



## **The International Food & Beverage Alliance Comments on the Draft Final Report of the World Health Organization's Commission on Ending Childhood Obesity**

The International Food & Beverage Alliance (IFBA) thanks the World Health Organization (WHO) and the Commission on Ending Childhood Obesity (Commission or ECHO) for the opportunity to provide comments on the recently published Draft Final Report of the Commission.<sup>1</sup>

Following we provide our responses to the five questions posed by the Commission.

### **Question 1: Are the policy options proposed by the Commission feasible in your setting?**

We all agree that obesity is a complex problem and the prevention and treatment requires a whole-of-society approach and substantial actions, not only from governments, but from a range of actors, including the private sector.

We are deeply committed to helping find solutions to the prevention and treatment of childhood obesity. Unbalanced diets are recognized as a key factor in childhood obesity, among other lifestyle, genetic and environmental factors. As leading food and non-alcoholic beverage manufacturers, our responsibility is to provide a wide range of products, as our consumers demand; and to help our consumers in composing a balanced diet.

We support the Commission's overall proposed policy direction to address the obesogenic environment, including improving healthy eating and physical activity behaviours of children.

In this context, the Commission is recommending governments consider a number of policy actions, including the development of specific nutrition guidelines; the implementation of fiscal policies to reduce the consumption of unhealthy foods; a reduction in the exposure of children to the marketing of foods high in fat, sugar and salt; the implementation of a standardized global nutrient labelling system and consideration of interpretive front-of-pack labelling supported by public education to promote nutrition literacy; improved access to healthy foods by creating healthy food environments; and promoting healthy eating and physical activity among school-age children and adolescents.

Many of the proposed policy actions - on product formulation; nutrition labelling and nutrition literacy education; restrictions on the marketing of foods high in fat, sugar and salt to children and increasing exposure to health-promoting behaviours; and educating consumers by promoting balanced diets, physical activity and healthy lifestyles - are recognized by our industry and are those which IFBA

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<sup>1</sup> IFBA is a group of eleven multinational companies – The Coca-Cola Company, Ferrero, General Mills, Grupo Bimbo, Kellogg's, Mars, McDonald's, Mondelēz International, Nestlé, PepsiCo and Unilever – who share a common goal of helping people around the world achieve balanced diets and healthy, active lifestyles.



members have been implementing for a number of years. These actions form the core of the commitments we made to the WHO in 2008 in support of the WHO 2004 *Global Strategy on Diet, Physical Activity and Health*.

Other proposed policy actions, for example, on imposing taxes on sugar-sweetened non-alcoholic beverages or on foods high in fats and sugar, are addressed in our response to Question 2.

We are proud of the progress we have made to date and are pleased that the Commission recognizes that a number of private sector initiatives have *“the potential to significant [sic] impact on childhood obesity.” (para 53)*

#### Marketing to Children

Restrictions on the marketing of foods high in fat, sugar and salt in the marketplace and in schools can be cost-effective ways of changing the environment in which food choices are made.

We agree with the Commission’s call to implement the WHO 2010 *Set of Recommendations on the Marketing of Foods and Non-alcoholic Beverages to Children* (the *Set of Recommendations*). In 2008, IFBA voluntarily adopted a global framework and approach restricting how and what member companies can advertise to children around the world. The IFBA Global Policy on Advertising and Marketing Communications to Children (the IFBA Global Policy) is in line with the policy objectives of the *Set of Recommendations*, which formally recognizes industry-led self-regulation as a means of implementing the policy objective of reducing the impact on children of the marketing of foods high in fat, sugar and salt.

The Commission suggests that in addition to voluntary codes, regulatory and statutory approaches may be needed, *“to ensure that changes reach the desirable level and apply to forms of marketing that are not currently covered under voluntary codes”* and to *“ensure equal responsibility to large multi-national and small local producers.”* The Commission also suggests that *“voluntary initiatives that are not subject to independent audit and oversight are likely insufficient”* and recommends governments define clear parameters, enforcement and monitoring mechanisms. (pg. 16)

As we have stated previously in our comments on the Commission’s Interim Report, while we recognize the implicit advantages of a statutory response to ensuring a level playing field across the whole industry, we believe that a range of policy options – including industry-led self-regulation and co-regulatory approaches – need to be considered and their benefits and costs, assessed, for the following reasons:

Firstly, self-regulation is cost-effective, measureable, and flexible and can quickly respond to societal concerns. For example, IFBA members have consistently demonstrated a willingness to strengthen and adapt their policies and practices to changing needs. The IFBA Global Policy has been strengthened several times since it was first adopted in 2009 and in September 2014, members once again strengthened the policy with a set of enhancements that will come into effect by the end of 2016.



These changes will significantly extend the scope of media covered to include more forms of marketing communications; ensure that companies use certain marketing techniques (e.g. licensed characters, celebrities and movie-ties) only to promote better-for-you products; and establish common nutrition criteria (on a regional or national basis) for companies advertising better-for-you products. IFBA members are committed to transparency and accountability and as part of the global policy, IFBA also committed to engage a third-party to monitor and report on members' compliance with the policy. These reports are published annually and posted on the IFBA website.<sup>2</sup>

Secondly, in an effort to encourage regional and local food companies to improve the types of food and beverage products marketed to children, IFBA introduced regional and national pledge programmes based on the core tenets of the IFBA Global Policy. At the end of 2014, responsible marketing pledge programmes had been implemented in 50 countries worldwide and adopted by a number of regional and local food companies. Our work continues. We are also working with some regional and local food companies to expand the commitment beyond marketing to children to include other IFBA commitments on product reformulation and nutrition information.

Thirdly, hybrid co-regulatory schemes led by governments are increasingly emerging as a credible approach to setting standards for marketing to children and appear capable of delivering meaningful outcomes and some advantages to governments. This multistakeholder approach results in a codified industry commitment, applicable to all advertisers in a given market, under the auspices of an advertising standards authority. The advertising standards authority provides guidance, pre-publication advice and training for the industry to ensure advertising stays within the guidelines and is responsible for monitoring compliance and has the ability to act quickly in adjudicating consumer and competitor complaints and enforcement. Examples of hybrid co-regulatory schemes can be found in Malaysia, the Netherlands, Norway, Poland, Romania and Singapore.

Fourthly, the voluntary approach adopted by IFBA members has been recognized by regulators as effective in driving change in the marketplace and in improving the nutrition of foods marketed to children.

We would propose the Commission consider recommending this self-regulatory best practice model and the hybrid co-regulatory model as effective and cost-effective interventions for governments to consider.<sup>3</sup> This is, in our view, particularly advisable where government does not necessarily have the capacity to enforce regulation consistently.

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<sup>2</sup> Since 2009, IFBA has engaged Accenture Media Management, a leading global provider of media auditing services. In 2014, the results showed a high rate of compliance, consistent with previous years' results. Accenture reported an overall compliance rate of 88.5% for television advertising, 100% for print and 99.5% for internet advertising in child-directed media.

<sup>3</sup> [IFBA Comments on ECHO's Interim Report](#)



### Nutrition Labelling and Nutrition Literacy Education

The product label is a principal source of nutritional information for consumers and forms the cornerstone of any policy framework to address poor dietary intakes and to promote healthier eating habits.

In principle, we support the aim of enhancing nutrition literacy education efforts with the adoption of a standardized system of food labelling for packaged foods and beverages as recommended by CODEX Alimentarius. This recommendation is consistent with our commitment to inform consumers about the nutritional characteristics of our products and their place in the diet, with a consistent and fact-based nutrition labelling approach globally, in line with CODEX, and including calorie information on front-of-pack.<sup>4</sup>

However, implementing a “standardized” global nutrition labelling system will be challenging. Some countries have mandatory labelling schemes while others provide state-sponsored guidelines to be followed voluntarily, and while there is a general view that a standardized label is preferable to a multitude of different labels, there is little consensus on what format is most effective at influencing consumer behaviour.

Nutrition labelling is increasingly moving beyond packaged foods to include menu labelling and menu boards and other forms of communications used by restaurants. IFBA’s 2014 Principles for a Global Approach to Fact-based Nutrition Information covers these forms of communications. We suggest the Commission consider extending the proposed policy recommendation to cover the forms of communication used by restaurants.

We note the Commission’s statement that, *“...in some countries, the task of developing education campaigns, or implementing programmes might be shared between government and civil society.”* (para 45) We are concerned that private sector involvement has not been included, since the wealth of expertise our industry has in marketing and market research and the creation of campaigns to raise awareness and encourage behaviour change can be beneficial input. We believe the development and implementation of effective campaigns will require the resources and expertise of all stakeholders. There are examples of successful public-private campaigns that have been developed, for example, Health Canada’s “Nutrition Facts Education Campaign,” launched in 2010 and the follow-up campaign, “Focus on the Facts,” launched in 2015; and the Government of Philippines’ nationwide healthy lifestyle movement, “Philipinas Go4Health,” launched in 2013 and its follow-up FOP nutrition labelling initiative, launched in 2014.

We welcome the opportunity to share our expertise of nutrition science and consumer behaviour in a collaborative effort to create and support health and nutrition literacy campaigns.

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<sup>4</sup> [IFBA Principles for a Global Approach to Fact-based Nutrition Information](#)



### Promoting Physical Activity

Our members have a long and successful history of supporting initiatives aimed at encouraging active, healthy lifestyles in schools, communities and in the workplace and believe this is an important obesity prevention strategy. There are many positive examples of multi-stakeholder efforts in this area and we should all be looking to replicate the best practice examples.<sup>5</sup>

#### **Question 2: If implemented, will these significantly address childhood obesity?**

As the Commission clearly states, there are gaps in the research on the biology and psychological determinants of childhood obesity and the economic consequences of childhood obesity, and further work needs to be done to determine the effectiveness of interventions at each critical stage of the life course and the cost-effectiveness of interventions to prevent childhood obesity.

Policy options need to be evidence-based and evaluated. We need to understand what works and why and what types of policy initiatives are likely to be the most effective.

For example, while there is sound scientific evaluation and evidence of some programmes, like the Healthy Weight Commitment Foundation, the childhood obesity prevention initiative in the U.S.A.<sup>6</sup> and EPODE, the community-based initiative in Europe, which has shown encouraging results in preventing childhood obesity in France and Belgium and has reduced the socioeconomic gap in obesity prevalence in France<sup>7,8</sup>, there is little evidence that the imposition of fiscal measures will be effective in tackling the problem of childhood obesity.

The Commission has stated that it believes there is sufficient rationale to warrant the introduction of such taxes, whilst recognizing that *"the rationale for taxation measures to influence consumption is supported by the albeit limited evidence"* (pg. 15). We support the development of further evidence on the topic.

As stated in our previous submission on the Interim Report, many scientific studies suggest the effectiveness of such taxes in discouraging consumption of foods and non-alcoholic beverages high in

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<sup>5</sup> [Please visit the IFBA website.](#)

<sup>6</sup> Launched in 2009, this national, multi-year, multistakeholder effort led by CEOs and independently evaluated by the Robert Wood Johnson Foundation, resulted in the removal by 2012, of 6.4 trillion calories from the marketplace – exceeding its members' pledge to remove 1.5 trillion calories by 2015, by 400% and three years early. This equates to a 78 calorie reduction per person, per day. The Foundation's Together Counts™ programmes provides schools with free resources to promote nutrition, physical activity, energy balance and behaviour change to help children lead healthy, active lifestyles and helps families with tips and tracking tools to empower them to become more active and healthy together.

<sup>7</sup> J-M Borys, L. Valdeyron et al, "EPODE – A Model for Reducing the Incidences of Obesity and Weight-related Comorbidities," *US Endocrinology*, Vol. 9, Issue 1, September 2013.

<sup>8</sup> T. M. Van Koperen, "Characterizing the EPODE logic model: unravelling the past and informing the future," *obesity review*, doi:10.1111/j.1467-789x, 2012, 01067.

fat, sugar and salt is uncertain. Sound evidence is needed to show that food taxation will achieve behaviour change or improve consumers' access to healthier diets. The "fat tax" created in 2011 by the Danish government to address the country's rising obesity rates was criticized for leading to potential job losses, increasing administrative burdens for companies and creating cross-border shopping. The tax was dropped in November 2012 and the planned extension of the chocolate tax was cancelled. In 2011, Finland introduced a tax on confectionery and ice cream in an effort to curb sugar consumption. While initially sales of confectionery products dropped slightly, by the end of 2013 long-term sales had returned to pre-tax levels. In September 2015, the Finnish government announced it would abolish the tax from the beginning of 2017.

In January 2014, the Mexican government levied a tax on sugar-sweetened beverages and on high caloric density foods. The tax of one peso per litre on sugar-sweetened beverages increased the retail price of such products by nine to 19 percent. The tax was introduced as a measure to reduce obesity and does not appear to have made a meaningful change in the caloric intake of the Mexican population. For example, the calorie consumption from beverages has declined only slightly – six fewer calories per day in a diet of more than 3,000 calories per day.<sup>9</sup> In addition, a recent study evaluating the effects of the tax on price and consumption found that *"although the price of calories increased by close to 4 percent, the quantity of calories consumed decreased by about 1 percent only."*<sup>10</sup> Although the results are still preliminary, the study also found, *"the evidence shows that the effects of the Mexican taxes on calories consumed in-home are very small."*<sup>11</sup>

In October 2015, the New Zealand government released its "Childhood Obesity Plan," a package of 22 initiatives aimed at preventing and managing obesity in children and young people. Development of the plan drew on recent New Zealand and international evidence, including ECHO's Interim Report and was supported by a technical advisory group which provided advice on evidence of effective interventions and targets. The plan includes actions for the food industry on the Health Star Rating, a voluntary front-of-pack labelling system, marketing and advertising to children and partnerships with industry. The plan does not include any recommendations for a tax on sugar-sweetened beverages or foods high in fats or sugar.<sup>12</sup>

A recent study published by Public Health England (PHE) to identify areas where action is most likely to be effective in reducing sugar intakes, proposed a range of recommendations, including reducing advertising of high sugar food and beverage products to children; reducing price promotions; product

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<sup>9</sup> FAO, INEGI (National Institute of Statistics and Geography) and ANPRAC (National Association of Soft Drink and Carbonated Water Producers).

<sup>10</sup> A. Aguilar, E. Gutiérrez and E. Seira, "Taxing Calories in Mexico," ITAM-CIE, November 2015: 3. This study relied on high-quality data provided by Kantar World Panel Mexico, a leading consumer tracking company. The data spanned 2010-2014 and included weekly purchases at the barcode level for more than 25,000 barcodes for food items in more than 8,000 households. A group of surveyors recorded nutritional information, including calories, for the products included in the scanner data purchases.

<sup>11</sup> \_\_\_\_\_: 20

<sup>12</sup> [New Zealand Childhood Obesity Plan](#)

reformulation to reduce sugar in everyday food and drink; a sugar tax and ensuring the sale of healthier foods in hospitals and public institutions. PHE found that while the impact of a tax or levy could be effective in reducing consumption of sugary foods and drinks, the impact may be less than that of other measures, such as restrictions on marketing and promotions. PHE also found that reducing the sugar content of products across the food chain would be likely to reduce sugar intakes.<sup>13</sup>

An analysis by the McKinsey Global Institute (MGI) of 74 interventions to address obesity that are being discussed or piloted around the world, identified 44 for which they believe there was sufficient evidence to estimate the impact and cost. Based on this analysis, MGI found the highest-impact intervention area is portion control followed by product reformulation. Other highest-impact intervention areas - parental education, introducing healthy meals in schools and workplaces; and changes in the school curriculum to include more physical exercise – were also found to be highly cost-effective.<sup>14</sup>

We believe that interventions such as product reformulation, portion control, restrictions on the marketing of foods and beverages high in fat, sugar and salt to children, nutrition literacy and labelling, public education on diet and physical activity programmes are likely to be more effective than a recommendation, with little scientific basis that lacks solid evidence and evaluation. Further work should be undertaken to assess the impact of fiscal measures on diet, obesity and public health before such a policy option is recommended.

**Question 3: What are the important enablers and potential barriers for the implementation of these proposed policy options?**

The Commission's recommendations fundamentally rely on a whole-of-society and whole-of-government approach and a comprehensive integrated package of interventions. We support this approach and agree with the recommendation that *"governments should develop guidelines, recommendations or policy measures that engage relevant sectors, including the private sector as appropriate to implement actions in this report aimed at reducing childhood obesity."* (para 62)

We thank the Commission for recognizing the positive results collaborations with industry can deliver: *"Cooperative relationships with industry have already led to some encouraging outcomes related to diet and physical activity. Initiatives by the food manufacturing industry to reduce fat, sugar and salt content, and portion sizes of processed foods, and to increase the production of innovative, healthy nutritious choices could accelerate health gains worldwide."* (para 63.b.)

The Commission notes that a number of public and private sector initiatives to promote healthy food behaviours have been developed *"with the potential to promote healthier choices amongst consumers."*

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<sup>13</sup> *Sugar Reduction: The evidence for action*, Public Health England, October 2015

<sup>14</sup> Richard Dobbs, et al. *Overcoming obesity: An initial economic analysis*. McKinsey Global Institute. November 2014. MGI assessed the elements of a potential programme for the U.K. but believes its findings are broadly applicable around the world.



# INTERNATIONAL FOOD & BEVERAGE ALLIANCE

(pg. 17-18) We believe it would be helpful, as we all look to develop and/or build upon best practice models, if the Commission would identify the specific initiatives to which it is referring. This would allow industry to continue to support and invest in efforts the Commission and the public health community will value.

It is critical to the success of this effort that governments and civil society see industry as a willing and effective partner and that we develop ways of working and trusting each other.

We are encouraged by the Commission's view that real progress can be made by constructive, transparent and accountable engagement with the private sector - *"These [Initiatives] need to be encouraged while acknowledging the complexities of motive and interest that might exist."* (para 53)

We recognize and respect the fact that policy creation is the exclusive prerogative of governments. We view our role as contributing to the evidence base upon which policies are set. We also recognize and respect the need to safeguard public health from undue influence and reputational risks. We are sensitive to the concerns raised around conflicts of interest. All stakeholders, not just the private sector, but civil society and others have interests which may sometimes conflict. However, we believe that conflicts of interest and other risks can be managed by a comprehensive, robust and transparent disclosure system and accountability framework and a clear policy for engagement, with clearly defined roles and responsibilities.

We are committed to helping develop and strengthen effective interventions as well as creating an environment of trust, transparency and accountability. We have examples of successful collaborations, led by governments, and are convinced that much can be accomplished with a structured multi-stakeholder dialogue, collaborative agenda-setting and the development of an enabling environment and appropriate rules of engagement.

We must all work to identify and share good practice from around the world and increase access to knowledge and innovations that will inform and enhance the effectiveness of the interventions.

Consumers must be encouraged to adopt a balanced diet – eating a wide variety of foods in the right proportions to achieve and maintain a healthy body weight. Creating interventions based on a characterization of “healthy” or “unhealthy” or “ultra-processed” foods is extremely complex. Terminology on “healthy” and “processed” must be defined with science-based underpinnings and a common language must be shared amongst shareholders. As we all know, processing can bring tremendous value to the food supply by keeping food safe, nutritious and accessible.

Additionally, there is no global single “healthy” product formulation or nutrient profile that will address the different cultural norms around eating and different dietary needs of all consumers around the world.

We use nutrition criteria to help us further improve the nutritional composition of our product portfolio. These criteria are applied to different types of foods, including foods that are for everyday consumption and those that should only be eaten on occasion, and are based on the typical role of that food in a





meal. This allows consumers to consume different types of meals, with different relative contributions of calories, nutrients of public health concern, and nutrients to be encouraged, and allows room for indulgence products, provided that overall the diet is balanced.

As stated in our submission on the Interim Report, people cannot be forced to eat a balanced diet or live a healthy lifestyle, but collectively we should be able to empower them to make the right choices for themselves and their children. We believe through efforts of portion guidance, reformulation and education, we can work together to help consumers build balanced diets with a variety of foods and beverages.

**Question 4: How can governments and other actors be held to account for implementing these policy options?**

We fully support the need for an accountability framework with clearly defined roles and responsibilities for all stakeholders, specific indicators that measure childhood obesity and a robust mechanism to monitor policy development and implementation and evidence of impact and effectiveness of interventions. Data is needed from population-based surveys of child weight and height to determine if these have been successful in reducing the prevalence of childhood obesity.

We all share a collective responsibility to fix this problem and so, it needs to be clear that we should all be collectively accountable. We must all have a hand in the development of accountability mechanisms. The report suggests that it is only the private sector that will be held accountable by governments and civil society. This approach cuts across the guiding principle of the report which is to build a whole-of-society approach why by its very nature will require an enabling environment and collaboration across all sectors and all stakeholders. (*para 55*)

As industry, we believe we should be held accountable against the commitments we have made and we report annually and publicly on our progress.

Developed in consultation with stakeholders, the 2015 *Global Nutrition Report, Actions and Accountability to Advance Nutrition & Sustainable Development* creates a mechanism through which governments, civil society, donors and the private sector can be held accountable for progress in addressing malnutrition. Consideration should be given to this as a model for accountability and monitoring of progress.

As offered in our previous submission on the Interim Report, we would propose working in partnership with other stakeholders in the context of the Global Coordination Mechanism on the Prevention and Control of NCDs to define a set of meaningful key performance indicators appropriate for our industry and jointly agree on the appropriate methodologies for measurement.

**Question 5: Any other comments about the draft final report?**

We all recognize that the prevention and treatment of childhood obesity poses an urgent and serious challenge. We agree with the Commission that no single intervention can halt the rise of obesity. A



comprehensive, integrated, sustained package of interventions, deployed at scale, is necessary to address childhood obesity. Addressing specific risk factors as well as environmental influences with interventions led and developed in the context of local communities and schools will be important to enable behaviour change.

We believe behaviour change is fundamental to achieving the goal of ending childhood obesity. Achieving behaviour change is challenging and will take time. It requires an understanding of the barriers that prevent people from adopting a new behaviour; the triggers that provoke people to start a new behaviour; and the motivations that will help them sustain a new behaviour. Promoting behaviour change and empowering consumers to make the right choices for themselves and their children is critical and will require a concerted and collective effort by all stakeholders.

We agree with the Commission that a whole-of-society approach offers the best opportunity for addressing childhood obesity. We understand the critical role our industry can play in helping to encourage healthy behaviors and are committed to do our part.

13 November 2015