



Responsibility and Choice in Action

First monitoring results of UNESDA commitments to the
European Platform for Action on Diet, Physical Activity and Health
April 2007



Our journey so far

UNESDA is a founding member of the EU Platform for Action on Diet, Physical activity and Health. It is committed to working as part of a multi-stakeholder partnership to promote healthy lifestyles and believes that the self-regulatory approach can be both fast and effective in delivering results.

In the past two years UNESDA has made a series of commitments to the EU Platform on behalf of the European Beverages Industry (excluding waters and fruit juice) including key performance indicators (KPIs); it has appointed independent auditors to monitor compliance and it has been publicly 'named and praised' by Commissioner Kyprianou for the commitments made.

First results of the audit indicate pleasing levels of compliance across Europe. In primary schools for example the average is 93.9%. While UNESDA is pleased with these figures it is not complacent and recognises that continuous vigilance is needed in order to achieve ever greater compliance in the future.

The UNESDA commitments

The UNESDA commitments to act responsibly fall into five broad categories: public education, healthy lifestyles and physical activity programmes; consumer information; advertising and commercial communication; promotions and choice; and research. Those submitted to the Platform second monitoring progress report cover the following areas:

- Advertising and commercial communications – covering no advertising and no vending to children under 12, and offering a full variety of beverages in unbranded vending machines in secondary schools;
- Consumer information – including labelling on-pack and nutrition information
- Products, Choice and Portion size – including the provision of low and no calorie product versions and a range of packaging sizes.

Nine pan-European beverages companies were founding signatories to the commitments in December 2005:

- C&C (Ireland)
- The Coca-Cola Company
- Coca-Cola Enterprises

- The Coca-Cola Hellenic Bottling Company
- Gerber Emig Foods Holdings Ltd
- GlaxoSmithKline
- Orangina Group (formerly Cadbury Schweppes European Beverages)
- Pepsi Beverages Europe
- Unilever

Now, in March 2007 the founding signatories have been joined by 107 national companies from across Europe and sign-up is ongoing. UNESDA is committed to continue to encourage sign-up to the commitments via its association meetings, training materials, its website and media communications.

Implementing the commitments

Implementation of the UNESDA commitments across the EU has been a significant undertaking. Over the past 18 months the signatory corporations have invested time, people and resources in ensuring that the commitments are both understood and complied with. Initiatives have included extensive staff training programmes in each market, the systematic removal of products from vending machines from primary schools, the change of panels to unbranded versions in thousands more secondary schools across the EU, and the briefing of all marketing agencies as to how both the letter and spirit of the commitments should be adhered to in advertising and promotional activities.

A member of the EU Platform

UNESDA has played an active role in the EU Platform, and sought the input and feedback of its Platform peers at each stage. Having announced its commitments it then shared the proposed monitoring methodology with Platform members, including the European Commission. It took on board their views before appointing and briefing independent consultants to audit compliance and will similarly be sharing audit results with them.

Independent auditing of the commitments

With Key Performance Indicators set against each of the UNESDA commitments, independent auditors were appointed to monitor compliance across key commitments and ensure industry transparency and accountability. The methodology and the practicalities of the monitoring proved to be challenging at times, teaching us about the issues our commitments address and highlighting the need for them to be accurately defined and measurable in order to allow for reliable monitoring. We are committed to sharing these learnings with other Platform members in order to continuously improve our ability to self-regulate and to build trust among stakeholders.

Schools

Compliance was monitored by *PriceWaterhouseCoopers* in four European markets: Belgium, Germany, Spain and the Czech Republic, with multiple choice questionnaires with closed questions sent out to school headmasters using a weighted average of the number of schools per country in order to deliver a statistically valid sample.

(i) No vending in primary schools:

Primary schools were taken to be those schools whose pupils are under 12. In the four selected countries there are 38,816 schools whose pupils are under 12. The compliance rate of 93.9% reflects a weighted average of the national compliance rates with the number of schools per country. Several countries, such as the UK and France, have in place legislation that goes in the same direction as our commitment and where we assume the compliance rate to be therefore equally high.

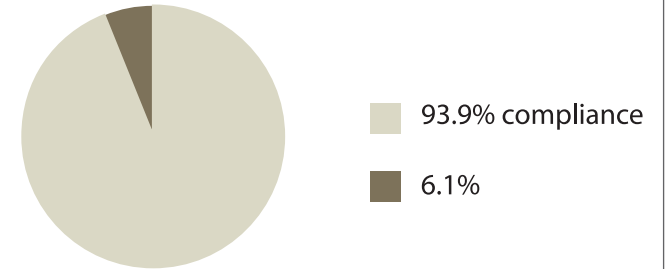
(ii) Offering a full variety of beverages in unbranded vending machines in secondary schools:

The total number of secondary schools in the four selected countries is 24,352. As for the primary schools the compliance rates are weighted averages. We attribute the relatively lower rate to the fact that compliance implied not stopping an activity, but rather initiating a series of activities in the marketplace (design and print of new panels on vending machines, their installation in schools, etc.) which take time. For example in the Czech republic we know that the survey was conducted while the panel-change programme by one major UNESDA member was still underway. If repeated today, the compliance rate would look much higher as vending machine panels are now branded. We plan to demonstrate this is the case in our next monitoring report.

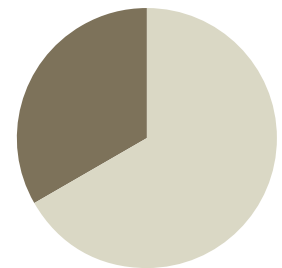
iii) Parents and educators are involved in the selection of drinks offered in secondary schools

An average of 53.5 percent of schools were found to be compliant with this commitment. However, this does not reflect the wide variations in compliance across the different markets - the highest being Spain with 66 percent and the lowest being Belgium with 20 percent. These variations serve to underline the cultural difference across markets and the fact there are limits on the influence that UNESDA members can exert.

No vending in primary schools:

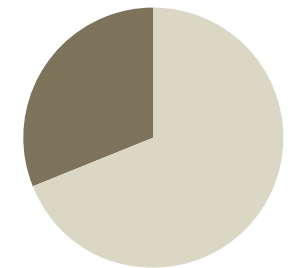


A full range of drinks is offered:



66.9% compliance
 33.1%

Vending machines are neutral or display health messages rather than product advertising:



69% compliance
 31%

Advertising and commercial communications

No targeting of marketing communications to children under 12:

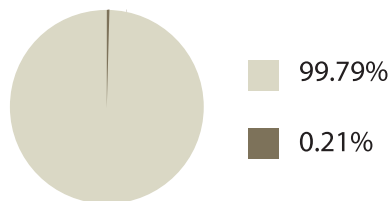
During the fourth quarter of 2006, compliance with the commitment, not to advertise in programmes targeted at children (where children make up more than 50% of viewers), was monitored by broadcast experts Xtreme Information in eight territories: Belgium, France, Germany, Italy, Netherland, Spain, Sweden and UK.

TV advertising appearances were tracked for two single weeks randomly selected for each country between 9 October - 11 December 2006.

In the fourth quarter of 2006, in the eight territories monitored, soft drinks advertising comprised: 20,024 advertising spots appearances on TV, 710 advertising insertions in print media and 14,901 advertising insertions on internet sites.

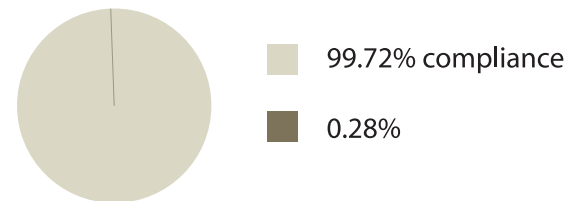
In the monitored weeks for **TV**, 2,409 spots appearances were for Soft Drinks out of which 975 spots appearances were produced by the signatory companies. Out of the total of Soft Drinks spots appearances, 487 spots appeared to be potentially not compliant. For potentially non-compliant spots produced by the signatory companies, the actual audience demographics were sourced from Mediametrie/Eurodata and it revealed that only two spots (0,21% of tracked population) appeared next to programmes with a children audience above 50%. In both instances, while the children viewership was above 50% for that particular airing, the average viewership of the programme among children was below 25%.

TV advertising - UNESDA signatories



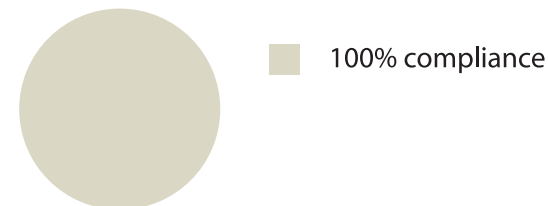
For **print**, only two insertions out of a total of 710 soft drinks insertions, were judged by the Xtreme monitoring team, to have a readership over 50% under 12 years old. Neither of those two insertions were from the signatory companies.

Print publications aimed at children



For the **internet**, out of 14,901 soft drinks advertising insertions during the fourth quarter of 2006, 8,416 were from the signatory companies and all were judged to be compliant.

Internet publications aimed at children



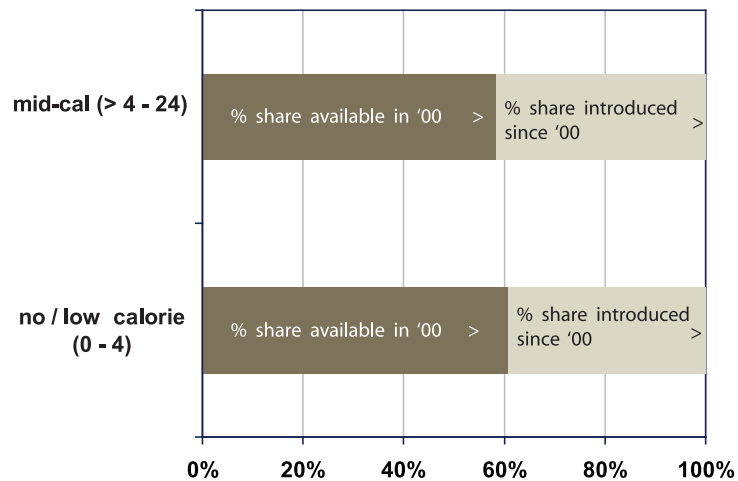
Xtreme Information concluded that for all three media, compliance appears to be strongly established among commitments signatories.

Provision of products, choice and portion size in the market

Compliance with this commitment was monitored by beverages industry specialists **Canadean** in 7 European markets. France, Germany, Italy, Netherlands, Poland, Spain and the UK. The company photographed the labels of all non-alcoholic, ready to drink beverages and stored them in a database. This represents a total of 1,968 products and some 5,000 stock keeping units. The figures shown below are for the period 2000 -2005. The data for 2006 is now also being analysed and will be available in the next report. The total European non alcoholic beverages market in 2005 was 123,212.39 million litres. This comprised soft drinks: 54,860.73 million litres, water: 56,491.14 million litres and juices: 11,860 million litres.

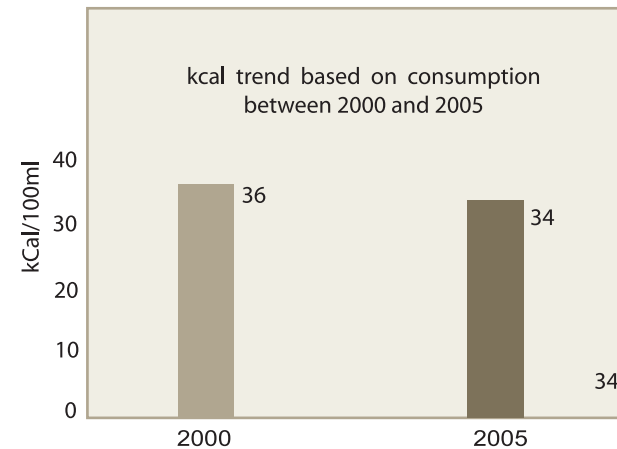
(i) *Commitment to: "increase the number of new beverages with no or low-calorie content"*

The evaluation is based on analysed samples and data from the Canadean database. Results show that 40% of the no/low calorie products on the market have been introduced since 2000.



(ii) *Calorie value analysis:*

The methodology that was used for the kcal value analysis of products has been married to the brand volume information to generate total kcal values. The findings are based on current analysis of samples where kcal values are identified (shown on label). Results show a reduction in calorific value per litre consumed over the period.



Looking to the future

UNESDA has recently adopted the CIAA GDA-based nutrition labelling scheme. It is the first industry to adopt it as an entire sector and is a commitment to ensuring that consumers are informed about the beverages products they buy. Roll out of the scheme is scheduled to start across Europe in the first half of 2007. Implementation and penetration of the new labels in the marketplace will be the subject of future monitoring activities.

UNESDA will continue to support the EU Platform and to dialogue with stakeholders in promoting healthy lifestyles. It will continue to promote its commitments and encourage further sign up, and will also regularly review the commitments to ensure that they continue to be relevant and responsible. The beverages industry across Europe will continue to lead by example and to innovate to produce new products with healthy profiles.