Advertising claims must not imply that they have a scientific basis that they do not truly possess. Any scientific, professional or authoritative claims or statements must be applicable to the Canadian context, unless otherwise clearly stated.

### 9. Imitation

No advertiser shall imitate the copy, slogans or illustrations of another advertiser in such a manner as to mislead the consumer.

### 10. Safety

Advertisements must not without reason, justifiable on

educational or social grounds, display a disregard for safety by depicting situations that might reasonably be interpreted as encouraging unsafe or dangerous practices, or acts.

### 11. Superstition and Fears

Advertisements must not exploit superstitions or play upon fears to mislead the consumer.

### 12. Advertising to Children

Advertising that is directed to children must not exploit their credulity, lack of experience or their sense of loyalty, and must not present information or illustrations that might result in their physical, emotional or moral harm.

Child-directed advertising in the broadcast media is separately regulated by the *Broadcast Code for Advertising to Children*, also administered by ASC. Advertising to children in Quebec is prohibited by the *Quebec Consumer Protection Act*.

### 13. Advertising to Minors

Products prohibited from sale to minors must not be advertised in such a way as to appeal particularly to persons under legal age, and people featured in advertisements for such products must be, and clearly seen to be, adults under the law.

### 14. Unacceptable Depictions and Portrayals

It is recognized that advertisements may be distasteful without necessarily conflicting with the provisions of this Clause 14; and the fact that a particular product or service may be offensive to some people is not sufficient grounds for objecting to an advertisement for that product or service.

Advertisements shall not:

- (a) condone any form of personal discrimination, including that based upon race, national origin, religion, sex or age;

- (b) appear in a realistic manner to exploit, condone or incite violence; nor appear to condone, or directly encourage, bullying; nor directly encourage, or exhibit obvious indifference to, unlawful behaviour;
- (c) demean, denigrate or disparage any identifiable person, group of persons, firm, organization, industrial or commercial activity, profession, product or service or attempt to bring it or them into public contempt or ridicule;
- (d) undermine human dignity; or display obvious indifference to, or encourage, gratuitously and without merit, conduct or attitudes that offend the standards of public decency prevailing among a significant segment of the population.

## INTERPRETATION GUIDELINE #2 TO THE CANADIAN CODE OF ADVERTISING STANDARDS

### INTERPRETATION GUIDELINE #2 – ADVERTISING TO CHILDREN

1.1 As used in Clause 12 of the *Code*, the phrase “advertising that is directed to children”, (advertising to children), includes a commercial message on behalf of a product or service for which children are the only users or form a substantial part of the market as users, and the message (i.e. language, selling points, visuals) is presented in a manner that is directed primarily to children under the age of 12.

1.2 Advertising to children that appears in any medium (other than the media specifically excluded under the *Code* from the definition “medium” and from the application of the *Code*), shall be deemed to violate Clause 12 of the *Code* if the advertising does not comply with any of the following principles or practices:

#### a. Food Product Advertising to Children

i. Food product advertising addressed to children must not be inconsistent with the pertinent provisions of the *Food*

*and Drugs Act and Regulations* and the Canadian Food Inspection Agency’s *Guide to Food Labelling and Advertising*. This *Code Interpretation Guideline* is intended, among other purposes, to ensure that advertisements representing mealtime clearly and adequately depict the role of the product within the framework of a balanced diet, and snack foods are clearly presented as such, not as substitutes for meals.

(April 2004)

#### b. Healthy Active Living

i. Advertising to children for a product or service should encourage responsible use of the advertised product or service with a view toward the healthy development of the child.

ii. Advertising of food products should not discourage or disparage healthy lifestyle choices or the consumption of fruits or vegetables, or other foods recommended for increased consumption in Canada’s *Food Guide to Healthy Eating*, and in Health Canada’s nutrition policies and recommendations applicable to children under 12.

#### c. Excessive Consumption

i. The amount of product featured in food advertising to children should not be excessive or more than would be reasonable to acquire, use or, where applicable, consume, by a person in the situation depicted.

ii. If an advertisement depicts food being consumed by a person in the advertisement, or suggests that the food will be consumed, the quantity of food shown should not exceed the labelled serving size on the Nutrition Facts Panel (where no such serving size is applicable, the quantity of food shown should not exceed a single serving size that would be appropriate for consumption by a person of the age depicted).

#### d. Factual Presentation

i. Audio or visual presentations must not exaggerate service, product or premium characteristics, such as performance, speed, size, colour, durability, etc.

- ii. The relative size of the product must be clearly established.
- iii. When showing results from a drawing, construction, craft or modelling toy or kit, the results should be reasonably attainable by an average child.
- iv. The words “new”, “introducing”, “introduces” or similar words may be used in the same context in any children’s advertising for a period of up to one year only.

#### **e. Product Prohibitions**

- i. Products not intended for use by children may not be advertised either directly or through promotions that are primarily child-oriented.
- ii. Drug products, including vitamins, may not be advertised to children, with the exception of children’s fluoride toothpastes.

#### **f. Avoiding Undue Pressure**

- i. Children must not be directly urged to purchase or to ask their parents to make inquiries or purchases.

#### **g. Price and Purchase Terms**

- i. Price and purchase terms, when used in advertising directed to children, must be clear and complete. When parts or accessories that a child might reasonably suppose to be part of the normal purchase are available only at extra cost, this must be clearly communicated.
- ii. The costs of goods, articles or services in advertising directed to children must not be minimised as by the use of “only”, “just”, “bargain price”, “lowest price(s)”, etc.
- iii. The statement “it has to be put together” or a similar phrase in language easily understood by children must be included when it might normally be assumed that an article feature in advertising directed to children would be delivered assembled.

- iv. When more than one product is featured in advertising directed to children, it must be made clear in the advertising which products are sold separately (this includes accessories).

#### **h. Comparison Claims**

- i. In advertising to children no comparison may be made with a competitor’s product or service when the effect is to diminish the value of other products or services.

#### **i. Safety**

- i. Adults or children must not be portrayed in clearly unsafe acts or situations except where the message primarily and obviously promotes safety.
- ii. Products must not be shown being used in an unsafe or dangerous manner (e.g. tossing a food item into the air and attempting to catch it in the mouth, etc.).

#### **j. Social Values**

- i. A range of values that are inconsistent with the moral, ethical or legal standards of contemporary Canadian society must not be encouraged or portrayed.
- ii. Advertising to children must not imply that without the product the child will be open to ridicule or contempt; or that possession or use of a product makes the owner superior (this latter prohibition does not apply to true statements regarding educational or health benefits).

#### **k. General**

- i. Advertising to children must:
  - use age-appropriate language that is easily understandable by children of the age to whom the advertisement is directed;
  - refrain from using content that might result in harm to children;
  - collect only the information reasonably required to allow the child to engage in the activity, e.g. collect only the minimal amount of personal information sufficient to determine the winner(s) in contests, games or sweepstakes-type of advertising to children;

- limit the advertiser's right to deal with anyone other than the parents or guardians of children who win a contest, game or sweepstake's promotion;
- require children to obtain their parent's and/or guardian's permission before they provide any information; and make reasonable efforts to ensure that parental consent is given;
- refrain from using the data collected from children to advertise and promote products or services other than those designed for/appropriate for children;
- not attempt to collect from children data related to the financial situation or to the privacy of any member of the family. Furthermore, advertisers must not, and must not ask for permission to, disclose personal informa-

tion that may identify children to third parties without obtaining prior consent from parents or unless authorized by law. For this purpose, third parties do not include agents or others who provide support for operational purposes of a website and who do not use or disclose a child's personal information for any other purpose.

*(April 2006)*

#### **I. Assessment**

i. Each advertisement shall be judged on its individual merit.

*(January 2007)*

## Appendix 6

# About Concerned Children's Advertisers

### About Concerned Children's Advertisers

Concerned Children's Advertisers (CCA) is a non-profit organization composed of 16 Canadian member companies and supported by numerous partners, including child-centred advertisers, broadcasters and issue experts. CCA is committed to understanding and contributing solutions to important issues in children's lives.

In its 19-year history, CCA has produced 36 industry-funded public service announcements on issues that challenge children's lives, including:

- Self-esteem;
- Bullying prevention;
- Healthy, active living; and
- Media literacy

For more information visit [www.cca-kids.ca](http://www.cca-kids.ca)





Advertising Standards Canada  
Les normes canadiennes de la publicité

### Advertising Standards Canada

175 Bloor Street East  
South Tower, Suite 1801  
Toronto, Ontario M4W 3R8

Email: [info@adstandards.com](mailto:info@adstandards.com)

Web: [www.adstandards.com](http://www.adstandards.com)

© 2009 Advertising Standards Canada

This report is the property of Advertising Standards Canada and may not be reproduced, in whole or in part, without prior permission from Advertising Standards Canada.

