

# The Canadian Children's Food and Beverage Advertising Initiative: 2009 Compliance Report



Advertising Standards Canada  
August 2010



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# Foreword

Advertising Standards Canada (ASC) is pleased to issue the *Canadian Children's Food and Beverage Advertising Initiative: 2009 Compliance Report*. This Report documents the excellent level of compliance achieved by participating companies during the second year of the program.

The Canadian Children's Food and Beverage Advertising Initiative (CAI) is an important initiative by 19 of Canada's leading food and beverage advertisers that is changing the landscape of food and beverage advertising directed to children. Participating companies have committed either to not direct advertising primarily to children under the age of 12, or to shift their advertising to products that are consistent with the principles of sound nutritional guidance.

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

New requirements were added to the CAI during the past year, and ASC and the participating companies are committed to ongoing program enhancement.

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

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

We welcome your feedback.

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

## About Advertising Standards Canada

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

# Table of Contents

<b>Executive Summary</b>	<b>i</b>	<b>V. Conclusions and Going Forward</b>	<b>27</b>
<b>I. Report Overview</b>	<b>1</b>	<b>Exhibits</b>	<b>29</b>
<b>II. Background and Developments</b>	<b>2</b>	Exhibit 1: Participants' Nutrition Criteria Per Serving Size for Products Advertised Directly to Children Under 12 Years of Age	29
CAI Original Core Principles	2	Exhibit 2: Summary Table of Participants' Definitions of Advertising Directed Primarily to Children Under 12 Years of Age	30
2010 Enhanced Core Principles	3	<b>Appendices</b>	<b>33</b>
<b>III. The Participants' Commitments</b>	<b>4</b>	Appendix 1: List of Products Advertised by Participants in 2009	33
CAI Nutrition Criteria	4	Appendix 2: List of Child-Directed Company-Owned Websites	34
Defining Advertising Directed Primarily to Children Under 12	4	Appendix 3: Canadian Children's Food and Beverage Advertising Initiative Reference Document (April 2007)	35
<b>IV. Evaluation of Participant Compliance</b>	<b>5</b>	Appendix 4: Revised CAI Core Principles (January 2010)	37
Methodology	5	Appendix 5: Examples of Participants' 2009 Healthy Active Living Messaging, Initiatives and Programs	40
A. Independent Audit	5	Appendix 6: Framework for Regulating Children's Advertising in Canada	44
B. Participant Compliance Reports	5	• Overview	44
Overall Compliance Evaluation	6	• Excerpts from <i>The Broadcast Code for Advertising to Children</i>	45
1. Burger King Restaurants of Canada, Inc.	7	• Excerpts from the <i>Canadian Code of Advertising Standards and Interpretation Guideline #2</i>	48
2. Cadbury Adams Canada Inc.	8		
3. Campbell Company of Canada	9		
4. Coca-Cola Ltd.	10		
5. Ferrero Canada Ltd.	11		
6. General Mills Canada Corporation	12		
7. Hershey Canada Inc.	13		
8. Janes Family Foods Ltd.	14		
9. Kellogg Canada Inc.	15		
10. Kraft Canada Inc.	17		
11. Mars Canada Inc.	19		
12. McCain Foods (Canada)	20		
13. McDonald's Restaurants of Canada Limited	21		
14. Nestlé Canada Inc.	22		
15. Parmalat Canada	23		
16. PepsiCo Canada ULC	24		
17. Unilever Canada Inc.	25		
18. Weston Bakeries Limited	26		

# Executive Summary

*The Canadian Children's Food and Beverage Advertising Initiative: 2009 Compliance Report* offers insights into the continuing progress made by the participating companies (Participants) in the Canadian Children's Food and Beverage Advertising Initiative (CAI). As Canada's independent national advertising industry self-regulatory body, ASC serves as the CAI program administrator. ASC has prepared this Report to provide a transparent assessment of the Participants' performance in implementing and meeting their CAI Commitments from January 1 to December 31, 2009.

The Report sets out the CAI key principles and criteria, and provides a summary of each Participant's performance in achieving its Commitment. The Report also discusses changes to the landscape of children's advertising in Canada.

The 18 Participants reviewed in this Report are: Burger King Restaurants of Canada, Inc.; Cadbury Adams Canada Inc.; Campbell Company of Canada; Coca-Cola Ltd.; Ferrero Canada Ltd.; General Mills Canada Corporation; Hershey Canada Inc.; Janes Family Foods Ltd.; Kellogg Canada Inc.; Kraft Canada Inc.; Mars Canada Inc.; McCain Foods (Canada); McDonald's Restaurants of Canada Limited; Nestlé Canada Inc.; Parmalat Canada; PepsiCo Canada ULC; Unilever Canada Inc. and Weston Bakeries Limited.

Half of the CAI Participants committed to not engage in advertising directed primarily to children under 12 years of age. The other half committed to include only better-for-you products<sup>1</sup> in child-directed advertising<sup>2</sup>.

In assessing the compliance of each Participant, ASC's methodology consisted of a three-part independent assessment process, as well as a detailed review of reports and documentation submitted by each Participant. An in-depth account of ASC's methodology is outlined in Section IV.

## PERFORMANCE

Building upon the success of the CAI's first year, Participants achieved a very high degree of compliance during 2009. Only one compliance issue was uncovered, which was immediately corrected by the involved Participant.

In addition, ASC's independent monitoring revealed isolated incidents of Participants' products that were not approved under the CAI being advertised in children's television programming. These commercials were aired as a result of "bonusing" provided by the carrying television stations. Bonus advertising is not purchased or

<sup>1</sup> Throughout this report the terms "better-for-you" and "healthier dietary choices" are used interchangeably.

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

pre-approved by the advertiser and airs after the execution of planned media schedules without the prior knowledge of the involved Participants. This issue has been addressed by the Participants with their media buyers and the involved media.

Throughout the year, Participants took their Commitments very seriously, communicating and reinforcing their importance to their partners, including advertising agencies and media buying companies

## THE CHANGING LANDSCAPE

By the end of 2009, the landscape of children's advertising was significantly different than it was prior to the launch of the CAI in April 2007. The notable changes include:

- Food and beverage advertising represents less than one-fifth of all child-directed television advertising on the Canadian channels that broadcast programming specifically directed to the under-12 audience\*;
- The reformulation of many products to improve their nutritional value;
- The commitment of all Participants that engaged in child-directed advertising to exceed the CAI's baseline requirement of 50% and ensure that 100% of this advertising is for products that meet the CAI's standards;
- Child-directed advertising that depicts a child consuming food must show an amount of food consistent with the serving size stated on the product's Nutrition Facts Panel.

Over the past year, with the assistance of Corus Entertainment Inc., ASC undertook a comparative study of children's television advertising pre-CAI and post its inception to better understand how the landscape of advertising to children under 12 has changed. Corus is a leading specialty and pay TV broadcaster with television assets that include YTV, Treehouse, Nickelodeon and TELETOON (50%).

Collectively, these stations have the highest audience of kids aged 2 to 11 of any broadcaster in Canada. With Participant consent, Corus provided ASC with Participants' scheduling information for a two-month period in 2004 and for the same period in 2008. The data in these logs was reviewed, analyzed and compared to determine the nature and scope of aggregate changes and trends in advertising of food and beverages to children.

The findings revealed that in the 2004 period, 20% of food and beverage commercials on children's programming were sponsored by companies that were not among the Participants when the CAI commenced. By contrast, in 2008 less than 5% of food and beverage commercials primarily directed to children under 12 were sponsored by companies that were not CAI Participants.

In the 2004 period, only 63% of the food and beverage products advertised directly to children under 12 were better-for-you products. By contrast, in the 2008 period, more than 95% of food and beverage products advertised directly to children under 12 were better-for-you products. Since 2004, the mix of products advertised directly to children under 12 on television has also changed. For example, one Participant stopped advertising a particular product that accounted for more than 40% of the company's advertisements in the monitored period in 2004. Two Participants ceased advertising to children altogether.

## 2010 ENHANCED CORE PRINCIPLES

To ensure program flexibility and responsiveness, the CAI Core Principles were enhanced in 2010. The original commitment was that 50% of Participants' advertising directed primarily to children under 12 was to be only for better-for-you products. Now 100% of the advertising must be for better-for-you products. Coverage of the CAI was expanded to include additional media:

\* Based on ASC's 2009 independent spot check.

- i. 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;
- ii. 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
- iii. Mobile media such as cell phones, PDAs and through word of mouth<sup>3</sup>, where advertising on those media is primarily directed to children under 12.

## GOING FORWARD

Over the next year, ASC and the Participants will be focused on the following goals:

- Ensuring compliance with the enhanced Core Principles;
- Expanding the number of Participants beyond the current complement of 19;
- Monitoring developments in nutrition science and government policies/guidelines to ensure that the CAI standards and criteria remain current and relevant, and continuing to expand and modify them as appropriate; and
- Continuing to enhance the Initiative, giving consideration to feedback from all stakeholders – non-governmental organizations, the public, media, government and industry – on the CAI and its progress.

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<sup>3</sup> 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 this advertising is primarily directed to children under 12 years of age.

# I Report Overview

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The Report sets out the progress made by the participating companies (Participants) in the Canadian Children's Food and Beverage Advertising Initiative (CAI) in implementing and meeting the Commitments they made under the CAI. Reporting on the CAI's second year, this Report covers the period from January 1, 2009 to December 31, 2009. As of January 1, 2009, 17 of the CAI's 18 Participants had fully implemented their Commitments. Among new members, Ferrero joined the CAI and implemented its Commitment on May 1, 2009, while Post Foods Canada Corp. also joined the CAI during the year. Post Foods' progress against its Commitment will be reported in the 2010 CAI Compliance Report.

The following Participants are covered in this Report:

1. Burger King Restaurants of Canada, Inc. (Burger King)
2. Cadbury Adams Canada Inc. (Cadbury)
3. Campbell Company of Canada (Campbell Canada)
4. Coca-Cola Ltd. (Coca-Cola)
5. Ferrero Canada Ltd. (Ferrero)
6. General Mills Canada Corporation (General Mills)
7. Hershey Canada Inc. (Hershey's)
8. Janes Family Foods Ltd. (Janes)
9. Kellogg Canada Inc. (Kellogg)
10. Kraft Canada Inc. (Kraft Canada)
11. Mars Canada Inc. (Mars)
12. McCain Foods (Canada) (McCain)
13. McDonald's Restaurants of Canada Limited (McDonald's)
14. Nestlé Canada Inc. (Nestlé)
15. Parmalat Canada (Parmalat)
16. PepsiCo Canada ULC (PepsiCo)
17. Unilever Canada Inc. (Unilever)
18. Weston Bakeries Limited (Weston Bakeries)

## II

# Background and Developments

Over the past several years, childhood health and obesity has come to the fore as a serious and complex global issue. The Canadian food and beverage industry recognized that it could make a meaningful contribution to support the health of Canadian children. In 2007, the industry launched the CAI to promote healthier 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.

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

Since 2007, three additional companies, Burger King Restaurants of Canada, Inc., Ferrero Canada Ltd. and Post Foods Canada Corp., joined the CAI, bringing the current complement to 19.

(Full details of the Core Principles of the CAI can be found in the *Canadian Children's Food and Beverage Advertising Initiative Reference Document* in Appendix 3 of this Report).

### CAI ORIGINAL CORE PRINCIPLES

When the CAI was established in 2007, each Participant agreed to develop an individual Commitment addressing five Core Principles. The principles specified that Participants were to:

- devote at least 50% of their television, radio, print and Internet advertising directed primarily to children under 12 years of age to further the goal of promoting healthy dietary choices and/or healthy active living;
- incorporate only products that represent healthy dietary choices in interactive games primarily directed to children under 12 years of age;
- reduce the use of third-party licensed characters in advertising directed primarily to children under 12 for products that do not meet the CAI's product criteria<sup>4</sup>;
- not pay for or actively seek to place food and beverage products in program/editorial content of any medium primarily directed to children; and
- not advertise food or beverage products in elementary schools<sup>5</sup>.

<sup>4</sup> 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*.

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



In consultation with ASC, each Participant developed its individual Commitment, which was ultimately approved by ASC and published on a dedicated section of ASC's website at [www.adstandards.com/childrensinitiative](http://www.adstandards.com/childrensinitiative).

## 2010 ENHANCED CORE PRINCIPLES

To ensure program flexibility and responsiveness, the CAI Core Principles were enhanced in 2010. The original commitment was that 50% of Participants' advertising directed primarily to children under 12 was to be only for better-for-you products. Now 100% of the advertising must be for better-for-you products. Coverage of the CAI was expanded to include additional media:

- i. 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;
- ii. 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
- iii. Mobile media such as cell phones, PDAs and through word of mouth<sup>6</sup>, where advertising on those media is primarily directed to children under 12.

Complete details of the enhanced Core Principles of the CAI can be found in Appendix 4 of this Report.

<sup>6</sup> 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 this advertising is primarily directed to children under 12 years of age.

# III

## The Participants' Commitments

The Commitments set out how each Participant will implement the CAI's five Core Principles.

### CAI Nutrition Criteria

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

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

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

- foods that reflect the dietary guidelines of *Canada's Food Guide*;
- foods that meet criteria for disease risk reduction claims, function claims and nutrient function claims as per the *CFIA Guide to Food Labelling and Advertising*;<sup>7</sup>
- foods that meet the criteria for nutrient content claims as per the *CFIA Guide to Food Labelling and Advertising*; or

- foods that meet the standards for participating in the Heart & Stroke Foundation's *Health Check*<sup>™</sup> program.

Prior to ASC's final approval of each individual Participant's Commitments, ASC retained an independent dietitian to evaluate each of the products covered to ensure they met the CAI's criteria. An independent review was repeated in 2009 to accommodate new and reformulated products.

The specific nutrition criteria followed by each Participant are outlined in Exhibit 1.

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

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

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

<sup>7</sup> Chapter 8 of the *CFIA Guide to Food Labelling and Advertising* has renamed "diet-related health claims" and "biological role claims".

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

# IV

## Evaluation of Commitment Compliance

Of the 18 Participants:

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

### METHODOLOGY

Consistent with the first year, ASC evaluated the Participants' compliance with their respective Commitments through an independent audit of individual Participant compliance and a review of detailed compliance reports submitted by each Participant and certified as complete and accurate by a senior corporate officer.

#### A. Independent Audit

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

- All television advertising by Participants that was precleared by ASC's Children's Clearance Committee was reviewed to determine if the advertised products were those approved for inclusion in the Participants' Commitments. It is a condition of broadcast license by the Canadian Radio-television and Telecommunications

Commission that all children's commercials must be precleared by ASC's Children's Clearance Committee under *The Broadcast Code for Advertising to Children* and carry a valid ASC approval number prior to being broadcast in Canada.

- All consumer complaints submitted to ASC in 2009 were reviewed to identify any concerns from members of the public with regard to a Participant's compliance with its Commitment. Of the 163 complaints involving advertising by food manufacturers, retailers and restaurants that were submitted to ASC during the reporting period, none related to concerns about compliance by Participants with their Commitments.
- Company websites, third-party websites, children's television programming and children's magazines were periodically monitored for compliance.

#### B. Participant Compliance Reports

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

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

## OVERALL COMPLIANCE EVALUATION

Building upon the record of compliance in the CAI's first year, a very high degree of compliance was achieved in 2009. The following are the results of ASC's compliance evaluation for each Participant.

## 1 BURGER KING RESTAURANTS OF CANADA, INC.

### Commitment Summary<sup>†</sup>

- Committed that 100% of advertising primarily directed to children under 12 in measured media and on company-owned websites would be for better-for-you foods that meet the company's nutrition guidelines as follows:
  - No more than 560 calories per meal;
  - Less than 30% calories from fat;
  - Less than 10% calories from saturated fat;
  - Less than 5% of total fat as trans fat; and
  - No more than 10% of calories from added sugars.

### Implementation Date

- December 31, 2008

### Implementation Activities

The Commitment was communicated to key internal personnel and agency partners through internal meetings and in writing prior to the implementation date. The Commitment was also reviewed frequently throughout the reporting period by main project leaders to ensure compliance.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent monitoring, ASC concluded that Burger King met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

ASC's review of the company's media plan and compliance report indicated that all brands advertised directly to children under 12 during the reporting period were better-for-you products as defined in the company's Commitment. The only meal advertised was the BK® Kids Meal of KRAFT® Macaroni & Cheese, MOTT'S® Fruitsations Fruit with Calcium Applesauce and MINUTE MAID® Apple Juice. This meal meets the nutritional guidelines set out by the company in its Commitment and has 290 calories, 0.1 g of trans fat; 15.5% of calories from fat, 0% of total calories from added sugar and 330 mg of sodium.

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

Burger King did not include any products in interactive games.

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

Burger King included third-party licensed characters only in advertising primarily directed to children under 12 for products that met all of the better-for-you criteria as defined in the company's Commitment.

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

Burger King did not advertise in elementary schools during the reporting period.

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

## 2 CADBURY ADAMS CANADA INC.

### Commitment Summary<sup>†</sup>

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

### Implementation Date

- March 31, 2008

### Implementation Activities

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

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent auditing, ASC concluded that Cadbury met its Commitment obligations for the reporting period from January 1 through December 31, 2009. One exception was noted. While Cadbury Adams was fully compliant in ensuring that all of its television advertising was purchased consistent with its Commitment, one commercial for Trident Gum aired during late evening programming where the majority of viewers were under the age of 12. This difference in actual audience composition from the expected composition when the time was purchased was unanticipated and unavoidable.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

ASC's review of the company's media plans and compliance report for all products indicated that with the exception of one advertisement for Trident Gum, there was no advertising primarily directed to children under 12.

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

Cadbury did not offer any child-directed interactive games incorporating the company's products during the reporting period.

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

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

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

Cadbury did not engage in any advertising in elementary schools during the reporting period. The company participated in two programs. EcoLeague™ is a youth empowerment initiative, the objective of which is to inspire community and school-based environmental action. The program has been developed in partnership with the charitable organization Learning for a Sustainable Future. Also during the reporting period, Cadbury continued to offer educational tours of its Toronto manufacturing facility to certain elementary schools. These tours are part of a long-standing community outreach program and are neither advertised nor marketed in schools or elsewhere. The company arranges tours at the request of teachers of Grades 3 through 8, who want to use the tour as an adjunct to their curriculum. The tour focuses on the manufacturing process and includes a classroom session. Both of these programs fall under the CAI's exemption allowed for charitable/not-for-profit, public service messaging and educational programs.

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

### 3 CAMPBELL COMPANY OF CANADA

#### Commitment Summary<sup>†</sup>

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

#### Implementation Date

- August 1, 2007

#### Implementation Activities

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

#### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent auditing, ASC concluded that Campbell Canada met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

#### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

ASC's review of the company's media plan and compliance report indicated that 100% of the advertising impressions for brands that were advertised directly to children under 12 during the reporting period were for healthier dietary choice products as defined in the company's Commitment.

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

Via the Internet, Canadian children would have the ability to access the Campbell USA interactive games found on the company-owned website <http://www.pfgoldfish.com>. The games on this site comply with the Campbell USA Pledge under the U.S. Children's Advertising Initiative. No child-directed media promotion of this URL was conducted by Campbell Canada.

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

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

#### (4) Product Placement

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

#### (5) Advertising in Elementary Schools

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

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

## 4 COCA-COLA LTD.

### Commitment Summary<sup>†</sup>

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

### Implementation Date

- Pre-2007

### Implementation Activities

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

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Coca-Cola met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

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

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

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

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

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

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

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

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.



## 5 FERRERO CANADA LTD.

### Commitment Summary<sup>†</sup>

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

### Implementation Date

- December 2005

### Implementation Activities

The Commitment was communicated directly to partner agency presidents and directors of client services.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Ferrero met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

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

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

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

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

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

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

The company does not advertise in elementary schools.

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

## 6 GENERAL MILLS CANADA CORPORATION

### Commitment Summary<sup>†</sup>

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

### Implementation Date

- December 31, 2008 for full compliance.

### Implementation Activities

General Mills conducts ongoing information and training sessions with all existing and new marketing personnel. One-on-one training is provided to new marketing personnel working on child brands to ensure that they have a complete understanding of the CAI commitment. General Mills meets with its agency every quarter to ensure that all media buys are in compliance with its Commitment.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent monitoring, ASC concluded that General Mills met its Commitment obligations for the reporting period from January 1 through December 31, 2009, with one minor exception.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

ASC's review of the company's media plan and compliance report indicated that 95% of the advertising impressions for brands that were advertised directly to children under 12 during the reporting period were for better-for-you products as defined in the company's Healthy Dietary Choice standard. One exception was noted. An advertisement for Nesquik® cereal, which did not meet the nutrition criteria, ran in error for a short period. The product will not be advertised again until it meets the company's Healthy Dietary Choice standards and CAI Commitment.

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

General Mills did not host any Canadian websites with interactive games. Further, the company requested that each of its promotional partners include a health break in any interactive games hosted on a partner's website.

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

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

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

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

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

## 7 HERSHEY CANADA INC.

### Commitment Summary<sup>†</sup>

- Committed to not advertise any products directly to children under 12 in measured media and on company-owned websites.

### Implementation Date

- August 1, 2007

### Implementation Activities

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

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Hershey's met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

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

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

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

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

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

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

Hershey's adheres to standards established by schools individually and by school boards overall with respect to its presence in any school in Canada. Hershey's did not engage in any advertising in elementary schools during the reporting period. Any involvement by Hershey's at the elementary school level is restricted to the availability of Hershey's products to school fundraising programs and the company's continued sponsorship of the Hershey's Track and Field Games. These programs fall under the exemption allowed for charitable/not-for-profit, public service messaging and educational programs.

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

## 8 JANES FAMILY FOODS LTD.

### Commitment Summary<sup>†</sup>

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

### Implementation Date

- January 1, 2008

### Implementation Activities

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

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Janes met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

ASC's audit indicated that there was no advertising primarily directed to children under 12.

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

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

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

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

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

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

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

## 9 KELLOGG CANADA INC.

### Commitment Summary<sup>†</sup>

- Committed that 100% of advertising primarily directed to children under 12 in measured media and on company-owned websites would be for foods that meet the company's Nutrient Criteria as follows:
  - **Calories:** No more than 200 calories per serving;
  - **Sat/Trans Fat:** No more than 2 g saturated fat/o g trans fat per serving;
  - **Sodium:** No more than 230 mg of sodium per serving (excluding Eggo® products at 460 mg, which is the maximum allowable level for an entrée/main dish, and approximately 50% of that sodium is attributed to the leavening agent required for the functionality and form of the food); or
  - **Sugars:** No more than 12 g of sugars per serving (excluding sugars from fruit and dairy).

### Implementation Date

- December 31, 2008 for full compliance.

### Implementation Activities

The company continued to engage in discussions with Kellogg personnel and media partners impacted by the Commitment. They work closely in partnership with their media counterparts as they engage in media buying and compliance monitoring and reporting. Additionally, the compliance expectations are being incorporated into individual accountabilities with appropriate personnel, and the company is designating central points of contact for Commitment questions, monitoring and reporting to ensure consistency. Furthermore, the company has a rigorous, multidisciplinary creative approval process (CAP), which is responsible for reviewing all ads and promotional materials for compliance with all regulatory

and self-regulatory initiatives, including those under the Commitment. The CAP committee has been fully trained with respect to the Commitment. Ongoing training with new and current employees at Kellogg and their agencies will continue to ensure compliance with the Commitment.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Kellogg met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

#### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

ASC's review of the company's media plan and compliance report indicates that 100% of the advertising impressions for brands that were advertised directly to children under 12 during the reporting period were for healthier dietary choice products as defined in the company's Commitment.

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

Since December 2007, the company has included healthy lifestyle messaging and automatic use breaks (every 15 minutes) on all sites that contain content designed to appeal to, or be targeted primarily to, children under 12. This was accomplished through the development of the "get your move on" messaging tool, which encourages children, in fun and creative ways, to get physically active. This messaging is running on five sites:

- FrostedFlakes.ca
- Eggo.ca
- GetYourMoveon.ca
- FrootLoops.ca
- Itspopnetic.ca

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

When a site is opened, the child first sees the animated messaging showing kids on the move and telling them that in 15 minutes they will be back to talk about “Get Your Move On.” The fitness messaging then automatically kicks in after 15 minutes of continuous screen time.

As of December 2008, the company implemented an online age screening and/or parental consent program designed to restrict access by children under 12. Additionally, where products were integrated into an on-line activity, only better-for-you products were depicted.

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

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

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

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

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

Kellogg did not engage in any advertising in elementary schools during the reporting period. The company also requires that all of its educational activities in elementary schools follow nutrition, fitness or educational themes and be conducted only with the express consent of school administrators.

## 10 KRAFT CANADA INC.

### Commitment Summary<sup>†</sup>

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

**Convenient Meal Products** can qualify in one of two ways (per serving):

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

**OR**

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

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

- Contain no more than 120 calories;
- Contain a serving size of no more than 250 mL; and
- Is a “source of” vitamins A, C, E, calcium, magne-

sium, potassium, iron, protein and fibre **or** contains at least a half-serving of fruit or vegetable **or** has a functional nutrition benefit.

### Cereals:

Cereals with smaller (30 g) serving sizes when served with a half-cup of fat-free milk can qualify in one of the following ways:

- Contain no more than 170 calories;
- Contain no more than 30% of calories from fat and no more than 10% of calories from saturated fat plus trans fat;
- Contain no more than 360 mg of sodium;
- Contain no more than 25% of calories from added sugar;
- Contain at least 2.5 g of fibre or 8 g of whole grain;
- Is a “source of” vitamins A, C, E, calcium, magnesium, potassium, iron, protein and fibre **or** contains at least a half-serving of fruit, vegetable or 8 g of whole grain **or** has a functional nutrition benefit.

### Implementation Date

- August 1, 2007

### Implementation Activities

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

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent auditing, ASC concluded that Kraft Canada met its Commitment obligations for the reporting period from January 1 through December 31, 2009. One Canadian children's magazine used an image of a *Jell-O* powder

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

pack as a component required for an educational experiment for its readers. However, this was not an advertisement for the brand, and the image was used without the knowledge or consent of the company.

**(1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites**

ASC's review of the company's media plan and compliance report indicated that 100% of the advertising impressions for brands that were advertised directly to children under 12 during the reporting period were for healthier dietary choice products as defined in the company's Commitment.

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

In interactive games incorporated into websites primarily directed to the under-12 audience, the company only depicts products included in the Commitment that meet Kraft Canada's *Sensible Solution* standards. In 2009, only *KD Crackers* and *Mr. Christie's Snak Paks* brands had online gaming. Each of these brands only had gaming during its respective promotional windows and was only available on the YTV promotional website.

**(3) Use of Third-Party Licensed Characters**

Kraft Canada did not engage in any child-directed advertising in which third-party licensed characters were used. While the *Kraft* Peanut Butter Bears and *Kool-Aid* Man mascots march alongside the Kraft Canada sponsored float in the annual Santa Claus Parade in Toronto each November and are seen by the families of parade attendees, they are not included or visible in the televised airing of the parade, which is broadcast multiple times between November and Christmas.

**(4) Product Placement**

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

**(5) Advertising in Elementary Schools**

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



## 11 MARS CANADA INC.

### Commitment Summary<sup>†</sup>

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

### Implementation Date

- February 5, 2008

### Implementation Activities

Mars' Commitment and guidelines were communicated to all its agency partners in a presentation that required each partner to sign a Commitment document ensuring that all partners were fully engaged and aligned to Mars' Commitment. A follow-up training session for all marketers and agencies in support of this Commitment and the Mars Marketing Code was completed in June 2010.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Mars met its Commitment obligations for the reporting period from January 1 through December 31, 2009<sup>9</sup>.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

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

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

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

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

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

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

Mars did not engage in any advertising in elementary schools.

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

<sup>9</sup> In October 2008, the acquisition by Mars, Incorporated of the Wm. Wrigley Jr. Company was finalized. Mars' Commitment under the CAI was developed prior to the acquisition and thus relates only to Mars Canada Inc. products. However, as of July 2009, Mars' Commitment has been expanded to also include the Wm. Wrigley Jr. Company.

## 12 McCAIN FOODS (CANADA)

### Commitment Summary<sup>†</sup>

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

### Implementation Date

- 2007/2008 fiscal year

### Implementation Activities

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

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that McCain met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

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

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

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

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

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

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

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

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

## 13 McDONALD'S RESTAURANTS OF CANADA LIMITED

### Commitment Summary<sup>†</sup>

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

### Implementation Date

- January 1, 2008

### Implementation Activities

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

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that McDonald's met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

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

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

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

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

McDonald's did not include any third-party licensed characters in any advertising primarily directed to children under 12, nor has Ronald McDonald been used in any national child-directed advertising.

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

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

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

## 14 NESTLÉ CANADA INC.

### Commitment Summary<sup>†</sup>

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

### Implementation Date

- January 1, 2008

### Implementation Activities

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

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Nestlé met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

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

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

Nestlé did not use any product in interactive games.

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

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

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

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

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

## 15 PARMALAT CANADA

### Commitment Summary<sup>†</sup>

- Committed that 100% of television, radio, print and Internet advertising primarily directed to children under 12 will further the goal of promoting healthy dietary choices and healthy lifestyles. This will be achieved by advertising only products that represent healthy dietary choices in accordance with *Canada's Food Guide* and meet the criteria for nutrient content claims.

### Implementation Date

- January 1, 2008

### Implementation Activities

Communication of the Commitment was done through internal reviews and a live meeting was held with external agencies.

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent monitoring, ASC concluded that Parmalat met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

ASC's review of the company's media plan and compliance report indicated that all brands advertised directly to children under 12 during the reporting period were for better-for-you products as defined in the company's Commitment. The only brands advertised were Black Diamond Cheestrings™ and Black Diamond Funcheez™.

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

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

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

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

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

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

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

## 16 PEPSICO CANADA ULC

### Commitment Summary<sup>†</sup>

- Committed to not advertise any products directly to children under 12 in measured media and on company-owned websites.

### Implementation Date

- January 1, 2008

### Implementation Activities

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

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that PepsiCo met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

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

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

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

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

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

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

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

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

## 17 UNILEVER CANADA INC.

### Commitment Summary<sup>†</sup>

- Committed to not advertise any products primarily directed to children under 12 in measured media and on company-owned websites.

### Implementation Date

- December 31, 2008

### Implementation Activities

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

### Compliance Evaluation

Based on ASC's review of the company's report and ASC's independent audit, ASC concluded that Unilever met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

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

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

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

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

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

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

Unilever did not engage in any advertising in elementary schools.

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.

## 18 WESTON BAKERIES LIMITED

### Commitment Summary<sup>†</sup>

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

### Implementation Date

- March 31, 2008

### Implementation Activities

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

### Compliance Evaluation

Based ASC's review of the company's report and ASC's independent monitoring, ASC concluded that Weston Bakeries met its Commitment obligations for the reporting period from January 1 through December 31, 2009.

### (1) Measured Television and Radio, Measured Print, Other Print and Online Media, including Company-Owned Websites

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

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

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

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

Weston Bakeries limited the use of third-party licensed characters to supporting better-for-you products and a healthy active message in support of the activation of its sponsorship of the 2010 Olympic Winter Games.

### (4) Product Placement

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

### (5) Advertising in Elementary Schools

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

<sup>†</sup> For complete information on this Commitment see <http://www.adstandards.com/en/childrensinitiative/participantCommitments.html>.



# V

## Conclusions and Going Forward

In this second year of the Initiative, Participants continued to take their Commitments very seriously. In addition to complying with their Commitments, Participants continued to communicate and reinforce the importance of the CAI program to key company personnel, advertising agencies and media buying companies.

Only one compliance issue was uncovered, which was immediately corrected by the involved Participant. In addition, ASC's independent monitoring revealed isolated incidents of Participants' products that were not approved under the CAI being advertised in children's television programming. Commercials were aired as a result of "bonusing" provided by the carrying television stations. Bonus advertising is not purchased or pre-approved by the advertiser and airs after the execution of planned media schedules without the prior knowledge of the involved Participants. This issue has been addressed by the Participants with their media buyers and the involved media.

### THE CHANGING LANDSCAPE

Since the launch of the CAI, Participants have reformulated certain products to increase their nutritional value. Examples of product changes can be seen in the categories of breakfast cereals and quick service restaurants.

#### Breakfast Cereals

- General Mills set nutrition criteria that included a maximum of 12 g of sugar per serving. During 2009, the company reduced the level of sugar in its cereals and now all cereals advertised directly to children under 12 contain 11 g or less of sugar per serving.

- Kellogg reformulated three of its flagship brands by adding dietary fibre to *Corn Pops* and *Froot Loops* cereals and lowering the sodium content of *Rice Krispies* cereal.

It should also be noted that Canadian dietary intake research shows that cereal accounts for only 3% of a child's daily intake of calories, while serving as a good source of nutrients, and just over 4% of sugar in their diets.

#### Quick Service Restaurants

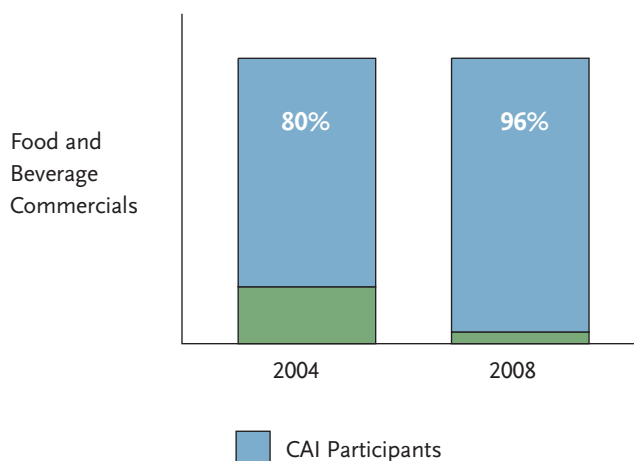
- Burger King changed its advertised BK® Kids Meal from a hamburger, french fries and a soft drink, to macaroni and cheese, apple sauce and apple juice. Also, in 2009, it introduced a reformulated Chicken Tenders Kids Meal that is 20% lower in sodium than the previous version.
- McDonald's reduced the sodium content in all of its menu items featuring grilled chicken. For example, the Grilled Chicken Snack Wrap consists of a sodium-reduced tortilla, chicken and ranch sauce, from which 250 mg of sodium has been removed – going from 780 mg to 530 mg, for a total reduction in sodium intake of nearly one-third (32%).

Advertising of some products has stopped entirely pending reformulation, and in 2009 one Participant ceased advertising a major confectionery product to children under 12.

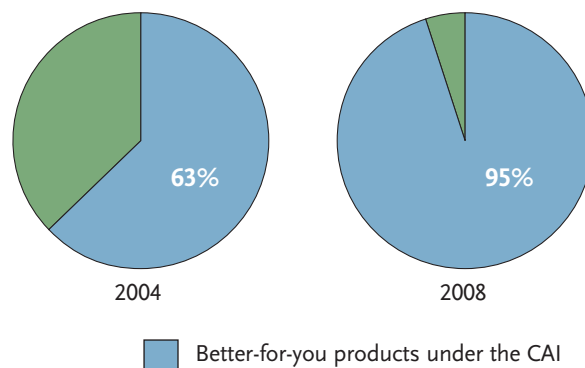
Over the past year, with the assistance of Corus Entertainment Inc., ASC undertook a comparative study of children's television advertising pre-CAI and post its inception to better understand how the landscape of advertising

to children under 12 has changed. Corus is a leading specialty and pay TV broadcaster with television assets that include YTV, Treehouse, Nickelodeon and TELETOON (50%). Collectively, these stations have the highest audience of kids aged 2 to 11 of any broadcaster in Canada. With Participant consent, Corus provided ASC with Participants' scheduling information for a two-month period in 2004 and for the same period in 2008. The data in these logs was reviewed, analyzed and compared to determine the nature and scope of aggregate changes and trends in advertising of food and beverages to children.

The findings revealed that in the 2004 period, 20% of food and beverage commercials on children's programming were sponsored by companies that were not among the Participants when the CAI commenced. By contrast, in 2008 less than 5% of food and beverage commercials primarily directed to children under 12 were sponsored by companies that were not CAI Participants.



In the 2004 period, 63% of the food and beverage products advertised directly to children under 12 were better-for-you products under the CAI. By contrast, in the 2008 period, more than 95% of food and beverage products advertised directly to children under 12 were better-for-you products under the CAI.



Since 2004, the mix of products advertised directly to children under 12 on television has also changed. For example, one Participant stopped advertising a particular product that accounted for more than 40% of the company's advertisements in the monitored period in 2004. Two Participants ceased advertising to children altogether.

## GOING FORWARD

Over the next year, ASC and the Participants will be focused on the following goals:

- Ensuring compliance with the enhanced Core Principles;
- Expanding the number of Participants beyond the current complement of 19;
- Monitoring developments in nutrition science and government policies/guidelines to ensure that the CAI standards and criteria remain current and relevant, and continuing to expand and modify them as appropriate; and
- Continuing to enhance the Initiative, giving consideration to feedback from all stakeholders – non-governmental organizations, the public, media, government and industry – on the CAI and its progress.

## Exhibit 1

# Participants'† Nutrition Criteria Per Serving Size for Products Advertised Directly to Children Under 12 Years of Age

Company	Product	Participant Specific Nutrition Criteria							Other Nutrition Criteria
		Calories Kcal	Saturated Fat g	Trans Fat g	Total Fat g	Sodium Mg	Sugars g	≤ 25% Reduction vs. Reference Food <sup>1</sup>	
<b>Burger King</b>		≤560		< 5% of total fat	< 30% of cal.		≤ 10% of cal. from added sugars		
<b>Campbell</b>	Soup				≤3	≤650		Low fat	Source of a nutrient (5% Daily Value). Meets Heart & Stroke Foundation's <i>Health Check</i> <sup>TM</sup>
	Snack Crackers		≤2	0	35% of cal.		modest <sup>2</sup>		In line with <i>Canada's Food Guide</i>
<b>General Mills</b>									Minimum for at least one category
	Cereals & Snacks	175	2 (sat + trans)		3	230	12**		Fibre g   Vit. A (%DV)   Vit. C (%DV)   Calcium (%DV)   Iron (%DV)
<b>Kellogg</b>	Cereals & Snacks	200	2	0		230	12**		
	Eggo products	200	2	0		460*	12		
<b>Kraft Canada</b> <sup>††</sup>	Mr. Christie Snak Paks		0.2	0					
	Honeycomb cereal	120	0.2		1	130	10		Low in fat. Source of fibre
	Kraft Dinner (original)	210	1		2	410	7		Source of calcium, iron, protein and five other essential nutrients
	KD Crackers	100	1.0	0	4.5	180	1		
	Ritz Bits Cheese sandwiches	90	1.5	0.1	4	180	3	33% less fat than original	Contains 3 g of whole grains
<b>McDonald's</b>	Kids Meal	≤600	≤10% of cal.		≤35% of cal.		≤25% total by weight		
<b>Parmalat</b>	Cheese								In line with <i>Food and Drugs Act</i> . Source of calcium, protein, vitamin A
<b>Weston Bakeries</b>	Wonder+ 100% whole wheat								Contains 100% whole grains
	Wonder+ Headstart								Benefits of Omega-3 DHA

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

<sup>2</sup> "Modest" not defined in 2009 commitment, but subsequently defined and substantiated as follows: Institute of Medicine suggests that added sugar intake be no more than 25% of calories. In a 2,000-calorie diet, this means that added sugar would be limited to 125 grams. If an individual food represents 10% of caloric intake, then sugar should be limited to 12.5 grams per serving. We have reduced this amount to 12 grams.

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

\*\* Excluding naturally occurring sugars.

† Companies engaging in advertising primarily directed to children under 12 in 2009.

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

## Exhibit 2

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

	DEFINITION
<b>Burger King</b>	Media purchased according to Nielsen ratings for audiences under 12 for television and radio, and media purchased according to comScore Media Metrix standard demographics for audiences under 12 for Internet; or media purchased for any program or website where the audience generally consists of 30% or more children under the age of 12 years
<b>Cadbury</b>	All media: consideration of the age group to which the creative is designed to target or appeal Television: <ul style="list-style-type: none"> <li>majority of audience of program in which the advertising is featured consists of children under 12 according to BBM Nielsen</li> </ul> Radio: <ul style="list-style-type: none"> <li>majority of listening audience of programming in which advertising is featured consists of children under 12 according to BBM Nielsen</li> </ul> Print: <ul style="list-style-type: none"> <li>majority of readers of publication in which advertising is featured consists of children under 12</li> </ul> Internet: <ul style="list-style-type: none"> <li>at least 50% of estimated impressions of online advertising would reach children under 12</li> </ul>
<b>Campbell Canada</b>	For all media: <ul style="list-style-type: none"> <li>those programs with a child audience composition that is more than three times the proportion of that age group in the general population (composition index exceeding 300)</li> </ul>
<b>Coca-Cola</b>	Advertising in any media where one or more of the following conditions is present: <ul style="list-style-type: none"> <li>the users of the particular medium program are solely, or substantially, children;</li> <li>the message is presented in such a way that it appeals directly to children; or</li> <li>in the case of TV, the commercial message appears during, just before or just after a program that, according to the broadcaster, is targeted to the under-12 audience</li> </ul> For the purposes of this Initiative, "substantially" means 50% or greater
<b>Ferrero</b>	All media: <ul style="list-style-type: none"> <li>consideration of the age group to which the creative is designed to target or appeal</li> </ul> Television: <ul style="list-style-type: none"> <li>the majority (50% or more) of audience of program in which advertising is featured consists of children under 12 according to BBM Nielsen</li> </ul> Print: <ul style="list-style-type: none"> <li>the majority (50% or more) of readers of the publication in which the advertising is featured consists of children under 12</li> </ul> Radio: <ul style="list-style-type: none"> <li>the majority (50% or more) of the listening audience of programming in which the advertising is featured consists of children under 12 according to BBM Nielsen</li> </ul> Internet: <ul style="list-style-type: none"> <li>at least 50% of estimated impressions of online advertising would reach children under 12</li> </ul>
<b>General Mills</b>	For all media: <ul style="list-style-type: none"> <li>any program where 35% or more of the total audience is under 12 years of age</li> </ul>
<b>Hershey's</b>	For all media: <ul style="list-style-type: none"> <li>30% or more of the annual audience in average is composed of children under 12</li> </ul> For unmeasured Internet: <ul style="list-style-type: none"> <li>Hershey's will refrain from including subject matter, graphics, language and features that are targeted to or specifically appeal primarily to children under 12</li> </ul>

## DEFINITION

<b>Janes</b>	<p>Commercial messages for a product in any medium where one or more of the following conditions is present:</p> <ul style="list-style-type: none"> <li>• the users of the particular medium or audience of the program are solely, or substantially, children;</li> <li>• the message is presented in such a way that it appeals directly to children; or</li> <li>• in the case of television, the commercial message appears during, just before or just after a program that, according to the broadcaster, is targeted to the under-12 audience</li> </ul> <p>For the purposes of this Initiative, “substantially” means 50% or greater</p>
<b>Kellogg</b>	<p>Television, Radio or non-Kellogg/third-party Internet media:</p> <ul style="list-style-type: none"> <li>• 35% or more of the projected audience is comprised of children under 12</li> </ul> <p>Print:</p> <ul style="list-style-type: none"> <li>• publications specifically designed to appeal to, or which are targeted primarily to, children under 12</li> </ul>
<b>Kraft Canada</b>	<p>Television:</p> <ul style="list-style-type: none"> <li>• any program where 35% of the total audience is under 12</li> <li>• any program that falls within time periods traditionally thought of as “kids’ viewing time” (as designated by media providers), irrespective of the size of the child viewing audience</li> <li>• audience composition will be determined based on Nielsen-reported average audience figures for the most recently completed four-quarter television season</li> </ul> <p>Print:</p> <ul style="list-style-type: none"> <li>• individual publisher’s decision to categorize their publications as “children’s magazines” in Canadian Advertising Rates and Data (CARD)</li> </ul> <p>Internet:</p> <ul style="list-style-type: none"> <li>• any website where more than 35% of the total visitors are under 12. Total visitors will be determined based on average, annual total visitor data as reported by comScore</li> </ul>
<b>Mars</b>	<p>Television and Other Media:</p> <ul style="list-style-type: none"> <li>• the commercial message appears during, just before or just after a program that, according to the broadcaster, at the time of the media buy is primarily intended for the under-12 audience</li> <li>• the program or vehicle involved includes content primarily directed to children under 12</li> <li>• the audience for the program, daypart, publication, website or other medium at the time of the media buy is expected to include more than 25% children under-12 on an annualized basis</li> </ul>
<b>McCain</b>	<p>Commercial messages for a product in any medium where one or more of the following conditions is present:</p> <ul style="list-style-type: none"> <li>• the users of the particular medium or audience of the program are solely, or substantially, children;</li> <li>• the message is presented in such a way that it appeals directly to children; or</li> <li>• in the case of television, the commercial message appears during, just before or just after a program that, according to the broadcaster, is targeted to the under-12 audience</li> </ul> <p>For the purposes of this Initiative, “substantially” means 50% or greater</p>
<b>McDonald’s</b>	<ul style="list-style-type: none"> <li>• media purchased according to Nielsen standard demographics for audiences under 12</li> <li>• Advertising to children under 12 for the Internet is based on comScore estimates for measured websites or by site registration data</li> </ul>
<b>Nestlé</b>	<p>Television, Radio, Print and Internet:</p> <ul style="list-style-type: none"> <li>• advertising directly to children under 12 will be determined by the respective broadcast/measurement entity for each medium</li> </ul>

## DEFINITION

**Parmalat**

## Television:

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

## Radio:

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

## Print:

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

## Internet:

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

**PepsiCo**

- Measured: all pre-buy programming that has 50% or more audience viewership under 12 years of age
- Unmeasured: messaging presented in such a way that it appeals primarily to children under 12 years of age and/or use of any mediums where children under 12 are the primary users

**Unilever**

## All media:

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

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

**Weston Bakeries**

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

## Appendix 1

# List of Products Advertised by Participants in 2009

### **Burger King Restaurants of Canada, Inc.**

*BK Kids Meal consisting of Kraft  
Macaroni and Cheese, Mott's  
Fruitsations Fruit with Calcium  
Applesauce and Minute Maid  
Apple Juice*

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

None

### **Campbell Company of Canada**

*Pepperidge Farm Goldfish Cheddar*

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

None

### **Ferrero Canada Ltd.**

None

### **General Mills Canada Corporation**

*Cinnamon Toast Crunch  
Honey Nut Cheerios  
Lucky Charms  
Fruit Gushers  
Fruit by the Foot  
Fruit Flavoured Snacks  
Dunkaroos Chocolatey Chip  
Dunkaroos Cinnamon Graham  
Cookies  
Fruit Roll-ups*

### **Hershey Canada Inc.**

None

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

None

### **Kellogg Canada Inc.**

*Corn Pops cereal  
Froot Loops cereal  
Kellogg's Frosted Flakes cereal  
Rice Krispies cereal  
Rice Krispies Cocoa cereal  
Rice Krispies Squares cereal bars  
(Strawberry, Rainbow and  
Original varieties)  
Eggo frozen breakfast products  
(Original, Pancakes, Buttermilk,  
Fun Pics and Blueberry)*

### **Kraft Canada Inc.**

*KD Crackers  
Mr. Christie's Snak Paks (Barnum's  
Animal Crackers, Mini Oreo,  
Teddy Grahams, Barnum's ABCs,  
Mini Chips Ahoy!)  
Honeycomb cereal  
Kraft Dinner macaroni and cheese  
Ritz Bits sandwiches*

### **Mars Canada Inc.**

None

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

None

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

*Four-piece Chicken McNuggets Happy  
Meal with 1% white milk and  
Apple Slices with Caramel Dip*

### **Nestlé Canada Inc.**

None

### **Parmalat Canada**

*Black Diamond Cheestrings  
(three flavours)  
Black Diamond Funcheez  
(three flavours)*

### **PepsiCo Canada ULC**

None

### **Unilever Canada Inc.**

None

### **Weston Bakeries Limited**

*Wonder+ brands*

## Appendix 2

# List of Child-Directed Company-Owned Websites

### **Burger King Restaurants of Canada. Inc.**

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

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

None

### **Campbell Company of Canada**

None

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

None

### **General Mills Canada Corporation**

None

### **Hershey Canada Inc.**

None

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

None

### **Kellogg Canada Inc.**

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

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

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

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

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

### **Kraft Canada Inc.**

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

### **Mars Canada Inc.**

None

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

None

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

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

### **Nestlé Canada Inc.**

None

### **Parmalat Canada**

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

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

### **PepsiCo Canada ULC**

None

### **Unilever Canada Inc.**

None

### **Weston Bakeries Limited**

None



## Appendix 3

# Canadian Children's Food and Beverage Advertising Initiative

## Reference Document

### April 16, 2007

### OUR VISION

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

### OUR COMMITMENT

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

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

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

### CHARTER PARTICIPANTS

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

#### Advertising messaging and content

Participants will devote at least 50%<sup>10</sup> of their television, radio, print and internet advertising directed primarily to children under 12 years of age<sup>11</sup> to further the goal of promoting healthy dietary choices and healthy lifestyles. This will be achieved in one of the following ways (or some combination of each):

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

<sup>10</sup> This minimum percentage may be increased over time.

<sup>11</sup> Measured in media impressions at the time the advertising is purchased, as determined by reliable third party data such as BBM Nielsen ratings for TV and radio, comScore for Internet, PMB (Print Measurement Bureau) data for magazines, NADbank for newspapers, COMB (Canadian Outdoor Measured Bureau) for outdoor and others. The 50% commitment will be calculated separately for each advertising medium. Measurement of advertising on company-owned websites will be determined in accordance with standards established as part of the company's commitment.

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

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

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

#### Use of Products in Interactive Games

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

#### Use of Licensed Characters

While the use of licensed characters is already restricted in children's broadcast advertising<sup>12</sup>, participants will also commit to reduce their use of third-party licensed characters in advertising that appears in other media primarily directed to children under 12<sup>13</sup>, if such advertising does not otherwise comply with the messaging and content options set out above. Each participating company in its commitment statement will identify the percentage reduction in its use of licensed characters.

#### Product Placement

Participating companies will commit to not paying for or actively seeking to place their food or beverage products in the program/editorial content of any medium primarily directed to children under 12 for the purpose of promoting the sale of those products.

#### Advertising in Schools

Participating companies will remain committed to adhering to standards established by schools individually and by school boards overall. Furthermore, participants will commit to not advertising food or beverage products in elementary schools.<sup>14</sup>

#### Implementation

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

#### Auditing and Enforcement

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

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

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

<sup>12</sup> Broadcast Code for Advertising to Children – Clause 7: Promotion by Program Characters, Advertising-Generated Characters, and Personal Endorsements.

<sup>13</sup> This commitment does not extend to the use of licensed characters on packaging, provided the packaging does not appear in advertising directed to children under 12. This limitation will not apply to the use of company-created/owned characters.

<sup>14</sup> This limitation will not apply to displays of food and beverage products, charitable/not-for-profit activities including fundraising, public service messaging and educational programs.

## Appendix 4

# Revised CAI Core Principles (January 2010)

### 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 require 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:

- Using their creativity and marketing activities to promote and support healthier dietary choices and healthy lifestyles to children under 12 years of age.
- 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 higher in nutrients that are significant to public health.

These commitments will be 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.

### PARTICIPANTS

Burger King Restaurants of Canada, Inc.	Kellogg Canada Inc.
Cadbury Adams Canada Inc.	Kraft Canada Inc.
Campbell Company of Canada	Mars Canada Inc.
Coca-Cola Ltd.	McCain Foods (Canada)
Ferrero Canada Ltd.	McDonald's Restaurants of Canada Limited
General Mills Canada Corporation	Nestlé Canada Inc.
Hershey Canada Inc.	Parmalat Canada
Janes Family Foods Ltd.	PepsiCo Canada ULC
	Post Foods Canada Corp.
	Unilever Canada Inc.
	Weston Bakeries Limited

### CORE PRINCIPLES

#### Advertising messaging and content

Participants will commit that 100% of their television, radio, print and Internet advertising directed primarily to children under 12 years of age<sup>15</sup> will be for products that represent healthier dietary choices (better-for-you products) in accordance with company developed standards that are consistent with established scientific and/or government standards. Alternatively, they may commit to not direct advertising primarily to children under 12 years of age<sup>16</sup>.

Examples of standards include, but are not limited to:

- Foods that reflect the principal advice of *Canada's Food*

<sup>15</sup> Measured in media impressions at the time the advertising is purchased, as determined by reliable third party data such as BBM Nielsen ratings for TV and radio, ComScore for Internet, PMB (Print Measurement Bureau) data for magazines, NADbank for newspapers, COMB (Canadian Outdoor Measured Bureau) for outdoor and others. The 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.

<sup>16</sup> 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.

*Guide*, particularly foods that meet the criteria for nutrient content claims including “free” or “low” claims for calories as well as fat, saturated fat, trans fat, sugar and salt as per the Canadian Food Inspection Agency *Guide to Food Labelling and Advertising*;

- Foods that meet the criteria for disease risk reduction claims, function claims and nutrient function claims as per the CFIA *Guide to Food Labelling and Advertising*;
- Foods that meet the criteria for nutrient content claims as per CFIA's *Guide to Food Labelling and Advertising*; and
- Foods that meet the standards for participating in the Heart & Stroke Foundation's *Health Check*<sup>TM</sup> program.

### Child-Directed Content

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

- company-owned websites or micro-sites primarily directed to children under 12 years of age;
- Video and computer games rated “Early Childhood” or “EC” 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 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; and
- Mobile media such as cell phones, PDAs and through word of mouth<sup>17</sup> where advertising on those media is primarily directed to children under 12.

### Use of Products in Interactive Games

Participants will 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.

### 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 advertising<sup>18</sup>, participants will 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 12<sup>19</sup> complies with the messaging and content principles set out above.

### Product Placement

Participating companies will commit to not paying for or actively seeking to place their food or beverage products in the program/editorial content of any medium primarily directed to children under 12 for the purpose of promoting the sale of those products.

### Advertising in Schools

Participating companies will remain committed to adhering to standards established by schools individually and by school boards overall. Furthermore, participants will commit to not advertising food or beverage products in elementary schools – pre-kindergarten through Grade 6<sup>20</sup>.

<sup>17</sup> 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.

<sup>18</sup> Broadcast Code for Advertising to Children – Clause 7: Promotion by Program Characters, Advertising-Generated Characters, and Personal Endorsements.

<sup>19</sup> This commitment does not extend to the use of licensed characters on packaging, provided the packaging does not appear in advertising directed to children under 12. This limitation will not apply to the use of company-created/owned characters.

<sup>20</sup> This limitation will not apply to displays of food and beverage products, and charitable/not-for-profit activities including fundraising, public service messaging and educational programs.

**Implementation**

Each participating company will formalize and publish an individual plan, commitment details and implementation schedule that have been approved by ASC. A copy of each participating company's current commitment document will be posted on the Canadian Children's Food and Beverage Advertising Initiative section of ASC's website ([www.adstandards.com](http://www.adstandards.com)).

**Auditing and Enforcement**

The plans for each participating company, including its specific commitments, will be established in consultation with Advertising Standards Canada (ASC), the program administrator.

ASC will be responsible for auditing commitments by participating companies. In order to confirm compliance by participating companies, auditing will include the review of advertising materials, product information and media impression information (see footnote 15, page 37) submitted to ASC on a confidential basis.

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

## Appendix 5

# Examples of Participants' 2009 Healthy Active Living Messaging, Initiatives and Programs

### CAMPBELL COMPANY OF CANADA

- Labels for Education. This is a 10-year school fundraising program with a focus on encouraging healthy eating and living habits in children. Eligible registered schools can collect labels from participating Campbell Canada products and redeem them for educational resources ranging from sports equipment and musical instruments to health and wellness videos and books. All Labels for Education communication is directed to teachers and parents.
- From October to December 2009, Campbell Canada partnered with the Ontario Science Centre in a sodium education program. In this interactive session, children learned where sodium is found in foods; its role in the body, including the health impacts of getting too much; and practised solving real-life sodium challenges.
- Participant in the Heart & Stroke Foundation's *Health Check™* program.
- Provision of consumer tools and resources regarding nutrition, fitness, education, wellness and recommendation on sodium intake on various company websites: [www.campbellsoup.ca](http://www.campbellsoup.ca); [www.cookwithcampbells.com](http://www.cookwithcampbells.com); [www.labelsforeducation.ca](http://www.labelsforeducation.ca) and in-store point of sale and brochure materials.
- Through the U.S. Goldfish games platform at [www.pfgoldfish.com](http://www.pfgoldfish.com), kids are encouraged to "get up, get active and play their game."

### COCA-COLA LTD.

- Sogo Active: As part of the preparation for the 2010 Olympic Winter Games in Vancouver and in partnership with ParticipACTION, Coca-Cola launched an active living program available in every province and territory. More than 12,000 youth were motivated to get active

and start their journey of an active lifestyle. This \$5 million partnership provided more than 1,000 youth with the opportunity to be Olympic Torchbearers if they made a commitment to active living. This program will evolve after the Vancouver 2010 Winter Olympic Games to ensure it continues to motivate youth to lead more active lifestyles.

- Lead partner in 2010 International Congress on Physical Activity and Public Health.
- Implemented voluntary guidelines through Refreshments Canada for the sales of healthier beverages in schools, ensuring students have greater access to nutritious and lower-calorie beverages.
- Coca-Cola has made the global commitment to launch an active living program in all 206 countries in which the company operates by 2015.

### GENERAL MILLS CANADA CORPORATION

- Champions for Healthy Kids Grants: The program annually awards a minimum of 25 grants of \$5,000 each to registered community-based organizations around the country supporting innovative youth, nutrition and fitness programs.
- Active Healthy Kids Canada Partnership: General Mills and Active Healthy Kids Canada, a national charitable organization committed to inspiring the nation to engage all children and youth in physical activity, have created a program that encourages and supports families as they work toward their collective goal to be more active and enjoy a more fulfilling lifestyle.
- Concerned Children's Advertisers Partnership: General Mills played an active and contributing role in the creation and ongoing evolution of Concerned Children's Advertisers (CCA). Established in 1990, CCA works to

support and contribute to the establishment of the highest standards and codes of conduct for responsible advertising to children. As well, CCA plays a leading role in providing children with media literacy education and social messaging that will help them to build healthy, active lives.

- Support of amateur athletics in Canada: General Mills has been, and will continue to be, a committed supporter of amateur athletics in Canada. It has been a long-time sponsor of Canada's Olympic Team, Hockey Canada, Speed Skating Canada and the Special Olympics, and has recently committed to become partners with these organizations for the next four to six years.
- Since 2005, Kellogg has supported Active Healthy Kids Canada's initiatives and sponsors its annual Report Card on Physical Activity for Children and Youth – an initiative designed to offer insight into how well the country provides physical activity opportunities for young people.
- Concerned Children's Advertisers and Breakfast Clubs of Canada are two of the many programs and charities of which Kellogg is a charitable partner and supporter.

## HERSHEY CANADA INC.

- As part of its ongoing commitment to healthy lifestyles, Hershey's is a participant and charitable supporter of Concerned Children's Advertisers.
- For 30 years, Hershey's has sponsored and solely funded HERSHEY'S TRACK AND FIELD GAMES, a program that introduces more than 400,000 children in Canada (through Athletics Canada) and the United States to the fun and rewards of physical fitness.

## KELLOGG CANADA INC.

- Kellogg's *Frosted Flakes* cereal brand embarked on a year-long partner program with YTV designed to give play ideas to kids, encouraging them to get out, get active and discouraging inactivity. The program had four waves, each with a different sport theme (hockey, soccer, basketball and skateboarding).
- The *Eggo* brand executed a campaign to encourage moms to unleash their kids' creativity by experimenting with new toppings of fresh fruit and nuts.
- Kellogg has developed an active, school-based nutrition program, Mission Nutrition – an interactive website for kids that promotes the importance of healthy active living.

## KRAFT CANADA INC.

- In 2009, *Kool-Aid* activated a grassroots family-focused campaign nationally with *Let Them Be Kids*, a non-profit organization that helps strengthen communities through the building of playgrounds. A portion of all proceeds from sales of *Kool-Aid* drink mix from May to September 2009 went to support the building of 25 playgrounds across Canada.
- Kraft Canada promotes healthy active lifestyles with its *Kraft Hockeyville* program. Launched in 2006 in partnership with the CBC and NHL/NHLPA, this fully integrated program acknowledges Canada's most hockey-proud community. Celebrations are held in both the Top 10 and Top 5 runner-up communities that include hockey clinics; Kraft Canada offers four runner-up communities the chance to win \$25,000 in arena upgrades and provides \$100,000 to the winning community. In addition, the winning community hosts a pre-season NHL game in their upgraded arena. In 2009, Kraft Canada donated \$200,000 in arena upgrades.
- To promote healthy active lifestyles, Kraft Canada launched *Kraft Summer Celebration* in 2009. The Kraft Celebration Tour was launched in May, with communities from coast to coast being invited to nominate their town for a chance to win one of 10 \$25,000 community refreshes (for a total of \$250,000). Winning monies were to be used for improvements to a recreational facility in the prize-winning area. Kraft Canada's partner, Rogers/Sportsnet, also broadcast *SportsCentre* live from the winning community.

- During the reporting period, Kraft Canada ran Year 5 of its *Try Something New* (now entitled *Try Something You*) healthy active living program in partnership with YTV. The program is advertised on YTV and online at [www.ytv.com](http://www.ytv.com). The goal of the program is to provide tools (nutritious recipe ideas) and ideas (games and activities) to empower youth to become active participants in leading healthy active lifestyles.
- As a member of Concerned Children's Advertisers, Kraft Canada supports social marketing campaigns aimed at improving the health of Canadian children by encouraging kids to eat healthy, stay active and be media wise.

## MCDONALD'S RESTAURANTS OF CANADA

- As part of its ongoing commitment to healthy active lifestyles, McDonald's has worked with YTV to develop 10 second closed-captioning vignettes that promote seasonal activities such as skating, hopscotch and soccer that kids can do outdoors in their community. There are eight vignettes (two for each season) that were aired throughout the year on children's programming.
- As a member of Concerned Children's Advertisers, McDonald's supports social marketing campaigns aimed at improving the health of Canadian children by encouraging kids to eat healthy, stay active and be media wise.

## NESTLÉ CANADA INC.

- **Active Playgrounds** – Nestlé supports the national Active Playgrounds Program, which gets kids off the couch and into the playground by teaching educators and kids the lost art of playing simple games like hopscotch, ball and skipping. With Nestlé's support, the Canadian Intramural Recreation Association of Ontario (CIRA Ontario) is able to present Active Playgrounds workshops across Canada.
- **Long Live Kids Program** – as part of its involvement with Concerned Children's Advertisers, Nestlé supports

social marketing campaigns aimed at improving the health of Canadian children by encouraging kids to eat healthy, stay active and be media wise. The outreach is carried out through Public Service Announcements and education programs across the country.

- **Health Check Program** – Select Nestlé brands participate in the Heart & Stroke Foundation's *Health Check* program.
- **Nutritional Compass** – All of Nestlé's packaging includes information to help consumers make informed choices by highlighting a nutrient, such as calcium or salt, or an ingredient such as whole grain, and discusses how it works into an overall diet.

## PEPSICO CANADA ULC

- Supports various charities and sponsors many programs including the YMCA Strong Kids Events, Youth in Motion Top 20 Under 20, Food Banks Canada, United Way and the ONEXONE First Nations breakfast program.
- Supports nutrition research through the Canadian Foundation for Diabetic Research (CDFR) and the Canadian Council of Food and Nutrition (CCFN).
- Implemented voluntary guidelines through Refreshments Canada for the sale of healthier beverages in schools, ensuring students have greater access to nutritious and lower-calorie beverages.
- Is an active and contributing partner of Concerned Children's Advertisers (CCA). Established in 1990, CCA works to support and contribute to the establishment of the highest standards and codes of conduct for responsible advertising to children. As well, CCA plays a leading role in providing children with media literacy education and social messaging that will help them to build healthy active lives. As part of its involvement with Concerned Children's Advertisers, PepsiCo Canada supports Long Live Kids – social marketing campaigns aimed at improving the health of Canadian children by encouraging kids to eat healthy, stay active and be media wise.



## WESTON BAKERIES LIMITED

- The company was an official supplier to the 2010 Olympic Winter Games in Vancouver. The company advertised during the 2008 Beijing Olympic Summer Games, running inspirational parent-directed commercials that depicted children participating in Olympic sports.
- Weston Bakeries also advertised its Wonder+ Fresh Fitness Challenge, which is not product-focused. Its purpose was to promote the Fitness Challenge to parents and children. This program is optional and free of charge for any schools that wish to participate.
- Weston Bakeries supports several additional initiatives and programs designed to improve the lives of Canada's youth, including Concerned Children's Advertisers and its Long Live Kids Program; Club des petits déjeuners/Breakfast Clubs of Canada, supporting its goal of having all Canadian children start their day with a healthy breakfast; and KidSport, whose goal is to provide access for all kids to organized sports.

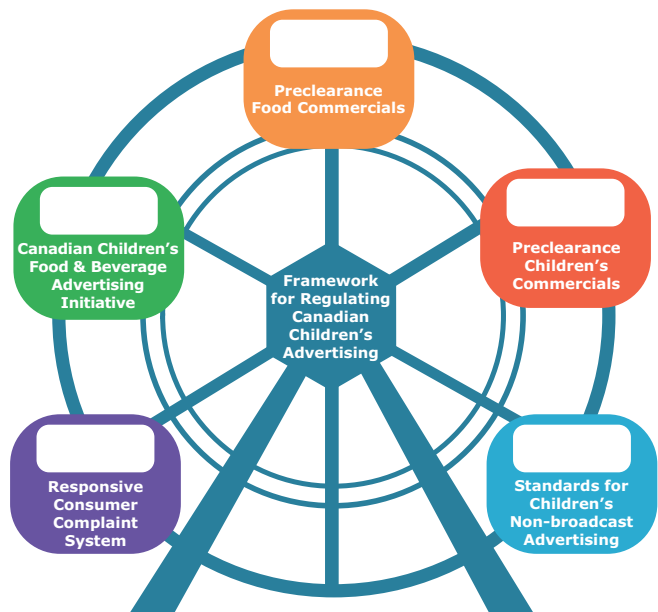
## Appendix 6

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

### OVERVIEW

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

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



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

## EXCERPTS FROM THE BROADCAST CODE FOR ADVERTISING TO CHILDREN

### II. THE CODE

#### 1. Definitions

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

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

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

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

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

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

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

#### 2. Jurisdiction

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

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

#### 3. Factual Presentation

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

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

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

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

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

#### 4. Product Prohibitions

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

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

#### 5. Avoiding Undue Pressure

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

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

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

## 6. Scheduling

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

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

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

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

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

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

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

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

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

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

## 8. Price and Purchase Terms

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

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

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

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

### 9. Comparison Claims

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

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

### 10. Safety

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

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

### 11. Social Values

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

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

#### *Interpretation Guidelines for Clause 11*

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

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

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

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

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

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

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

\* April 2004

\*\* September 2007

## 12. Substantiation Required

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

## 13. Assessment

Each commercial message shall be judged on its individual merit.

# EXCERPTS FROM THE CANADIAN CODE OF ADVERTISING STANDARDS

## 1. Accuracy and Clarity

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

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

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

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

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

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

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

## 2. Disguised Advertising Techniques

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

## 3. Price Claims

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

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

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

## 4. Bait and Switch

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

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

### 5. Guarantees

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

### 6. Comparative Advertising

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

### 7. Testimonials

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

### 8. Professional or Scientific Claims

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

### 9. Imitation

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

### 10. Safety

Advertisements must not without reason, justifiable on

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

### 11. Superstition and Fears

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

### 12. Advertising to Children

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

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

### 13. Advertising to Minors

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

### 14. Unacceptable Depictions and Portrayals

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

Advertisements shall not:

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

(b) appear in a realistic manner to exploit, condone or incite violence; nor appear to condone, or directly encourage, bullying; nor directly encourage, or exhibit obvious indifference to, unlawful behaviour;

(c) demean, denigrate or disparage any identifiable person, group of persons, firm, organization, industrial or commercial activity, profession, product or service or attempt to bring it or them into public contempt or ridicule;

(d) undermine human dignity; or display obvious indifference to, or encourage, gratuitously and without merit, conduct or attitudes that offend the standards of public decency prevailing among a significant segment of the population.

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

### INTERPRETATION GUIDELINE #2 – ADVERTISING TO CHILDREN

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

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

#### a. Food Product Advertising to Children

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

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

(April 2004)

#### b. Healthy Active Living

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

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

#### c. Excessive Consumption

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

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

#### d. Factual Presentation

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



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

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

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

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

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

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

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

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

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

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

#### **i. Safety**

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

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

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

#### **k. General**

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

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

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

*(April 2006)*

#### **I. Assessment**

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

*(January 2007)*





Advertising Standards Canada  
Les normes canadiennes de la publicité

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