

The Children's Food & Beverage Advertising Initiative in Action

A Report on Compliance
and Progress During 2015



Maureen Enright, JD
Director

Brittany Oberdorff, RD
Program Manager

**Children's Food &
Beverage Advertising
Initiative**

**Council of Better
Business Bureaus**

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LETTER FROM THE PRESIDENT

This report, the 9th annual *Report on Compliance and Progress* that the Council of Better Business Bureaus' (CBBB) Children's Food and Beverage Advertising Initiative (CFBAI) has issued, describes the ongoing progress that is being made in improving the children's food advertising landscape. The foods that CFBAI participants advertise to children continue to not only meet CFBAI's uniform nutrition criteria, but often go beyond what is required. Similarly, the participants' commitment to "getting it right" has resulted in an impressive level of compliance. Among all the ads that they disseminated in children's media, only a relatively small number have inadvertently been for foods that did not meet CFBAI's nutrition criteria.

This compliance rate is emblematic of thoughtful, rigorous and transparent self-regulation programs. When industry participates in setting strong-yet-practical standards to address social problems or truth-in-advertising issues, and CBBB provides independent oversight and accountability, the likelihood that a meaningful program will have high compliance greatly increases.

The benefits of CBBB's quality self-regulation programs have long been recognized by the Federal Trade Commission. At CBBB's 2016 *BetterBusiness Conference*, the Honorable Maureen Ohlhausen, Commissioner, FTC, noted in a "fireside" chat that self-regulation can be more "prompt," "flexible" and "responsive" than government regulation as market conditions and consumer interests change. Regarding issues related to food advertising to children, Commissioner Ohlhausen said the industry's response in creating CFBAI was "a very good model for how government and business and consumer groups and medical organizations can work together and move forward on these issues."

For CFBAI, 2015 was a year of introspection and engagement as it prepared for its 10th anniversary in 2016. It looked back to the beginning, took stock of the present, and thought about the future. In 2016, it deepened its engagement with stakeholders with a "listening tour" and a nutrition roundtable to solicit input on how CFBAI might update and improve the uniform nutrition criteria first issued in 2011. In 2017, we expect to see its consideration of and work on program improvements during 2015-2016 come to fruition.

For now, CBBB offers its heartfelt congratulations to CFBAI's 18 major food and beverage companies and quick serve restaurants on the 10th anniversary of the program. CBBB is proud to be working with these leading companies that have voluntarily pledged to advertise to children under 12 only foods meeting CFBAI's nutrition criteria or to not advertise to children. The children's food advertising landscape is so much better now because of their participation in CFBAI. We applaud and thank them for their commitment to being a part of the solution to childhood obesity. We hope that during the next decade their example will lead more companies to join CFBAI.

Finally, CBBB thanks Elaine D. Kolish, CFBAI's Director since 2007, who departed the program in 2016. Elaine's many contributions to CFBAI shaped the program from the ground up. She worked tirelessly to make self-regulation part of the solution to childhood obesity. Her commitment and hard work laid a strong foundation for CFBAI to continue its ongoing commitment to improving food advertising to children.

Mary E. Power, CAE
President & CEO
Council of Better Business Bureaus, Inc.



CFBAI PARTICIPANTS



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EXECUTIVE SUMMARY

In 2015, CFBAI continued to be an important part of the national conversation about policies to address childhood obesity. CFBAI filed comments with domestic and international organizations regarding their proposals to address food marketing to children, engaged extensively with public health and advocacy groups, and laid the groundwork for a CFBAI-sister program, the Children's Confection Advertising Initiative, that was launched in March 2016. The year was marked by:

- Expansion of the program with the addition of American Licorice Company as the 18th participant;

- Continued improvements in foods advertised to children;
- Adoption of a comprehensive and inclusive plan to review CFBAI's uniform nutrition criteria in 2016;
- Consideration of enhancements to CFBAI's scope and coverage.

CFBAI's 9th Annual Report provides details on the significant events of 2015 as well as some events from 2016, an assessment of participants' 2015 compliance, which again was excellent, and a summary of nutrition improvements the participants made in foods they may advertise to children.

YEAR IN REVIEW

Participation. In 2015, the number of participants increased to 18 from 17 in 2014. On children's television, the participants' ads represented the majority of the food and beverage ads that aired.

Outreach. CFBAI issued multiple press releases or public statements, filed three comments with domestic and global governmental bodies or non-governmental organizations, published fact sheets, and presented or exhibited many times in a variety of settings, including webinars, regulatory and legal conferences and classrooms. Additionally, CFBAI provided briefings for regulators, advocacy groups and companies interested in learning about CFBAI and its approach to food marketing to children issues.

Compliance Monitoring. CFBAI's ad monitoring included thousands of ads that

aired or were disseminated on children's TV networks, child-directed websites and on other media in 2015. In addition, CFBAI reviewed the detailed self-assessment reports submitted by participants to document their compliance and to report on any instances of non-compliance and what steps they took to prevent reoccurrences.

Compliance Findings. Although quantifying the level of compliance precisely is difficult, it is very high, as reported in past years. CFBAI's independent monitoring as well as the participants' reports showed that on some occasions foods that did not meet CFBAI's uniform criteria appeared in child-directed TV and video-on-demand programming or in digital media. CFBAI found no egregious or significant problems, and issues were resolved satisfactorily. In 2015, two groups filed a petition with the Federal Trade Commission alleging that CFBAI's participants were

violating their CFBAI commitments because ads for foods that did not meet CFBAI's uniform nutrition criteria were available on a Google app for young children called YouTube Kids. CFBAI's review of the allegations indicated that the participants were not purchasing advertisements on the app, even for foods that meet CFBAI's nutrition criteria, and thus were not violating their commitments. Nevertheless, CFBAI and the participants worked with Google to ensure that company-owned channels on YouTube would not in the future be available on the YouTube Kids app.

Food Changes. During 2015, there were several changes to CFBAI's Product List (the list that identifies foods that meet the nutrition criteria and that are or may be advertised by participants to children). The participants reformulated recipes of existing foods and developed recipes for new foods that they added to CFBAI's Product List. The recipe changes include reducing sugar or sodium and increasing the amount of whole grains. These foods provide significant amounts of fruits, vegetables, whole grains, dairy and key nutrients.

Nickelodeon Snapshot Findings. These findings are from CFBAI's review of ads that

aired in a 30-hour sample of Nickelodeon programming in 2015 and a 28-hour sample in 2016:

- *Percentage of Food and Beverage Ads.* In 2015, food and beverage ads represented 29% of all the ads, and in 2016 they represented just 17%.
- *Participants' Share of Food and Beverage Ads.* Ads from CFBAI participants represented 77% and 63% of all the food and beverage ads in 2015 and 2016 respectively.
- *Foods Most Frequently Advertised by the Participants.* In 2015 and 2016, cereals were the most frequently advertised food (48% and 50% respectively), followed by meals, yogurts and snacks.
- *Nutrition Highlights.* In 2016, 75% of participant foods in the sample contained at least a half-serving of fruit, vegetables, whole grains or dairy, compared to 48% in 2010. These foods were advertised slightly more often than other foods in the sample, representing 84% of the participant ads in the sample.

LOOKING AHEAD

As CFBAI looked ahead to its 10th anniversary, from its position as a mature, well-developed self-regulation program, it engaged in substantial internal deliberations over what it should do next. CFBAI examined the program's scope based on where the program had started, where it was currently and the recommendations of several groups, and prepared for its planned review of the program's nutrition standards. In 2016,

the program increased its external engagements to help it assess how CFBAI's uniform nutrition criteria might be strengthened. In 2017, CFBAI expects to see the extensive work started in 2015 come to fruition. CFBAI is proud that, through its participants, the children's food advertising landscape already is far healthier than it was before CFBAI was created.

I. Introduction and Report Overview



No report related to the problem of childhood obesity is complete without an acknowledgement of the enormity of the problem and the need for a multi-factorial, multi-sectorial and multi-stakeholder approach to reduce its prevalence. The latest statistics indicate the obesity rate for youth ages 2-19 remained constant at about 17% between 2003-2004 and 2013-2014.¹ The government reported that among children ages 2 to 5, the obesity rate decreased from 13.9% in 2003-2004 to 8.9% in 2011-2014.² A number of states and localities also have reported a decrease in obesity in children overall or certain subpopulations of children, although ethnic and racial disparities persist.³ In addition, a growing number of studies report childhood obesity strategies that have succeeded in some communities. Other good news is that experts' knowledge and understanding about the causes of and influences on childhood obesity continue to expand, affording better insight regarding the matrix of individual and environmental factors related to it. The role of advertising directed to children under age 12 (as well as other advertising children may see) must be considered against the backdrop of all of these factors.

For the last 10 years, responsible leading consumer packaged goods companies and quick serve restaurants have participated in CFBAI as one way to contribute to being a part of the solution. Through CFBAI they are working to improve the children's food advertising landscape. Virtually all of these companies also are engaged in bringing healthier foods to market and more information to consumers through label transparency initiatives or portion control projects.

Starting in 2014, when CFBAI's nutrition criteria officially went into effect, and continuing in 2015, all of the participants engaging in advertising directed to children under age 12 ("child-directed advertising") used CFBAI-developed uniform nutrition criteria to determine which foods were eligible for advertising to children. These criteria, based on an extensive review of the 2010 Dietary Guidelines for Americans and other government and non-governmental dietary guidelines or standards, set rigorous standards for calories, sodium, saturated fat, trans fat and total sugars. The standards also include requirements for nutrition components to encourage.

Because of the adoption of nutrition criteria—initially meaningful company-specific criteria and later CFBAI’s uniform criteria—the marketplace has improved. The progress CFBAI is making in improving the children’s food advertising landscape has been recognized by the Federal Trade Commission,⁴ the First Lady,⁵ and others.⁶ Now foods popular with children, including foods not even advertised to children, along with children’s quick serve meals, generally contain fewer calories, less sugar, sodium or fat and/or more whole grains, fruit or vegetables or essential vitamins and minerals.

pledges and the progress they made during 2015 in fulfilling CFBAI’s goal of meeting the Institute of Medicine’s 2006 recommendation that companies change the mix of products in child-directed advertising to include healthier foods.⁷ The progress that has been made in other years is documented in CFBAI’s prior annual reports and other program materials that are available on CFBAI’s website.⁸ A separate report on compliance for the participants in another BBB self-regulation program, the Children’s Confection Advertising Initiative (CCAI), which launched in March 2016, will be issued in 2017.⁹

This Report describes CFBAI’s assessment of the participants’ compliance with their

Table 1 lists the participants assessed in this Report.

TABLE 1. CFBAI COMPANY COMPLIANCE ASSESSMENT LIST FOR 2015

American Licorice Company	Ferrero USA, Inc.	McDonald’s USA, LLC
Burger King Corporation	General Mills Inc.	Mondelēz Global LLC
Campbell Soup Company	The Hershey Company	Nestlé USA
The Coca-Cola Company	Kellogg Company	PepsiCo, Inc.
ConAgra Foods, Inc.	The Kraft Heinz Company ¹⁰	Post Foods, LLC
The Dannon Company, Inc.	Mars, Incorporated	Unilever

The remainder of this Report consists of the following:

- Part II, which summarizes CFBAI’s history and the participants’ representation in food advertising to children;
- Part III, which describes the nutrition developments and improvements that occurred during 2015;
- Part IV, which explains CFBAI’s process for assessing compliance and our conclusion that compliance was excellent;
- Part V, which highlights what CFBAI expects to do next.

NOTES

¹Ogden CL, Carroll MD, Fryar CD, Flegal KM, Prevalence of obesity among adults and youth: United States, 2011-2014, NCHS Data Brief, no. 219, Hyattsville, MD: National Center for Health Statistics. 2015. Available at <http://www.cdc.gov/nchs/data/databriefs/db219.htm>.

²*Id.* See also Center for Disease Prevention and Control data at <http://www.cdc.gov/obesity/data/childhood.html>.

³Where Are We Seeing Signs of Progress? Robert Wood Johnson Foundation Health Policy Snapshot Series (June 2016), available at <http://www.rwjf.org/en/library/research/2016/06/declining-childhood-obesity-rates.html>.

⁴The FTC's 2012 "Review of Food Marketing to Children and Adolescents" reported an improvement in the overall nutritional profile of foods advertised to youth: "Calories and the food components to reduce (sodium, sugar, saturated fat, and trans fat) all decreased, while all of the nutrients to increase showed improvements (namely, fiber, whole grain, calcium, vitamin D, and potassium)." "A Review of Food Marketing to Children and Adolescents Follow-Up Report," FTC (Dec. 2012) at 30 ("FTC Report"). The FTC Report also noted that "The food and beverage industry, and in particular the CFBAI, has made major strides since the early days of self-regulation in 2006," and that CFBAI's "New uniform criteria . . . will likely lead to further improvements in the nutritional quality of foods marketed to children . . ." FTC Report at ES-2, available at <http://www.ftc.gov/reports/review-food-marketing-children-adolescents-follow-report>.

⁵During the 2013 White House Convening on Food Marketing to Children, the First Lady stated, "I was so pleased that 17 major American companies came together on their own as part of the Children's Food and Beverage Advertising Initiative to adopt new standards for marketing to kids. And I know this wasn't easy. Forging consensus among fierce competitors is a challenge to say the least. But these new standards are beginning to have an impact, and I commend all of these companies for taking action." Remarks during White House Convening on Food Marketing to Children (Sept. 18, 2013). Available at <http://www.whitehouse.gov/the-press-office/2013/09/18/remarks-first-lady-during-white-house-convening-food-marketing-children>.

⁶For example, in 2014 the Interfaith Center on Corporate Responsibility led a coalition of 40 institutional investors in sending letters to more than 30 food, restaurant, retail, and media companies urging them to join CFBAI "as an initial yet critical step companies can take in confronting the childhood obesity epidemic." (Letters available at http://www.iccr.org/sites/default/files/resources_attachments/08.22.14CFBAI%20InvestorSign-onwsigs.pdf.)

⁷See Institute of Medicine's 2006 report, "Food Marketing to Children and Youth: Threat or Opportunity?," which recommended that food and beverage companies shift their mix of advertising to include healthier foods. Available at <http://www.iom.edu/Reports/2005/Food-Marketing-to-Children-and-Youth-Threat-or-Opportunity.aspx>.

⁸Visit www.bbb.org/kids_food.

⁹CCAI is designed for small-to-medium sized confectionery companies that are members of the National Confectioners Association, which is a co-founder of the program. The now eight participants agree to not advertise their confections to children under age 12.

¹⁰In 2015, Kraft Foods Group merged with the H.J. Heinz Company to form The Kraft Heinz Company.



II. About CFBAI and Food Advertising to Children

CFBAI was launched in 2006 because BBB and responsible food companies and restaurants wanted to be responsive to requests from the government and the Institute of Medicine for more self-regulatory action on food advertising to children due to concerns about the prevalence of childhood obesity. The program is designed to be a part of the solution to this complex problem by requiring that participants use specified nutrition standards to govern the foods they advertise directly to children under age 12. CFBAI complements another BBB program, the Children’s Advertising Review Unit (CARU), which addresses *how* foods and other products are advertised to children. BBB created CFBAI to focus primarily on *what* foods are advertised to children.

CFBAI’s standards apply to advertising primarily *directed* to children under age 12,

BACKGROUND

All participants agree to follow CFBAI’s requirements as set forth in CFBAI’s Core Principles, which address advertising, licensed characters, product placement, interactive games, and activities in elementary schools

a group that the advertising industry has long recognized needs special protections.¹¹ CFBAI was not designed to address the entire marketing landscape and all ads children might see across that landscape. Such a goal would be unworkable and would infringe greatly on advertising directed to other audiences where children would be incidental consumers of such advertising. For example, although numerically many children may watch family programs, sporting events and other programs, they typically represent a small percentage of the audience. Child-oriented television has long been the key medium used to reach children. On Nickelodeon, CFBAI participant advertising has consistently represented a substantial majority of the food ads.

that are directed to children.¹² In a nutshell, the participants commit that in advertising primarily directed to children under age 12 (“child-directed advertising”) they will depict only healthier or better-for-you foods

as defined by CFBAI's uniform nutrition criteria. The participants also agree to CFBAI oversight and to be held accountable for failure to comply with their commitments. CFBAI extensively monitors covered media for compliance and requires participants to submit detailed self-assessments annually. CFBAI's monitoring and the participants' reports reveal a high commitment to compliance. Inadvertent and infrequent problems are quickly remedied.

CFBAI now has 18 participants, nearly two times as many as when the program started. The American Licorice Company, CFBAI's newest participant, joined in 2015. The program's scope has expanded over the years to cover additional child-directed media,¹³ and the program was further strengthened by the adoption of CFBAI-developed uniform nutrition criteria in 2011.¹⁴

One of CFBAI's key attributes is its commitment to transparency and thus it makes program information public and accessible through a variety of means:

Website. CFBAI's regularly updated website includes current and prior company pledges, a list of foods that meet CFBAI's nutrition criteria and that are or may be advertised to children (i.e., CFBAI's Product List¹⁵), CFBAI's comments to various governmental bodies and non-governmental organizations (NGOs), statements regarding food marketing to children issues, and presentations to various organizations.

Press Releases, Press Statements, Fact Sheets.¹⁶ CFBAI regularly issues fact sheets that highlight program features or improvements in foods or categories of foods. In 2015 CFBAI issued the following:

- CFBAI Statement on the Healthy Eating Research Recommendations for Responsible Food Marketing to Children (Press Statement, Jan. 2015)

- CFBAI Program and Core Principles At A Glance (Fact Sheet, May 2015)
- American Licorice is Sixth Candy Company to Pledge to Not Advertise Directly to Children (Press Release, May 2015)
- It's Time to Can the "We Can: Go, Slow, Whoa" Categories: CFBAI Refutes Article in American Journal of Preventative Medicine (Press Statement, May 2015)
- Statement on the report on candy advertising published in the journal *Appetite* (Press Statement, Sept. 2015)
- Cereals Advertised to Children Are Improving Under Self-Regulation (Press Release, Nov. 2015), and CFBAI 2015 Cereal Snapshot (Fact Sheet, Nov. 2015)
- Statement on Snack Facts 2015 (Press Statement, Nov. 2015)
- Statement on Petition of CCFC and CDD re Food Ads on YouTube Kids App (Press Statement, Nov. 2015)
- Voluntary Nutrition Criteria Mean Children See Ads for Healthier Foods (Press Release, Dec. 2015)

Public Comments. CFBAI participates from time-to-time in the public proceedings of domestic and international governmental bodies or NGOs on matters relevant to CFBAI's program and expertise. CFBAI submitted the following comments in 2015:

- World Health Organization (WHO), on the WHO Discussion Paper for the Global Coordination Mechanism on NCDs regarding How to Realize Governments' Commitments to Engage with the Private Sector for the Prevention and Control of NCDs (Feb. 2015)



- U.S. Department of Health and Human Services/U.S. Department of Agriculture, on the Report of the 2015 Dietary Guidelines Advisory Committee (May 2015)
- WHO, on the WHO Interim Report of the Commission on Ending Childhood Obesity (June 2015)
- CARU New York City Conference (Sept. 2015)
- Congressional Health and Fitness Expo (exhibitor)(May 2015)
- Third Annual Food & Beverage Litigation, Compliance and Regulatory Exchange (Oct. 2015)

Events as Participant, Presenter, Exhibitor.

CFBAI often presents at conferences and meetings on food advertising and childhood obesity, and occasionally exhibits at conferences and expos related to food, nutrition or children's health and well-being. During 2015, these activities included the following:

- Tufts University Friedman School of Nutrition Science & Policy seminar (March 2015)
- Grocery Manufacturers Association Webinar on Foods Marketed to or For Children (July 2015)
- National PTA Conference (exhibitor) (July 2015)

- NCCOR, "Ways for Marketers to Help Improve Health Outcomes for Children" (Oct. 2015)

In addition, in April 2015, CFBAI hosted a meeting at its offices with CFBAI participants and the leaders of Healthy Eating Research (HER), a national program of the Robert Wood Johnson Foundation that supports research on strategies that could promote healthy eating among children. The meeting was convened to discuss the recommendations that HER had made in a January 2015 issue brief titled, Recommendations for Responsible Food Marketing to Children. Consideration of the topics of the meeting is ongoing.

PARTICIPANTS' REPRESENTATION IN CHILD-DIRECTED FOOD ADVERTISING

CFBAI's analyses as well as those of others show that the participants' commitments cover a substantial proportion of all child-directed food advertising on leading children's television networks.

Television is generally children's favorite media source.¹⁷

CFBAI. In 2015, CFBAI found that 77% of food ads on Nickelodeon were for

CFBAI participants' qualifying foods.¹⁸ The participants' ads have accounted for the majority of all the food ads on children's programming since 2012 (based on yearly analyses of ads that air during approximate 30-hour samples of Nickelodeon programming). CFBAI also found that only 29% of ads were for foods.

Center for Science in the Public Interest.

CSPI, a national consumer advocacy organization, analyzed ads in a sample of Nickelodeon programming that aired in May and June 2015. It found that 77% of the food

ads were from CFBAI participants and that food ads accounted for 30% of all the ads in the sample.¹⁹

Federal Trade Commission. In 2012, the FTC reported that CFBAI-participant ad expenditures accounted for 89% of all the food advertising expenditures to children (based on 2009 data).²⁰

NOTES

¹¹ Although studies suggest various ages at which children begin to understand the persuasive intent of advertising, it is generally agreed that by age 12 children do have that ability. Because special protections are important for this age group, the advertising industry always has had a set of stringent rules for advertising primarily directed to children under age 12. CARU has promoted high standards of responsible advertising to children under age 12 since 1974. (CARU's operational policies are set by the Advertising Self-Regulation Council, which is a strategic alliance of the advertising industry and BBB.) CARU has guidelines for children's advertisers to ensure that children's advertising is not deceptive, unfair or inappropriate for its intended audience. CARU's guidelines apply to all children's advertisers while CFBAI is an opt-in program.

¹² The Program and Core Principles Statement (4th Edition) is attached as Appendix A. All participant commitments are contained in "pledges" that are available on CFBAI's website.

¹³ The Summary of CFBAI Program Improvements is attached as Appendix B.

¹⁴ CFBAI's Category-Specific Uniform Nutrition Criteria are attached as Appendix C.

¹⁵ CFBAI's Product List is a list of foods that meet CFBAI's nutrition criteria and that are or may be advertised to children. (Not all of the participants' foods that meet CFBAI's nutrition criteria are included on this list.) CFBAI's Product List is updated periodically.

¹⁶ CFBAI fact sheets, public comments, and press statements generally are available on CFBAI's website.

¹⁷ Nielsen, "Kids' Audience Behavior Across Platforms" ("Nielsen Report") (Aug. 2015) at 8, available at <http://www.nielsen.com/us/en/insights/reports/2015/kids-audience-behavior-across-platforms.html>. According to this report, in Q4 2013, children aged 2 to 11 spent over 24 hours a week watching TV (a slight increase since 2011). Children also have increased the amount of time spent watching time-shifted TV between 2011 and 2013 (from 1:57 to 2:21 (hour:minute)), an increase Nielsen suggested may relate to increased use of on-demand services. *Id.* Common Sense Media also reported that "tweens" (children ages 8-12) ranked TV as their favorite media source and spent the most time on it. *The Common Sense Census, Media Use by Tweens and Teens* (Nov. 2015), available at <https://www.common SenseMedia.org/research/the-common-sense-census-media-use-by-tweens-and-teens>.

¹⁸ In 2015, CFBAI also analyzed ads that aired during a 30-hour sample of Cartoon Network programming. At 43% of all food ads, CFBAI participants' representation on Cartoon Network was lower than on Nickelodeon. The overall percentage of food vs. non-food advertising also was lower on Cartoon Network (18% of the total ads were for foods and beverages, compared to 29% on Nickelodeon).

¹⁹ *Milkshakes, Sugary Cereals, Candy: What Nickelodeon is Peddling to Kids* ("CSPI Nickelodeon Report") (Sept. 2016), available at <https://cspinet.org/news/study-finds-nickelodeon-posts-modest-decline-junk-food-marketing-20160913>. See also Kunkel, Dale L., Jessica S. Castonguay, Christine R. Filer, "Evaluating Industry Self-Regulation of Food Marketing to Children" ("Evaluating Industry"), 2015 *Am J Prev Med* at 4. (CFBAI participant advertising represents approximately 70% of food advertising on children's television.)

²⁰ See FTC Report, note 4 above. The Report's definition of advertising to children includes items not covered by CFBAI, such as shelf placement allowances, in-store ad displays and promotions, and packaging and labeling.



III. Nutrition Developments and Improvements

In 2011, CFBAI issued uniform nutrition criteria to govern what foods are allowed in its participants' child-directed advertising.²¹ The criteria, which went into effect on December 31, 2013, have driven numerous nutrition improvements in foods already in the participants' portfolios and have led to the development of new foods meeting these nutrition standards. CFBAI's criteria are stronger overall than the previously used company-specific criteria. They have been recognized by First Lady Michelle Obama,²² the Federal Trade Commission,²³ the U.S. Department of Agriculture,²⁴ and others, as progress and for their potential to drive further improvements in the nutritional quality of foods advertised to children. CFBAI's criteria also have had effects beyond what the participants advertise directly to children, as some participants use CFBAI's criteria to develop or change foods that are intended for children but not advertised to them.²⁵

When CFBAI issued its nutrition criteria in 2011, it promised to review them periodically, such as when the 2015 Dietary Guidelines for Americans (2015 DGA) were issued. In 2015, in anticipation of the release of the 2015 DGA, CFBAI began internal preparations for

its planned nutrition criteria review. After the 2015 DGA were released in early 2016, CFBAI began its formal review of the criteria and the 2015 DGA's recommendations to determine whether the nutrition criteria should be updated. CFBAI's review also has included recently issued nutrition and labeling regulations. In addition, CFBAI has sought stakeholder input on its criteria from numerous experts in the fields of children's health and nutrition.

This section discusses CFBAI's nutrition criteria and highlights nutritional improvements in 2015 in foods the participants may advertise to children. It also includes the results of CFBAI's annual review of child-directed advertising on popular children's TV networks.

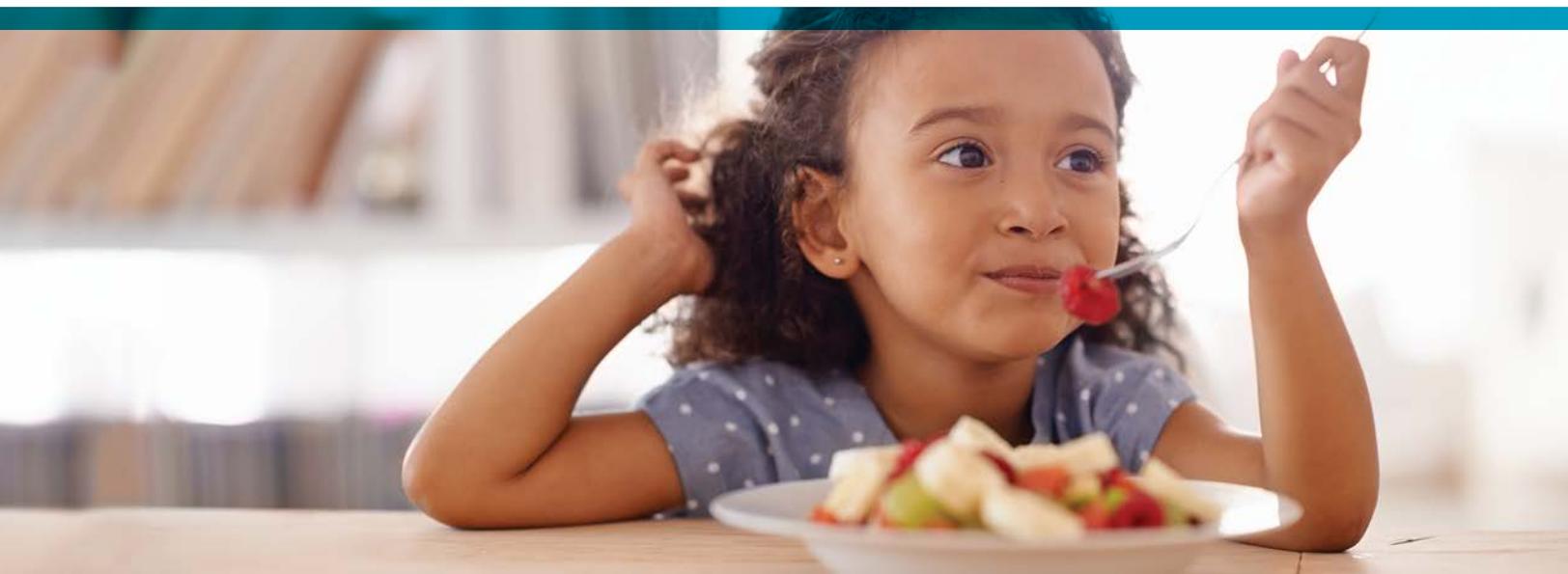
CFBAI'S CATEGORY-SPECIFIC UNIFORM NUTRITION CRITERIA

In 2011, CFBAI developed uniform nutrition criteria based on a comprehensive review of government and other dietary recommendations, including the 2010 Dietary Guidelines for Americans (2010 DGA).²⁶ In developing the criteria, CFBAI also considered food technology issues and challenges regarding consumer acceptance of reformulated or newly-developed foods, as well as competitive issues. CFBAI's nutrition criteria are purposefully flexible to encourage competition and even greater participation in self-regulation. Before CFBAI implemented its uniform criteria, the participants used company-specific nutrition standards to determine what foods could qualify for child-directed advertising. While many nutritional improvements followed from the companies' criteria, the participants recognized that adopting uniform criteria would have additional advantages.²⁷

The uniform nutrition criteria set meaningful limits on calories, saturated fat, trans fat, sodium and sugars ("nutrients to limit"). Moreover, to be consistent with and to promote the 2010 DGA, CFBAI incorporated

"nutrition components to encourage" (NCTE) for all categories, filling gaps that existed in some company-specific criteria. The NCTE requirements include (i) at least a ½ serving of fruit, vegetables, whole grains or non/low-fat dairy²⁸ ("food groups to encourage"²⁹), (ii) at least one "essential nutrient" at the 10% Daily Value (DV) level,³⁰ or (iii) a combination of both. These requirements increase as calories increase and as the role of the food in the overall diet takes on greater importance (e.g., entrées). In lower-calorie foods, it may not always be feasible to include a meaningful amount of a food group/ingredient to encourage. Yet lower-calorie foods, through their essential nutrient content, may contribute meaningfully to a healthy diet.

After the uniform nutrition criteria were announced in 2011, CFBAI issued a White Paper explaining how the new criteria were designed to reflect meaningful, but realistic, goals for each of the 10 categories and the basis for the specific categories and nutrient requirements. The White Paper also described CFBAI's intent "to review the nutrition criteria periodically to determine whether new or



different categories or sub-categories are necessary to reflect innovation and new products in the marketplace, and in keeping with our core requirement that nutrition standards be consistent with established scientific and/or government standards.”³¹ It promised that the criteria would be reviewed after the issuance of the 2015 DGA.

Before the 2015 DGA were released, CFBAI prepared for its planned review of the nutrition criteria by extensively reviewing government and other dietary recommendations and third-party nutrition standards. As part of this review, CFBAI evaluated regulatory standards for nutrition labeling and nutrient content claims, nutrition standards for all foods and beverages sold at school during the school day, and standards used by health advocacy organizations, retailers, and a major media and entertainment company.

After the 2015 DGA were released, CFBAI began reviewing them and seeking input from external stakeholders on ways CFBAI might update or strengthen its uniform nutrition criteria.³² CFBAI also must consider the impact of new nutrition and labeling regulations that FDA issued in 2016. Among other things, FDA’s regulations, for the first time, set a DV for added sugars and require that the Nutrition Facts label disclose added sugars in grams and as percent DV; update DVs for certain nutrients such as sodium, fiber and vitamin D; and update serving sizes and reference amounts customarily consumed for several foods, including ready-to-eat cereal and yogurt. Looking ahead, in the next six to twelve months, CFBAI plans to announce results of its comprehensive nutrition criteria review.

2015 HIGHLIGHTS

In 2015, the participants improved the nutritional quality of certain foods that are or may be advertised to children. They reformulated recipes of existing foods and developed recipes for new foods or meal bundles that meet CFBAI’s nutrition criteria. The changes include reducing sugar or sodium in cereals and crackers, increasing the amount of whole grains in popular children’s cereals, and adding a new kids’ meal side option that provides a full serving of fruit. Below we describe nutrition improvements in cereals, meals, yogurts and snacks, which are the foods most frequently advertised to children.

Cereals

As a category, cereals are notable for the many improvements that have occurred since CFBAI started. Specifically, CFBAI’s analysis of all the ready-to-eat one-ounce cereals on CFBAI’s Product List showed two-thirds of the cereals list whole grains as the first ingredient in the ingredients statement, more than twice as many compared to 2012. Most (79%, or 23/29) contain at least 8 grams of whole grains per serving,³³ and more than one-third contain 12 grams or more. The 2016 Cereal Snapshot, which highlights nutrition improvements in cereals over time, can be found in Appendix D.

- **Kellogg**, in 2015, increased the whole grain content and reduced sugar in its popular Apple Jacks and Froot Loops cereals. Apple Jacks and Froot Loops now provide more than 8 grams of whole grains per serving (9 and 10 grams, respectively), and both are good sources of fiber. Each cereal now contains 10 grams of sugar per serving, down from 12 grams per serving prior to 2015.

Meals

- **Burger King** replaced apple slices with unsweetened applesauce, which provides a full serving of fruit. All of Burger King’s

qualifying kids' meals provide at least two servings of fruit and/or dairy from applesauce and fat-free milk.

- **McDonald's** re-introduced Cuties mandarins as a fresh, whole fruit side option in six of its Happy Meal combinations in 2015. From November 2014 through September 2016, McDonald's USA sold more than 53 million Cuties with children's meals. In addition to Cuties, McDonald's also continued to offer apple slices and low-fat strawberry yogurt that contains 25% less sugar than the leading kids' yogurt. In 2015, McDonald's, in connection with one of its Happy Meal promotions, offered low-fat strawberry-banana yogurt with 25% less sugar than the leading kids' yogurt for a limited time. With all of these options, McDonald's has served more than 2 billion fruit or low-fat dairy sides in kids' meals since 2012.

Yogurts

- **Dannon** added two non/low-fat dairy yogurts. Both are good sources of calcium.

Snacks

- **Campbell Soup Company** introduced Bolthouse Farms Kids fruit smoothies, veggie "snackers" with seasoning, and purée fruit tubes, which all provide at least a half-serving of fruit or vegetable. It also added two new Pepperidge Farm Goldfish Baked with Whole Grain varieties, which contain 14 and 12 grams of whole grains per serving respectively, and three new Pepperidge Farm Goldfish Grahams, which each contain 8 grams of whole grains per serving.
- **Kraft Foods Group, Inc. (now The Kraft Heinz Company)** added six Kraft Singles, which, when scaled to a one-ounce serving,³⁴ provide 1/3 cup dairy equivalent and at least 10% DV calcium.
- **Mondelēz International**³⁵ reduced sodium in its Honey Maid Grahams Low Fat Honey to 170 mg per serving from 190. It also introduced two new Honey Maid Grahams varieties and one new Teddy Grahams variety, all of which provide a half-serving of whole grains and are a good source of calcium.

NUTRITION ANALYSIS OF PARTICIPANT-ADVERTISED FOODS ON CHILDREN'S TV

In 2016, CFBAI reviewed a sample of 28 hours of children's programming on Nickelodeon that aired on different weekday and weekend dayparts from February to June. This review was a repeat of Nickelodeon "snapshots" we took in 2009, 2010, 2012, 2013, 2014, and 2015. Our analysis of the ads that aired during the Nickelodeon samples shows that over time CFBAI participants have made measurable progress in advertising healthier foods to children. We also analyzed a sample of children's programming on Cartoon Network, as we did and reported on for the first time last year.

Food Ads on Nickelodeon. Our reviews consistently show that ads for foods are a small portion of all the ads that air on children's TV programming. In 2016, food ads accounted for only 17% of all the ads that aired during our 28-hour Nickelodeon sample, down from 29% in 2015 (see Table 2). CFBAI participants represented 63% of those ads. While participant ads still account for the majority of food ads on Nickelodeon, their collective share is somewhat lower than it has been in past years. We attribute this change, at least in part, to some participants shifting from advertising qualifying foods to not advertising at all on children's programming.³⁶

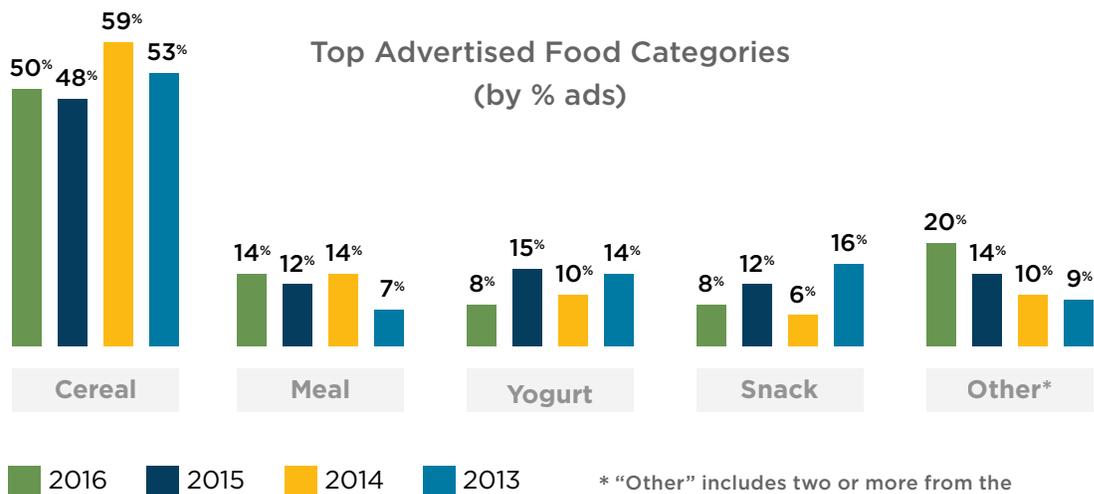
TABLE 2. NICKELODEON FOOD AND BEVERAGE AD SNAPSHOT

	2016	2015	2014
Total Number of Hours	28	30	33
Total Number of Ads	1,020	1,133	1,274
% Food Ads of Total Ads	17%	29%	23%
% Participant <i>Food Ads</i> of All Food Ads	63%	77%	72%
Total Number of Foods	49	45	38
% Participant <i>Foods</i> of All Foods	53% (26/49)	64% (29/45)	58% (22/38)

Food Category Highlights. We have consistently found that cereals, meals, yogurts and snacks are the foods the participants most frequently advertise to children (see Figure 1). This year, 80% of all the participant ads were for foods in those four categories, and 80% (16/20)

of those foods (i.e., cereals, meals, yogurts and snacks) contain at least a half-serving of whole grains, fruit, or non/low-fat dairy.³⁷ (Three of the four foods that do not contain food groups are “good” sources of vitamin D, which is a nutrient of public health concern.³⁸)

FIGURE 1. FREQUENTLY ADVERTISED CFBAI PARTICIPANT FOODS



Calorie Highlights. Based on our snapshot, Table 3 shows the maximum amount of calories in advertised foods by food type. Individual foods contain 130 calories or less

per labeled serving size, and meals, small meals and mixed dishes contain no more than 530 calories each.

TABLE 3. MAXIMUM CALORIES BY FOOD TYPE						
Juice	Snack	Yogurt	Cereal	Mixed Dish	Small Meal	Meal
						
70	80	100	130	280	360	530

Nutrition Components to Encourage Highlights. This year, 75% of the participants' foods contained at least a half-serving of fruit, vegetables, whole grains or non/low-fat dairy, compared to 48% in 2010. By percentage of ads, 84% of participants' ads were for foods containing at least one of those four food groups, indicating that these foods were advertised more frequently than the other foods in the sample. This finding is consistent with Nickelodeon snapshot results since 2013 when participants began implementing CFBAI's uniform nutrition criteria.

Non-Participant Ads. This year's Nickelodeon snapshot captured a larger variety of non-participant advertisers compared to past years. Some non-participant companies advertised foods that appear to meet CFBAI's nutrition criteria, such as whole fruit, fish with seasoning, and a kids' meal containing a sandwich, fruit and low-fat milk.⁴⁰ Most of the non-participant advertising, however, was for foods that do not appear to meet CFBAI's nutrition criteria, exceeding the limits for saturated fat or sugars and contributing little or no positive nutrition components.⁴¹

Food Ads on Cartoon Network. In 2016, CFBAI analyzed ads that aired during a 27-hour sample of kids' programming on Cartoon Network. The sample consists of programs that aired on different dayparts on weekdays and weekends from March to July. As in 2015, we found that the overall percentage of food ads and the percentage of food ads from CFBAI participants were lower than what we observed on Nickelodeon.⁴² In 2016, only 12% of all the ads were for foods, and 47% of those ads were from CFBAI participants. The foods the participants advertised on Cartoon Network were very similar to the foods they advertised on Nickelodeon. On Cartoon Network, more than two-thirds of the participant ads were for cereals and meals, which provide significant amounts of whole grains, fruit or dairy, and/or key nutrients such as vitamin D. Most of the non-participant advertising, like on Nickelodeon, was for foods that do not appear to meet CFBAI's nutrition criteria. A small percentage of ads, however, were for a kids' meal that does appear to meet CFBAI's standards. CFBAI will use these findings in its outreach and recruitment efforts.



NOTES

²¹ See Appendix C.

²² See note 5, above.

²³ In 2011, the FTC described the new criteria as “substantial progress” and as being “considerably stronger than the status quo.” Prepared Statement of the Federal Trade Commission on the Interagency Working Group on Food Marketed to Children Before the Energy and Commerce Committee, Subcommittee on Commerce, Manufacturing, and Trade and the Subcommittee on Health, U.S. House of Representatives (Oct. 12, 2011), at 9. Available at <http://www.ftc.gov/os/testimony/111012foodmarketing.pdf>.

²⁴ In 2011, Dr. Robert Post, then Deputy Director, Center for Nutrition Policy and Promotion, USDA, stated, “The new uniform CFBAI nutrition criteria appear to be a step forward in changing the food advertising landscape, while also taking into consideration the feasibility of manufacturers making meaningful changes to the nutrient content of foods.” Statement of Dr. Robert Post, Before the Energy and Commerce Committee, Subcommittee on Commerce, Manufacturing, and Trade and the Subcommittee on Health, U.S. House of Representatives (Oct. 12, 2011). Available at http://archives.republicans.energycommerce.house.gov/Media/file/Hearings/Joint/101211_CMT_Health/Post.pdf.

²⁵ Since January 2014 the Cartoon Network has aligned its nutrition standards for use of its licensed characters with CFBAI’s nutrition criteria. While Cartoon Network has had nutrition standards for licenses in place since 2007, aligning with CFBAI’s criteria requires licensors to meet even tougher standards.

²⁶ In addition to the *2010 DGA*, CFBAI considered a number of other government-issued guidance, including regulatory standards for nutrition labeling and nutrient content claims for foods and beverages; recommendations for nutritional criteria for foods marketed directly to children, foods sold in competition with school meals, and school breakfast and school lunch programs; standards of identity for foods; the Interagency Working Group’s (IWG) December 2009 proposed tentative nutrition standards for marketing to children; and the IWG’s subsequent April 2011 proposed voluntary nutrition principles. The nutrition science review and sources that informed the development of CFBAI’s uniform nutrition criteria are detailed in CFBAI’s White Paper. The White Paper is available on CFBAI’s website.

²⁷ CFBAI’s uniform nutrition criteria require that the same types of foods meet the same set of criteria, regardless of the manufacturer; are stronger than the previously used company-specific criteria; and bring more transparency to the participants’ commitments. The benefits of the uniform nutrition criteria are detailed in a Fact Sheet on CFBAI’s Category-Specific Uniform Nutrition Criteria, available on CFBAI’s website.

²⁸ The dairy requirement is adjusted proportionately for yogurts with labeled serving sizes (LSS) less than 6 fl oz, cheese with LSS less than 1 oz, and dairy-based desserts with LSS less than ½ cup.

NOTES *continued*

²⁹ The *2010 DGA* advised Americans to eat more fruits, vegetables, low-fat dairy and lean protein. See *2010 DGA* at 34. The *DGA* also recommended that half of all grains consumed be whole grains and the minimum amount recommended for many people is about 3 ounce-equivalents (48 grams) per day. *Id.* at 36. According to the *2010 DGA*, “[w]hole grains are a source of nutrients, such as iron, magnesium, selenium, B vitamins, and dietary fiber. Whole grains vary in their dietary fiber content. . . . Consuming enough whole grains helps meet nutrient needs. Choosing whole grains that are higher in dietary fiber has additional health benefits.” *Id.*

³⁰ Essential nutrients include protein, fiber, and vitamins and minerals for which a DV has been established, including those added to meet standards of identity that have an enrichment requirement or to restore naturally occurring nutrients that are lost in processing. If the essential nutrient requirement is met through fortification, it must be a nutrient of public health concern as specified in the *2010 DGA* (i.e., fiber, potassium, calcium, and vitamin D) or a nutrient required to be listed on the Nutrition Facts Panel (NFP) (i.e., iron, vitamin A, and vitamin C in addition to dietary fiber and calcium). In 1993, in final regulations implementing the Nutrition Labeling and Education Act, the Food and Drug Administration (FDA) identified calcium, iron, vitamin C, and vitamin A as nutrients of public health concern and required the amount of these nutrients to be declared in the NFP. These same nutrients also are included in FDA’s definition of “healthy.” FDA has started a public process to redefine the “healthy” nutrient content claim for food labeling. Information available at <http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/LabelingNutrition/ucm520695.htm>.

³¹ CFBAI’s White Paper at 27, available on CFBAI’s website.

³² In 2016, CFBAI gathered feedback on a one-on-one basis from various health and advocacy organizations and during a roundtable meeting of academic, advocate, investor, retailer and food industry attendees.

³³ The *2015 DGA* consider 8 grams per ounce-equivalent to be a meaningful amount of whole grains: “If a food has at least 8 g of whole grains per ounce-equivalent, it is at least half whole grains.” See *2015 DGA* at 22 (citing Food Safety and Inspection Service guidance on whole-grain claims). The *2015 DGA* recommend making at least half of grains whole grains.

³⁴ CFBAI’s dairy requirement is adjusted proportionately for cheese with LSS less than 1 oz.

³⁵ As of January 1, 2016, Mondelēz International committed to not advertise any product to children, irrespective of the product’s nutritional profile. More information about Mondelēz International’s marketing to children policy is available on its website: <http://www.mondelezinternational.com/well-being/well-being-snacks/empower-through-information>.

³⁶ Mondelēz International and Nestlé recently joined American Licorice Company, The Coca-Cola Company, Ferrero USA, The Hershey Company, and Mars, Incorporated in committing to not advertise directly to children under age 12.

³⁷ We did not use a half-serving minimum for dairy products because some products, such as yogurts, are individually packaged in less than 4-ounce serving sizes.

³⁸ The *2015 DGA* identify vitamin D, calcium, potassium, and fiber as “nutrients of public health concern” because low intakes of these nutrients are associated with health concerns for both adults and children. *2015 DGA* at 60.

³⁹ Beverages that meet FDA regulations for “low calorie” and “very low sodium” are exempt from the criteria.

⁴⁰ CFBAI, of course, would welcome the addition of these companies to the program.

⁴¹ CFBAI and others have asked these companies to join the program or to adopt CFBAI’s or other reasonable nutrition criteria.

⁴² See note 18 above and accompanying text.



IV. Pledge Compliance Evaluation

CFBAI found outstanding compliance during its 2015 comprehensive pledge compliance review. There were few compliance issues overall, and none were significant. In response to self- or CFBAI-identified issues, the participants promptly addressed problems or concerns, and established or revised procedures where necessary to prevent the issues from reoccurring.

This section of the Report summarizes CFBAI's evaluation process, including an overview of our media monitoring practices, and the results of CFBAI's assessment of the participants' compliance with their pledges. In addition, this section addresses compliance allegations raised in 2015 regarding content on Google's YouTube Kids app.

COMPLIANCE EVALUATION OVERVIEW

CFBAI's evaluation consists of two components. First, CFBAI independently assesses covered media to determine whether the participants have met their commitments to advertise only foods that meet CFBAI's nutrition criteria in child-directed advertising⁴³ or to not engage in child-directed advertising. Second, CFBAI thoroughly reviews the self-assessments reporting on and documenting compliance that each participant is required to submit to CFBAI annually. We also investigate any complaints we may receive.

CFBAI's finding of excellent compliance is consistent with past years' assessments and with the findings reported by other groups. Each company has developed, implemented

and monitored an extensive internal system to ensure that it meets its CFBAI commitments.⁴⁴ To comply with CFBAI's self-assessment requirement, the participants collect, evaluate and submit detailed information regarding each pledge commitment. Achieving and maintaining compliance also requires training and legal review, which involves the participants' attorneys and/or special committees reviewing their child-directed advertising and media buys.⁴⁵

MEDIA COMPLIANCE ASSESSMENT

This section describes how CFBAI monitors compliance with covered media, our review of public inquiries and our findings.

CFBAI Monitoring

To assess the participants' compliance with their pledges, on an ongoing basis CFBAI independently monitors advertising on various platforms. These are TV (including Spanish-language children's programs), video on demand ("VOD"), print, radio, the Internet (including company-owned and third-party websites), and apps available on tablets and smart phones. For media such as TV, child-directed advertising generally means advertising for which children ages 2-11 constitute at least 35% of the expected audience ("audience threshold") at the time of the media buy. Some participants use an even more rigorous lower audience threshold.⁴⁶ It is well established that children consume multiple types of media and spend considerable amounts of time in front of many types of screens. Television, however, remains children's favorite media for content,⁴⁷ and the one on which they spend the most time.

In 2015, most of the participants that advertised to children had at least one child-directed website with games and many advertised their foods on child-directed third-party websites. In addition, most of the CFBAI participants that were engaged in child-directed advertising placed ads on TV. The majority of this advertising was placed on

three children's cable television networks— Nickelodeon, Cartoon Network, and Disney XD. Some ads also were placed on children's programming on Discovery Family and a few on Boomerang.⁴⁸ As we reported last year, participants reported conducting little child-directed Spanish-language food advertising and our monitoring has confirmed this.

Although traditional TV remains the favored medium of children under 12, children's VOD use is increasing, mirroring the growing use of this medium overall.⁴⁹ Driven by strong consumer demand, the variety of VOD services in general and child-directed content in particular continues to expand. CFBAI and its participants treat advertising on VOD children's content as covered by CFBAI commitments, regardless of the particular device on which children view that content. At this time many of the most popular VOD services are subscription-based and ad-free. In 2015, Hulu offered some free, ad-supported programming, including children's programming, which CFBAI therefore monitored. Because audience demographics for particular shows or segments have not been available for Hulu, CFBAI monitored programs or program sections that Hulu designated as for children.⁵⁰



Table 4 summarizes CFBAI's 2015 monitoring activities.

TABLE 4. CFBAI 2015 MONITORING			
Media	Monitoring	Comments	Participant Use
Television (including Spanish-language TV)	Reviewed ~4,000 ads, including ~900 food ads	CFBAI also reviewed food ads from CARU's ad monitoring on children's TV networks	Frequently used (Advertising in Spanish-language children's programming infrequently used)
Radio	Periodically listened to Radio Disney	Radio Disney is the primary station that is child-directed	Infrequently used
Print	Reviewed issues of children's print titles available at the Library of Congress	CFBAI also reviewed food ads from CARU's children's magazine subscriptions	Infrequently used; most ads are in <i>Sports Illustrated for Kids</i> , <i>National Geographic for Kids</i>
Internet	Monitored child-directed company-owned sites and more than 100 child-directed third-party sites	Where visitor age composition data not available, CFBAI considers additional factors Sites may be deemed child-directed based on a qualitative analysis of content, language, graphics, pictures, games, ⁵¹ age limits and/or where other ads for the foods or websites	Frequently used
Mobile media and apps	Periodically monitored mobile-optimized sites; selections on Apple's App Store and participants' child-directed apps		Frequently used
VOD (Hulu)	Periodically monitored free kids' shows	Hulu was primary source of ad-supported VOD ⁵²	Infrequently used

— Key Compliance Findings

Overall compliance was excellent. We found some issues in digital media and VOD (Hulu), and a small number of issues on television programming. Below we summarize our findings by media platform and CFBAI requirements.

- **Child-directed video games or DVDs.** Companies did not report advertising in these media and we do not have any information to the contrary.
- **Digital.**⁵³ Compliance was generally very good. A few companies had instances in which lists of child-directed sites that media buyers should not place ads on (i.e., “blacklists” for non-qualifying foods or for participants committing to not advertise to children) were incomplete or were not properly executed by the sites. As a result, ads improperly were delivered to certain sites. Companies investigated these instances and added those sites to their blacklists or augmented procedures to ensure greater compliance.
- **Licensed characters, celebrities or movie tie-ins.** We observed their use only in conjunction with qualifying foods.
- **Mobile apps.** The foods featured in the child-directed apps we reviewed met CFBAI’s nutrition criteria.⁵⁴
- **Print and Radio.** We found no compliance issues. There are few outlets and few participants advertised in these media.
- **Product Placement.** We did not observe any compliance issues and no participant reported any issues.⁵⁵
- **Spanish-language children’s programs.** We have not observed nor have our participants reported a significant amount of advertising on such programming.
- **Television.** Compliance was excellent.
- **VOD.** Some VOD services are not ad-supported. There were a few issues on the one major ad-supported VOD service, Hulu, although even fewer than we reported on in 2014.
- **Word-of-mouth advertising.** CFBAI did not observe any WOM advertising and none was reported by the participants.
- **Advertising to children under age six.** CFBAI monitors and reports on compliance with the participants’ policies to not direct advertising to children under age six. (This is not a CFBAI requirement.) Compliance with these policies was very good. Although some ads appeared on programs where at least 35% of audience was children ages 2-5, that audience composition was not expected at the time participants made ad placement decisions and purchased ad time. For this reason, ads appearing on such shows do not violate their commitments.

— Public Inquiries Relating to Compliance

As noted earlier, academics and groups interested in CFBAI’s work often have reported that their independent reviews show CFBAI participants are complying with their commitments.⁵⁶ CFBAI always has committed to review public inquiries relating to compliance. Accordingly, CFBAI reviewed and looked into allegations of non-compliance that certain groups raised in a petition to the FTC in connection with the availability of food and beverage content on the



YouTube Kids app.⁵⁷ Initially the petitioners alleged only that Google was engaging in unfair and deceptive practices on the app, but two petitioners later alleged that CFBAI’s participants were culpable for the content to which the petitioners objected. Below we provide background on the petitions and explain why CFBAI’s participants were not in fact violating their voluntary commitments to CFBAI.

- **YouTube Kids app.** Google launched its YouTube Kids app in February 2015, promoting it as a “kid-friendly” version of YouTube that filtered out inappropriate content, blocked certain search terms and allowed parents to set time limits for its use. Google also stated that there would be no food and beverage advertising on the app. However, children could access content that many people recognize as advertising or promotion on the app through the app’s search function. Such content included company or product brand channels, commercials posted by individual YouTube users (not by the companies), and product “unboxings,” food tastings or toy testing (“user generated content”). Although through the app’s search function CFBAI participants’ brand channels and videos on those channels were available, participants did not know about the app before its launch and did not want or ask that their channels be accessible to children through the app.
- **Petitions to the FTC.** In May 2015 the Center for Digital Democracy (CDD), the Campaign for a Commercial Free Childhood (CCFC), along with other groups, filed a petition with the FTC alleging that the app contained unfair and deceptive marketing. It requested that the FTC investigate Google’s app. To illustrate its allegations, the petition cited the availability of food videos as examples of content that the app was purportedly meant to exclude. CFBAI and its participants were not the focus of the petition, although content from the participants’ channels and branded foods were referenced and depicted.
- **CFBAI Response.** CFBAI issued a statement that denied these allegations based on its review of the petitions and in-depth discussions with the participants. The statement noted that the participants did not purchase ads on the app, even for foods that meet CFBAI’s nutrition criteria, and that their content was made available on the app from “regular” YouTube without the companies’ knowledge, participation or agreement. Moreover, even though they had no involvement with the appearance of their content on the app, CFBAI participants asked Google to create a technological solution to prevent this content from appearing on the app or to otherwise block content they had placed on YouTube from appearing on the YouTube Kids app. CFBAI and some participants have continued to work with Google to ensure that participants’ channels are blocked from the app.

— Other Findings Related to TV Programs and Websites

Occasionally there were ads for non-qualifying foods on TV programs and on Internet sites that either did not constitute violations or were technical violations for the reasons described below.

- ***Differences between predicted audience demographics for programs/dayparts when ads were purchased and when they aired.*** When ads for non-qualifying products air in programs that exceed participants' audience thresholds, those ads are not violations if they occur because of differences between the predicted program audience at the time the media was purchased and the actual audience when the ad aired.⁵⁸ CFBAI assesses compliance based on the past or predicted demographics of a program or daypart at the time ads are purchased, a standard way for advertisers to make their media-buying decisions. Many participants also monitor audience demographics at the time their ads air, and report when an ad appears in a program with a child audience composition that is unexpectedly higher than predicted (i.e., at the time they purchased media for ads for non-qualifying foods, the percentage of children under age 12 in the audience

was predicted to be below the applicable threshold as set out in Appendix E). The incidence rate for such problems is low (generally less than 1% of total ads for a particular company or brand). The participants typically use this data to adjust their media buys or put additional screening or programming restrictions in place to avoid reoccurrences.

- ***Failure to provide prior notice of foods to be advertised.*** On both television and on the internet, ads for foods meeting CFBAI's nutrition criteria occasionally air prior to notification to CFBAI that they would be advertised. This is an infrequent occurrence and we do not consider the lack of prior notice to CFBAI (so the food could be reviewed and added to CFBAI's Product List) to be a substantive violation. Because the foods meet CFBAI's nutrition criteria, we consider these "technical" compliance issues. Participants correct these lapses upon notice.





COMMITMENT TO NOT ADVERTISE TO CHILDREN IN ELEMENTARY SCHOOLS

CFBAI participants commit to not advertise even qualifying branded foods and beverages to children in elementary schools (pre-K through sixth grade).⁵⁹ This restriction is based on the age of the child (the grades mirroring CFBAI's focus on children under age 12) and our recognition that because elementary schools are a special environment, commercialism of food and beverages should be avoided. The participants reported excellent compliance in 2015.

CFBAI's elementary school commitment bars direct advertising activities to children in schools for the specified grades.⁶⁰ Excluded from this prohibition are participant-supported programs that provide significant benefits to schools and students, such as charitable donations, sponsorships, public service messaging and curriculum materials, and fund-raising programs.⁶¹ CFBAI guidelines regarding the commitment emphasize that branded foods should not be featured and

that any brand or corporate identification related to such activities and associated materials are minimal.⁶²

In August 2016 USDA issued its final rule addressing Local School Wellness Policy Implementation under the Healthy, Hunger-Free Kids Act of 2010 (HHFKA). For several years HHFKA has required that school districts have a "school wellness policy." The final rule requires that school wellness policies prohibit marketing in schools of foods that do not meet federal nutrition standards. Additional USDA guidance on this issue is expected. CFBAI has undertaken a review of its elementary school commitment and will complete its assessment of the impact of the rule on the elementary school commitment after USDA has issued its guidance.

NOTES

⁴³ For purposes of this report we refer to a food that meets CFBAI's nutrition criteria as a "qualifying" or "qualified" food (i.e., by meeting the criteria it is "qualified" to appear in child-directed advertising). These foods are supposed to be on CFBAI's Product List before they are advertised to children. "Non-qualifying" food thus refers to a food that is not "qualified" to appear in such advertising.

⁴⁴ It is noteworthy that CFBAI participants have voluntarily assumed the CFBAI-specific commitments to monitor and report on compliance in a highly competitive marketplace where not all companies are assuming such obligations and incurring the related costs.

⁴⁵ The participants' procedures include regular, periodic training of employees across multiple divisions, which might include nutrition, legal, marketing, policy and planning, product development, product distribution, brand management, regulatory affairs, sales and other departments, as well as third-parties involved in advertising development and placement, such as advertising agencies, media buyers, and television and digital ad networks.

⁴⁶ A chart that reflects participants' child-directed advertising commitments, including audience thresholds, is attached as Appendix E.

⁴⁷ See Nielsen Report, note 17 above. According to the Report, the *incidence* of computer use by children has remained stable, although *time spent* on the computer has decreased, possibly because competing devices vie for kids' time. Nielsen Report at 8, 12-13. The report also found that the most notable differences between younger and older children occurred in terms of the different types of content they consume on respective media. For example, *on TV*, younger kids watch more children's programming, while teens watch more dramas. In terms of *websites* accessed, the search website category (e.g., google.com) is generally the top category for *all* kids' age groups. (It is the second most popular for kids 8-10). *Id.* at 13. Tablet and smartphone use among children of all ages also is high, with 61% of children ages 2-4 using a tablet if one is available, and 30% using a smartphone if available. *Id.* at 19. A 2015 Commonsense media use report found that tweens' (ages 8-12) favorite activity is watching TV and that almost two-thirds (62 percent) responded that they watch "every day" (by comparison, 24 % watch online videos and 27% play mobile games every day). The Commonsense Census: Media Use by Tweens and Teens, Executive Summary at 18 (2015). Available at www.common sense media.org/research/the-common-sense-census-media-use-by-tweens-and-teens.

⁴⁸ Boomerang is a Viacom children's network that features classic cartoon programming. It is not available in all U.S. markets.

⁴⁹ VOD allows users to select and watch video content whenever they want and through different platforms, such as laptops, mobile devices and on TV through streaming media players such as Roku, Amazon Fire, Apple TV, Google Chromecast, or video game consoles such as Xbox.

⁵⁰ CFBAI identified children's programming in several content areas of Hulu, including Hulu's "Kids" section, in the "TV-Networks" section, which includes content from networks such as Nickelodeon, PBS Kids, and 4KidsTV, and other areas (e.g., "Saturday Morning Cartoons").

⁵¹ Animation, cartoon or licensed characters, fantasy and games are often used in sites directed to older teens and adults and thus do not necessarily make a site child-directed.

⁵² In 2015, Hulu had two ad-supported services. A free version included advertising in kids' programming. The ad-supported subscription service did not include ads in *kids'* programming, although it included ads in other programming. In 2016, Hulu entered into a partnership with Yahoo, which is making available some ad-supported Hulu content for free, including a "Kids and Family" section.

⁵³ Rudd Center's Snack Facts Report, issued in November 2015, stated that a number of CFBAI participants' display ads for non-qualifying foods appeared in 2014 on some of what the Report called the most visited child-directed websites. Rudd Center, Snack FACTS Report at 48 (2015). Available at <http://www.uconnruddcenter.org/snackfacts>. Rudd's analysis involved use of an 11.2% site visitor threshold (meaning that only 11.2% of visitors were children under age 12). CFBAI uses a 35% threshold standard as its primary determinant of whether a site is child-directed, but also considers other factors particularly when audience demographic data is unavailable. Upon closer review and investigation, CFBAI determined that participant ads for non-qualifying foods appeared on only a few sites that exceeded the CFBAI threshold. In some cases sites appeared to be adult- or teen-directed but exceeded participants' thresholds. The reasons for these errors were difficult to determine in some cases because they had occurred over a year earlier. CFBAI did determine that some ads were served due to ad network error, blacklists that did not include a site and were subsequently updated, or ads that were served to targeted adults (via interest-based advertising) who were on child-directed sites. Although errors occasionally occur, companies report that they are infrequent as a percentage of overall digital impressions. CFBAI participants work diligently on an ongoing basis to ensure compliance with their commitments, using a combination of age targets, demographic assessments, and insertion orders that include age filters and blacklists.

⁵⁴ Mobile websites generally are the same as their "regular" desktop counterparts, although some content may be restricted (e.g., fewer interactive features may be available due to software limitations). In some but not all cases,

NOTES *continued*

advertising on child-directed third-party websites means that the advertising also appears in mobile-optimized versions of those websites (e.g., participants that advertise on www.nick.com may place mobile-optimized versions of their ads on the mobile version of the website).

⁵⁵ CFBAI participants 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 age 12 for the purpose of promoting the sale of those products. Our participants' commitments cannot guarantee, however, that child-directed entertainment or editorial content will not include their foods or beverages because movie or other media production teams independently may decide to use them as stage dressing in, for example, films or games.

⁵⁶ See, e.g., CSPI Nickelodeon Report at 2; "Evaluating Industry Self-Regulation" at 5; Harris, J.L., et al., "Sweet promises: Candy advertising to children and implications for industry self-regulation" at 6, *Appetite* (2015), available at www.ncbi.nlm.nih.gov/pubmed/26232330.

⁵⁷ See *also* note 53, above, describing CFBAI's review of a report that alleged CFBAI participant ads improperly appeared on certain websites in 2014.

⁵⁸ Instances of audience discrepancies occurred for a variety of reasons, including:

- shows with specialized content or one-time airings for which it may be difficult to obtain accurate audience composition predictions;
- shows or networks that generally had small audiences that unexpectedly skewed younger than expected;
- shows on newer networks with demographics that differed from those predicted;
- networks that did not follow a participant's "do not air" instructions;
- network program line-ups that changed without notice to the participant.

Participants addressed these issues in a manner appropriate to the circumstances, including reminding networks about their ad placement requirements, or requesting that networks add programming to a "do not air" list to prevent future airings on the show in question.

⁵⁹ CFBAI's restriction on advertising to children in elementary schools applies to the entire elementary school and school grounds and facilities, including classrooms, cafeterias, libraries, hallways, auditoriums, gyms, playgrounds and athletic fields. The commitment covers the entire school and extended day while children are under control of the school or third parties on behalf of the school. The restriction also covers school buses used to transport children to and from elementary school or to any official, school-sponsored event at an elementary school. For more information, see the Fact Sheet on the Elementary School Advertising Principles (2009) ("Fact Sheet"), available on CFBAI's website.

⁶⁰ CFBAI's restriction on advertising to children in elementary schools does not apply to school-sponsored or school-related activities that take place off of school grounds (e.g., on a field trip children may visit, for example, sports arenas or amusement parks, where advertising for food and beverage products may be present). It also does not apply to events that are not sponsored by a school but that take place on school grounds/facilities because they have been leased or loaned to an outside group, and where unaccompanied children under age 12 are not expected to be the primary audience. Similarly, the use of school buses for non-school events is not covered. For more information, see the Fact Sheet.

⁶¹ CFBAI's [comment](#) to USDA on the proposed rule on *Local School Wellness Policy Implementation under the Healthy, Hunger-Free Kids Act of 2010* (April 2014), available on CFBAI's website, provides additional discussion and examples of participant-sponsored school-based undertakings.

⁶² For example, the participants may provide schools with public service messages and curriculum materials that identify the sponsor so long as the sponsor identification is not the focal point of such materials. The restriction also does not apply to items provided to school administrators for their personal use or materials that identify products offered for sale in schools.

LOOKING AHEAD

CFBAI is proud to celebrate a major milestone this year.

For 10 years, CFBAI and its participants have been working hard to be a part of the solution to childhood obesity by improving the children's food advertising landscape. A hallmark of the program is its commitment to steady, ongoing progress in improving the nutritional quality of the foods advertised to children and strengthening the program itself. To that end, since 2015 CFBAI has been working on several fronts to consider program enhancements. These include expansions of CFBAI's scope and coverage as well as updates to CFBAI's uniform nutrition criteria. In 2016, following the issuance of the 2015 Dietary Guidelines for Americans, we began our planned review of the nutrition criteria. In 2017, we plan to announce the outcomes of this work and to enter our next decade as an even stronger program.



I. INTRODUCTION

Companies engaged in advertising and marketing foods and beverages have developed this self-regulatory initiative for advertising such products to children under age 12. The goal of this initiative is to use advertising to help promote healthy dietary choices and healthy lifestyles among American children. While it remains the primary responsibility of parents to guide their children's behavior in these areas, industry members are voluntarily pursuing this initiative as a means of assisting parents in their efforts.

This Statement was first issued in November 2006 when the Council of Better Business Bureaus (BBB) and 10 companies launched the Children's Food and Beverage Advertising Initiative (CFBAI) to shift the mix of foods in advertising primarily directed to children under age 12 ("child-directed" advertising) to include healthy dietary choices or better-for-you foods. In 2009, the CFBAI and its participants expanded the scope of the original advertising commitments to include, for example, new and emerging social and digital media. The expanded commitments went into effect on January 1, 2010.¹ In 2010, a number of participants strengthened their definitions of child-directed advertising.² In July 2011, the participants agreed that new CFBAI category-specific uniform nutrition criteria would be the foundation for participants' pledge commitments as of December 31, 2013. This, the Fourth Edition of the CFBAI Program and Core Principles Statement, incorporates use of the CFBAI's uniform criteria as a program requirement.

Below, Part II describes the Core Principles. All participants agree to make commitments that are consistent with these principles. Part III describes the administrative elements of the program. Part IV describes an additional

commitment regarding not engaging in advertising primarily directed to children under age six that some participants have made and that the CFBAI has agreed to monitor and oversee.

II. CORE PRINCIPLES

Companies participating in this initiative will publicly commit to advertising that will further the goal of promoting healthy dietary choices and healthy lifestyles to children under age 12.³ These commitments will be set forth in an individual "pledge" for each participant. Because companies and their product lines vary, company commitments also will vary. All commitments, however, will be consistent with the following Core Principles:

A. Advertising, Interactive Games, Licensed Character, Product Placement and Elementary School Requirements

1. Advertising Primarily Directed to Children Under Age 12

Participants will commit that all "advertising primarily directed to children under age 12" will be for healthy dietary choices or better-for-you foods.⁴ As of December 31, 2013, these foods must meet the CFBAI's category-specific uniform nutrition criteria (attached as Appendix A), which have replaced company-specific criteria as the basis for identifying healthier dietary choices or better-for-you foods for child-directed advertising. The CFBAI's bases for these criteria are explained in the "White Paper on CFBAI's Uniform Nutrition Criteria." With the CFBAI's consent, the participants may continue to use company-specific criteria if such criteria are at least as strong as the CFBAI's criteria.⁵ Alternatively, participants may commit to not engage in child-directed advertising as defined in this Statement.

Measured Media. This principle applies to advertising in measured media:

- Television
- Radio
- Print
- Internet (third-party websites).

Child-Directed Content in Other Media.

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

- Company-owned websites that are primarily directed to children under age 12 (traffic to such websites may or may not be measured)
- Video and computer games that are rated “Early Childhood” or “EC,” which are inherently primarily directed to children under age 12, and other games that are age-graded on the label or packaging as being primarily directed to children under age 12
- DVDs of movies that are rated “G” whose content is primarily directed to children under age 12, and other DVDs whose content is primarily directed to children under age 12.

Mobile Media and Word of Mouth. This principle also applies to advertising that is primarily directed to children under age 12 on cell phones, smart phones, tablets, other personal digital devices, and through word of mouth.⁶

2. Use of Foods in Interactive Games

Participants will commit that in any interactive game that is primarily directed to children under age 12, which is provided free or at nominal charge (in any format), where the company’s foods or beverages are incorporated into the game, the interactive game will incorporate or be

accompanied only by healthy dietary choices or better-for-you foods.

3. Use of Licensed Characters, Celebrities and Movie Tie-Ins

Participants will commit that the use of third-party licensed characters, celebrities (including athletes) and movie tie-ins in advertising primarily directed to children under age 12 will be consistent with their advertising commitments.⁷

4. Product Placement

Participants will commit to not paying for or actively seeking to place their foods or beverages in the program/editorial content of any medium primarily directed to children under age 12 for the purpose of promoting the sale of those products.

5. Advertising in Elementary Schools

Participants will commit to not advertising branded foods or beverages to children in elementary schools, pre-K through 6th grade.⁸

B. Definitions of Child-Directed Advertising

Participants are permitted, within reasonable limits and subject to the CFBAI’s review and approval, to define “advertising primarily directed to children under age 12.” Below we summarize the approaches that participants use to define such advertising.

For certain media, such as TV, radio, print, and third-party websites, “advertising primarily directed to children under age 12” generally means advertising for which children ages 2-11 constitute at least 35% of the expected audience (viewers, listeners, readers or visitors) at the time of the media buy, depending upon the participant.⁹ The CFBAI and participants also may consider

a company-owned or third-party website child-directed even if less than a specific percentage or an unknown percentage of visitors are children based on a multi-faceted analysis, including factors such as an assessment of the target audience according to the media plan, actions taken to restrict child access, such as age-screening, and the overall impression of the site's content.

For advertising in other covered media, determinations will be made in accordance with standards established by the company and set forth in its pledge. Participants may use an analysis of factors, including the overall impression of the advertising, the target demographic based on the company's media plan, and the audience definition for measured media. For example, participants may consider the percentage of children under age 12 viewing in-cinema G-rated movies that are now on DVDs, the content developer's designation and description of the expected target of mobile or PDA content, or the percentage of children viewing TV content that has been adapted for mobile media.

C. Implementation

Each pledge will include an implementation schedule for each commitment made by the participant, unless an implementation date is specified by this Statement.

III. ADMINISTRATION AND OVERSIGHT

1. Pledge Development

Company pledges are established in consultation with the BBB-administered CFBAI program.

2. Monitoring and Enforcement

The program is responsible for monitoring

company commitments. Monitoring includes the review of advertising materials, product information, and other information as reasonably requested by the program administrator (submitted on a confidential basis) to confirm participant compliance. The program also responds to public inquiries relating to compliance.

The program provides, by contract, for the expulsion of a company that does not comply with its pledge after being given notice and an opportunity to bring its conduct into compliance, and notice of any expulsion to regulatory authorities such as the Federal Trade Commission under appropriate circumstances.¹⁰

3. Public Reports

The program publicly issues reports detailing its activities, including any expulsions or notices of such to regulatory authorities.

4. Periodic Program Reviews

The program originally planned to review its procedures and the overall impact of this initiative after the new program had been operational for at least three years. The expanded Core Principles reflected in the Second Edition of this Statement were the result of an extensive review that occurred ahead of the planned 2010 review. The Third Edition reflected changes that individual participants made during 2010. This, the Fourth Edition, reflects the adoption of category-specific uniform nutrition criteria based on a more than year-long nutrition science review conducted by the CFBAI and its participants.

The program will continue to conduct periodic reviews, but recognizes the need for a reasonable interval between reviews

to allow participants to implement and assess the operation of any program enhancements. Accordingly, the program, in consultation with the participants, will conduct reviews at least once every five years.

IV. ADVERTISING TO CHILDREN UNDER SIX YEARS OLD

The CFBAI does not require that participants adopt policies regarding not engaging in advertising primarily directed to children under age six. Prior to the creation of the CFBAI, however, a number of participants had corporate policies that prohibited advertising directed to children under

six years old (of even their healthier choices), and they maintained these policies after becoming participants in the CFBAI. During 2010, other participants individually and voluntarily adopted such policies. Now the majority of participants have policies on not engaging in advertising primarily directed to children under six that are reflected in their CFBAI pledges. Although such policies are not required, the CFBAI has agreed to monitor and report on compliance with these policies when they are incorporated into a participant's Pledge.

1st Edition, November 2006; 2nd Edition, November 2009; 3rd Edition, September 2010; 4th Edition, January 2014. © 2014 Council of Better Business Bureaus, Inc.

NOTES

¹ These changes were memorialized in the Second Edition of the CFBAI Program and Core Principles Statement.

² Participants defining child-directed advertising as advertising on media where the audience was composed of at least 50% children ages 2-11 changed to a definition of at least 35% children ages 2-11, harmonizing with other participants already using a 35% or lower threshold. These changes were memorialized in the Third Edition of the CFBAI Program and Core Principles Statement.

³ Participation in the CFBAI is entirely voluntary and there are no sanctions for companies that choose not to participate.

⁴ Participants also are encouraged to disseminate healthy lifestyle messaging, such as messaging encouraging:

* Physical activity, or

* Good dietary habits, consistent with established scientific and/or government standards, such as USDA Dietary Guidelines and MyPlate.

⁵ If a participant has made additional commitments restricting child-directed advertising based on nutrition criteria that are more restrictive than the CFBAI's criteria, the participant may follow the more restrictive criteria to meet its obligations. A participant also may use a bifurcated approach of using its own criteria, or portions thereof, when these are stronger or the CFBAI's criteria, when they are stronger. In no event will a participant be able to qualify a product for child-directed advertising that does not meet and/or exceed the CFBAI's criteria.

⁶ The commitment regarding word of mouth advertising refers to advertising primarily directed to children under age 12 where a participant provides incentives (financial or otherwise), product samples or other support to individuals or groups who are not employees to encourage such individuals or groups to influence others to discuss or consume the company's branded foods or beverages.

⁷ This commitment applies to the advertising discussed in the advertising principle above. It does not apply to other marketing channels, such as point-of-sale materials or packaging (provided that the packaging does not appear in advertising primarily directed to children under age 12). This commitment also does not apply to the use of company-owned characters.

NOTES *continued*

⁸ This commitment does not apply to displays of foods and beverages, including materials that identify the products that are being offered for sale, charitable fundraising activities, public service messaging, items provided to school administrators for their personal use, and charitable donations to schools.

⁹ Some participants choose to use a lower percentage and some also include supplemental measures to identify “advertising primarily directed to children under age 12.” The company pledges specify the audience percentage, and other factors, where applicable, that the company uses to determine whether advertising is “primarily directed to children under age 12.” Visit the CFBAI’s website at www.bbb.org/kids_food to view company pledges or a summary of each participant’s current definition. Audience demographics will be based on reliable third-party information on media impressions or other relevant metrics at the time the advertising is purchased.

¹⁰ Under the contracts, BBB will give participants at least 30 days prior written notice before termination for cause and 60 days prior written notice for termination without cause. (The participants also have the right to terminate their participation upon prior written notice.) Specifically, when appropriate, BBB will notify a participant in writing of substantial noncompliance and give the participant a reasonable opportunity to bring its conduct into compliance. Upon termination BBB may refer the matter to appropriate regulatory authorities. BBB will give a participant notice prior to making the termination and referral public.

APPENDIX B: Summary of CFBAI Program Improvements

Improvement	Announced / Effective Date	Comments
Adopted CFBAI-developed category-specific uniform nutrition criteria	Announced July 2011; Effective Dec. 31, 2013	New criteria generally supersede company-specific criteria; companies have option to use company criteria when stricter
Added compliance monitoring of company policies on not directing ads to children under age six	Monitoring began in 2010	Not a CFBAI requirement; added compliance monitoring after the majority of participants adopted this policy
Harmonized “child-directed” ad definitions	Effective in 2010 for some participants and Jan. 2011 for others	All participants use a definition with an audience threshold no higher than 35% of the audience ages 2-11 (those at 50% went to 35%)
Expanded ad scope to cover: <ul style="list-style-type: none"> • Ads on digital and mobile media, such as ads on smart phones and tablets; • Ads on EC-rated and other child-directed video games, DVDs of child-directed G-rated movies and ads in other child-directed DVDs; • Word-of-mouth advertising that is primarily child-directed 	Effective Jan. 1, 2010	Supplemented existing coverage of traditional measured media (TV, print, radio, Internet)
Expanded ad scope to cover use of movie tie-ins and celebrities	Effective Jan. 1, 2010	In child-directed ads use is limited to foods meeting CFBAI’s nutrition criteria; supplemented existing licensed character coverage
Eliminated healthy lifestyle messaging as a compliance option	Effective Jan. 1, 2010	Healthy lifestyle messaging to children is still a program goal
Adopted requirement that all foods advertised to children must meet nutrition criteria	Effective Jan. 1, 2010	Increased requirement from 50% to 100%

APPENDIX C: CFBAI Category-Specific Uniform Nutrition Criteria (July 2011)

Product Category	Unit	Nutrients to Limit (NTL)				Nutrition Components to Encourage (NCTE)	Notes
		Calories	Sat Fat	Sodium	Total Sugars		
1. Juices	LSS	≤ 160	0 g	≤ 140 mg	No added sugars	≥ ½ c F/V juices	<ul style="list-style-type: none"> A serving must contain ≥ 4 fl oz of 100% F/V juice Sugars limited to those naturally occurring in F/V
2. Dairy Products							
- Milks and milk substitutes	8 fl oz	≤ 150	≤ 2 g	≤ 200 mg	≤ 24 g	1 c dairy	<ul style="list-style-type: none"> For LSS < 8 fl oz, NTL & NCTE to be scaled proportionately Powder/syrup flavorings mixed with 8 fl oz non-fat milk are allowed ≤ 25 g total sugars as prepared
- Yogurts and yogurt-type products	6 oz	≤ 170	≤ 2 g	≤ 140 mg	≤ 23 g	≥ ½ c dairy and ≥ 10% DV calcium	<ul style="list-style-type: none"> 6 oz (170 g) is most common single serving size For LSS < 6 oz, NTL & NCTE to be proportionately lower
- Dairy-based desserts	½ c	≤ 120	≤ 2 g	≤ 110 g	≤ 20 g	≥ ¼ c dairy and ≥ 10% DV calcium	<ul style="list-style-type: none"> Serving sizes limited to ½ c For LSS < ½ c, NTL & NCTE to be scaled proportionately
- Cheese and cheese products	LSS	≤ 80	≤ 3 g	≤ 290 mg	≤ 2 g	≥ ½ c dairy equivalent (provides ≥ 10% DV calcium)	<ul style="list-style-type: none"> For LSS < 1 oz, NCTE to be scaled to ≥ ½ c dairy equivalent and ≥ 10% DV calcium
3. Grain, fruit and vegetable products, and items not in other categories	LSS	≤ 150	≤ 1.5 g	≤ 290 mg	≤ 10 g	≥ ½ serving of F/V/D/WG or ≥ 10% DV of any essential nutrient	<ul style="list-style-type: none"> Subcategories differentiate, on a calorie basis, among products that have a small RACC (i.e., ≤ 30 g or ≤ 2 tbsp) and/or are lighter in density (e.g., g/cup) from those with a larger RACC and/or higher density Examples of ≤ 150 calorie products: most children's breakfast cereals, crackers, & pretzels Examples of > 150-200 calorie products: denser breakfast cereals (e.g., shredded wheat), waffles, & vegetable products with sauces
	LSS	> 150-200	≤ 2 g	≤ 360 mg	≤ 12 g		
4. Soups and meal sauces	LSS	≤ 200	≤ 2 g	≤ 480 mg	≤ 6 g	≥ ½ serving of F/V/D/WG or ≥ 10% DV of any essential nutrient	<ul style="list-style-type: none"> Tomato-based products allowed ≤ 12 g of total sugars/LSS to include sugars naturally occurring in tomatoes & those added to balance product pH
5. Seeds, nuts, and nut butters and spreads	1 oz or 2 tbsp	≤ 220	≤ 3.5 g	≤ 240 mg	≤ 4 g	≥ 1 oz protein equivalent	<ul style="list-style-type: none"> For LSS < 1 oz or 2 tbsp, NTL & NCTE to be scaled proportionately
6. Meat, fish, and poultry products	LSS	≤ 120	≤ 2 g	≤ 480 mg	≤ 2 g	≥ 1 oz equivalent of meat, fish, or poultry, and ≥ 10% DV of any essential nutrient	<ul style="list-style-type: none"> For LSS ≤ 1 oz, NTL reduced to ≤ 60 kcal, ≤ 1 g sat fat, ≤ 240 mg sodium and ≤ 1 g total sugars
7. Mixed dishes	LSS	≤ 280	≤ 2.5 g	≤ 540 mg	≤ 10 g	≥ ½ serving of F/V/D/WG or ≥ 10% DV of any two essential nutrients	<ul style="list-style-type: none"> Products include casseroles, burritos, pizzas, & sandwiches that do not meet FDA/USDA definition for main dishes Items that contain ≤ 200 kcal and meet NTL criteria may qualify if they contain ≥ ½ serving of F/V/D/WG or ≥ 10% DV of any essential nutrient
8. Main dishes and entrées	LSS	≤ 350	≤ 10% kcal	≤ 600 mg	≤ 15 g	≥ 1 serving of F/V/D/WG or ≥ ½ serving of F/V/D/WG and ≥ 10% DV of any two essential nutrients	<ul style="list-style-type: none"> Items must meet FDA/USDA definition for <i>main dishes</i>
9. Small Meals	LSS	≤ 450	≤ 10% kcal	≤ 600 mg	≤ 17/12 g (See notes)	≥ 1½ servings of F/V/D/WG or ≥ 1 serving of F/V/D/WG and ≥ 10% DV of three essential nutrients	<ul style="list-style-type: none"> Small meals contain multiple items but do not meet FDA/USDA definition for <i>meals</i> Meals must meet FDA/USDA definition for <i>meals</i>
10. Meals (entrée and other items including a beverage)	Meal	≤ 600	≤ 10% kcal	≤ 740 mg	≤ 20/15 g (See notes)	≥ 2 servings of F/V/D/WG or ≥ 1½ servings of F/V/D/WG and ≥ 10% DV of three essential nutrients	<ul style="list-style-type: none"> Sugars from one qualifying milk/milk substitute, or qualifying yogurt/yogurt-type product, or qualifying fruit (i.e., without added sugars) or qualifying F/V juice are not counted in the 17 g or 20 g total sugars limits When two qualifying items are present, the sugars from both items are not counted in the total sugars limit, but the limits (to account for all other items) are reduced to 12 g (small meals) and 15 g (meals) All other NTL criteria for small meals and meals (calorie, sat fat, and sodium limits) must be met

NOTES

Trans fat. The criteria for trans fat is 0 g labeled for all categories. For foods in the meat and dairy categories served as individual foods or as part of composite dishes or meals (e.g., soups, mixed dishes, entrées, meal-type products), naturally occurring trans fats are excluded.

Exemptions

1. Sugar-free mints and gum.
2. The following products also are exempt from the nutrient criteria specified above, except as indicated in notes to Categories 9 & 10:
 - Fruit products without added sugars;
 - Vegetable products without added fats and which meet FDA regulations for “very low sodium;”
 - Beverages, including bottled waters, that meet FDA regulations for “low calorie” and “very low sodium” (diet sodas are excluded from this exemption).

Abbreviations and Glossary

DV: Daily Value.

Essential Nutrients: Those occurring naturally in foods (or that are added to foods to meet standards of identity or to restore nutrients lost in processing), and for which a DV has been established. If fortification is used to meet the criteria, the nutrient must be a DGA 2010 nutrient of concern (calcium, fiber, potassium, vitamin D) or a nutrient that is required to be listed on the Nutrition Facts Panel (iron, vitamins A & C).

F/V/D/WG: Any combination of fruits, vegetables, non/low-fat dairy, and/or whole grains.

LSS: Labeled serving size.

NA: Not applicable.

NCTE: Nutrient components to encourage are F/V/D/WG or Essential Nutrients.

NLT: Nutrients to limit are calories, saturated (sat) fat, trans fat, sodium and total sugars.

Qualifying F/V Juice: Any fruit or vegetable juice or blend that contains no added sugars and meets the requirements of Category 1.

Qualifying Flavored Milk/Milk Substitute/Yogurt/Yogurt-type Product: These are products that meet the Category 2 criteria for milk/milk substitutes, or yogurt/yogurt-type products.

RACC: Reference amount customarily consumed.

Serving(s): See USDA Food Group Serving Equivalents.

Total Sugars: Include naturally occurring and added sugars.



Ready-to-eat (RTE) cereals, frequently advertised to children by participants in the Children’s Food and Beverage Advertising Initiative (CFBAI), are now even better nutritionally than the cereals advertised just a few years ago. CFBAI, administered by the Council of Better Business Bureaus, is a voluntary advertising self-regulation program that has set nutrition standards for what foods its participants may advertise to children under age 12.

Under CFBAI’s uniform nutrition criteria, cereals with a one-ounce serving size must contain no more than 10 grams of total sugars per serving.¹ Previously, CFBAI permitted such cereals to have up to 12 grams of sugars per serving. Before CFBAI started, these cereals may have contained as much as 15 grams per serving.

Under self-regulation, CFBAI participants have reduced sugars, calories or sodium and increased the amount of whole grains, fiber, and/or vitamins and minerals in the RTE cereals they advertise to children. This snapshot reports on the nutritional content of the 29 RTE cereals with a one-ounce serving size on CFBAI’s July 2016 product list.²

Cereals contain modest amounts of calories, sugar, sodium and saturated fat.

Calories. All of the cereals contain no more than 130 calories and most contain no more than 110 calories per serving.

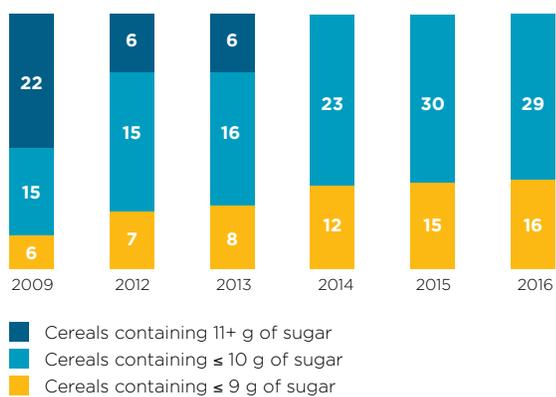
Sugars. All contain no more than 10 grams, and more than half contain no more than 9 grams per serving.

(See Figure 1.) By percentage of weight, more than three-fourths contain no more than 35% sugar, and one-third contain no more than 30% sugar.

Sodium. None contain more than 240 mg, and 80% contain no more than 170 mg per serving.

Saturated fat. None have more than 1 gram, 90% no more than 0.5 gram, and two-thirds contain 0 grams per serving.

Figure 1. Sugar Content of Cereals (2009 - 2016)



Cereals advertised to children are rich in whole grains and positive nutrients.

Whole grains. Two-thirds of the cereals list whole grains as the first ingredient in the ingredients statement, more than twice as many compared to 2012. Most (79%, or 23/29) contain at least 8 grams of whole grains,³ and more than a third contain at least 12 grams. (See Figure 2.)

Nutrients of concern. The participants' cereals also provide at least a good source of at least one nutrient that the 2015 Dietary Guidelines for Americans call "nutrients of public health concern."⁴ Most are a good source of two of these nutrients.

Vitamin D. Nearly all (28/29) are a good source of vitamin D.

Calcium. More than half (16/29) are a good source of calcium.

Fiber. Almost one-quarter (7/29) are a good source of dietary fiber.

Cereals meeting CFBAI's criteria can contribute to a healthy diet.

Research shows that children who eat RTE cereal, presweetened or non-presweetened, tend to have healthier body weights than children who do not eat cereal. Multiple studies have confirmed the positive association between RTE cereal consumption by children and healthier body weights and/or better nutrient intakes compared to children who skip breakfast or eat a different breakfast.⁵

CFBAI's uniform nutrition criteria have driven numerous improvements to the nutritional quality of cereals advertised to children.

The most significant impacts of CFBAI's criteria have been reductions in sugar and increases in whole grains. Now that the 2015 Dietary Guidelines for Americans have been issued, CFBAI is reviewing its nutrition criteria and will determine whether they should be further strengthened.

Figure 2. Whole Grain Content of Cereals (2016)



For more information about CFBAI, visit bbb.org/kids_food.

1 CFBAI's criteria permit cereals with a larger serving size to contain no more than 12 grams of total sugars per serving. One cereal on CFBAI's product list has a 54-gram serving size and contains 11 grams of sugar.

2 This Snapshot updates the 2015 Cereal Snapshot, reflecting differences in what cereals are included on the list.

3 The 2015 Dietary Guidelines for Americans (DGA) consider 8 grams to be a meaningful amount of whole grains: "If a food has at least 8 g of whole grains per ounce-equivalent, it is at least half whole grains." See 2015 DGA at 22 (citing Food Safety and Inspection Service guidance on whole-grain claims). The DGA recommend making at least half of grains whole grains.

4 A "good" source contains 10 to 19% of the government-established Daily Value (DV) for a particular nutrient. The four nutrients of public health concern are calcium, fiber, potassium, and vitamin D.

5 K. Miller, et al., The Association Between Body Metrics and Breakfast Food Choice in Children, *INFANT, CHILD & ADOLESCENT NUTRITION* (2013); de la Hunty, A., et al., Does regular breakfast cereal consumption help children and adolescents stay slimmer? A systematic review and meta-analysis, *OBES FACTS* (2013); A.M. Albertson et al., Ready-to-Eat Cereal Intake is Associated with an Improved Nutrient Intake Profile among Food Insecure Children in the United States, *J HUNGER ENVIRON NUTR* (2013); A.M. Albertson et al., The Relationship between Ready-to-Eat Cereal Consumption Categorized by Sugar Content and Body Measures in American Children: Results from NHANES 2001-06, *FASEB J* (2009); A.M. Albertson et al., Ready-to-Eat Cereal Consumption: Its Relationship with BMI and Nutrient Intake of Children aged 4 to 12 years, *J AM DIET ASSOC* (2003).

APPENDIX E: CFBAI Participants' Child-Directed Advertising Commitments

Company	Children Under Age 6 Commitment	Children Under Age 12 Commitment	Audience Threshold
American Licorice Company	No advertising primarily directed to children under age 12		35%
Campbell Soup Company	No advertising	Qualifying foods only	
The Coca-Cola Company	No advertising primarily directed to children under age 12		
ConAgra Foods, Inc.	No advertising	Qualifying foods only	
The Dannon Company, Inc.	No advertising ¹	Qualifying foods only	
Ferrero USA, Inc.	No advertising primarily directed to children under age 12		
General Mills Inc.	No advertising	Qualifying foods only	
Kellogg Company	No advertising	Qualifying foods only	
Kraft Heinz Company ²	No advertising	Qualifying foods only	
Mondelēz Global LLC	No advertising primarily directed to children under age 12 ³		
Nestlé USA	No advertising primarily directed to children under age 12		
PepsiCo, Inc.	No advertising ⁴	Qualifying foods only ⁴	
Post Foods, LLC	No advertising	Qualifying foods only	
Unilever United States	No advertising ⁵	Qualifying foods only ⁵	
Burger King Corporation	No advertising	Qualifying foods only	
The Hershey Company	No advertising primarily directed to children under age 12		
McDonald's USA	No commitment	Qualifying foods only	
Mars, Incorporated	No advertising primarily directed to children under age 12		25%

NOTES

¹ Effective January 1, 2015, Dannon changed its audience threshold to 35% from 50%.

² In 2015, Kraft Foods Group merged with the H.J. Heinz Company to form The Kraft Heinz Company.

³ As of January 1, 2016, Mondelēz International committed to not advertise to children under age 12.

⁴ PepsiCo uses a multifactorial analysis, including a 35% audience threshold.

⁵ Unilever uses a multifactorial analysis, including a 35% audience threshold.





About the Children's Food and Beverage Advertising Initiative

Since 2007, CFBAI has been changing the children's food advertising landscape to include healthier products. CFBAI's participants commit to use CFBAI's science-based uniform nutrition criteria to govern what foods they advertise directly to children under 12 or to not engage in such advertising. CFBAI's 18 participants, representing a substantial majority of child-directed food advertising on TV, are: American Licorice Company; Burger King Corp.; Campbell Soup Company; The Coca-Cola Company; ConAgra Foods, Inc.; The Dannon Company; Ferrero USA; General Mills Inc.; The Hershey Company; Kellogg Company; The Kraft Heinz Company; Mars, Incorporated; McDonald's USA, LLC; Mondelēz Global LLC; Nestlé USA; PepsiCo, Inc.; Post Foods, LLC; and Unilever United States. For more information about CFBAI, visit bbb.org/kids_food.

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Council of Better Business Bureaus, Inc.
3033 Wilson Boulevard, Suite 600
Arlington, VA 22201

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