

The Canadian Children's Food and Beverage Advertising Initiative:

2019 Compliance Report



Ad Standards™



Foreword

The Children's Food and Beverage Advertising Initiative (CAI) continues to demonstrate the commitment of the food and beverage industry in Canada to responsible advertising. Under CAI, leading food and beverage companies in Canada, whose advertising represents an overwhelming majority of the food and beverage advertising in children's programming, have committed to shifting their advertising directed to children under 12 to the promotion of healthier dietary choices, or to not advertise to children.

In 2019, twelve years since the program's inception, participants in CAI remain true to their individual commitments of compliance with this self-regulatory

standard. The CAI participants are also committed to transparency and accountability through annual, independent compliance assessments by Ad Standards. We are pleased to report again that the participants continue to maintain their high level of compliance with all program requirements.

Catherine Bate
Chief Legal & Policy Officer
Ad Standards

About Ad Standards

Ad Standards is committed to fostering community confidence in Canadian advertising and to ensuring the integrity and viability of advertising through effective industry self-regulation. As an independent, not-for-profit body, we administer the Canadian Code of Advertising Standards, the principal instrument of advertising self-regulation in Canada, and a national mechanism for accepting and responding to consumer complaints about ads. Ad Standards Clearance Services reviews creative and offers consultative services in five categories, to help ensure advertising complies with relevant regulations.




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Executive Summary

The Canadian Children's Food & Beverage Advertising Initiative: 2019 Compliance Report (Report) documents the continuing progress made by the participating companies (Participants) in the Canadian Children's Food & Beverage Advertising Initiative (CAI or Program). As Canada's independent national advertising industry self-regulatory body, Advertising Standards Canada (Ad Standards) serves as the CAI administrator. The Report provides an assessment of the Participants' performance in implementing and meeting their CAI commitments from January 1 – December 31, 2019.

The Report sets out the CAI key principles and criteria, and assesses the Participants' compliance with each principle.

The Participants reviewed in this Report are: Campbell Company of Canada; Coca-Cola Ltd.; Danone Inc.; Ferrero Canada Ltd.; General Mills Canada Corporation; Hershey Canada Inc.; Kellogg Canada Inc.; Kraft Heinz Canada; Mars Canada Inc.; Maple Leaf Foods Inc.; McDonald's Restaurants of Canada Limited; Mondelēz Canada; Nestlé Canada Inc.; Lactalis Canada (formerly Parmalat Canada); PepsiCo Canada ULC; and Unilever Canada Inc.

Ten Participants did not engage in advertising directed primarily to children under 12 years of age. The balance committed to include only better-for-you products¹ in child-directed advertising².

In assessing Participant compliance, Ad Standards' methodology consisted of an independent assessment process, as well as a detailed review of reports and documentation submitted by each Participant.

Performance

Ad Standards is pleased to report compliance by all Participants with their commitments. This is consistent with findings over the previous eleven years and demonstrates the high level of commitment to the Program by each of the Participants and their advertising and media buying partners.

Uniform Nutrition Criteria

Since 2016, Participants have complied with category-specific Uniform Nutrition Criteria. These are strict criteria, which set out not only Nutrition Components to Limit, but also requirements for Nutrition Components to Encourage in any food advertised directly to children under 12.

¹ Throughout this report the terms "better-for-you" and "healthy dietary choices" are used interchangeably

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



I. Report Overview

The *2019 Compliance Report* (Report) documents the performance of the participating companies (Participants) in the Canadian Children’s Food & Beverage Advertising Initiative (CAI or Program), in complying with their public commitments under the Program. This Report covers the period from January 1, 2019 to December 31, 2019.

The following Participants are assessed in this Report:

1. Campbell Company of Canada (Campbell Canada)
2. Coca-Cola Ltd. (Coca-Cola)
3. Danone Inc. (Danone)
4. Ferrero Canada Ltd. (Ferrero)
5. General Mills Canada Corporation (General Mills)
6. Hershey Canada Inc. (Hershey)
7. Kellogg Canada Inc. (Kellogg)
8. Kraft Heinz Canada (Kraft Heinz)
9. Mars Canada Inc. (Mars)
10. Maple Leaf Foods Inc. (Maple Leaf)
11. McDonald’s Restaurants of Canada Limited (McDonald’s)
12. Mondelez Canada (Mondelez)
13. Nestlé Canada Inc. (Nestlé)
14. Lactalis Canada (formerly Parmalat Canada) (Lactalis)
15. PepsiCo Canada ULC (PepsiCo)
16. Unilever Canada Inc. (Unilever)



II. Background

As the issue of childhood health and obesity came to the forefront as a serious and complex global issue, leading Canadian food and beverage advertising companies recognized they could make a meaningful contribution to support the health of Canadian children. To this end, the CAI was launched in 2007. The Program was developed to promote better-for-you dietary choices and healthy lifestyles to children under 12, and to shift the emphasis in children's advertising by the Participants to food and beverages that are consistent with the principles of sound nutrition guidance.

A. CAI Core Principles

There are five Core Principles under the Program.

1. Advertising Messaging and Content Principle

Participants devote 100% of their advertising directed primarily to children under 12 years of age in covered media to products that represent healthier dietary choices (better-for-you products). As of December 31, 2015 all products featured in advertising directed primarily to children under 12 years of age must meet the Uniform Nutrition Criteria (Appendix 3). Alternatively, Participants may commit to not direct advertising primarily to children under 12 years of age.

Media covered:

- television, radio, print and Internet advertising;
- video and computer games rated "Early Childhood" or "EC," that are inherently primarily directed to children under 12, and other games that are age-graded on the label and packaging as being primarily directed to children under 12;
- DVDs of "G" rated movies in which content is primarily directed to children under 12, and other DVDs in which content is primarily directed to children under 12; and
- mobile media such as cell phones, PDA's and through word of mouth³ where advertising on those media is primarily directed to children under 12.

Other Core Principles

2. Incorporate only products that represent healthy dietary choices in interactive games primarily directed to children under 12 years of age;
3. 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 criteria⁴;
4. Not pay for or actively seek to place food and beverage products in program/editorial content of any medium primarily directed to children; and
5. Not advertise food or beverage products in elementary schools⁵.

³ The commitment regarding word of mouth advertising refers to advertising where a Participant provides incentives (financial or otherwise), product samples or other support to individuals or groups who are not employees to promote consumption of branded food or beverage products or to promote discussion of such products, and the advertising is primarily directed to children under 12 years of age.

⁴ This criterion applies to advertising in media other than broadcast advertising as the use of licensed characters in children's broadcast advertising is already restricted under *The Broadcast Code for Advertising to Children*.

⁵ This limitation does not apply to displays of food and beverage products, charitable/not-for-profit activities including fundraising, public service messaging and educational programs.



IV. Evaluation of Commitment Compliance

Of the 16 Participants evaluated in 2019:

- Ten Participants did not direct advertising to children under 12 years of age: Coca-Cola, Ferrero, Hershey, Kraft Heinz, Maple Leaf, Mars, Mondelēz, Nestlé, PepsiCo, and Unilever.
- Six Participants committed to advertise only products meeting the Uniform Nutrition Criteria: Campbell Canada, Danone, General Mills, Kellogg, McDonald's, and Lactalis. These Participants all committed to devote 100% of their television, radio, print, Internet, movie DVD, video and computer game, and mobile media advertising directed primarily to children under 12 years of age to better-for-you products.

Methodology

Ad Standards evaluated each Participant's compliance with its individual commitment through an independent audit and a detailed review of the Participant's compliance report completed, by each Participant and certified as complete and accurate by a senior corporate officer.

A. Independent Audit

Ad Standards audits Participants' compliance in the following manner.

Television Advertising

As a condition of broadcast license by the Canadian Radio-television and Telecommunications Commission, all children's commercials must be pre-cleared by Ad Standards' Children's Clearance Committee under *The Broadcast Code for Advertising to Children*, and carry a valid Ad Standards approval number. Ad Standards

conducts a second review of these commercials to ensure that the advertised products are those approved for inclusion in the Participants' commitments.

Radio Advertising

No Participants utilized this medium to advertise to children under 12.

Print Advertising

No Participants utilized this medium to advertise to children under 12.

Out-of-Home Advertising

No Participants utilized this medium to advertise to children under 12.

Internet Advertising

Ad Standards monitors company-owned and third party websites primarily directed to children under 12.

B. Consumer Complaints Review

All consumer complaints submitted to Ad Standards in 2019 were reviewed to identify any concerns from members of the public with regard to a Participant's compliance with its commitment. Of the 168 complaints involving advertising by food manufacturers, retailers and restaurants that were submitted to Ad Standards in 2019, none involved concerns about Participant compliance with CAI commitments.

C. Participant Compliance Reports

Each CAI Participant was required to submit a comprehensive report detailing its compliance during the reporting period. Those Participants that committed

to not advertise directly to children under 12 were required to submit data demonstrating compliance with their commitments. Participants that engaged in advertising primarily directed to children under 12 submitted reports that included documentation from their advertising and media buying groups and copies of child-directed advertising. Each Participant's report was certified by a senior executive or officer of the company as to the veracity and completeness of the report.

Participant compliance reports include details 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 percent of the audience by age for the programs or magazines at the time the advertisement was placed.

D. Compliance Assessment

Overall Compliance Evaluation

Participants' compliance with their respective commitments in 2019 has been excellent. The following are the results of Ad Standards' compliance evaluation.

1. Advertising in Measured and Unmeasured Media, Company-Owned and Third Party Websites

Television Advertising

Even with the proliferation of new media, television remains the primary medium used by children's advertisers. It is therefore noteworthy that while there were only a few instances of non-compliant impressions that were beyond the control of the Participants. These resulted from instances where post-buy viewer demographics for a particular program were higher among children under 12 than had been anticipated during the pre-buy planning. In these instances, any food commercial that was inadvertently advertised was targeted to adults.

Radio Advertising

No Participant utilized this medium for advertising primarily directed to children under 12.

Print Advertising

No Participant utilized this medium for advertising primarily directed to children under 12.

Out-of-Home Advertising

No Participant utilized this medium for advertising primarily directed to children under 12. There were a very few instances of non-compliant impressions that were beyond the control of the Participants. These resulted from instances where post-buy viewer demographics were higher among children under 12 than had been anticipated during the pre-buy planning. However in these instances, the advertising that received higher than anticipated viewership by children under 12 was targeted to adults.

Company Owned and Third Party Websites

Ad Standards' monitoring of Participants' websites and micro-sites, several third-party websites and micro-sites, as well as the individual Participant compliance reports were used to assess compliance in this medium. A minor incident of "Domain Spoofing" was identified, where approximately one tenth of one percent of a Participant's banner ad impressions were found on websites having an audience of more than 35% children under the age of 12.⁸

2. Use of Licensed Characters

The independent audit conducted by Ad Standards, as well as the individual Participant compliance reports were used to assess compliance with this CAI principle. Ad Standards did not identify any infractions of this principle.

⁸ "Domain Spoofing" is a process whereby publishers fraudulently fake a URL when a bid comes up from an agency to buy advertising placement. When the reporting information is reviewed after the advertisement is shown, the URL is very different. In 2017, Demand Site Platform companies began working with fraud prevention agencies and global advertising governing bodies in order to help prevent this. A specific code, ads.text, is a publicly accessible record of exchange IDs which is now being utilised as a further level of verification for URLs in order to prevent spoofing another site.

3. Use of Products in Interactive Games

Of the Participants that direct advertising to children and who incorporated interactive games on their own websites, only better-for-you products that were included in the Participant's commitments were incorporated into these games. Ad Standards did not identify any instances of non-compliance.

4. Product Placement

As per their commitments, no Participant engaged in product placement.

5. Advertising in Schools

The CAI requires Participants to adhere to standards established by schools individually and by school boards overall. In addition, they are required to commit to not advertise food and beverage products in schools. All of the Participants complied with this principle. Excluded from the CAI are charitable and not-for-profit activities such as school-approved fundraising and educational programs, public service messaging, and displays of food and beverage products (for example in school cafeterias).

6. Video and Computer Games⁹

No Participant utilized this medium for advertising primarily directed to children under 12.

7. DVDs of Movies

No Participant utilized this medium for advertising primarily directed to children under 12.

8. Mobile Media

No Participant utilized this medium for advertising primarily directed to children under 12.

⁹ Video and computer games rated "Early Childhood" or "EC," which are inherently primarily directed to children under 12, and other games that are age-graded on the label and packaging as being primarily directed to children under 12

Appendix 1

List of Advertised Products in 2019

Campbell Company of Canada

Goldfish Baked Snack Crackers - Cheddar Colours

Coca-Cola Ltd.

None

Danone Inc.

Danino Drinkable

Danone Creamy

Ferrero Canada Ltd.

None

General Mills Canada Corporation

Cinnamon Toast Crunch cereal

Chocolate Toast Crunch cereal

Chocolate Peanut Butter Cheerios cereal

Fruit by the Foot Fruit Flavoured Snacks

Honey Nut Cheerios cereal

Lucky Charms cereal

Hershey Canada Inc.

None

Kellogg Canada Inc.

Froot Loops cereal

Rice Krispies Squares cereal bars (Original, Birthday

Cake and Coolies 'n Crème)

Eggo Waffles (Original)

Kraft Heinz Canada

None

Mars Canada Inc.

None

Maple Leaf Foods Inc.

None

McDonald's Restaurants of Canada Limited

4-piece *Chicken McNuggets Happy Meal* box with a strawberry yogurt tube, 1% low-fat white milk and apple Slices

Mondelēz Canada

None

Nestlé Canada Inc.

None

Lactalis Canada

Black Diamond Ficello Cheestrings (4 flavours)

PepsiCo Canada ULC

None

Unilever Canada Inc.

None

Appendix 2

List of Child-Directed Company-Owned Websites in 2019

Campbell Company of Canada

None¹

Coca-Cola Ltd.

None

Danone Inc.

None

Ferrero Canada Ltd.

None

General Mills Canada Corporation

None

Hershey Canada Inc.

None

Kellogg Canada Inc.

None

Kraft Heinz Canada

None

Maple Leaf Foods Inc.

None

Mars Canada Inc.

None

**McDonald's Restaurants
of Canada Limited**

None

Mondelēz Canada

None

Nestlé Canada Inc.

None

Lactalis Canada

www.cheestrings.ca

www.ficello.ca

PepsiCo Canada ULC

None

Unilever Canada Inc.

None

¹ Canadian children may have the ability to access www.GoldfishFun.com, maintained by the U.S. Biscuits and Bakery division of the Campbell Soup Company in the United States. The games and other content on the site comply with the Campbell Soup Company's commitment pursuant to the Children's Food and Beverage Advertising Initiative in the United States ("US Commitment Program"). Details of the US Commitment Program may be found at: <http://www.bbb.org/council/the-national-partner-program/national-advertising-review-services/childrens-food-and-beverage-advertising-initiative/>.

Appendix 3

Uniform Nutrition Criteria

Summary Table of New Uniform Nutrition Criteria by Product Category

Product	Unit ⁶	Components Required to Limit				Components Required to Encourage
		Calories (kcal)	Sat Fat (g) ¹	Sodium (mg)	Total Sugars (g)	
1. MILK AND ALTERNATIVES						
Milks and Milk Substitutes	250 mL	≤170	≤2	≤200	≤25	1 serving Milk and Alternatives
Yogurts and Yogurt-type Products	175 g	≤175	≤2	≤140	≤24	1 serving Milk and Alternatives AND ≥5% DV calcium
Dairy-based Desserts	125 mL	≤120	≤2	≤110	≤20	≥¼ cup milk AND ≥5% DV calcium
Cheese and Cheese Products (except as listed separately below)	30 g	≤125	≤3	≤480	≤2	≥¼ serving Milk and Alternatives AND ≥5% DV calcium
Cottage Cheese and Ricotta	110 g	≤150	≤7	≤480	≤7	≥¼ serving Milk and Alternatives AND ≥5% DV calcium
Hard Grated Parmesan and Romano Cheese	15 g	≤75	≤4.5	≤380	N/A	N/A
2. GRAIN						
Small Reference Amount, Lighter Density Products	LSS ⁷	≤150	≤1.5	≤190	≤10	8 g whole grain OR 2 g fibre OR ≥5%* DV any essential nutrient except sodium (*≥15% DV if cereals)
Large Reference Amount, Higher Density Products	LSS ⁷	≤200	≤2	≤250 ≤360 (for products that require leavening e.g., pancakes and waffles)	≤12	8 g whole grain OR 2 g fibre OR ≥5%* DV any essential nutrient except sodium (*≥15% DV if cereals)
3. SOUPS						
	LSS ⁷	≤200	≤2	≤480	≤6 ≤12 (tomato-based)	≥¼ serving Vegetables and Fruit or Milk and Alternatives OR 8 g whole grain OR ≥5% DV any essential nutrient except sodium
4. MEAT AND ALTERNATIVES						
Meat Products (including fish and poultry)	60 g	≤120	≤2	≤480	NA	≥30 g meat, fish or poultry AND ≥5% DV any essential nutrient except sodium
For labelled serving sizes ≤30 g	30 g	≤60	≤1	≤240	NA	
Meat Alternatives (except Peanut Butter)	30 g	≤230	≤3.5	≤140	≤4	≥5% DV any essential nutrient except sodium
Peanut Butter	15 g	≤115	≤1.9	≤65	≤2	≥5% DV any essential nutrient except sodium
5. VEGETABLES AND FRUIT						
Vegetable- and Fruit-based Beverages	LSS ⁷	≤160	0	≤140	No added sugars	≥¼ serving Vegetables and Fruit OR ≥5% DV any essential nutrient except sodium

Product	Unit ⁶	Components Required to Limit				Components Required to Encourage
		Calories (kcal)	Sat Fat (g) ¹	Sodium (mg)	Total Sugars (g)	
Vegetable- and Fruit-based Snacks	125 mL 60 g (if dried)	≤150	≤2	≤140	No added sugars	≥½ serving of Vegetables and Fruit OR ≥5% DV any essential nutrient except sodium
6. OCCASIONAL SNACKS						
Chips, popcorn and extruded snacks	LSS ⁷	≤200	≤2	≤360	≤12	8 g whole grain OR 2 g fibre OR ≥5% DV any essential nutrient except sodium
Other Snacks (snack items not in other categories)	LSS ⁷	≤150	≤1.5	≤190	≤10	8 g whole grain OR 2 g fibre OR ≥5% DV any essential nutrient except sodium
7. MIXED DISHES						
Side Dishes (single foods)	LSS ⁷	≤280	≤2.5	≤375	≤10	≥½ serving of any one of Vegetables and Fruit, Grain Products (with 8 g whole grain or 2 g fibre), Meat and Alternatives or Milk and Alternatives OR ≥5% DV any essential nutrient except sodium
Centre of Plate (combination foods and side dishes)	LSS ⁷	≤450	≤10% of calories	≤480	≤15	≥1 serving of any one of Vegetables and Fruit, Grain Products (with 8 g whole grain or 2 g fibre), Meat and Alternatives or Milk and Alternatives OR ≥5% DV any essential nutrient except sodium
Complete Meals (main dishes and retail meal products that meet the “meal” regulatory definition)	LSS ⁷	≤500	≤10% of calories ²	≤600	≤17 ³ OR ≤12 ³	≥1 serving of Vegetables and Fruit or Grain Products (with 8 g whole grain or 2 g fibre) AND ≥1 serving of Meat and Alternatives or Milk and Alternatives OR ≥5% DV any essential nutrient except sodium
8. MEALS ON THE GO						
Meals On The Go	Meal	≤510	≤10% of calories meets Health Canada’s voluntary trans fat limits	≤660	≤20 ⁴ OR ≤15 ⁵	≥1 serving of Vegetables and Fruit or Grain Products (with 8 g whole grain or 2 g fibre) AND ≥1 serving of Meat and Alternatives or Milk and Alternatives

¹ The trans fat limit across all categories is 0 g labelled; for foods in the Milk and Alternatives and Meat and Alternatives categories that are served either as individual foods or as part of mixed dishes or meals, naturally occurring trans fats are permitted.

² Saturated fat from a cheese component present in a Complete Meal is not counted if the cheese component meets its corresponding Milk and Alternatives category criteria.

³ Sugars from qualifying Milk and Alternatives or Vegetables and Fruit products present in a Complete Meal are not counted, but the total sugars limit is set to account for sugars from all other items – the higher limit reflects when one such item is present and the limit is reduced if two such items are present.

⁴ Sugars from a beverage present in a meal are not counted if the beverage is a Milk and Alternatives category beverage and contains ≤25 g total sugars per 250 mL (consistent with the Milk and Alternatives category) or if it is 100% fruit juice; sugars from a yogurt or fruit product present in a meal are not counted if the product meets its corresponding Milk and Alternatives or Vegetables and Fruit category criteria and if the yogurt product is ≥175 g and ≤24 g total sugars (consistent with the Milk and Alternatives category) or if the fruit product is ≥½ serving fruit and contains no added sugar (consistent with the Vegetables and Fruit category).

⁵ If any combination of two or more of the above qualifying beverage, yogurt and fruit products is present in a meal, sugars from the products are not counted, but the total sugars limit is reduced to 15 g.

⁶ Any future changes to CFIA’s serving size guidance, or legislation by Health Canada, will require a review of the Uniform Nutrition Criteria by CAI Participants.

⁷ Labelled Serving Size

Appendix 4

CAI Core Principles (updated July 2018)

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 nutrition and health. 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 shifting 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 that are higher in nutrients that are significant to public health.

These commitments are realized through the five Core Principles that follow. The principles have been expanded, since they were first developed in 2007, to reflect the ongoing commitment of the Participants to continue to broaden their efforts to support healthier dietary choices and healthy lifestyles to children under 12 years of age.

Core Principles

Advertising Messaging and Content

Participants commit that 100% of their television, radio, print and internet advertising directed primarily to children under 12 years of age¹ will be for products that represent healthier dietary choices (better-for-you products) pursuant to the Canadian Children's Food

and Beverage Advertising Initiative's category-specific Uniform Nutrition Criteria, set out in the "Uniform Nutrition Criteria White Paper", and attached as Appendix A. Alternatively, Participants may commit to not direct advertising primarily to children under 12 years of age².

Child-Directed Content

This principle also applies to advertising that is primarily directed to children in the following media:

- company-owned websites or micro-sites primarily directed to children under 12 years of age;
- video and computer games rated "Early Childhood" or "EC," which are inherently primarily directed to children under 12, and other games that are age-graded on the label and packaging as being primarily directed to children under 12;
- DVDs of movies that are rated "G" whose content is primarily directed to children under 12, and other DVDs whose content is primarily directed to children under 12;
- mobile media such as cell phones, smart phones, tablets, other personal digital devices and through word of mouth³ where advertising on those media is primarily directed to children under 12.

Use of Products in Interactive Games

Participants commit that, in any interactive game primarily directed to children under 12 (in whatever format: online, disk or cartridge) where the company's food or beverage products are incorporated into the game, the interactive game must incorporate or be accompanied by products representing better-for-you products.

¹ Measured in media impressions at the time the advertising is purchased, as determined by reliable third party data such as Numeris ratings for TV and radio, ComScore for Internet, Vividata for print, COMB (Canadian Outdoor Measured Bureau) for outdoor and others. The 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.

² Participants also are encouraged to disseminate healthy lifestyle messaging. This could include messaging that encourages physical activity or good dietary habits, consistent with established scientific and/or government standards.

³ The commitment regarding word of mouth advertising refers to advertising where a Participant provides incentives (financial or otherwise), product samples or other support to individuals or groups who are not employees to promote consumption of branded food or beverage products or to promote discussion of such products, and the advertising is primarily directed to children under 12 years of age.

Use of Licensed Characters, Celebrities and Movie Tie-ins

While the use of licensed characters, celebrities and movie tie-ins is already restricted in children's broadcast advertising⁴, participants also commit to ensure that their use of third-party licensed characters, celebrities and movie tie-ins in advertising that appears in other media primarily directed to children under 12⁵ complies with the messaging and content principles set out above.

Product Placement

Participating companies 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 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 – pre-kindergarten through Grade 6.⁶

Implementation

Each participating company formalizes and publishes an individual plan, commitment details, and implementation schedule that have been approved by Advertising Standards Canada (Ad Standards), the program administrator. A copy of each participating company's current commitment document is posted on the Canadian Children's Food and Beverage Advertising Initiative section of Ad Standards' website: <https://adstandards.ca/about/childrens-advertising-initiative/>

Auditing and Enforcement

The plans for each participating company, including their specific commitments are established in consultation with Ad Standards.

Ad Standards is responsible for auditing commitments by participating companies. In order to confirm compliance by participating companies, auditing includes the review of advertising materials, product information, and media impression information (see footnote 1 above) submitted to Ad Standards on a confidential basis.

Ad Standards publishes annual compliance reports identifying those companies that meet their commitments as well as those who have failed to do so. Ad Standards also responds to all public inquiries relating to these reports.

⁴ *Broadcast Code for Advertising to Children – Clause 7: Promotion by Program Characters, Advertising-Generated Characters, and Personal Endorsements.*

⁵ 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.

⁶ *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 5

Framework for Regulating Children’s Advertising in Canada^{††}

Overview

Canada has a robust framework for regulating children’s advertising, including both regulatory and self-regulatory components. Broadcast advertising for food and beverages are subject to *The Broadcast Code for Advertising to Children (Children’s Broadcast Code)*. Adherence to the *Children’s Broadcast Code* requires preclearance of each children’s commercial by Ad Standards’ Children’s Clearance Committee in advance of airing, and is a condition of broadcast license by the Canadian Radio-television and Telecommunications Commission (CRTC). The Children’s Clearance Committee includes industry and public representatives, as well as a CRTC representative.

In addition to clearance under the *Children’s Broadcast Code*, food and beverage commercials undergo preclearance review to ensure compliance with the applicable provisions of the federal *Food and Drugs Act* and *Regulations* and related applicable guidelines issued by Canadian Food Inspection Agency.

Furthermore, all children’s television commercials must receive clearance from thinktv Telecaster Services prior to being aired by its private broadcaster members. In accordance with thinktv’s Rating Code Guideline, a “C” rating informs the member broadcasters that a commercial has received approval from Ad Standards’ Children’s Clearance Committee and that the commercial may air in children’s programming.

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



Excerpts from *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.

^{††} The Quebec *Consumer Protection Act* prohibits advertising in that province to children under the age of 13.

- (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 Ad Standards and have the requisite Ad Standards 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 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).**

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.

* April 2004

** September 2007

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

Excerpts from the **CANADIAN CODE OF ADVERTISING STANDARDS**

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 Ad Standards. 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.

Interpretation Guideline #2 – Advertising to Children

2.1 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.

2.2 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 Children¹**
 - 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 *Food Labelling for Industry (CFIA Industry Labelling Tool)*. This *Code Interpretation Guideline* is intended, among other purposes, to ensure that advertisements representing mealtime clearly and adequately depict the role of the advertised product within the framework of a balanced diet, and that snack foods are clearly presented as such, not as substitutes for meals.

- b. **Healthy, Active Living³**
 - 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 Consumption³**
 - 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,

¹ April 2004

² April 2006

³ September 2007

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 Presentation³

- i. Audio or visual presentations must not exaggerate service, product or premium characteristics, such as performance, speed, size, colour, durability, etc.
- ii. Advertising to children must not misrepresent the size of the product.
- 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” and “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 Prohibitions³

- 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 Pressure³

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

g. Price and Purchase Terms³

- 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

minimized, 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 featured 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 of the products are sold separately (this includes accessories).

h. Comparison Claims³

- 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. Safety³

- 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).

j. Social Values³

- 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 advertised product, a 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. General²

- 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 children 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 sweepstakes 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 the privacy of any member of the family. Furthermore, advertisers must not, and must not ask for permission to, disclose personal information that may identify children to third parties without obtaining prior consent from parents, 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.

l. Assessment³

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



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