

INTERNATIONAL
FOOD & BEVERAGE
ALLIANCE

10 November 2009

Her Excellency
Dr. Margaret Chan
Director General
World Health Organization
10 Avenue Appia
Geneva, Switzerland

Dear Dr. Chan,

Re: Progress Report on the International Food & Beverage Alliance's Five Commitments to Action under the 2004 *Global Strategy on Diet, Physical Activity and Health*

As you will recall, in 2008, CEOs of General Mills, Grupo Bimbo, Kellogg's, Kraft Foods, Mars, Nestle, PepsiCo, The Coca-Cola Company and Unilever wrote to you as a group, committing to five key actions over the next five years in support of the 2004 *Global Strategy on Diet, Physical Activity and Health*:

1. Product Composition and Availability – Continue to reformulate products and develop new products that support the goals of improving diets.
2. Nutrition Information to Consumers – Provide easily-understandable nutrition information to all consumers.
3. Marketing and Advertising to Children – Extend responsible advertising and marketing to children initiatives globally.
4. Promotion of Physical Activity and Healthy Lifestyles – Raise awareness on balanced diets and increased levels of physical activity.
5. Partnerships – Actively support public-private partnerships that support the WHO's *Global Strategy*.

We have made substantial progress since May 2008, and are pleased to enclose our report on a number of actions we have taken against our five commitments. We are also enclosing a copy of the monitoring report prepared by Accenture Marketing Sciences which provides a global "snapshot" of IFBA member companies' compliance with their marketing commitments.

We appreciate the discussions we have had with you and your team in the past and look forward to continuing our dialogue as we all move further along the path towards realizing the goals of the 2004 WHO *Global Strategy*.

Yours sincerely,



Niels Christiansen
Co-Chair



Stephen Kehoe
Co-Chair

Progress Report to Dr. Margaret Chan, Director General of the World Health Organization on the International Food & Beverage Alliance's Five Commitments to Action under the 2004 Global Strategy on Diet, Physical Activity, and Health

In May 2008, CEOs of eight major multinational food and non-alcoholic beverage companies wrote as a group to the Director General of the World Health Organization (WHO), Dr. Margaret Chan, committing to five key actions over the next five years to support the 2004 *Global Strategy on Diet, Physical Activity and Health* (the WHO *Global Strategy*):

1. Product Composition and Availability – Continue to reformulate products and develop new products that support the goals of improving diets;
2. Nutrition Information to Consumers - Provide easily-understandable nutrition information to all consumers;
3. Marketing and Advertising to Children - Extend responsible advertising and marketing to children initiatives globally;
4. Promotion of Physical Activity and Healthy Lifestyles - Raise awareness on balanced diets and increased levels of physical activity; and
5. Partnerships - Actively support public-private partnerships that support the WHO's *Global Strategy*.

Since that time, our companies - General Mills, Grupo Bimbo, Kellogg's, Kraft Foods, Mars, Nestle, PepsiCo, The Coca-Cola Company and Unilever - have come together and constituted the International Food & Beverage Alliance (IFBA), whose mission is to help consumers in all nations to achieve balanced diets and healthy lifestyles. We are committed to collaboration with the WHO, public authorities, international organizations, civil society and other stakeholders with the goal of enhancing our collective impact in addressing health and well-being challenges in nations and countries around the world.

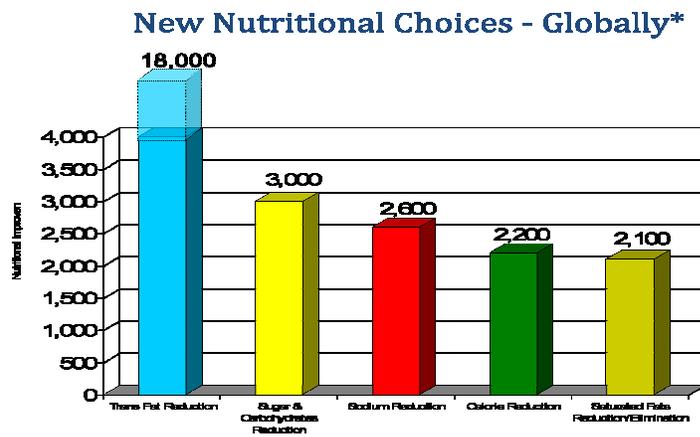
We are pleased to provide you our first progress report on our global actions against our five commitments. In addition to the global initiatives, we are also pleased to report on the results of a survey conducted by Georgetown Economic Services, (GES) an economic consulting firm, on IFBA member companies' health and nutrition initiatives and progress during the period 2004 – 2008. GES surveyed 14 countries spread across the WHO regions: Kenya, South Africa and Uganda (Africa); Brazil, Mexico and Peru (the Americas); India and Indonesia (South-East Asia); Russia (Europe); Egypt and Morocco (Eastern Mediterranean); and Australia, China and the Philippines (Western Pacific), (the IFBA Nutrition & Health Survey).ⁱ

ⁱ It is the first year of such an effort, and as such, there are inevitable gaps of information that arose from the four-year span of the survey, and lack of centralized record-keeping. In fact, these gaps of information may well have led to understated data across all sectors. However, the survey provides a baseline and a process from which to measure future efforts. Please note that not all IFBA member companies are operating in all of the surveyed countries. The full report is available at: <https://ifballiance.org/sites/default/files/IFBA%20-%20GES%20Health%20%26%20Nutrition%20Survey%20-%20September%202009.pdf>

Commitment 1 – Product Composition and Availability

Continue to reformulate products and develop new products that support the goals of improving diets

Since the *Global Strategy* was launched in 2004, IFBA companies have reformulated and/or introduced over 28,000 nutritionally enhanced products globally. This includes specifically reducing or eliminating trans-fat in about 18,000 products. Calories were reduced and saturated fats, sugar, carbohydrates and sodium were also eliminated or reduced in a significant number of products. At the same time, many products were fortified with vitamins, minerals, whole grains and/or fiber. The following graph shows in greater detail the aggregate numbers for the new and/or reformulated products made by IFBA member companies.



*All countries in which IFBA companies have operations; products counted by SKUs; totals are understated as they exclude data that companies were unable to report.

Examples of the improvements we have made in our products can be found on our website at: <https://www.ifballiance.org/commitment-1-product-composition-and-availability.html>

Results of the IFBA Health & Nutrition Survey:

- IFBA companies are helping consumers manage their caloric intake by changing food and beverage packaging to improve consumption habits. Companies have changed the structure of many multi-serve packaging (for example, by adding dividers between servings, or creating packages that pour only one serving at a time). They have also made changes to the size and/or shape of numerous single-serve packaging and/or content (for example, 100-calorie packs) and have created child-sized packaging or reduced the size of packaging for use by children. By way of example, 78% of the companies surveyed in Brazil, Mexico and Peru, and 63% of the companies surveyed in Kenya, South Africa and Uganda have made changes to the size, shape or content of their single-serve packages. 56% of the companies surveyed in Australia, China and the Philippines changed the structure of their multi-serve packaging, and created packaging for younger audiences.

- 89% of IFBA member companies in the eight surveyed countries in the Americas, South East Asia and Western Pacific regions have developed internal policies and guidelines, and/or strategies to help consumers manage their consumption of key nutrients and balance their caloric intake and expenditures.

Commitment 2 – Nutrition Information to Consumers

Provide easily-understandable nutrition information to all consumers

All IFBA member companies have improved the labeling on their packaging to provide easily-understandable nutritional information, including guideline daily amounts (GDAs) or Daily Value, ingredient listings, and key nutrients. Although full nutritional labeling is not compulsory in many countries, IFBA companies have made significant progress in implementing full nutritional labeling on a voluntary basis. Many companies are also branding their “better-for-you” options on the front of their packaging so consumers can see in an instant which products meet their nutritional standards.

Examples of the changes we have made in our labeling and information we provide to our consumers can be found on our website at: <https://www.ifballiance.org/commitment-2-nutrition-information-consumers.html>

Results of the IFBA Health & Nutrition Survey:

- IFBA companies are already exceeding labeling requirements in all of the surveyed countries and are planning more improvements in the future. For example, 88% of companies surveyed in Kenya, South Africa and Uganda are already exceeding the legal labeling requirements and 75% plan on adding more nutritional labeling in the next 24 months.

Commitment 3 – Marketing and Advertising to Children

Extend responsible advertising and marketing to children initiatives globally

In December 2008, IFBA member companies confirmed in a letter to you that they had each extended their individual pledges on marketing and advertising to children, globally.

In April, 2009, we introduced The IFBA Global Policy on Marketing and Advertising to Children which is currently in effect in all WHO Member States in which our companies operate. The policy states that IFBA members will only advertise to children under 12 years of age those products which meet specific nutrition criteria, based on accepted international and/or national scientific standards, or will not advertise products to children at all.

IFBA companies have helped launch the roll-out of national pledge programmes around the world. As of October 2009, pledge programmes have been launched in Australia, Brazil, South Africa, Russia and Thailand, joining efforts already established in the United States, Canada, and the European Union (*see Appendix 1*). These pledge programmes are designed to extend the application of IFBA’s responsible advertising to children policy to encourage local

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companies to change the types of products advertised to children in those markets. Each of the national pledges provides a robust structure for monitoring what and how companies advertise.

The first compliance monitoring reports under the U.S. Children's Food and Beverage Advertising Initiative were published in July 2008 (reporting on the first six months of the pledge programme), and in October 2009 (reporting on progress for the full year of 2008). The first monitoring report under the Canadian Children's Food and Beverage Advertising Initiative was published in July 2009, and the monitoring report and impact studies under the EU Pledge commitments were published in September 2009. Specific monitoring methodologies vary in response to local requirements. Independent monitors all reported high rates of compliance with IFBA member companies' marketing commitments:

- In the U.S., the Council of Better Business Bureaus (the BBB), reporting on 2008, concluded that: "Our review of participants' reports and our independent monitoring shows that the participants did an excellent job of implementing and complying with their pledges during 2008...Compliance among the 12 participants that were implemented during some or all of 2008 was high...our review of participants' compliance reporting found only minor violations that were remedied or are no longer occurring..."

The report also provided an informal analysis of the nutritional content of products participants advertised during a randomly selected sample of 54 hours of children's programming during March 2009. The BBB reported that, "this analysis shows that much of the participants' advertising is for products that are reduced in calories or "nutrients of concern" (fats, sodium and sugars) and are good sources of nutrients that are shortfalls for children ("shortfall nutrients") or provide at least a half-serving of a food group that the Dietary Guidelines of Americans recommend for increased consumption." The full report is available at:

<http://www.bbb.org/us/storage/16/documents/finalbbbs.pdf>

- In Canada, the first annual compliance report released by Advertising Standards Canada (ASC) details the progress made in 2008 by food and beverage companies and concluded that all participants successfully fulfilled their programme commitments, and in some cases exceeded the original program requirements. Of the 16 participants, eight did not direct advertising to children, and the remaining eight exceeded the minimum requirements. ASC found only two minor compliance issues, which were immediately corrected by the involved participants.

The full report is available at:

<http://www.adstandards.com/en/ChildrensInitiative/yearOneComplianceReport.pdf>

- In the EU, Accenture Marketing Sciences (Accenture) released the results from the first monitoring report of the EU Pledge, reporting an overall compliance rate of 99.8% for TV, virtually 100% compliance for print (two non-compliant ads found in six markets), and virtually, 100% compliance for the internet (two non-compliant ads found). PriceWaterhouseCoopers reported companies achieved an overall compliance rate of

93% with regard to their commitment to restrict communications in primary schools.
The full report is available at: <http://www.eu-pledge.eu/press.php?id=4>

In furtherance of its commitment to transparency and independent monitoring of IFBA member companies' actions, IFBA commissioned two studies:

- Global monitoring of food and non-alcoholic beverages advertising to children: In June 2009, IFBA engaged Accenture to provide a global “snapshot” of companies' compliance with their marketing commitments. To ensure full transparency and credibility, Accenture chose the markets to be reviewed after the advertising had already been purchased by the companies. The exercise was conducted as a random sampling of companies' advertisements. Accenture tested compliance in 12 markets – Argentina, Canada, China (Shanghai region only), India, Indonesia, Mexico, New Zealand, Russia, South Africa, Thailand, Ukraine, and the U.S. - and monitored approximately 2.1 million TV advertisement spots and print publications during 1 February – 30 April 2009. They also tested compliance for internet advertising in six markets – Canada, India, Mexico, New Zealand, South Africa, and the U.S. – during 1 June – 7 August, 2009. Accenture reported a 98.17% compliance rate for TV advertising, 100% compliance for print advertising and found only one instance of non-compliance on the internet. The full report is available at: <https://ifballiance.org>
- Comparative analysis of food and non-alcoholic beverages advertising, 2005 – 2009: In July 2009, IFBA engaged Accenture to conduct a comparative analysis of food and non-alcoholic beverage products advertised on TV to children under 12 years of age from 2005 – 2009 in nine countries in the European Union – Denmark, France, Ireland, Italy, Poland, Portugal, Spain, Sweden and the UK. Accenture reported a significant shift in foods advertised to children towards “better-for-you” foods. This analysis complemented the U.S. study for 2004 – 2007, produced by Georgetown Economic Services in 2008 which reported a similar trend.

EU Pledge results on children's exposure to food and non-alcoholic beverage advertising, 2005 – 2009:

- Accenture also reported on the change in children's exposure to member companies' TV advertising since 2005. The overall results showed a 93% decline in advertising for products that did not meet companies' nutritional criteria in programmes with an audience composed of a majority of children under 12 years; and a 56% decline in advertising for these products overall, i.e. in all programmes on all channels at all times. For all EU Pledge member companies' advertising across all products (i.e. no distinction on a nutritional basis), this represented a 61% decline in programmes with an audience composed of a majority of children and a 30% decline overall, i.e. in all programmes on all channels at all times.

Results of the IFBA Health & Nutrition Survey:

- A majority of IFBA companies operating in the surveyed countries do not advertise products to children under 12 years of age; and those that do, only advertise products which meet their companies' strict nutrition criteria and responsible marketing guidelines. This is in line with the IFBA Global Policy on Marketing and Advertising to

Children referenced earlier and helps reduce children's exposure to advertising for products high in fat, sugar, and/or salt.

Commitment 4 – Promotion of Physical Activity and Healthy Lifestyles

Raise awareness on balanced diets and increased levels of physical activity

IFBA member companies support a variety of healthy lifestyle programmes all over the world designed for various age groups – empowering children and their families to make healthier food choices while providing nutrition education, and encouraging physical activity. We have a long history of collaboration with public authorities and other parties to promote these efforts.

Examples of these programmes and collaborations can be found on our website at:

<https://www.ifballiance.org/commitment-4-promotion-physical-activity-healthy-lifestyles.html>

Results of the IFBA Health & Nutrition Survey:

- Many IFBA companies are communicating healthy lifestyle messages through education websites, brochures, newsletters, and education kits for children, parents, and/or schools. In Brazil, Mexico and Peru, for instance, 67% of IFBA companies communicate healthy lifestyle messages through websites, 78% communicate via brochures and newsletters, and 56% communicate via education kits.
- At the same time, many IFBA companies are providing employees with wellness options. These options include on-site weight-loss programs, fitness centres, nutritional counselling, environments conducive to regular, daily activity, for example, flexitime to allow exercise during work hours), financial support or other incentives for employee memberships in exercise facilities, and newsletters that include health and nutrition information. Different regions emphasized different strengths in this regard. For example, of the companies surveyed in Brazil, Mexico and Peru, 78% of them offered on-site weight loss programs, fitness centres or nutritional counselling. The companies located in Kenya, South Africa and Uganda were more likely to offer employees flexitime to allow exercise during work hours (63% of surveyed companies) than other options.

Commitment 5 – Partnerships

Actively support public-private partnerships that support the WHO's Global Strategy

Individually and collectively, IFBA members are involved in a wide range of public and private partnerships with health organizations, educational institutions, NGOs and the private sector which support the goals of improving health and nutrition, and encouraging regular physical activity and healthy lifestyles.

Examples of our partnerships can be found on our website at:

<https://www.ifballiance.org/commitment-5-partnerships.html>

Results of the IFBA Health & Nutrition Survey:

- IFBA companies are involved in sponsorships and partnerships to promote good nutrition and regular physical activity. Companies are sponsoring or financially supporting national or local initiatives to improve nutrition education or encourage regular physical activity. The Western Pacific region is leading the other regions in this regard with 100% of surveyed companies involved in such activities. Also, many companies throughout the different regions are in marketing or promotional partnerships with health organizations.

Conclusion

Since the adoption of the *Global Strategy* in 2004, IFBA member companies have reformulated or introduced thousands of different food and non-alcoholic beverage products with “better-for-you” profiles, including products that are lower in salt, free sugars, saturated fats and trans-fatty acids. At the same time, many products have been fortified with beneficial ingredients – vitamins, minerals, whole grains and/or fiber. Package and portion sizes are changing to help encourage eating in moderation. IFBA members have made significant progress in implementing nutritional labeling of key nutrients, exceeding the necessary legal requirements.

Companies have introduced a comprehensive framework to address how they market to children globally and a policy which states that the companies will either not advertise to children under 12 or will only advertise to children those products which meet specific nutrition criteria, based on accepted international and/or national scientific standards. We have demonstrated that it is possible for industry to change the balance of food and beverage advertising to children substantially through these voluntary initiatives. The results of the comparative analyses in the U.S. and the European Union demonstrate a genuine shift since 2004 in the kinds of products which are being advertised on TV both to children specifically, and all audiences generally, towards “better-for-you” products. The monitoring reports under the U.S., Canadian and EU pledge programmes and the Accenture global monitoring report demonstrate a very high rate of compliance and that companies are capable of ensuring strict compliance with their voluntary marketing commitments.

IFBA member companies are actively communicating healthy lifestyle messages, helping their employees improve their health and wellbeing and partnering with others to promote local or national initiatives to improve nutrition education and encourage regular physical activity.

While substantial progress has been made, we recognize there are areas in which we can improve and continue to make progress moving forward – from continuing to introduce healthier options to ensuring nutrition information on products worldwide.

Further information on IFBA and member company activities is available via our website at: <https://ifballiance.org>

Appendix 1

Chart Illustrating Pledge Programmes Implemented as of September 2009

Year	Country	Pledge Program
2006	EU	Union of European Beverages Association (UNESDA) ⁱ
	Australia	Australian Beverage Industry ⁱⁱ
	USA	The U.S. Children's Food and Beverage Advertising Initiative ⁱⁱⁱ (15 companies)
2007	Canada	Canadian Children's Food and Beverage Advertising Initiative ^{iv} (18 companies)
	EU	The EU Pledge ^v (covering the 27 Member States) (11 companies)
2008	Thailand	Thailand Children's Food and Beverage Advertising Initiative ^{vi} (7 companies)
	Australia	The Responsible Children's Marketing Initiative of the Australian Food and Beverage Industry ^{vii} (16 companies)
2009	South Africa	South Africa Pledge on Marketing to Children ^{viii} (24 companies)
	Brazil	Brazil Public Commitment on Food and Beverage Advertising to Children ^{ix} (24 companies)
	Russia	Russian Pledge "On limitation of advertising to children" ^x (9 companies)

ⁱ <http://www.unesda.org/>

ⁱⁱ <http://www.beveragehealth.org.au/scripts/cgiip.exe/WService=ASP0017/ccms.r?PageId=10108>

ⁱⁱⁱ <http://www.bbb.org/us/children-food-beverage-advertising-initiative/>

^{iv} <http://www.adstandards.com/en/childrensinitiative/default.htm>

^v <http://eu-pledge.eu/>

^{vi} <https://ifballiance.org/sites/default/files/Thai%20Pledge%20Fact%20sheet%20Eng%2021-05-08.pdf>

^{vii} <http://www.afgc.org.au/index.cfm?id=726>

^{viii} http://www.cgcsa.co.za/start.asp?page=content_display.asp&id=352&category=144&P_category=144

^{ix} <https://www.ifballiance.org/sites/default/files/Pledge%20Port.pdf>

^x <https://ifballiance.org/sites/default/files/Russia%20Pledge.pdf>