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The Canadian Children's Food and Beverage Advertising Initiative:

2011 Compliance Report

Foreword

Advertising Standards Canada (ASC) is pleased to issue the *Canadian Children's Food and Beverage Advertising Initiative (CAI): 2011 Compliance Report*. The Report documents the exceptional level of compliance achieved by participating companies in the fourth year of the program.

The 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. Companies participating in the CAI have committed either to not direct advertising primarily to children under the age of 12, or to shift their advertising to products that are consistent with the principles of sound 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.

The Canadian food and beverage industry has a long history of supporting responsible advertising standards and is dedicated to improving the well-being of Canadian children through self-regulatory initiatives such as the CAI. Through the CAI, the landscape of advertising to children in Canada is changing, and CAI members are dedicated to ensuring the continued success of the program. To this end, CAI members are exploring the feasibility of developing uniform nutrition criteria for the program.

The CAI was announced six months after the launch of a similar initiative in the United States that is administered by the Council of Better Business Bureaus (CBBB). ASC gratefully acknowledges the CBBB and

Elaine D. Kolish, the U.S. program Vice President and Director, for their ongoing support and assistance.

ASC invites you to review this Report and to visit www.adstandards.com/childrensinitiative to learn more about the CAI.

As always, 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.

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Executive Summary

The Canadian Children's Food and Beverage Advertising Initiative: 2011 Compliance Report documents the ongoing 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. The Report provides a transparent assessment of the Participants' performance in implementing and meeting their CAI commitments from January 1 – December 31, 2011.

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

The Participants reviewed in this Report are: Burger King Restaurants of 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; Post Foods Canada Corp.; Unilever Canada Inc.; and Weston Bakeries Limited. Danone Inc. joined the Initiative in August 2011, and will be reviewed in the 2012 Report.

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

In assessing Participant compliance, ASC's methodology consisted of an 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

As in previous years, Participants' compliance with their commitments has been excellent. The Participants, along with their advertising agencies and media buying companies, are now familiar with the program requirements, and this is reflected in this year's outstanding record of compliance.

ASC's independent monitoring revealed one isolated instance in which a non-approved product was advertised in children's television programming. This was the result of an inadvertent scheduling error by the broadcaster that was immediately corrected.

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

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

PROGRAM AND PRODUCT CHANGES

Since the launch of the CAI in 2007, Participants have been committed to regularly reviewing and strengthening the program. For example, in 2010, the CAI's Core Principles were expanded to include additional media. As well, by mid-2011, all CAI Participants were using an audience composition percentage of no more than 35% of children aged 2 – 11 as their definition of advertising primarily directed to children under 12, resulting in greater harmonization and stringency.

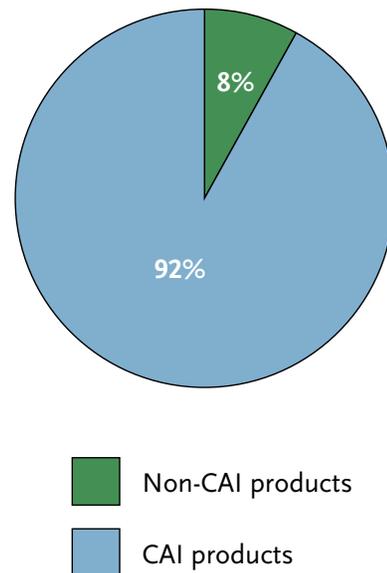
Additionally, since the program's inception, Participants have made numerous changes to the nutritional profile and the range of products they advertise directly to children under 12. Some Participants ceased child-directed advertising altogether, while others launched new better-for-you entries. Reformulations and new entries included products made with whole grains; that are a source of nutrients such as fibre, vitamins and/or minerals; and/or contain no trans fat and less sodium and/or sugar.

ASC TELEVISION SPOT CHECK OF FOOD AND BEVERAGE ADVERTISING TO CHILDREN

In addition to ongoing monitoring, ASC conducted a spot check of children's television advertising in 2011. Even with the proliferation of new media, television remains the primary medium used by children's advertisers. In 2011, ASC monitored 10 days of child-directed television advertising over four Canadian channels that broadcast programming specifically directed to the under-12 audience. As in previous years, ASC's analysis revealed that by far the majority of television advertising directed to children was not for foods or beverages, but rather for products such as toys, games, DVDs, in-theatre movies and attractions. Food and beverage commercials represented one quarter (26%) of the total number of commercials aired on children's programs during the surveyed period.

Of the television commercials for food and beverage products aired during children's programming, 92% were sponsored by CAI Participants for their better-for-you products covered under the program.

**Food and Beverage Commercials
Primarily Directed to Children**



Further details about the spot check can be found in Section III of the Report.

GOING FORWARD

Through the CAI, the Participants are changing the landscape of advertising to children in Canada. Over the past several years, through reformulation, the nutritional profiles of many advertised products have been enhanced. With a view to continuing program development, Participants have struck a committee of nutrition professionals to explore the feasibility of developing uniform nutrition criteria for the program.

I Report Overview

The *2011 Compliance Report* reports on the performance of the participating companies (Participants) in the Canadian Children's Food and Beverage Advertising Initiative (CAI) in complying with their public commitments under the program. This Report covers the period from January 1, 2011 to December 31, 2011.

The following Participants are assessed in this Report:

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

³ In 2010, Kraft Foods acquired Cadbury on a world-wide basis, including Canada. In December of 2010, Kraft Canada Inc. and Cadbury Adams Canada Inc. amalgamated and continued as Kraft Canada Inc.

II

Background and Developments

As the issue of childhood health and obesity came to the fore as a serious and complex global issue, leading Canadian food and beverage advertisers recognized they could make a meaningful contribution to support the health of Canadian children. To this end, the CAI was launched in 2007. The program was developed to promote 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 CAI 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, the CAI complement has increased with the addition of four companies: Burger King Restaurants of Canada, Inc.; Danone Inc.; Ferrero Canada Ltd.; and Post Foods Canada Corp.

A. CAI CORE PRINCIPLES

Under the CAI in 2007, each Participant developed an individual commitment addressing five Core Principles, which 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 criteria⁴;
- 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 schools⁵.

In 2010, the CAI Core Principles were enhanced. One of the original Core Principles required that 50% of Participants' advertising directed primarily to children

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

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

under 12 be for better-for-you products. Now, 100% of the advertising must be for better-for-you products. In addition, coverage of the CAI was expanded to include the following additional media:

- i. Video and computer games rated “Early Childhood” or “EC,” which are inherently primarily directed to children under 12, and other games that are age-graded on the label and packaging as being primarily directed to children under 12;
- 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 mouth⁶ where advertising on those media is primarily directed to children under 12.

In consultation with ASC, each Participant developed its individual commitment which, once approved by ASC, was published on a dedicated section of ASC’s website at www.adstandards.com/childrensinitiative.

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

B. DEFINITION OF ADVERTISING DIRECTED PRIMARILY TO CHILDREN UNDER 12⁷

Under the CAI, Participants are required to specify how they define “advertising directed primarily to children under 12 years of age.” Participants’ definitions are tied to audience composition percentages, which 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. This means that Participants’ commitments stipulate that only CAI-approved products may be advertised in programming or content that has an audience of “x percent” or more of children under 12. Since the inception of the CAI, Participants have worked to harmonize and standardize their definitions. By mid-2011, all CAI Participants were using audience composition percentages of 25% – 35% or more of children aged 2 – 11 as their definition of advertising primarily directed to children under 12.

Exhibit 2 sets out the specific definition used by each Participant.

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

C. CAI NUTRITION CRITERIA

Under the program, each Participant directing advertising primarily to children under 12 identified the specific nutrition criteria used to determine those products to be included in its commitment. The CAI permits Participants to use, subject to ASC approval, company-specific nutrition criteria that are based on respected national and international scientific reports/guidelines, including those published by Health Canada and the U.S. Institute of Medicine. These guidelines are reflected in Health Canada’s and the Canadian Food Inspection Agency’s (CFIA) policies and standards including:

⁶ 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.

⁷ 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.

- *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*;⁸
- 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*™ program.

Prior to ASC's final approval of an individual Participant's commitment, ASC retained an independent dietitian to evaluate the products covered under each of the Participant's commitments to ensure they met the CAI's criteria. An independent review is also undertaken on an as-needed basis to accommodate new or reformulated products.

For those Participants that advertised directly to children under 12, each provided company specific nutrition criteria, which are outlined in Exhibit 1.

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

III

The Changing Landscape

A. PRODUCT CHANGES

Since the launch of the CAI in 2007, Participants have reformulated and enhanced the nutritional profiles of many products advertised to children under 12. Reformulations and new entries include products made with whole grains; that are a source of nutrients such as fibre, vitamins and/or minerals; and/or contain no trans fat and less sodium and/or sugar. Today, no product in the program is more than 200 calories and every meal is less than 600 calories. Products such as ice cream, confectionery products, chocolate and soft drinks are not advertised to children under 12.

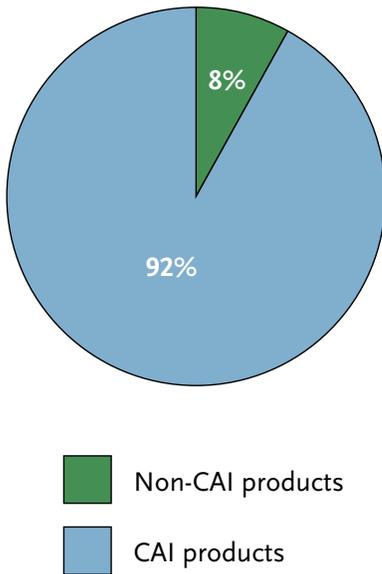
Canada's Food Guide recommends "mak[ing] at least half of your grain products whole grain each day" because "grain products, particularly whole grains, are a source of fibre and typically are low in fat." Some CAI Participants have reformulated products to increase their fibre content, and over 40% of cereals included in the program meet the requirements under the *Food and Drug Regulations* for a "source of" or "high" fibre per serving.

B. ASC TELEVISION SPOT CHECK OF FOOD AND BEVERAGE ADVERTISING TO CHILDREN

In order to obtain a snapshot of the children's television advertising landscape, ASC conducted a spot check of television advertising in 2011. Even with the proliferation of new media, television remains the primary medium used by children's advertisers. In 2011, ASC monitored 10 days of child-directed television advertising over four Canadian channels that broadcast programming specifically directed to the under-12 audience. As in previous years, ASC's analysis demonstrated that by far the majority of television advertising to children was not for foods or beverages, but rather was for products such as toys, video and online games, DVDs, in-theatre movies and attractions. Food and beverage commercials represented one quarter (26%) of the total number of commercials aired on children's programs during the surveyed period.

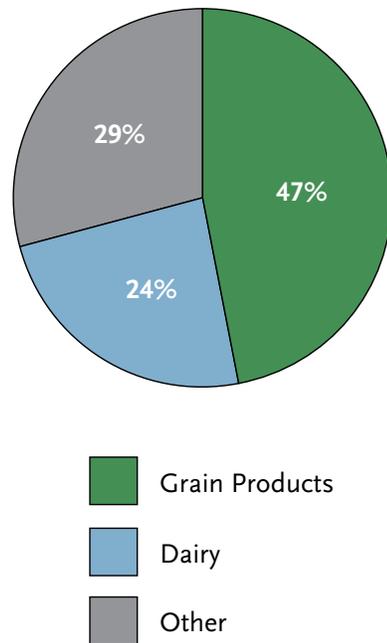
During the spot check period, 92% of food and beverage commercials aired during children's programming were for products covered under the CAI – up from 80% in 2010.

**Food and Beverage Commercials
Primarily Directed to Children**



As well, over 80% of the products advertised by CAI Participants were for products that were a source of one or more nutrients or essential vitamins. Specifically, 47% of the commercials were for grain products and 24% were for dairy products. In addition, all quick service restaurant meals advertised during the period included more than a half serving of fruit.

CAI Participant Ads by Food Type



IV

Evaluation of Commitment Compliance

Of the 18 Participants evaluated in 2011:

- Ten Participants committed to not advertise directly to children under 12 years of age: Coca-Cola, Ferrero, Hershey's, Janes, Mars, McCain, Nestlé, PepsiCo, Unilever and Weston Bakeries.
- Eight 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, Parmalat and Post. These Participants all committed to devote 100% of their television, radio, print, Internet, movie DVD, video and computer game, and mobile media advertising directed primarily to children under 12 years of age to further the goal of promoting healthy dietary choices.

METHODOLOGY

The methodology utilized in the fourth year remained consistent with that used in the previous three years. ASC evaluated each Participant's compliance with its individual commitment through an independent audit, and a detailed review of the compliance report completed 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 ways:

Television Advertising

While technology is constantly producing new avenues through which marketers can communicate with consumers, television remains the predominant medium for advertising to children under 12. In Canada, as a condition of broadcast license by the Canadian Radio-television and Telecommunications Commission, 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 broadcast. Following approval by ASC's Children's Clearance Committee, ASC conducted another review to ensure that the advertised products were those approved for inclusion in the Participants' commitments. As an additional compliance check, ASC conducted an independent spot check of advertising directed to children on the four major children's channels.

Radio Advertising

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

Print Advertising

All food and beverage advertisements in 16 issues of four different child-directed publications were reviewed.

Internet Advertising

ASC periodically monitored both company-owned and third-party websites primarily directed to children under 12.

Consumer Complaints

All consumer complaints submitted to ASC in 2011 were reviewed to identify any concerns from members of the public with regard to a Participant's compliance with its commitment. Of the 149 complaints involving advertising by food manufacturers, retailers and restaurants that were submitted to ASC during the reporting period, none related to concerns about Participant compliance with CAI commitments.

B. PARTICIPANT COMPLIANCE REPORTS

Each CAI Participant was required to submit a comprehensive report detailing its compliance during the reporting period. Those Participants that committed to not advertise directly to children under 12 were required to submit data showing their compliance. Participants that engaged in advertising primarily directed to children under 12 submitted reports that included submissions from the advertising agencies and media buying groups utilized by the company and copies of its advertising. The reports of all Participants were certified 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 percentage of the audience by age for the programs or magazines at the time the advertisement was placed.

C. COMPLIANCE ASSESSMENT

Overall Compliance Evaluation

In this fourth year of the CAI, Participants' compliance with their respective commitments has been excellent. In fact, through continuing Participant diligence coupled with heightened understanding among their advertising and media partners, this year's compliance is the best ever. The following are the results of ASC's 2011 compliance evaluation.

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

Television Advertising

As a result of an isolated scheduling error by a broadcaster, an adult-directed commercial for *Campbell's® Chunky®* (not an approved CAI product) aired once during a children's program on Teletoon. Protocols were immediately put in place to prevent future occurrences.

Radio Advertising

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

Print Advertising

ASC did not identify any issues involving print advertising by any of the Participants.

Company-Owned and Third-Party Websites

ASC's review of the Participants' websites and micro-sites, several third-party websites and micro-sites, as well as the individual Participant compliance reports, were used to assess compliance in this medium.

2. Use of Licensed Characters

The independent audit conducted by ASC, as well as the individual Participant compliance reports, were used to assess compliance with this CAI principle. ASC did not

identify any instances of non-compliance. Where licensed characters were used in any advertising to children under 12, only better-for-you products were associated with these characters.

3. Use of Products in Interactive Games

Most of the interactive games that featured Participants' products were found on company-owned child-directed websites. On these sites only better-for-you products that were included in that company's commitment were featured. In addition, some Participants sponsored games on third-party websites. Only better-for-you products included in that company's commitment were featured in these games. As has been the case in prior years, ASC did not identify any instances of non-compliance.

4. Product Placement

None of the Participants actively sought or paid for any placement of its products in the program or editorial content of any medium primarily directed to children under 12. While Mars M&Ms characters were used in the Sony Pictures film *The Smurfs*, this use occurred without the prior knowledge or consent of the company, and no fee was paid. In response, Mars contacted Sony Pictures to remind the company that the use of its characters or products in children's media is against its marketing policy.

5. Advertising in Schools

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

programs, public service messaging, and displays of food and beverage products (for example in school cafeterias).

As detailed in Appendix 3, several Participants engaged in sponsorship of educational and other not-for-profit and charitable activities. In all cases this was done on a corporate basis, and did not focus on individual brand(s).

6. Video and Computer Games⁹

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

7. DVDs of Movies

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

8. Mobile Media

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

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

Exhibit 1

Participants' Nutrition Criteria Per Serving Size for Products Advertised Directly to Children Under 12

Company	Product	Participant Specific Nutrition Criteria						Other Nutrition Criteria					
		Calories Kcal	Saturated Fat g	Trans Fat g	Total Fat g	Sodium mg	Sugars g						
Burger King		≤560	<10% of cal.	<5% of total fat	<30% of cal.	≤600 mg	≤10% of cal. from added sugars						
Campbell Canada	Soup				<3	≤480		Source of vitamin A, C, iron, calcium, folate or fibre. Meet Heart & Stroke <i>Health Check</i> TM					
	Snack Crackers		≤2	0	≤35% of cal.	195	8	In line with <i>Food Guide</i>					
General Mills								Must have Fibre or Minimum of at least one Vitamin or Mineral					
								Fibre g	Vit. A (%DV)	Vit. C (%DV)	Calcium (%DV)	Iron (%DV)	Cholesterol mg
	Cereal and Snacks	≤175	≤2		≤3	230	≤12	2	5	5	5	5	≤60
	or	≤175	≤2			230		At least 1/2 serving of a food group targeted by Health Canada for increased consumption (i.e., whole grain, vegetables and fruit, lower fat dairy, meat alternatives including beans, lentils or tofu)					
	Side and Main Dishes	≤175	≤2		≤3	480	≤12	2	5	5	5	5	≤60
or	≤175	≤2			480		At least 1/2 serving of a food group targeted by Health Canada for increased consumption (i.e., whole grain, vegetables and fruit, lower fat dairy, meat alternatives including beans, lentils or tofu)						
Kellogg	Cereal and Cereal Bars	≤200	≤2	0		≤230	≤12**						
	Eggo	≤200	≤2	0		≤460*	≤12						
Kraft Canada	Desserts	≤100	≤1 g Sat + Trans		≤3 g	≤360	≤6 g	Source of Vit. A, C, E, calcium, magnesium, potassium, iron, protein, fibre or contain min. 1/2 serving of fruit or vegetable or have a functional nutritional benefit					
	or	≤100	≤2 g Sat + Trans		≤5 g	≤360	≤13 g	Free of or low in cal., fat, sat. fat, sugar or sodium or 25% less of one of these than the base, or appropriate reference product					
	Beverages	≤40					≤10 g	Source of Vit. A, C, E, calcium, magnesium, potassium, iron, protein, fibre or contain min. 1/2 serving of fruit or vegetable or have a functional nutritional benefit					
	or	≤70					≤18 g	Free of or low in cal., fat, sat. fat, sugar or sodium or 25% less of one of these than the base, or appropriate reference product					

Company	Product	Participant Specific Nutrition Criteria						Other Nutrition Criteria
		Calories Kcal	Saturated Fat g	Trans Fat g	Total Fat g	Sodium mg	Sugars g	
Kraft Canada (cont'd)	Cheese & Dairy	≤100	≤2 g		≤3; ≤40 mg cholesterol	≤290	≤25% of cal.	Contain at least 5% DV calcium Source of Vit. A, C, E, calcium, magnesium, potassium, iron, protein, fibre or contain min. 1/2 serving of fruit or vegetable or have a functional nutritional benefit
	or	≤125	≤4 g		≤6; ≤40 mg cholesterol	≤290	N/A	Free of or low in cal., fat, sat. fat, sugar or sodium or 25% less of one of these than the base, or appropriate reference product
	Cookies & Crackers	≤100	≤10 % cals (sat + trans)		≤30% of cal.	≤290	≤25% of cal.	Source of Vit. A, C, E, calcium, magnesium, potassium, iron, protein, fibre or contain min. 1/2 serving of fruit or vegetable or a nutritionally significant amount of whole grain or have a functional nutritional benefit
	or	≤150	≤2 g (sat + trans)		≤6 g	≤290	≤11 g	Free of or low in cal., fat, sat. fat, sugar or sodium or 25% less of one of these than the base, or appropriate reference product
	Convenient Meal Products	≤250-600**	≤10% of cal. (sat + trans)		≤30% of cal. ≤60-90 mg cholesterol	≤480-960	≤25% of cal.	Source of Vit. A, C, E, calcium, magnesium, potassium, iron, protein, fibre or contain min. 1/2 serving of fruit or vegetable or 8 g whole grain or have a functional nutritional benefit
	or	≤250-600**	≤5-6 g (sat + trans)		≤30% of cal. ≤60-90 mg cholesterol	≤480-960	≤25% of cal.	Free of or low in cal., fat, sat. fat, sugar or sodium or 25% less of one of these than the base, or appropriate reference product
McDonald's		≤600	≤10% of cal.		≤35% of cal.		≤25% total energy from added sugars	
Parmalat		≤70	2.5 g	0.1 g	4 g; ≤10 mg of cholesterol	≤140 mg	0 g	In line with <i>Food and Drugs Act</i> . Source of calcium (15% of DV), protein and vitamin A Made with DHA milk. DHA, an Omega 3 fatty acid, supports the normal physical development of the brain, eyes and nerves primarily in children under 2 years of age
Post		≤200	2	0	2	≤230	≤12	

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

** Upper caloric ranges depend on the type of product.

Exhibit 2

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

	THRESHOLD AUDIENCE %	STATUS
Burger King Restaurants of Canada, Inc.	30% or more of audience	Advertise approved products only
Campbell Company of Canada	35% or more of audience	Advertise approved products only
Coca-Cola Ltd.	35% or more of audience	No advertising
Ferrero Canada Ltd.	30% or more of audience	No advertising
General Mills Canada Corporation	35% or more of audience	Advertise approved products only
Hershey Canada Inc.	30% or more of audience	No advertising
Janes Family Foods Ltd.	35% or more of audience	No advertising
Kellogg Canada Inc.	35% or more of audience	Advertise approved products only
Kraft Canada Inc.*	35% or more of audience	Advertise approved products only
Mars Canada Inc.	25% or more of audience	No advertising
McCain Foods (Canada)	35% or more of audience	No advertising
McDonald's Restaurants of Canada Limited	35% or more of audience	Advertise approved products only
Nestlé Canada Inc.	35% or more of audience	No advertising
Parmalat Canada	35% or more of audience	Advertise approved products only
PepsiCo Canada ULC	35% or more of audience	No advertising
Post Foods Canada Corp.	35% or more of audience	Advertise approved products only
Unilever Canada Inc.	35% or more of audience	No advertising
Weston Bakeries Limited	35% or more of audience	No advertising

* See footnote 3.

Appendix 1

List of Products Advertised by Participants in 2011

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

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

BK Kids Meal consisting of
4-piece Chicken Tenders, *Mott's*
Fruitsations Fruit with Calcium
Applesauce and *Minute Maid*
Apple Juice

Campbell Company of Canada

Pepperidge Farm Goldfish Cheddar
made with Wholegrain

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 Shaped Snacks
Nesquik cereal

Hershey Canada Inc.

None

Janes Family Foods Ltd.

None

Kellogg Canada Inc.

Corn Pops cereal
Froot Loops cereal
Kellogg's Frosted Flakes cereal
Mini-Wheats Little Bites cereal
Rice Krispies cereal
Rice Krispies Squares cereal bars
(Rainbow and Original varieties)
Eggo Waffles (Original)

Kraft Canada Inc.

Jell-O powder
aMOOza! Twists natural
cheese snacks
KoolAid Jammers beverages
Kraft Dinner macaroni and cheese
Mr. Christie Snak Paks soft
baked cookies

Mars Canada Inc.

None

McCain Foods (Canada)

None

McDonald's Restaurants of Canada Limited

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

Nestlé Canada Inc.

None

Parmalat Canada

Black Diamond Cheestrings
(3 flavours)
Black Diamond Funcheez
(3 flavours)

PepsiCo Canada ULC

None

Post Foods Canada Corp.

Honeycomb cereal
(only on www.beeboy.org)

Unilever Canada Inc.

None

Weston Bakeries Limited

None

Appendix 2

List of Child-Directed Company-Owned Websites

Burger King Restaurants of Canada, Inc.

None

Campbell Company of Canada

None¹⁰

Coca-Cola Ltd.

None

Ferrero Canada Ltd.

None

General Mills Canada Corporation

None

Hershey Canada Inc.

None

Janes Family Foods Ltd.

None

Kellogg Canada Inc.

www.frostedflakes.ca

www.getyourmoveon.ca

www.eggo.ca

www.frootloops.ca

www.itspopnetic.ca

Kraft Canada Inc.

None

Mars Canada Inc.

None

McCain Foods (Canada)

None

McDonald's Restaurants of Canada Limited

None

Nestlé Canada Inc.

None

Parmalat Canada

www.cheestings.ca

www.funcheez.ca

www.ficello.ca

PepsiCo Canada ULC

None

Post Foods Canada Corp.

www.beeboy.org (until June 15, 2011)

Unilever Canada Inc.

None

Weston Bakeries Limited

None

¹⁰ Canadian children have the ability to access the Campbell USA website found on the company-owned website www.pfgoldfish.com. The site complies with the Campbell commitment to the Children's Food and Beverage Advertising Initiative in the United States. The URL is referenced on Canadian Pepperidge Farm snack cracker packaging.

Appendix 3

Examples of Participants' 2011 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 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.

COCA-COLA LTD.

- In elementary and middle schools, only 100% unsweetened juices in a smaller package size, bottled water and milk are available.
- Coca-Cola continued to expand its product portfolio to satisfy the taste and calorie preferences of its customers, offering a low- or no-calorie option for nearly every beverage brand it sells. These products are not advertised to children under 12.
- Coca-Cola is working hard to grow and diversify its portfolio of 112 brands by offering products that provide refreshment, are fortified with nutrients and offer hydration. In addition, 30% of its sales are low- or no-calorie beverages.
- Coca-Cola offers a variety of portion sizes to help consumers choose which beverage and how much of that beverage best suits their individual needs. Coca-Cola continues to expand the availability of its new 414 ml bottle and new slim 100 calorie can.
- In order to assist consumers to make informed choices about the beverages they consume, Coca-Cola continues to roll out front-of-package calorie content information on the majority of its packages.
- Coca-Cola's partnership with ParticipACTION, Canada's leading authority on active lifestyles, continues to expand. This year, it renewed its multi-year partnership for another \$5 million over five years. This innovative nationwide movement is aimed at getting Canadian teenagers moving. It provides young people with tools to design their own fitness plan, and is based on a network of community-based organizations and physical activity experts. Over 30,000 have joined and almost 3,000 community-based organizations offer the program.
- Committed a \$150,000 investment toward the creation of a renewed playground at the Moss Park Apartments in downtown Toronto. This new playground will enable a community to truly enjoy the outdoors in an active environment.
- Coca-Cola is sponsoring the introduction and roll-out of 'Exercise is Medicine' to Canada, a global program that enables physicians to 'prescribe' active living to their patients.

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.

- **Concerned Children's Advertisers (CCA) Partnership:** General Mills Canada Corporation 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 build healthy active lives.
- **Support of Amateur Athletics in Canada:** General Mills Canada Corporation 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 and Hockey Canada, and has recently committed to partner with these organizations through the next four to six years.
- **General Mills is a supporter of the Nutrition Facts Education Campaign (NFEC),** a collective partnership between Health Canada and Food & Consumer Products of Canada (FCPC). The objective of the program is to help Canadians develop a better understanding of the Nutrition Facts Table and % Daily Value.

HERSHEY CANADA INC.

- As part of its ongoing commitment to healthy lifestyles, Hershey Canada is a participant and charitable supporter of Concerned Children's Advertisers.
- As well, the Hershey Company for 30 years 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.

JANES FAMILY FOODS LTD.

- Janes regularly donates food to Second Harvest, as well as sponsoring a variety of fundraising activities in support of Friends of We Care.
- Janes also supports numerous environmental initiatives, from GreenChoice 100 packaging to the conversion of all retail fish products to Marine Stewardship Council (MSC) certified products, which ensures the fish in Janes' packs are caught in a responsible, sustainable manner so that fish stocks can continue to be plentiful for generations to come.

KELLOGG CANADA INC.

- Kellogg continued to be a supporter of the Nutrition Facts Education Campaign (NFEC), a collaborative program between Health Canada and Food & Consumer Products of Canada (FCPC) launched in 2010 to better enable Canadians to understand and use the Nutrition Facts Table on packaged foods and make informed choices using the % Daily Value.
- Kellogg continued its nutrition communication campaign to influencers, health care professionals and consumers about the benefits of a nutritious breakfast and other nutritional issues.
- Kellogg conducts the Mission Nutrition program, which encourages parents and teachers to promote active and healthy lifestyles through a series of curriculum-based resources.
- 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.

- Participated with the Federal/Provincial/Territorial Group on Nutrition in the first of a series of activities that will be used to develop guidelines for permitting foods and beverages to be served and/or sold in Canadian schools.
- 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.

KRAFT CANADA INC.

- Since 2005, Boys and Girls Clubs of Canada, through its *Cool Moves* program, has helped thousands of children and youths across Canada realize the benefits of a nutritious diet and regular, healthy activity. Aimed at children ages 8 to 12, *Cool Moves* has two distinct parts: Eat Smart, where participants are encouraged to make healthier eating choices, and Play Cool, where participants are encouraged to engage in more physical activity.
- Kraft Canada is a partner with Dietitians of Canada and the Canadian Society for Exercise Physiology in the *Speaking of Food and Healthy Living Award*. This is an annual national award program that was created in 1998. The award is designed to encourage and recognize collaborative efforts that aim to positively influence the eating habits and promote physical activity of Canadians.
- Kraft Canada recognizes the value of nutrition and dietetic research in helping to build a healthier Canada, and is a sponsor of the Canadian Foundation for Dietetic Research (CFDR). CFDR was created by Dietitians of Canada in 1991 with Kraft Canada as a founding member. The Foundation provides grants to support research by dietitians in all aspects of dietetic practice.
- As part of Kraft Canada's commitment to balanced lifestyles, healthy eating and physical activity tools and tips are available at www.kraftcanada.com to help Canadians make informed lifestyle choices. Healthy living content and recipes also run throughout the company's *what's cooking* magazine.
- Kraft Canada promotes healthy active lifestyles with its *Kraft Hockeyville* program. Launched in 2006, in partnership with CBC and NHL/NHLPA, this fully integrated program acknowledges Canada's most hockey proud community. Celebrations are held in the Top 5 Kraft Hockeyville communities, including hockey clinics and NHL Alumni appearances. Kraft 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 and a CBC *Hockey Night in Canada* event in its upgraded arena.
- To promote healthy active lifestyles during the spring and summer, Kraft continued the *Kraft Celebration Tour*, launched in 2009. The *Kraft Celebration Tour* engages communities from coast to coast to nominate their town for a chance to win one of 10 \$25,000 community awards (for a total of \$250,000) from Kraft. The community awards are used for improvements to recreational facilities in the prize-winning area. Kraft's partner, TSN, also broadcasts *SportsCentre* live from the community.
- 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.

McCain Foods (Canada)

- McCain Foods remains a supporter of the Nutrition Facts Education Campaign, a partnership between Health Canada and Food & Consumer Products of Canada. The program is designed to help Canadians better understand the Nutrition Facts Table and how to use the % Daily Value to make informed food choices.

- McCain is working with potato manufacturers, growers and other partners through the Alliance for Potato Research and Education to expand and translate scientific research into evidence-based policy and education initiatives that recognize the nutritional role of the potato in a healthy diet.
- During Nutrition Month (March 2012), McCain undertook a number of initiatives to promote healthy eating to its employees, including sending nutrition packages to all “champions” in each of its facilities across the country. Each package contained resource material and activity suggestions to celebrate Nutrition Month. McCain distributed healthy recipes, held contests to test employees’ nutritional knowledge, offered new menu items in its cafeterias, and provided free blood pressure clinics and fitness classes.

McDONALD’S RESTAURANTS OF CANADA LIMITED

- 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 (e.g., hula hoop, building a snowman) 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 games. 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 Canada supports social marketing campaigns aimed at improving the health of Canadian children by encouraging them to eat healthy, stay active and be media wise. The outreach is carried out through public service announcements and education programs across the country.
- 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 discussing how it fits into an overall diet.
- Kids Help Phone – Nestlé is a founding sponsor of Kids Help Phone, a national, bilingual, 24-hour, toll-free telephone and e-mail counselling service that provides the immediate support children and youth need and deserve.
- Food Banks Canada – Nestlé donates regularly to Food Banks Canada. Food Banks Canada is a national coalition that represents the food bank community across Canada and co-ordinates the donation and transportation of food. This organization promotes public education on hunger in Canada and upholds a code of ethics to promote the dignity of food bank users.
- Nutrition Facts Education Campaign – Nestlé is a supporter of the Nutrition Facts Education Campaign (NFEC), a collaborative program between Health Canada and Food & Consumer Products of Canada (FCPC) to help Canadians better understand and use the Nutrition Facts Table on packaged foods and make informed choices using the % Daily Value.

PARMALAT CANADA

- Heart & Stroke Foundation's Health Check™ – Parmalat Canada is a participant in the Heart & Stroke Foundation's Health Check™ program.
- Kids Help Phone – Parmalat Canada is a founding sponsor of Kids Help Phone, a national, bilingual, 24-hour, toll-free telephone and e-mail counselling service that provides the immediate support children and youth need and deserve.
- Concerned Children's Advertisers (CCA) Partnership – Parmalat Canada is a partner with 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.
- Product portfolio – Parmalat Canada has reformulated Black Diamond Cheestings with DHA milk. DHA, an Omega 3 fatty acid, supports the normal physical development of the brain, eyes and nerves primarily in children under 2 years of age. Parmalat Canada reformulated its Funcheez product portfolio to offer a low sodium option to parents and kids.

PEPSICO CANADA ULC

- Continued support of the Nutrition Facts Education Campaign, in collaboration with Food & Consumer Products of Canada, Health Canada and industry. The initiative is a broad-based education campaign aimed at helping Canadians to better understand and use the Nutrition Facts Table on pre-packaged foods, particularly the % Daily Value, to make informed food choices.

- Support of charitable organizations and program sponsorships, including the YMCA Strong Kids Events, Youth in Motion Top 20 Under 20, Food Banks Canada, United Way and ONEXONE First Nations breakfast program.
- Support of nutrition research through sponsorship with the Canadian Foundation for Dietetic Research (CFDR).
- Compliance to voluntary guidelines through the Canadian Beverage Association for the sale of healthier beverages in schools, ensuring students have greater access to nutritious and lower-calorie beverages.

POST FOODS CANADA CORP.

- As a member of Concerned Children's Advertisers, Post Foods Canada Corp. supports social marketing campaigns aimed at improving the health of Canadian children by encouraging kids to eat healthy, stay active and be media wise.

UNILEVER CANADA INC.

- Unilever sponsored a grassroots soccer program in 2011 with all communication pieces and media targeted to parents, soccer coaches and teams.

WESTON BAKERIES LIMITED

- In June 2011, the Wonder brand completed the sixth year of its WONDER+Cares Fitness Challenge – a fun fitness program provided at no cost to elementary schools across Canada. Teachers are provided with materials (lesson plans, posters demonstrating different exercise routines, a music CD and fitness tracking tools) to help them encourage physical activity among students. This in-school program does not promote the purchase of any specific Wonder product.

Appendix 4

CAI Core Principles

OUR VISION

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

OUR COMMITMENT

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

- 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.	Kraft Canada Inc.
Campbell Company of Canada	Mars Canada Inc.
Coca-Cola Ltd.	McCain Foods (Canada)
Danone Inc.	McDonald's Restaurants of Canada
Ferrero Canada Ltd.	Nestlé Canada Inc.
General Mills Canada Corporation	Parmalat Canada
Hershey Canada Inc.	PepsiCo Canada ULC
Janes Family Foods Ltd.	Post Foods Canada Corp.
Kellogg Canada Inc.	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 age¹¹ 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 age¹².

¹¹ 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.

¹² 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.

Examples of standards include, but are not limited to:

- 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 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*
- Foods that meet the standards for participating in the Heart & Stroke Foundation's *Health Check*TM 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," which are inherently primarily directed to children under 12, and other games that are age-graded on the label and packaging as being primarily directed to children under 12

- DVDs of movies that are rated "G" whose content is primarily directed to children under 12, and other DVDs whose content is primarily directed to children under 12
- Mobile media such as cell phones, PDA's and through word of mouth¹³ 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 advertising¹⁴, 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 12¹⁵ 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.

¹³ 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.

¹⁴ Broadcast Code for Advertising to Children – Clause 7: Promotion by Program Characters, Advertising-Generated Characters, and Personal Endorsements.

¹⁵ 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.

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 6.¹⁶

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).

Auditing and Enforcement

The plans for each participating company, including their 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 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.

¹⁶ This limitation will not apply to displays of food and beverage products, charitable/not-for-profit activities including fundraising, public service messaging and educational programs.

Appendix 5

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

OVERVIEW

Canada has a robust framework for regulating children's advertising, including both regulatory and self-regulatory components. 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*.

In addition, all children's television commercials must receive clearance from Telecaster services of the Television Bureau of Canada (TVB) prior to being aired by TVB's private broadcaster members. In accordance with TVB's Rating Code Guideline, Telecaster assigns a "C" rating to commercials approved by ASC's Children's Clearance Committee. The "C" rating informs the member broadcasters that a commercial has received approval from ASC's Children's Clearance Committee and that the commercial may air in children's programming.

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



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.

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

(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.

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,

* April 2004

** September 2007

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 information 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)*

l. 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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