

THE CHILDREN'S FOOD & BEVERAGE ADVERTISING INITIATIVE

A REPORT ON COMPLIANCE AND PROGRESS DURING 2011



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Council of Better Business Bureaus

Letter from the President

This year, the Council of Better Business Bureaus (BBB) celebrates 100 years of advancing marketplace trust between businesses and consumers, of establishing standards that provide a benchmark for ethical businesses, and of meeting the changing needs of society. BBB is the umbrella organization for 114 local, independent, non-profit BBBs across the U.S. and Canada that provide over 100 million instances of services each year to consumers and businesses. There are nearly 370,000 BBB Accredited Businesses, 190 BBB National Partners and 350 BBB Accredited Charities that share our vision of creating an ethical marketplace where buyers and sellers can trust each other.

Since its inception, BBB has promoted truth in advertising and is a trusted, valued provider of advertising self-regulation programs. As the ad industry has evolved so too have BBB's programs. In recent years, BBB has expanded its self-regulation programs to enforce industry standards for consumer privacy and, with the Children's Food and Beverage Advertising Initiative (CFBAI), what foods are advertised to children.

The CFBAI and its participants – 16 leading consumer packaged goods companies and quick serve restaurants – are limiting their advertising to children to foods meeting meaningful, science-based nutrition criteria, or committing to not engage in child-directed advertising. As the CFBAI celebrated its 5th anniversary last year, it announced new uniform nutrition criteria that would become the foundation of the participants' advertising on December 31, 2013. These criteria will lead to even more improvements in foods advertised to children. But, as this Report shows, improving foods was not put on hold until the new criteria go into effect, and progress has been continuing.

We're proud of the role BBB's advertising self-regulation programs play in promoting truthful, ethical advertising and of the CFBAI's role in supporting parents in leading their children to healthier choices. We're also gratified that the CFBAI's vision has gone global, with programs modeled after the CFBAI in more than 40 countries, including Canada, countries in Asia and South America, and all members of the European Union.

Carrie Hurt

Interim President & CEO
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CFBAI Participants



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Executive Summary

This year BBB proudly celebrated its Centennial. Initially founded to review advertising and prevent scams, it has expanded to provide a variety of programs to build consumer trust in the marketplace. It is a trusted provider of advertising self-regulation programs, meeting the Federal Trade Commission's (FTC) hallmarks of effective self regulation: oversight, accountability and transparency. Announced in 2006, the Children's Food and Beverage Advertising Initiative (CFBAI) is one of BBB's newest advertising self-regulation programs, and the only BBB program that focuses on what products are advertised, not how the products are advertised.

This Report on Compliance and Progress During 2011 documents the ongoing progress made by the CFBAI's participants in changing the children's food and beverage advertising landscape. Since 2006, more companies have joined, hundreds of foods have been improved or newly created, and the CFBAI itself has expanded and become even more rigorous. We are pleased to report, based on the CFBAI's extensive independent monitoring, that during 2011 the CFBAI participants' compliance with their commitments was excellent and that they continued to improve the foods they advertise to children.

For this voluntary self-regulation program, the year 2011 is most notable for the CFBAI's groundbreaking agreement with the program's participants to use new CFBAI-developed category-specific uniform nutrition criteria as the foundation for their commitments in the future. The new CFBAI criteria will require the participants to improve further many products they currently advertise to children — products that already meet meaningful nutrition standards — if they wish to continue advertising them to children after the effective date of the new criteria. Although the new criteria do not officially go into effect until December 31, 2013, five participants already have adopted the new criteria, in whole or in part.

2011 Highlights

Concluded the Implementation of all Existing Pledges. The pledge of the *Hillshire Brands Company* (formerly *Sara Lee Corporation*), which was the last company to join the CFBAI, went into effect on January 1, 2011. In 2012, the company amended its pledge,

consistent with the pledges of the majority of the CFBAI participants, to state that it would no longer engage in advertising primarily directed to children under age six (i.e., when they are at least 35% of the audience).

Continued the Excellent Compliance Record. As in the past, the participants' compliance with their commitments was outstanding. In a small number of instances, foods that did not meet the relevant CFBAI-approved nutrition standards appeared in media that exceeded the participants' audience thresholds defining advertising primarily directed to children under 12 (i.e., "child-directed" advertising). The participants quickly remedied problems when they became aware of them either through their own or CFBAI's monitoring.

Enhanced the Nutritional Content of Foods Advertised to Children. During 2011 and 2012, the participants introduced new foods or meals and continued to improve others by refining their recipes to reduce fats, sodium or sugars, increase positive nutrients, and in particular, to increase the whole grains content of foods.

A 2012 in-house review of ads in 31 hours of Nickelodeon programs found that almost all of the CFBAI participant ads that aired in this child-targeted medium were for foods containing fruit, vegetables, non/low-fat dairy, whole grains, or at least a "good" source (10-19% of the government-established Daily Value) of what the 2010 Dietary Guidelines for Americans (2010 DGA) call "nutrients of concern" because they are not consumed in sufficient amounts (calcium, fiber, potassium, and vitamin D). This showed a steady upward trend based on our past analyses.

The positive trend was particularly notable in the cereal category during 2011 and 2012. Currently, 71% of cereals (up from 52% in 2010) advertised to children contain no more than 10 grams of sugars per serving, which is more than 15% less sugar than the 12 grams per serving that has generally been the limit under the participants' nutrition criteria (Post Foods moved to an 11-gram from a 12-gram standard in 2011). Additionally, 71% of the cereals (compared to more than half in 2011) contain at least one-half serving (8 grams) of whole grains (a significant amount according to the 2010 DGA), and all contain at least a "good" source of at least one nutrient of concern.

Adopted CFBAI-Developed, Category-Specific Uniform Nutrition Criteria. In July 2011, the CFBAI's participants adopted category-specific uniform nutrition criteria. The new criteria were built on what the CFBAI's participants already had accomplished and will advance the development of foods that are aligned with the Dietary Guidelines for Americans. The new uniform nutrition criteria establish, for 10 food categories, limits on calories, saturated fat, *trans* fat, sodium and sugars, and include requirements for nutrition components to encourage. Approximately one-third of the foods that were on the CFBAI's July 2011 product list (a list of foods that met participants' nutrition criteria and that the participants advertised or considered advertising to children) did not meet the new criteria. Thus, if the participants wish to continue advertising those foods to children after the new criteria go into effect on December 31, 2013, they will need to be improved further. Since last summer, five participants already have adopted the new criteria in whole or in part.

Communicated CFBAI's Performance and Progress. During 2011, the CFBAI spoke at public health, food science, and advertising conferences and conducted briefings for industry members and others involved in addressing childhood obesity. To optimize the program's transparency, the CFBAI also released fact sheets about the program and issued electronic newsletters that reported on program news, pledge developments and improvements in foods advertised to children.

Looking Ahead

During 2011 our focus was on developing and adopting the CFBAI's new nutrition criteria. Now we are concentrating on addressing implementation issues and assisting the participants with integrating the new criteria into their businesses. Although the new criteria present challenges, the participants have embraced them and they already are making a difference. We know that even more improvements lie ahead and look forward to reporting on those in future years.

I. Report Overview

The factors influencing obesity are complex and numerous and thus the solutions need to be so too. This year the Institute of Medicine (IOM) issued a report, “Accelerating Progress in Obesity Prevention: Solving the Weight of the Nation,” affirming the need for multiple strategies and interventions to combat childhood obesity.¹ Improving the nutritional quality of foods and beverages advertised to children is one of IOM’s many thoughtful recommendations. The leading consumer packaged goods companies and quick serve restaurants that participate in the CFBAI have shown a sustained and rigorous commitment to being a part of the solution to childhood obesity by changing the food advertising landscape.²

This Report describes the progress that the CFBAI participants made during 2011 in fulfilling the CFBAI’s goal, based on the 2006 IOM report, of changing the mix of products in child-directed advertising to include healthier foods.³ The participants voluntarily have made strong commitments to the CFBAI regarding their child-directed advertising. Three participants — *The Coca-Cola Co.*, *The Hershey Co.*, and *Mars, Inc.* — are not engaging in child-directed advertising.⁴ The others are using meaningful, science-based nutrition standards to determine what foods are in their child-directed advertising (note, the words “food” or “foods” also may encompass beverages and meals).

This Report also provides our assessment of the participants’ compliance with their pledges.⁵ During 2011, we assessed compliance for the following 16 participants:

- Burger King Corporation
- Campbell Soup Company
- The Coca-Cola Company

- ConAgra Foods, Inc.
- The Dannon Company, Inc.
- General Mills Inc.
- The Hershey Company
- Hillshire Brands Company
- Kellogg Company
- Kraft Foods Group, Inc. (formerly Kraft Foods Global, Inc.) (includes former Cadbury Adams USA LLC)
- Mars, Incorporated
- McDonald’s USA, LLC
- Nestlé USA
- PepsiCo, Inc.
- Post Foods, LLC
- Unilever

Part II of this Report provides a brief history of the CFBAI.

Part III describes the nutrition developments and improvements that have occurred since the last report, including the new CFBAI-developed uniform nutrition criteria.

Part IV describes our assessment of the participants’ compliance with their pledges and why we have concluded that overall compliance is excellent. It describes some minor compliance issues that arose during 2011 and what steps the participants took to rectify those problems.

Part V concludes with a discussion of how our efforts are now focused on implementing CFBAI’s new nutrition criteria.

Endnotes

¹ Committee on Accelerating Progress in Obesity Prevention; IOM. “Accelerating Progress in Obesity Prevention: Solving the Weight of the Nation” (2012). Washington, DC: The National Academies Press.

² IOM also encouraged the CFBAI to recruit more food companies and restaurants to join the CFBAI and we again reached out to numerous companies, citing the IOM’s report in our recruitment efforts.

³ Committee on Food Marketing and the Diets of Children and Youth; IOM. “Food Marketing to Children and Youth: Threat or Opportunity?” (2006). Washington, DC: The National Academies Press.

⁴ Previously, four participants had pledged to not engage in child-directed advertising, as defined by the CFBAI. One of this group, the confection company Cadbury Adams, was acquired by Kraft and is now under that pledge. The Kraft pledge limits advertising to foods that meet meaningful nutrition standards. Similarly, Nestlé USA only advertises foods that meet its science-based nutrition standards, such as 100% fruit juice, and no longer advertises its Wonka brand (or other confections) to children.

⁵ The CFBAI’s prior annual reports and other program materials are available at www.bbb.org/kids_food.



II. About the CFBAI and Food Advertising to Children

Since the CFBAI was announced in November 2006 it has undergone many changes. As this voluntary advertising self-regulation program has matured and the number of participants has grown, the CFBAI has strengthened its requirements, added more types of advertising and more venues to the program's scope, harmonized the participants' definitions of "child-directed" advertising, and adopted new uniform nutrition criteria. This section summarizes the CFBAI's history and provides an overview of the program.⁶

A. History

In November 2006, BBB and leading food companies created the CFBAI to address what foods are advertised to children to complement an existing BBB program,⁷ the Children's Advertising Review Unit (CARU), which addresses *how* foods and other products are advertised to children.⁸ Both the FTC⁹ and IOM¹⁰ had suggested that children's advertising self regulation do more to address food marketing to children because of concerns about childhood obesity. While no causal link had been established — or has yet been established — between advertising and obesity, the participants wanted to be a part of the solution by using nutrition standards to govern what products they would advertise to children. By focusing their efforts on advertising primarily directed to children under 12 — not all ads children may see in programs or websites that are primarily directed to adults or families — the CFBAI participants' efforts support parents, rather than supersede them.

All the CFBAI participants are required to develop an individual commitment or "pledge" addressing the program's Core Principles regarding advertising, licensed characters, product placement, interactive games, and activities in elementary schools that are directed to children. The current *Program and Core Principles Statement (Third Edition)* is attached as Appendix A. The participants agree to CFBAI oversight and monitoring of their pledges and to be held accountable for failure to comply with their pledges. Currently, the CFBAI has 16 participants. In 2013 that will increase to 17 when *Mondelēz Global LLC* will officially join the CFBAI.¹¹ All the pledges are available on the CFBAI's website (www.bbb.org/kids_food).

The CFBAI itself has evolved over time, consistent with the program founders' desire that this be a dynamic program. There have been six major program changes during the last five years. Figure 1 summarizes these changes, which are fully described in last year's report.

Figure 1. Summary of CFBAI Program Changes

1. Changed to a 100% healthier food ads or no child-directed ads requirement (effective Jan. 1, 2010)
 - Increased from 50% to 100%
2. Eliminated healthy lifestyle messaging as a compliance option (effective Jan. 1, 2010)
3. Expanded ad coverage beyond existing coverage of traditional measured media (TV, print, radio, Internet) (effective Jan. 1, 2010)
 - Added advertising on digital and mobile media, such as ads on smart phones and tablets
 - Added advertising on EC-rated and other child-directed video games, DVDs of child-directed G-rated movies and advertising in other child-directed DVDs
 - Added word-of-mouth advertising that is primarily child-directed
 - Expanded the limit on licensed character use to include movie tie-ins and celebrities (in child-directed ads all such use must be limited to foods that meet meaningful nutrition standards)
4. Harmonized "child-directed" ad definitions (effective in 2010 for some participants and Jan. 2011 for others)
 - All participants now use a definition with an audience threshold of no higher than 35% of the audience ages 2-11 (those at 50% moved to 35%)
5. Added monitoring of policies on not directing ads to children under age six and reporting on compliance with such policies (CFBAI first monitored and reported on compliance during 2010)
 - Seven participants added such policies; the majority now have such policies
6. Adopted CFBAI-developed category-specific uniform nutrition criteria that go into effect on December 31, 2013 (announced July 2011)

B. CFBAI Program Materials and Outreach Activities

To provide optimal transparency about the program and the participants' commitments, the CFBAI continuously makes program information public and accessible through its website, newsletters, fact sheets, public filings and outreach.

- **Update CFBAI's Website Regularly.** On an ongoing basis, we post to our website company pledges and amendments, updated summaries of the participants' nutrition criteria and a list of foods that meet those criteria that are or may be advertised to children under 12.
- **Publish Periodic Newsletters.** During 2011, we distributed two e-newsletters to inform the public of the availability of updated charts summarizing the participants' nutrition standards and the foods that meet those standards, pledge and product changes, and other program developments. These newsletters also are available on the CFBAI's website.
- **Issue Fact Sheets.** We prepared and distributed fact sheets about various aspects of the program and nutritional improvements in foods advertised to children.
- **Submit Public Comments.** During 2011, the CFBAI filed public comments with the Interagency Working Group on its April 2011 Proposed Nutrition Principles and Marketing Definitions.¹² The CFBAI's Director also testified before the Energy and Commerce Committee's Subcommittee on Commerce, Manufacturing, and Trade and the Subcommittee on Health, U.S. House of Representatives, on *"Food Marketing: Can 'Voluntary' Government Restrictions Improve Children's Health?"* (Oct. 12, 2011, Washington, DC).¹³
- **Provide Briefings and Give Speeches.** In 2011, we conducted briefings for interested groups and spoke at many events, including the meeting of the IOM Committee on Accelerating Progress in Obesity Prevention (Jan. 2011),¹⁴ the Institute of Food Technologists Annual Meeting and Food Expo (June 2011), and the 2011 *Eat Well, Live Well, Let's Move!* Conference (June 2011).

C. Participants' Representation in Child-Directed Food Advertising

The CFBAI participants' commitments that 100% of their child-directed food advertising will be for foods that meet nutrition criteria (or to not engage in child-directed advertising) cover a substantial proportion of food advertising. When the CFBAI was announced in 2006, the estimate then was that the 10 charter participants accounted for more than two-thirds of children's food advertising expenditures on television (based on 2004 data). An in-house CFBAI analysis of ads in 31 hours of Nickelodeon programming from one week in March 2012 found that 81% of the food ads were for CFBAI participants' pledge-compliant foods.¹⁵

During the intervening years while new companies joined the CFBAI, some participants, in addition to those that committed not to engage in child-directed advertising, have done little or no advertising to children. Thus, while the CFBAI participants continue to represent the vast majority of advertising to children, the 81% figure may not fully capture the impact that the CFBAI has had on children's food advertising. Additionally, as a proportion of all advertising, food ads represent only a modest portion of the ads on children's programming. This year we observed that food ads were only 23% of the 1163 ads in the sample we studied.¹⁶ Ads for sedentary entertainment, such as show promos, movies or video games, were more prevalent.



Endnotes

⁶ A more complete history of the program and changes to the Core Principles can be found in the 2010 Report.

⁷ The CFBAI also limits *where* advertising can be placed. Specifically, the CFBAI does not permit, even for foods that meet nutrition standards, product placement in editorial/entertainment content that is primarily directed to children under 12 and advertising to children in elementary schools.

⁸ Historically, self regulation has focused on children under 12, and thus the CFBAI's efforts also focus on this age group. 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 children under 12, the advertising industry always has had a set of stringent rules for advertising primarily directed to children under 12. CARU, which is a BBB-administered program, has promoted high standards of responsible advertising to children under 12 since 1974. (CARU's operational policies are set by the Advertising Self Regulation Council (formerly the National Advertising Review 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 the CFBAI is an opt-in program.

⁹ The recommendation emerged from a joint FTC/HHS workshop conducted in July 2005 on "Perspectives on Marketing, Self-

Regulation and Childhood Obesity," and a follow-up report on the workshop that FTC/HHS jointly issued in April 2006. See <http://ftc.gov/os/2006/05/PerspectivesOnMarketingSelf-Regulation&ChildhoodObesityFTCandHHSReportonJointWorkshop.pdf> at 50-51.

¹⁰ See note 3, above.

¹¹ The CFBAI previously had 17 participants. This number dropped to 16 when Kraft acquired Cadbury, which was then subsumed under Kraft's pledge. As of October 1, 2012, Kraft split into two businesses, grocery and snack foods. The snack food business, Mondelez Global LLC, officially will become a separate participant in 2013. It has already agreed to file a report on compliance with the CFBAI pledge for the foods in its portfolio for 2012.

¹² Available at <http://www.ftc.gov/os/comments/foodmarketedchildren/07845.html>.

¹³ Available at www.bbb.org/us/storage/0/Shared/Documents/Kolish.pdf.

¹⁴ Available at <http://www.iom.edu/Activities/Nutrition/ObesityPrevProgress/2011-JAN-13/Panel/Kolish.aspx>.

¹⁵ CFBAI, *Food Ads on Children's Programming: 2012 Snapshot* (June 2012), available at <http://www.bbb.org/2012AdSnapshot>.

¹⁶ *Id.*



III. Nutrition Developments and Improvements

During 2011 the participants made a groundbreaking decision to adopt new CFBAI-developed category-specific uniform nutrition criteria (attached as Appendix B). Although company-specific criteria have led to and continue to result in significant improvements in foods advertised to children,¹⁷ the new criteria make the CFBAI self-regulation program even more robust. The new criteria, which go into effect December 31, 2013, build on improvements already made and will further encourage the development of products that are aligned with the 2010 DGA.

Overall the new criteria are more rigorous than the company-specific criteria. Approximately one-third of the foods that were on the CFBAI's July 2011 product list (a list of foods that met the company's nutrition criteria and that the participants advertised or considered advertising to children) did not meet the new CFBAI criteria. Accordingly, if the participants wish to continue advertising those foods to children after the December 31, 2013 implementation date, the recipes would need to be changed.

Government officials were positive about the development of the CFBAI's new criteria, recognizing that the CFBAI had struck a balance to achieve standards that were rigorous *and* realistic. The FTC described the new criteria as "substantial progress" and as being "considerably stronger than the status quo."¹⁸ Similarly, Dr. Robert Post, Deputy Director, Center for Nutrition Policy and Promotion, U.S. Department of Agriculture, 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."¹⁹

While the CFBAI's criteria were being developed, the participants continued to improve foods they were advertising to children or introduced new products meeting their nutrition criteria. The foods that the CFBAI's participants advertise today include items such as cereals, crackers, soups, canned pastas and meals with fruit and non/low-fat dairy. These foods meet, for example, reasonable limits on calories²⁰ as well as sodium, sugars

and fats. In addition, overall the nutritional richness of products has increased.

A. CFBAI's Category-Specific Uniform Nutrition Criteria

The CFBAI developed its new criteria with the input of high-level in-house nutrition professionals who work on the development of new foods and recipe changes at their companies. Accordingly, the CFBAI process was informed by their food technology and food science expertise, as well as their understanding of the barriers to consumer acceptance of changes to popular or newly developed foods. (A fuller description of the process used to develop the new criteria is contained in last year's annual report.) In developing the criteria, the CFBAI was sensitive to competitive issues and the criteria are purposefully flexible to encourage competition and even greater participation in self regulation.²¹ The "White Paper on CFBAI's Uniform Nutrition Criteria" describes in detail the CFBAI's nutrition science review and the basis for the new category-specific nutrition criteria.²²

The new uniform nutrition criteria set limits on calories, saturated fat, *trans* fat, sodium and sugars (Nutrients to Limit or NTL) and include requirements for nutrition components to encourage (NCTE) for 10 product categories. The criteria acknowledge the inherent differences in food product categories and reflect meaningful, but realistic, goals for each category. Specifically, these category-specific criteria take into account food science/technology challenges that are particular to different categories as well as the need for incremental reductions of fats, sugars or sodium to build consumer acceptance of foods that have lower amounts of these nutrients. While building on the successes from the use of company-specific criteria, they have a number of advantages over those criteria.

First, they are uniform. Accordingly, now the same types of foods from different companies will meet identical not just similar standards.

Second, the new criteria improve on the current criteria because they fill existing gaps in the participants' individual standards regarding NTL. Further, overall the limits for nutrients are more stringent. Additionally, to be

consistent with and to promote the 2010 DGA, the CFBAI has incorporated requirements for “nutrition components to encourage” for all product categories, again 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 dairy²³ (“food groups/ingredients to encourage”²⁴), (ii) at least one “essential nutrient” at the 10% Daily Value (DV) level,²⁵ 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. Foods that are a larger contributor to caloric intake, however, must meet minimum food groups to encourage requirements.

Third, they are even more transparent and easier to understand and apply than the current standards. Thus, they can more easily serve as a roadmap for child-directed advertising practices for other U.S. food (or media) companies, and simplify compliance monitoring for the CFBAI and others. For example, they are based on the labeled serving sizes. These are tied to FDA’s regulations for “Reference Amounts Customarily Consumed” or “RACC.” The serving size appears on the required Nutrition Facts Panel on foods, and this labeling can serve as a reference, for virtually all foods, on whether key CFBAI criteria have been met.

Fourth, the new criteria eliminate some of the ways foods currently may qualify for participant advertising to children. Specifically, in the future a food may not qualify based solely on a “reduced” claim (e.g., ≥ 25% less sodium) or only because it is in a portion controlled, 100-calorie package.

The CFBAI intends to review the nutrition criteria periodically to determine whether changes are necessary or new or different categories or subcategories are needed to reflect innovation and new foods in the marketplace. For example, the criteria will be reviewed after the issuance of the 2015 Dietary Guidelines for Americans. At that point the participants will have had about two years’ worth of experience with the new criteria. If necessary, they will be aligned with any new dietary guidance and, if appropriate and feasible, will be strengthened even further.

B. Participants’ Current Nutrition Commitments

Since the issuance of the CFBAI uniform nutrition criteria in July 2011, five participants have adopted them in whole or in part in advance of the effective date. Both *Burger King Corp.* and *McDonald’s* now use the Category 10 meals criteria. The *Campbell Soup Company* has adopted the Category 3 criteria for its breads, which supplements Campbell’s own existing criteria for soup, canned pasta and baked snacks. *Kraft* and *ConAgra Foods* have adopted all of the criteria as an additional way to qualify foods to advertise to children.²⁶ The other participants continue, for the time being, to use their company-specific criteria exclusively²⁷ or have pledged not to engage in child-directed advertising.²⁸

C. Nutrition Developments

Since the program was launched there have been increases in nutrition components to encourage as well as reductions in fats, sugars, and/or sodium in foods advertised to children. In addition, many participants are working to improve further their general product portfolios.²⁹ For example, 13 CFBAI participants also are members of the Healthy Weight Commitment Foundation (HWCF), which in May 2010 announced a goal of reducing calories in the marketplace by 1.5 trillion by 2015 to reduce obesity, especially childhood obesity.³⁰

1. Nutrition Components to Encourage Highlights

Fruit & Vegetables. All advertised foods that fall into our new “small meals” and “meals” categories now include fruit and/or vegetables as a side dish or beverage. (“Small meals” are multi-item products that contain less food by weight than specified in FDA’s regulatory definition of a “meal.” The CFBAI uses FDA’s definition of a “meal” in its criteria.) These include small meals from *ConAgra Foods’ Kid Cuisine* line and *Kraft’s Lunchables* line as well as meals from *Burger King Corp.* and *McDonald’s*.

Dairy. This category includes advertising from *General Mills* and *Dannon* for a variety of yogurts in multiple flavors, combinations, and containers (cups, tubes and squeezable pouches) and from *Nestlé* for ready-to-drink milks, and flavored powders that are consumed mixed with milk.

Whole Grains. A large variety of foods, including breakfast cereals, breads, buns, crackers and pasta, now contain whole grains or a larger amount of whole grains

than they previously contained.³¹ See Appendix D; CFBAI's Whole Grains Fact Sheet (May 2012).

- **Ready-to-Eat Cereals.** In 2011, *General Mills* added to the CFBAI product list a new cereal, *Frosted Toast Crunch*, containing 11 grams of whole grains per serving. This year all of the *General Mills Big G* cereals contained at least 9 grams of whole grains per serving (up from at least 8 grams) and in all of those cereals whole grains are the first ingredient listed. In 2012 *Kellogg's* advertised *Frosted Mini Wheats* with 46 grams of whole grains per serving and launched *Krave* cereals, with 3 grams of fiber and 8 or 9 grams of whole grains per serving, depending on the flavor.³² Recently, *Post Foods* launched a new version of an old favorite, *Alpha Bits*, with 20 grams of whole grains (up from under 8 grams) and only 6 grams of sugar (down from 10 grams). Its new-in-2011 *Pebbles Boulders* cereals contained 15 or 16 grams of whole grains per serving, depending on the flavor.
- **Cooked Cereals and Breakfast Meals.** *PepsiCo* amended its CFBAI product list in 2011 to include three oatmeal varieties (instant, quick and old-fashioned). *Burger King Corp.* added to its *BK Kids Meal* lineup an oatmeal meal with 31 grams of whole grains (the oatmeal is advertised with a serving of apple slices and a jug of fat-free white milk). In 2011, *ConAgra Foods* added to its CFBAI product list *KC's Flip n' Dip Pancakes* (a frozen small meal), which contain 13 grams of whole grains.³³
- **Other Foods.** Both *Campbell Soup* and *Sara Lee* added to their 2011 CFBAI product lists whole grain breads. Two of *Campbell's Goldfish* bread varieties contain 18 grams of whole grains per serving and two varieties of *Sara Lee's Soft and Smooth* breads contain 10 and 27 grams per serving (respectively Made With Whole Grain White Bread and 100% Whole Wheat Bread).³⁴

Meal Category Changes. In 2011 both of the CFBAI's quick serve restaurant participants changed their children's meal practices.

- **Burger King Corp.** In September 2011, the company launched a new initiative to change its default practices at point of purchase. Now, customers who order a *BK Kids Meal* will be asked what drink and side item they want (and the choices include advertised apples, 100% juice and fat-free milk), instead of automatically being served French fries and soda.
- **McDonald's** fully implemented by March 2012 its commitment (announced fall 2011) to automatically

include apple slices (a 1/2 serving of fruit) and a new smaller kids'-sized portion of French fries (1.1 ounces) as side dishes along with a customer-selected entrée and beverage in its *Happy Meals*. If customers prefer apples only, two bags of apples are available upon request. *McDonald's* estimates that its commitment will bring 100 million cups of apples annually to children.

2. Sodium Reductions

The participants continued to reduce sodium in products advertised to kids (and throughout their portfolios).³⁵ Some examples include cereals, canned pastas and meals. For example, over the last two years, *ConAgra Foods* reduced the average sodium by more than 10% in the Kid Cuisine meals on the list of products it may advertise to children (e.g., a reduction to 450 mg from 550 mg sodium in the *Kid Cuisine Cheese Stuffed Crust Pizza* meal).

3. Sugar Reductions

This year a notable sugar content reduction occurred when both *Burger King Corp.* and *McDonald's* stopped advertising and providing caramel dipping sauces for their apple slices in children's meals. Those sauces contained 45-70 calories, most of which were from added sugars. As noted in the section below, reductions in sugars continued in the cereal category during 2011 and 2012.

4. Ready-to-Eat Cereal Category Improvements

In 2011 and 2012, three CFBAI participants³⁶ engaged in child-directed advertising for cereals, a popular breakfast option for children.³⁷ Each has made many improvements to its advertised children's cereals and the entire category has changed significantly under self regulation. The CFBAI participants have reduced sugars, fats or sodium and increased positive nutrients and ingredients in existing cereals, or introduced new cereals to meet nutrition standards.³⁸

Whole Grains Content. Now more cereals the participants advertise to children contain whole grains or a larger quantity of whole grains than before. The majority (71%) of the cereals have at least a half-serving (8 grams) of whole grains (up from 60% in 2011 and more than 50% in 2010) and a third now contain at least 12 grams.³⁹ More than one-third also have more whole grains than any other ingredient, and they are the first ingredient listed.

Nutrients of Concern Content. The participants’ cereals all contain at least a “good” source (10 to 19% of the government-established DV) of one nutrient that the 2010 DGA call “nutrients of concern” (calcium, fiber, potassium, vitamin D) because they are not consumed in sufficient quantities. More than half are at least a “good” source of *two* of these nutrients.

- *Vitamin D.* All but one cereal contain at least a “good” source of vitamin D.
- *Calcium.* At least one-third contain a “good” source of calcium.
- *Fiber.* More than one-quarter contain at least a “good” source of fiber.

Sugar Content. Before the CFBAI started, some cereals advertised to children had 15 or 16 grams of sugars per serving. Under the CFBAI, participants committed to advertise cereals with no more than 12 grams added sugars per serving (or a comparable limit based on percentage of calories or weight). Now, as shown in Table 1, 71% of cereals have no more than 10 grams total sugars, compared to 41% in 2009, and 33% have no more than 9 grams total sugars per serving compared to 16% in 2009. Under the new CFBAI nutrition criteria, 10 grams will be the maximum amount of sugars for cereals with one ounce (~30 grams) labeled serving sizes. Heavier, denser cereals will be allowed no more than 12 grams per serving.

Calories, Sodium and Fat Content. The participants’ cereals contain a modest amount of calories and sodium and little or no saturated or *trans* fats.

- *Calories.* All of the cereals with labeled serving sizes in the one ounce range (27-33 grams) contain no more than 130 calories (one cereal with a 54 gram serving size has 190 calories).
- *Trans fat.* All contain 0 grams of trans fat.
- *Saturated fat.* Most contain no more than 0.5 grams of saturated fat (none exceed 1 gram).
- *Sodium.* All contain less than 190 milligrams of sodium.

5. Nutrition Analysis of Participant-Advertised Foods on Children’s TV

This year we repeated an analysis that we conducted in 2010 and 2009 of participants’ ads on children’s programming. This year we looked at ads in 31 hours of Nickelodeon shows from different dayparts on weekdays and the weekend from one week in March 2012.

The participants advertised 18 foods a total of 216 times during this period.⁴¹ All met the applicable nutrition criteria. The foods included cereals, yogurts, fruit snacks, soups, meals and small meals. (We define a “small meal” as a multi-item product that contains less food by weight than specified in FDA’s definition of a “meal.”)

Nutrient Density. Our analysis of the participants’ ads showed that 90% of their ads were for foods that contain at least a “good” source of what the 2010 DGA call “nutrients of concern” because of inadequate consumption or contain a food group/ingredient to encourage per the 2010 DGA (non/low-fat dairy or at least a half-serving of fruit, vegetable, or whole grains). This shows a steady upward trend based on our past analyses (see Figure 2).⁴²

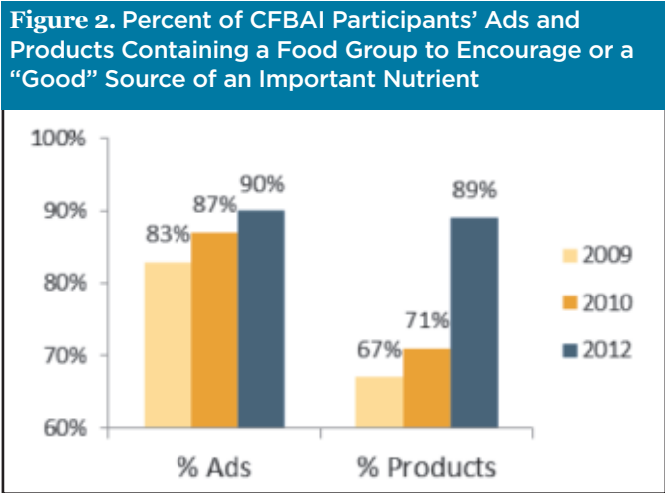


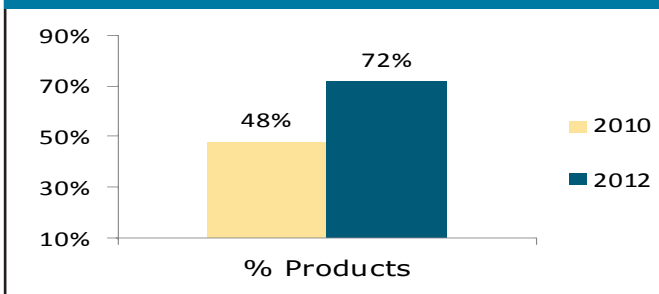
Table 1. Reductions in Sugar Content of Cereals 2009–2012⁴⁰

Sugar Content (grams)	2009	2010	First Half 2011	Second Half 2011	2012
≤9	16%	16%	24%	33%	33% (≤8 grams: 14%; 9 grams: 19%)
≤10	41%	52%	84%	86%	71%
11 or 12	60%	48%	16%	14%	29% (11 grams: 19%; 12 grams: 10%)

Food Group/Ingredient to Encourage Content.

Our analysis showed that 83% of the CFBAI participant ads (72% of foods in the ads) were for foods containing a food group/ingredient to encourage: non/low-fat dairy⁴³ or at least a half-serving of fruit, vegetable, or whole grains. As shown in Figure 3, this represents a 50% increase over products that contained a food group/ingredient to encourage in 2010. All of the small meals and meals contained at least one serving of a food group/ingredient to encourage and most contained 1.5 servings.

Figure 3. Percent of Products Containing a Food Group/Ingredient to Encourage



Endnotes

¹⁷ The CFBAI's original approach of balancing flexibility (company-proposed nutrition standards) with rigor (standards must be science-based and approved by BBB) and transparency (standards and commitments are publicly available on BBB's website) has encouraged participation and competition among the participants. As noted in prior annual reports this approach led to significant improvements in foods advertised to children.

¹⁸ 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 p. 9. Available at <http://www.ftc.gov/os/testimony/111012foodmarketing.pdf>.

¹⁹ Statement of Dr. Robert Post, Deputy Director, Center for Nutrition Policy and Promotion, U.S. Department of Agriculture, 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.

²⁰ In the individual food category, with the exception of two peanut butters with 210 calories, all foods currently advertised contain no more than 200 calories. The calories in entrées and meals also are modest, with no entrée exceeding 350 calories and no meal exceeding 600 calories.

²¹ The criteria provide flexibility on how foods may meet the requirements and thus do not unfairly favor one participant over another. Promoting rather than stifling competition among participants encourages the broadest array of nutritious and quality foods choices at the lowest cost. Participating companies also may elect to adhere, in whole or in part, to even stricter nutrition criteria than the CFBAI criteria.

²² It is available at <http://www.bbb.org/CFBAIWhitePaper>. As explained in the White Paper, the Nutrition Science Review committee reviewed new dietary recommendations; regulations 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; and standards of identity for foods. The Nutrition Science Review committee also was mindful of the Interagency Working

We also found:

- *Whole Grains and Fruit.* Almost three-quarters of the participants' ads were for foods containing at least a half-serving of whole grains OR fruit (72% of ads; 56% of foods). About half of the ads and foods contained at least a half-serving (8 grams) of whole grains (52% of ads; 44% of foods).
- *Dairy.* One-third of the participants' ads (22% of foods) were for or included non/low-fat milk, yogurt or yogurt/dairy drinks.

Group's December 2009 proposed tentative nutrition standards for marketing to children, and the subsequent April 2011 proposed voluntary nutrition principles.

²³ 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 1/2 cup.

²⁴ The 2010 DGA advise Americans to increase their consumption of fruits, vegetables, low-fat dairy and lean protein (at p. 34). The 2010 DGA also recommend 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. See <http://www.cnpp.usda.gov/DGAs2010-PolicyDocument.htm> at p. 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." /d.

²⁵ 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."

²⁶ Previously, Kraft used only the *Smart Choices Program* criteria. Similarly, ConAgra Foods has its own science-based nutrition criteria. Now each is using both its own and the CFBAI criteria until December 31, 2013 when they will use the CFBAI criteria exclusively.

continued

Endnotes, continued

²⁷ A synopsis of the participants' science-based nutrition standards is attached as Appendix C. A lengthier discussion regarding how participants define healthier or better-for-you foods is available in CFBAI's 2008 Report.

²⁸ The participants that do not engage in child-directed advertising are *The Coca-Cola Co.*, *The Hershey Co.*, and *Mars, Inc.*

²⁹ Some examples include the following:

- *ConAgra Foods* has committed to reducing salt across its portfolio by 20% by 2015, particularly with the Chef Boyardee and Kid Cuisine foods.
- *General Mills* committed in December 2009 to further reduce the sugar content of cereals advertised to children to single-digit grams per serving, and has committed to reducing sodium by 20% across multiple product categories by 2015.
- *Kellogg* has reduced the average amount of sodium per serving in its ready-to-eat cereals in the U.S. and its other core markets by 16% and has reduced sugar in its top-selling children's cereals by 20-30% over the past several years.
- *Kraft* announced in March 2010 that it plans to reduce sodium by an average of 10% across its North American portfolio over the next two years and, in July 2010, announced that it will double the whole grains content of its Nabisco crackers over the next three years.
- *McDonald's* has committed to reducing sodium an average of 15% overall across its national menu by 2015.
- *Nestlé Prepared Foods Company* has announced a comprehensive plan to decrease, by 2015, the sodium content in its products by another 10% from reductions made earlier this decade.

³⁰ See press release at http://www.healthyweightcommit.org/news/Reduce_Annual_Calories/. The calorie-reduction initiative is part of HWCF and its members' multi-pronged effort to help American families reduce the calories they consume while increasing the calories they expend. The 13 CFBAI participants that also are HWCF members are: Campbell Soup Company; The Coca-Cola Company; ConAgra Foods, Inc.; General Mills Inc.; The Hershey Company; Kellogg Company; Kraft Foods; Mars; Nestlé USA, Inc.; PepsiCo, Inc.; Post Foods, LLC; Sara Lee Corp. (now the Hillshire Brands Co.); and Unilever.

³¹ See note 24, above.

³² Three-quarters of Kellogg's child-advertised cereals have at least 10% DV of fiber and Kellogg's Frosted Mini-Wheats has 6 grams of fiber or 23% DV per serving.

³³ Now, more than 80% of the advertised *Kid Cuisine* "small meals" contain at least 8 grams of whole grains. Most of the advertised *Lunchables* also contain at least 8 grams.

³⁴ Since the end of 2011 Hillshire Brands (formerly Sara Lee) has not listed any foods on the CFBAI product list.

³⁵ See note 29, above.

³⁶ These are General Mills, Kellogg, and Post Foods. In 2011-2012 PepsiCo did not include any of its Quaker brand ready-to-eat cereals in its advertising to children under 12 years.

³⁷ Empirical data consistently show that frequent cereal eaters tend to have healthier body weights than those who don't eat cereal. A.M. Albertson *et al.*, "Weight indicators and nutrient intake in children and adolescents do not vary by sugar content in ready-to-eat cereal: results from National Health and Nutrition Examination Survey 2001-2006", *Nutr. Research*, 31:229-236 (March 2011).

³⁸ The participants also have discontinued advertising some cereals to children, and stopped selling some varieties.

³⁹ The analysis is based on 21 cereals in the CFBAI's September 2012 product list.

⁴⁰ Our analysis begins in 2009 because that is the year when the pledge commitments of two leading cereal manufacturers went fully into effect.

⁴¹ We found that food ads represented only 23% of the 1163 ads in the sample. Ads for sedentary entertainment, such as show promos, movies or video games, were more prevalent. Of the food ads, 81% were for CFBAI participants' foods (62% of all the foods advertised). The percent of food ads that were for participants' products is greater than the percent of participant foods advertised because some foods were advertised multiple times.

⁴² In 2009 and 2010 we analyzed whether advertised foods were a "good" source of nutrients that the 2005 DGA characterized as "shortfall nutrients" (calcium, fiber, potassium, magnesium and vitamin E) or contained a food group to encourage. The 2010 DGA list includes vitamin D, but not magnesium or vitamin E. See CFBAI 2009 and 2010 Progress Reports, available at www.bbb.org/kids_food.

⁴³ 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.



IV. Pledge Compliance Evaluation

This section provides our compliance assessment for the 16 participants with pledges in effect during the year 2011.⁴⁴ This assessment has three components: (1) independent CFBAI-conducted monitoring of media; (2) CFBAI review of participants' compliance reports, consisting of their self assessments; and (3) CFBAI research into third-party assertions of noncompliance. Overall, compliance in 2011 was excellent, as it has been in prior years. The number of compliance issues was small, and none were egregious. In response to self-reported or CFBAI-identified issues, the participants consistently took prompt and appropriate measures to correct and prevent the issues from reoccurring.

Below, we describe the participants' procedures for ensuring pledge compliance, new compliance obligations that went into effect in 2011 for some participants, our methodology for assessing compliance, and the results of our compliance review.

A. Participants' Procedures for Ensuring Pledge Compliance

We attribute the participants' success in meeting their pledge obligations to their commitment to voluntary self regulation and the comprehensive procedures they have implemented to ensure compliance with their CFBAI commitments.

- **Training.** The participants' procedures include regular, periodic training of relevant company employees and third parties involved in advertising development and placement, such as advertising agencies, media buyers, and television networks.
- **Legal Review.** The participants' attorneys and/or special committees review their child-directed advertising and media buys.
- **Self Assessments.** The participants conduct self assessments and report on problems found and steps taken to prevent their reoccurrence. While resource intensive, they report that the CFBAI's self-assessment requirement is a useful tool for maintaining their high compliance levels.

B. New Compliance Obligations

In September 2010, the CFBAI announced a substantial harmonization of definitions of "child-directed" advertising. Those participants that had been using audience thresholds higher than 35% children 2-11 in the audience agreed to use 35% in the future. At that time, some additional participants committed to not direct advertising to children under age six (even ads for foods meeting their nutrition criteria) when they are a specific percentage of the audience (the percentage adopted varies from 35 to 50%). Some participants implemented the pertinent changes in 2010, but several participants' new commitments went into effect in 2011. (See Appendix E.) Accordingly, the 2011 assessment is based on the now in-effect audience definitions and commitments.

C. Compliance Assessment Methodology

To assess the participants' compliance with their pledges, on an ongoing basis the CFBAI independently monitors measured media, including TV, print, radio and the Internet, including company-owned⁴⁵ and third-party sites, and advertising on new and emerging media, such as ads on tablets and smart phones.

- **Television Advertising.** The CFBAI reviewed monitoring that our sister program, CARU, conducted throughout the year.⁴⁶ The CFBAI also reviewed advertising on a 28-hour sample of children's programming that aired in winter 2011.
- **Radio Advertising.** We periodically listened to Radio Disney, the only radio station with programming primarily directed to children under 12.
- **Print Advertising.** We examined all food and beverage ads in a variety of child-directed print titles, and reviewed print monitoring CARU conducted.
- **Internet Advertising.** The CFBAI regularly monitored third-party websites as well as participants' company-owned websites. Appendix G explains in detail the CFBAI's requirements for online advertising and how compliance is monitored and assessed.
- **Mobile Media.** We periodically monitored food ads on mobile applications.

The CFBAI also assesses detailed compliance reports that each participant submits annually. Additionally, the CFBAI follows up on any credible third-party reports on non-compliance.⁴⁷

D. Compliance Assessment

As with prior years, we found that all participants substantially complied with their pledges. Below, we summarize our findings and discuss the nature and resolution of the small number of issues identified through the CFBAI's monitoring or the participants' reporting.

1. Television Advertising

This medium continues to be the predominant means the CFBAI's participants use to advertise to children and the vast majority of child-directed advertising takes place on children's cable television networks. We found that, on some occasions, ads not intended for children aired on shows in which the percentage of viewers under age 12 exceeded a participant's threshold. A few of these instances occurred on shows with specialized content and/or shows that generally have small, unpredictable audiences, which the affected participants subsequently added to their lists of restricted shows. Otherwise, the incidents were attributable to third-party errors or differences between the predicted audience at the time the media was purchased and the actual audience when the programming aired, as described below.

- **Audience Variability.** The CFBAI bases its compliance assessment on the historical or predicted demographics of a program or daypart at the time ads are purchased. This is a standard way for advertisers to make their media-buying decisions. Some participants reported that at the time they purchased media for ads for foods that did not meet their criteria for child-directed advertising the percentage of children under 12 in the audience was predicted to be below their thresholds, but the audiences exceeded that threshold at the time the programming aired.⁴⁸ Such occurrences are not violations of their commitments and the incidence rate is low (less than 1% of ads for a particular company or brand). The participants, nevertheless, generally go beyond their commitments and monitor audience data for ads as-aired, and adjust their media buys or put additional screening in place to avoid reoccurrences. In one instance a participant's review of audience demographics after the first episode of a show revealed that far more children than predicted were watching and the participant was able

to change to an ad for a food that met its nutrition criteria for the remaining episodes.

- **Third-Party Errors.** Two participants reported ad agency or network errors in placing adult-targeted ads in dayparts or shows that the company had instructed only child-directed ads should be placed. The participants followed up with these third parties to implement procedures to ensure that the errors would not reoccur.

2. Company-Owned Websites and Other Internet Advertising

All of the participants, except Sara Lee (and excluding the four participants who in 2011 committed not to engage in child-directed advertising), had at least one child-directed website. Most also advertised their foods on child-directed third-party websites. Virtually all have interactive games on their sites, and some offer them on third-party sites.

Overall, we found excellent compliance with participants' Internet advertising commitments. One participant reported a small number of Internet ads relating to a sponsored event that referred to the brand but not a qualifying product. The vast majority of ads on the same sites included qualifying products and thus the overall impression likely was for qualifying products. Nevertheless, the participant properly reminded the ad agency and the brand team that all references must include a qualifying food, as the CFBAI does not permit advertising for a brand line if all of the foods within the line do not meet the applicable nutrition criteria.

There were a few "technical" problems with Internet advertising that have been resolved, as described below. Specifically, in several instances some participants included images or references to foods in child-directed advertising that they did not advise the CFBAI in advance that they would be advertising. Because the foods met the participants' nutrition criteria we do not consider the lack of prior notice to the CFBAI (so the food could be reviewed and added to the CFBAI product list of foods that may be advertised to children) to be a substantive violation. Instead, we consider such oversights, which were remedied upon notice, to be minor technical violations.

3. Print and Radio Advertising

We found that print and radio were rarely used media. We identified one "technical" problem with radio advertising

appearing for a food that met a participant's nutrition criteria before the participant gave notice to the CFBAI about the product. Otherwise, we did not identify any compliance issues in these venues.

4. Licensed Characters

Many, but not all, of the participants used licensed characters, celebrities or movie tie-ins in their child-directed advertising. Such use was done only in conjunction with foods that met their nutrition standards.

5. Product Placement

No participant reported actively seeking out or paying for product placement in editorial or entertainment content primarily directed to children under 12. Because movie production teams may decide, independently, to use products in their films (e.g., as stage dressing), our participants' commitments cannot guarantee that child-directed entertainment or editorial content will not include their foods or beverages. In 2011, a movie incorporated a participant's food or what appeared to be the participant's food without the participant having sought out or approved the placement. The participant subsequently sent a letter to the movie studio registering its objection to this use.

6. Mobile Advertising

In 2011, a few participants offered child-directed mobile content and/or advertised on a third-party mobile website. One participant reported that a banner ad showing a brand logo for a brand that contains both qualifying and non-qualifying foods inadvertently was shown on a third-party mobile website due to an ad agency misunderstanding. The participant advised the agency that all ads should show qualifying foods only. Otherwise, we found that mobile advertising complied with the participants' CFBAI commitments as the foods featured in the child-directed apps or ads met the relevant nutrition criteria.

7. Other Venues

None of our participants reported child-directed advertising in video games, DVD or word of mouth, and we do not have any information to the contrary.

8. Advertising to Children in Elementary Schools

Our review of the participants' compliance reports indicated that their compliance with their commitments not to advertise branded foods and beverages (even foods

that meet their nutrition standards), to children in elementary schools (pre-K through 6th grade) was excellent.⁴⁹ The CFBAI's restriction does not cover certain pro-social activities, including charitable fundraising activities, public service messaging, charitable donations to schools, adult-directed marketing activities (items provided to school administrators for their personal use⁵⁰) and materials that identify products offered for sale in schools (such as menus and placards used in conjunction with food displays).

In 2011, some participants offered schools and parents the opportunities to earn funds or materials for their schools. As in prior years, *Campbell's Labels for Education* and *General Mills' Box Tops for Education*, which are charitable fundraising activities that involve the collection of specific labels or box tops from various products, continued to operate in schools. The in-school collection receptacles (for the labels/box tops), however, do not contain product messaging or brand depictions. During the 2011-2012 school years the schools participating in the *General Mills* program earned over \$74 million, and since the program began in 1996, schools have earned over \$475 million. *Campbell's Labels for Education* has, over the years, provided more than \$114 million in equipment and education supplies to America's schools.

Last year (and continuing in 2012), *Dannon* advertised (but not in schools where students could see the materials) its *Rally for Recess* contest. The contest involved individuals or schools entering codes from specially marked packages of *Danonino* and *Danimals* online and receiving points. To promote physical activity the winning schools receive playground upgrades worth up to \$20,000 (each). Five schools won playground upgrades in 2011.

Some participants offered healthy lifestyle and nutrition curriculum materials for teachers in 2011. For example, the *General Mills Bell Institute of Health and Nutrition* developed a "Go With Whole Grain for Kids" curriculum designed to teach children about whole grains and fitness activities. *Nestlé USA* also continued its partnership with the *National Education Association Health Information Network* to expand nutrition and physical activity resources for teachers. Its *Healthy Steps for Healthy Lives* program provides a variety of instructional activities that teach students about being healthy. The program distributed approximately 6,000 printed kits and the kit was downloaded over 14,000 times in 2011.

The Kellogg Company and Kellogg's Corporate Citizenship Fund provided Action for Healthy Kids with grants to help it encourage participation in school breakfast programs. The nonprofit organization is dedicated to fighting childhood obesity and undernourishment. In the U.S., fewer than half the 19.4 million children who are eligible for free or reduced-price breakfasts actually take part in those programs. The grants included funding to train school breakfast "ambassadors" who work with schools to increase school breakfast participation. The Kellogg Company also offers its *Build a Better Plate* program. It provides unbranded lunchroom materials, such as MyPlate Food Fact tear sheets, that show kids the nutritional value of the foods they are choosing in a simple, interesting way. To date, this program has been implemented at over 800 K-12 schools.

9. Participants' Policies of Not Directing Advertising to Children Under Age Six

Although not a CFBAI requirement, the CFBAI monitors and reports on compliance with participants' policies to not direct advertising to children under age six.⁵¹ Many CFBAI participants had long-standing policies regarding such advertising prior to joining the CFBAI. In 2010, five

additional participants adopted or codified such policies in their CFBAI pledges (some took effect in 2010 and two policies became effective on Jan. 1, 2011). Two companies with existing policies strengthened their audience definitions by going to 35% from 50% children under age six in the audience as their benchmarks. This year, Sara Lee (now the Hillshire Brands Company) also adopted a policy to not advertise its foods to children under age six when they represent at least 35% of the audience.

We determined that compliance with these policies was excellent. Two participants reported that a very small number of ads aired in television shows where the percentage of children under age six in the audience had been predicted to be under the participants' threshold but exceeded the threshold at the time of airing.⁵² Another participant reported that an ad agency placed a small number of ads for foods in shows where the percentage of children under age six exceeded the participant's threshold. The participant discussed the error with the ad agency and determined that an employee (who has since been removed from the account) misunderstood how to apply the participant's policy.

Endnotes

⁴⁴ Kraft purchased Cadbury Adams in 2010 and its report for 2011 encompasses Cadbury's activities.

⁴⁵ See Appendix F for a list of participants' child-directed sites.

⁴⁶ The CFBAI gratefully acknowledges CARU's assistance. CARU regularly monitors children's TV programs and sends the CFBAI a list of food ads with a notation of the show, network, date and time of each airing.

⁴⁷ In 2011, CFBAI reviewed a third-party nutritional assessment of certain foods on the CFBAI product list. The fat content reported for one product the organization had purchased that was on the CFBAI product list exceeded the amount permitted in the participant's nutrition criteria. The CFBAI contacted the participant (ConAgra Foods) to determine if this was a pledge violation. After looking into it, the participant advised us that it believed the discrepancy was likely due to an older version of the product (pre-reformulation) still being on shelf. We subsequently advised the report's authors of this. Recently, however, in the course of preparing its compliance report for the year 2011, ConAgra Foods realized that the results of its further investigation into the issue inadvertently had not been shared with the CFBAI and reported that updated information in its compliance report. That information showed that a planned change to one ingredient in the food's recipe resulted in a slight, unexpected change to the product's fat content in production and to the Nutrition Facts Panel. When it was observed that the fat content being reported exceeded the permitted amount by three percent the recipe immediately was changed to conform to the participant's CFBAI nutrition criteria. The participant estimates that this problem occurred for only several months, including the months when the third party had purchased the product. Under these circumstances we have concluded that there was not a willful or egregious violation of the participant's pledge. We have advised the third party of the new information.

⁴⁸ See CFBAI's 2008 Progress Report at 23-24 for a detailed discussion of time-of-purchase versus time-of-airing issues.

⁴⁹ The 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 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. It 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 commercial entities, such as a sports arena or an amusement park, where advertising for food and beverage products is present, but is directed to a general audience). 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 *CFBAI Elementary School Advertising Principles* (2009), available at <http://www.bbb.org/us/childrens-food-and-beverage-advertising-initiative/info/>.

⁵⁰ Few participants reported engaging in activities under this exception. Those who do provide items to school administrators generally have discontinued using branded premiums and instead provide, for example, rebates or non-branded gift cards.

⁵¹ See Appendix E for a summary of participants' policies on not directing ads to children under age six. The participants with these policies do not advertise even their healthier foods if a program contains a certain percentage of viewers under age six (the thresholds range from 30 to 50% viewers, depending upon the participant).

⁵² Although commercial-free programming is available for young children, they also watch ad-supported children's programming and a number of programs attract a significant percentage of children under age six. In late 2012, some previously ad-free programming for young children began permitting limited advertising. See <http://www.nickjr.com/nickjr-whats-new-FAQs.html>.

V. Looking Ahead

With the CFBAI having undergone substantial changes over the last several years, we are focusing on assessing the impact of those changes and on helping the participants implement the new category-specific uniform nutrition criteria, which go into effect at the end of next year. As needed we will develop procedures and processes to guide and facilitate the participants' smooth transition to the new criteria and allow us to assess and track progress under the new criteria efficiently.

Although our current members already represent the majority of food advertisers on television, which is the dominant form of advertising to children under 12, we will continue our efforts to expand the CFBAI's impact by increasing the number of companies participating in the program.

We also will continue to engage with government agencies, non-governmental organizations, and others fighting childhood obesity. We are always interested in participating in respectful dialogues and receiving reasonable suggestions, even if we may not always be able to agree on the role and contours of self regulation. We recognize that although significant progress has occurred there is room for further improvement. The CFBAI and its participants are deeply committed to continuing the progress that has been made under self regulation in the years ahead.





Appendix A. CFBAI Program and Core Principles Statement (Third Edition)

I. INTRODUCTION

Companies engaged in advertising and marketing food and beverage products have developed this self-regulatory initiative for advertising such products to children under 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 document was first issued in November 2006 when the Council of Better Business Bureaus (BBB) and 10 charter companies launched the Children's Food and Beverage Advertising Initiative (CFBAI). During 2009, BBB and 15 of the then 16 participants reviewed the program and made a number of enhancements to the scope of the advertising commitments, reflected in the Second Edition of this document, which became effective on January 1, 2010.¹ This, the Third Edition of the CFBAI Program and Core Principles Statement, contains additional information about the definition of "advertising primarily directed to children under 12." A number of participants have revised their definitions and now an audience threshold of no higher than 35% children 2-11 is generally being used.

This document consists of four parts. 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 advertising to children under 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 12. 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 12. Participants will commit that all "advertising primarily directed to children under 12" will be for healthy dietary choices, or better-for-you products, in accordance with company-developed standards that are consistent with established scientific and/or government standards.²

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

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

– **Child-Directed Content.** This principle also applies to advertising that is primarily directed to children on:

- Company-owned websites or micro-sites primarily directed to children under 12
- Video and computer games that are rated "Early Childhood" or "EC," which are inherently primarily directed to children under 12, and other games that are age-graded on the label or packaging as being primarily directed to children under 12
- DVDs of movies that are rated "G" whose content is primarily directed to children under 12, and other DVDs whose content is primarily directed to children under 12.

– **Mobile Media and Word of Mouth.** This principle also applies to advertising that is primarily directed to children under 12 on cell phones, PDAs, and through word of mouth.³

2. Use of Products in Interactive Games.

Participants will commit that, in any interactive game provided free or at nominal charge (in whatever format, online, disk or cartridge) primarily directed to children

under 12 where the company's food or beverage products are incorporated into the game, the interactive game will incorporate or be accompanied by healthy dietary choices or better-for-you products.

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 12 will be consistent with their advertising commitments.⁴

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

5. Advertising in Elementary Schools. Participants will commit to not advertising branded food or beverage products in elementary schools, pre-K through 6th grade.⁵

B. DEFINITIONS

The participants are permitted, within reasonable limits and subject to CFBAI review and approval, to define “advertising primarily directed to children under 12” and the nutrition standards that determine what products may be depicted in such advertising. Below we summarize the types of approaches that participants are using and provide examples of established scientific and/or government standards that companies may use to define healthy dietary choices or better-for-you products.

1. Advertising Primarily Directed to Children under 12.

- For “measured” media this means advertising in dayparts for which children 2-11 constitute 25% to 50% of the audience at the time of the media buy, depending upon the participant. An audience threshold of no higher than 35% is used by most participants. Some participants also include supplemental measures to identify “advertising primarily directed to children under 12.”⁶
- For advertising in non-measured media, determinations will be made in accordance with standards established by the company or 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, actions taken to restrict child access, such as age-screening, 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.

2. Standards for Determining What Are Healthy Dietary Choices or Better-for-You Products.

Examples of established scientific and/or government standards that companies may use to define healthy dietary choices or better-for-you products include:

- FDA defined “healthy” foods [21 C.F.R. 101.65(d)(2)]
- Products that qualify for an FDA authorized health claim [21 C.F.R. 101.70-101.83]
- Products meeting FDA/USDA criteria for claims of “free,” “low,” or “reduced” for calories, total fat, saturated fat, sodium or sugar
- Products that qualify for the USDA Healthier School Challenge Program criteria for Sales/Service of A La Carte and/or Vended Items
- Principles addressing recommended consumption by children under 12 under USDA Dietary Guidelines and MyPyramid
- Products representing a portion control option, such as products advertised and sold in a package size of 100 calories or less.

C. IMPLEMENTATION

Each Pledge will include an implementation schedule for each commitment made by the participant.

III. ADMINISTRATION AND OVERSIGHT

1. Pledge Development. Company Pledges, including the specific commitments that will identify the healthy dietary choice or better-for-you product criteria, 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.⁷

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 document were the result of an extensive review that occurred ahead of the planned 2010 review. The Third Edition reflects changes that individual participants made during 2010. 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 three 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 also individually and voluntarily adopted such policies. Now the majority of participants have policies that are reflected in their CFBAI pledges on not engaging in advertising primarily directed to children under six. Although such policies are not required, CFBAI has agreed to monitor and report on compliance with these policies when they are incorporated into a participant's pledge.⁸

1st Edition Nov. 2006; 2nd Edition, Nov. 2009; 3rd Edition, Sept. 2010
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¹ Post Foods joined the CFBAI on October 1, 2009, after the review was substantially completed and thus did not participate in the review.

² Participants also are encouraged to disseminate healthy lifestyle messaging. This could include messaging that encourages:

- Physical activity, or
- Good dietary habits, consistent with established scientific and/or government standards, such as USDA Dietary Guidelines and MyPyramid.

³ The commitment regarding word of mouth advertising refers to advertising where a participant provides incentives (financial or otherwise), product samples or other support to individuals or groups who are not employees to promote consumption of branded food or beverage products or to promote discussion of such products and the advertising is primarily directed to children under 12.

⁴ 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 12). This commitment also does not apply to the use of company-owned characters.

⁵ This commitment does not apply to displays of food and beverage products, 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.

⁶ 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 12." The effective dates of changes to the definition vary by participant but all new policies will be in effect no later than January 1, 2011. Visit the CFBAI's website at <http://www.bbb.org/us/children-food-beverage-advertising-initiative/> for 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.

⁷ 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.

⁸ The effective dates of new policies vary by participant. By January 1, 2011 all new policies will be in effect. Visit the CFBAI's website at <http://www.bbb.org/us/children-food-beverage-advertising-initiative/> for a summary of each participant's current definition of child-directed advertising, which also includes a listing of such policies.

Appendix B. CFBAI Category-Specific Uniform Nutrition Criteria

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 mg	≤ 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	<ul style="list-style-type: none"> Products include casseroles, burritos, pizzas, & sandwiches that do not meet FDA/USDA definition for <i>main dishes</i> 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
						≥ 10% DV of two essential nutrients	

Appendix B. CFBAI Category-Specific Uniform Nutrition Criteria continued

Product Category	Unit	Nutrients to Limit (NTL)				Nutrition Components to Encourage (NCTE)	Notes
		Calories	Sat Fat	Sodium	Total Sugars		
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 two essential nutrients	– 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	– 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> – 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
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	

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

- Sugar-free mints and gum.
- 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.

NTL: 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.



Appendix C. Synopsis of CFBAI Participants' Nutritional Standards (November 2012)

Participant	Calories (per serving/ meal)	Fat ¹	Sodium	Sugars	Positive Nutrients/ Food Group to Encourage*
Burger King Corp.					
Burger King Corp. has adopted CFBAI’s Category-Specific Uniform Nutrition Criteria for Category 10 (Meals). See Appendix B.					
Campbell Soup Company					
Soup	≤ 150	Total Fat: ≤ 3g Sat Fat: ≤ 1g & ≤ 15% kcal Trans Fat: 0g Labeled	≤ 480 mg	≤ 12g (excluding f/v/dairy)**	≥ 1 serving of vegetables or 10% DV of a vitamin or mineral
Canned Pasta	≤ 300	Total Fat: w/o meat ≤ 35% kcal; w/meat ≤ 10g Sat Fat: w/o meat ≤ 10% kcal; w/meat ≤ 4.5g Trans Fat: w/o meat Labeled 0g; w/meat Labeled ≤ 0.5g, provided only from meat or dairy	≤ 600 mg	≤ 12g (excluding f/v/dairy)**	≥ 1 serving of vegetables or one-ounce equivalent of whole grains, plus 10% DV of 2 or more nutrients
Baked Snacks (≤ 100 kcal portion control products also qualify)	≤ 170	Total Fat: ≤ 35% kcal Sat Fat: ≤ 10% kcal Trans Fat: 0g Labeled	≤ 290 mg	≤ 12g (excluding f/v/dairy)**	Not Specified
Breads	For breads, Campbell has adopted Category Three of CFBAI’s Category-Specific Uniform Nutrition Criteria. See Appendix B.				
The Coca-Cola Company					
Does not engage in food and beverage product advertising primarily directed to children under 12.					
ConAgra Foods***					
As of Sept. 2012, ConAgra Foods adopted CFBAI’s Category-Specific Uniform Nutrition Criteria now to be followed in tandem with ConAgra Foods’ current Pledge nutrition guidelines, listed here. Until December 31, 2013, ConAgra Foods may advertise products that meet either its current Pledge nutrition guidelines or CFBAI’s Category-Specific Uniform Nutrition Criteria.					
Meals	≤ 500	Total Fat: ≤ 35% kcal Sat Fat: ≤ 10% kcal Trans Fat: 0g Labeled	≤ 760 mg	≤ 25% of kcal added	≥ 10% DV of 3 nutrients ≥ ½ serving vegetables or fruit or 8g of whole grain
Canned Pasta	≤ 350	Total Fat: ≤ 35% kcal Sat Fat: ≤ 10% kcal Trans fat: 0g Labeled	≤ 750 mg	≤ 25% of kcal added	≥ 10% DV of 2 nutrients ≥ ½ serving vegetables or fruit or 8g of whole grain
Peanut Butter, Nuts and Seeds	≤ 210	Total Fat: Not Specified Sat Fat: Not Specified Trans Fat: 0g Labeled	≤ 480 mg	≤ 25% of kcal added	≥ 10% DV of 1 nutrient ≥ 1 ounce equivalent of meat and beans
The Dannon Company					
Yogurt, Dairy Snack & Drinkable Dairy Products ²	Not Specified	Total Fat: ≤ 25% kcal Sat Fat: < 10% kcal or ≤ 1g Trans Fat: 0g Labeled	≤ 230 mg	≤ 12.5g added	≥ 10% DV of calcium
General Mills ³					
FDA “Healthy”	≤ 175	Total Fat: ≤ 3g Sat Fat: ≤ 15% kcal & ≤ 1g Trans Fat: 0g Labeled	≤ 480 mg	≤ 12g (exclusive of f/v/dairy)**	≥ 10% DV of vitamin A, vitamin C, calcium, iron, protein or fiber
General Mills Criteria	≤ 175	Total Fat: Not Specified Sat Fat: ≤ 2g	≤ 230 mg cereal/	≤ 12g (exclusive of	≥ ½ serving of whole grain, fruit, vegetables or fat-free or low-fat

¹ "0g" trans fat means less than 0.5g trans fatty acids per serving, excluding conjugated trans-fatty acids such as naturally occurring Conjugated Linoleic Acid (CLA). Under FDA's regulatory scheme, naturally occurring trans fat and added trans fat from partially hydrogenated fat are not distinguished. Trans fat occurs naturally in trace amounts in meat and dairy products. "No added" trans fat means no trans fat from non-animal sources. Some participants also set or rely on third-party standards that limit cholesterol. For simplicity sake, cholesterol limits are not included here.

² The criteria are based on "per labeled serving" to ensure that the "portion size" is recognized and thus ensure that the criteria is both "occasion" and "age" appropriate.

³ Under General Mills' pledge, products must meet either FDA's criteria for "healthy" per labeled serving, or General Mills' own guidelines for Healthy Dietary Choices. Although not addressed in FDA's criteria for "healthy," General Mills also applies restrictions on calories, trans fat and sugars, on items that qualify as "healthy" per labeled serving.

Appendix C. Synopsis of CFBAI Participants' Nutritional Standards (November 2012) *continued*

Participant	Calories (per serving/ meal)	Fat ¹	Sodium	Sugars	Positive Nutrients/ Food Group to Encourage*
		Trans Fat: 0g Labeled	snack ≤ 480 mg side/main dish	f/v/dairy)**	dairy
Hershey Company					
Does not engage in food and beverage product advertising primarily directed to children under 12.					
Hillshire Brands (formerly Sara Lee Corp.)					
Non-meat containing products	Not Specified	Total Fat: ≤ 3g Sat Fat: ≤ 1g & ≤ 15% kcal sat fat Trans Fat: 0g	≤ 480 mg	Not Specified	Fills a recognized nutritional need in children's diets and ≥ 10% DV of vitamin A, vitamin C, calcium, iron, protein or fiber
Meat containing products ⁴	Not Specified	Total Fat: < 5g Sat Fat: < 2g Trans Fat: < 0.5g	≤ 480 mg	Not Specified	Fills a recognized nutritional need in children's diets and ≥ 10% DV of vitamin A, vitamin C, calcium, iron, protein or fiber
Kellogg Company					
All Products	≤ 200	Total Fat: Not specified Sat Fat: ≤ 2g Trans Fat: 0g Labeled	≤ 230 mg	≤ 12g(excluding f/v/dairy)**	Not Specified
Kraft Foods Global, Inc.***					
As of Jan. 1, 2012, Kraft Foods is using CFBAI's Category-Specific Uniform Nutrition Criteria and the Smart Choices Program criteria, listed here. Products may qualify under either set of criteria until Dec. 31, 2013, when CFBAI's criteria become effective.					
100% Fruit Juice	Not Specified	Total Fat: ≤ 3g Sat Fat: ≤ 1g Trans Fat: 0g Labeled	≤ 240 mg	0g added	≥ 10% DV of vitamin A, C, E, calcium, potassium, fiber or magnesium OR ½ serving of fruit, vegetables, whole grains or fat-free/low-fat milk products
Beverages	≤ 40 ≤ 20 must only meet nutrients to limit	Total Fat: ≤ 3g Sat Fat: ≤ 1g Trans Fat: 0g Labeled	≤ 140 mg	Not Specified	≥ 10% DV of vitamin A, C, E, calcium, potassium, fiber or magnesium OR ≥ ½ serving of fruit, vegetables, whole grains or fat- free/low-fat milk products
Snack Foods & Sweets	≤ 160	Total Fat: ≤ 35% kcal Sat Fat: < 10% kcal Trans Fat: 0g Labeled	≤ 240 mg	≤ 25% of kcal added	≥ 10% DV of vitamin A, C, E, calcium, potassium, fiber or magnesium OR ½ serving of fruit, vegetables, whole grains or fat-free/low-fat milk products
Entrées, Sandwiches, Main Dishes, & Meal Replacements	≤ 450	Total Fat: ≤ 35% kcal Sat Fat: < 10% kcal Trans Fat: 0g Labeled	≤ 600 mg	≤ 25% of kcal added	≥ 10% DV of vitamin A, C, E, calcium, potassium, fiber or magnesium OR ≥ 1 serving of fruit, vegetables, whole grains (half of the grains must be whole) or fat-free/low-fat milk products
Cheeses & Cheese Substitutes	Not Specified	Total Fat: ≤ 3g Sat Fat: ≤ 2g Trans Fat: 0g Labeled	≤ 240 mg	≤ 25% of kcal added	≥ 10% DV of vitamin A, C, E, calcium, potassium, fiber or magnesium OR ½ serving of fruit, vegetables, whole grains or fat-free/low-fat milk products
Mars					
Does not engage in food and beverage product advertising primarily directed to children under 12.					
McDonald's USA					
McDonald's has adopted CFBAI's Category-Specific Uniform Nutrition Criteria for Category 10 (Meals). See Appendix B.					

⁴ Hillshire Brands uses the definition for "extra lean," as defined by the U.S. Department of Agriculture (USDA) for the basis of its standard. For individual foods, as defined by the USDA, the fat criterion applies per RACC and per 100 grams. The fat criteria for meal type and main dish products, as defined by the USDA, are applied per labeled serving and per 100 grams.

Appendix C. Synopsis of CFBAI Participants' Nutritional Standards (November 2012) *continued*

Participant	Calories (per serving/ meal)	Fat ¹	Sodium	Sugars	Positive Nutrients/ Food Group to Encourage*
Nestlé USA					
100% Juice	≤ 170 (Calories vary by variety due to natural variations in sugar content)	Total Fat: 0g Sat Fat: 0g Trans Fat: 0g	≤ 70 mg	No added	≥ 10% DV of at least 1 nutrient
Choc. Ready to Drink & Powdered Flavored Milk ⁵	≤ 170	Total Fat: ≤ 3g Sat Fat: ≤ 2g Trans Fat: 0g Labeled	≤ 140 mg	≤ 12.5g added	≥ 10% DV of at least 1 nutrient
Calcium Fortified Low-Fat Milk	≤ 100	Total Fat: ≤ 2.5g Sat Fat: ≤ 1.5g Trans Fat: 0g Labeled	≤ 125 mg	No added	≥ 10% DV of at least 1 nutrient
PepsiCo, Inc.					
PepsiCo has adopted new global nutrition criteria for advertising to children. See Attachment A.					
Post Foods, LLC					
Cereals	≤ 200	Total Fat: ≤ 3g Sat Fat: ≤ 1g Trans Fat: 0g	≤ 230 mg	≤ 11g (excluding f/v/dairy)**	≥ 10% DV fiber OR ≥ 8g whole grains OR A good source of ≥ 6 essential vitamins or minerals
Cereal Bars	≤ 150	Total Fat: ≤ 4g Sat Fat: ≤ 2g Trans Fat: 0g	≤ 150 mg	≤ 12g (excluding f/v/dairy)**	≥ 10% DV fiber OR ≥ 8g whole grains OR A good source of ≥ 6 essential vitamins or minerals
Unilever					
Popsicles	≤ 110	Total Fat: Not Specified Sat Fat: ≤ 2.5g per serving Trans Fat: < 2% of kcal excluding CLA ¹	≤ 1.6 mg/kcal or ≤ 100 mg/serving	≤ 25% total by weight and ≤ 20% added by weight	Not Specified
Peanut Butter	Not Specified	Total Fat: Not Specified Sat Fat: ≤ 10% kcal or ≤ 33% of total fat Trans Fat: < 2% of kcal excluding CLA ¹	≤ 1.6 mg/kcal or ≤ 100 mg/serving	≤ 25% of kcal total or ≤ 7g/100g of added	Not Specified

* Some participant standards require that a product provide at least a "good" (10-19% DV) source of one or more nutrients, or a "shortfall nutrient for children," or a functional benefit and/or contain at least a half serving of a food group to encourage (fruits, vegetables, whole grains and fat-free or low-fat dairy). "Shortfall nutrients for children" mean calcium, potassium, fiber, magnesium and vitamin E — nutrients identified by the 2005 Dietary Guidelines for Americans as being a shortfall in children's diets. For fruits and vegetables, a half serving equals ¼ cup. For dairy, a half serving is 4 ounces and for whole grain a half serving is 8 grams.

** Excluding f/v/dairy means excludes sugars naturally occurring in fruits, vegetables and dairy.

*** Criteria only for advertised product categories.

⁵ Powdered flavored milk is evaluated against the criteria "as consumed," once reconstituted in fat-free or low-fat milk. For the powdered flavored milk category, on label dual nutrition facts information is provided for "as purchased" and "as prepared." Reconstitution instructions call for low-fat milk. The total sugars value for the "as purchased" would be equal to added sugars in this case. Under FDA rounding rules, the nutrition facts panel may declare up to 13 grams of total sugars and still meet the criteria outlined above.

SNACKS AND FOODS:

Total Fat	≤ 35% of Calories ^{1,2}
Saturated Fat	≤ 10% of Calories ³
Trans Fat	< 0.5g per Reference Quantity ⁴
Cholesterol	≤ 30mg per Reference Quantity
Sodium	≤ 150mg per Reference Quantity
Added Sugar	≤ 10% of Calories ⁵
Food Group to Encourage	At least ½ serving of one Food Group to Encourage ⁶ per Reference Quantity
Nutrient to Encourage	OR Minimum content of one locally relevant Nutrient to Encourage ⁷ per Reference Quantity

CALORIE LIMIT FOR SNACKS ONLY:⁸ All snacks to be advertised to children must also have no more than 150 Calories per package.

Footnotes:

1. **Savoury Snacks** may contain up to 43% of Calories from total fat IF they also contain ONE FULL SERVING of a Food Group to Encourage.
2. **Seeds, Nuts and Nut Butters** (e.g. whole tree nuts, peanuts, seeds, tahini, peanut paste) and **Nut-Containing Products** (which contain at least 50% nuts and ≤1g added fat) are not required to meet the Total Fat limit.
3. **Seeds, Nuts and Nut Butters** may contain up to 15% of Calories from Saturated Fat.
4. **Reference Quantities** have been established for a wide range of snacks and foods e.g. 30g crisps, 30g nuts, 40g grain-based bars, 30g ready-to-eat breakfast cereal, 50g bread, 245ml soup.
5. **Sweet Snacks, Breakfast Cereals, Sauces and Dips** may contain up to 25% of Calories from added sugar IF they also contain ONE FULL SERVING of a Food Group to Encourage
6. **Food Group to Encourage** = Fruit, Vegetables, Whole Grains, Low Fat Milk Products, Nuts/Legumes. Serving sizes have been determined for each Food Group.
7. **Nutrient to Encourage** = Protein, Fiber, Calcium, Potassium, Magnesium, Iron, Zinc, Folate, Vitamin A, Vitamin D, Vitamin C, Vitamin E (specific nutrients that may be used to meet this criterion are defined locally based on dietary gaps). Minimum contents per Reference Quantity have been determined for each Nutrient to Encourage.
8. The **Calorie limit** applies to Snacks, but does not apply to foods (e.g. bread, pasta, pancakes, rice, breakfast cereals, oats pasta, sauces, soup, and dips). Examples of 'Snacks' subject to the calorie limit are potato chips, crisps, corn chips, popcorn, biscuits, crackers, bread snacks, muesli bars, grain-based bars, cookies, cakes, muffins, trail mix, nuts, seeds, nut clusters, nut/seed bars.

BEVERAGES*: No Advertising to children of non-alcoholic beverages other than water (mineral, source and purified), fruit juice, and dairy-based beverage, as defined by local regulations.

*Beverage restriction is based on the International Council of Beverages Associations (ICBA) Guidelines on Marketing to Children, which PepsiCo has adopted.



Appendix D. CFBAI Whole Grains Fact Sheet (May 2012)

OVERVIEW

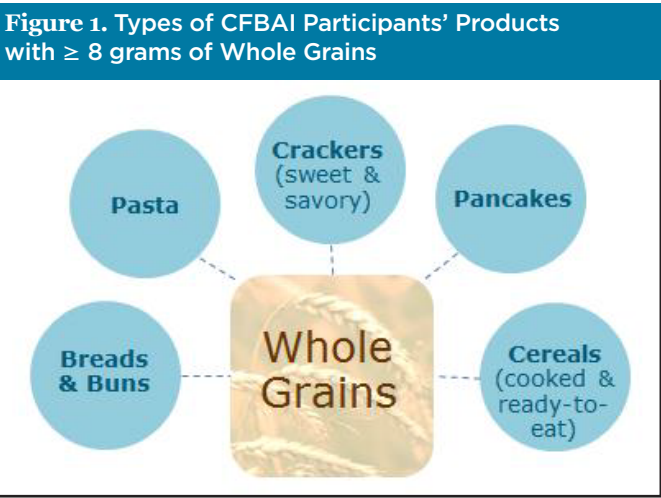
This fact sheet provides a snapshot of the whole grains content of products in Children’s Food & Beverage Advertising Initiative (CFBAI) participants’ child-directed advertising.¹ The 16 CFBAI participants — leading food and beverage companies and quick serve restaurants — represent a substantial majority of child-directed food advertising on TV. Under CFBAI, they have significantly improved the foods in child-directed advertising by using nutrition standards to determine what products may be advertised. Some participants, alternatively, have committed to not engage in child-directed advertising.

A recent positive improvement, across many participants, is an increase in whole grains usage. More products than ever now contain whole grains or a larger amount of whole grains.

The Dietary Guidelines for Americans 2010 (DGA 2010) encourage adults and children to consume at least half their grains as whole grains.² This fact sheet reports on products that provide at least 8 grams (a half serving) of whole grains per serving. This amount represents a significant contribution to the diet, according to the DGA 2010.³

CFBAI WHOLE GRAINS FACTS

Whole grains are used in a wide variety of products. As seen in Figure 1, whole grains are used in products such as breads, buns, cereals, crackers and pastas.



Whole grains are used in products that are available throughout grocery stores. Products in participants’ child-directed advertising can be found on grocery shelves, refrigerator cases, and in frozen food freezers. They are also available in quick serve restaurants.

Whole grains are used in products for all eating occasions. Now whole grains are commonly used in products consumed throughout the day: they’re not just for breakfast! They include individual items such as ready-to-eat cereals and snacks, meals, and what we call “small meals.” Small meals are products that contain multiple items, but less food (by weight) than is specified in FDA/USDA’s regulatory definitions of “meals.” See Table 1.

Whole grains use is substantial in individual products. Half of the products in participants’ child-directed advertising contain at least a half serving of whole grains. Such foods include breads, crackers, ready-to-eat

Table 1. Products with ≥ 8 grams of Whole Grains Available for All Eating Occasions		
Breakfast	Lunch & Dinner	Snacks
✓ Breads	✓ Breads	✓ Crackers (sweet & savory)
✓ Cooked cereals	✓ Frozen small meals	
✓ Frozen meals	✓ Pastas	
✓ Ready-to-eat cereals	✓ Refrigerated small meals	

Table 2. Percent of Grain-Based Individual Foods with \geq 8 grams of Whole Grains

Grain-Based Individual Foods	Percentage with \geq 8 grams Whole Grains
Total	50.8%
Breads	66.7%
Ready to eat and cooked cereals	66.7%
Crackers	38.2%

Figure 2. Examples of CFBAI Participants' Products with \geq 8 grams of Whole Grains⁴



cereals, and cooked cereals. See Figure 2. In some sub-categories, a substantial majority of the products contain at least a half serving of whole grains per serving. See Table 2.

Whole grains use is significant in small meals and meals. These products contain whole grains in breads, buns, oatmeal, pancakes, pastas, and pizza crusts. Over half (55%) of all small meals provide at least 8 grams and 20% include at least 16 grams of whole grains. See Figure 2.

Looking Ahead

We are pleased that the CFBAI's participants are reformulating or developing foods that contain a significant amount of whole grains (or choosing such foods from those already in their portfolios) and advertising them to children. We expect this positive trend to continue, particularly when CFBAI's new uniform nutrition criteria go into effect on December 31, 2013. We hope that their advertising of such products will help children develop a life long love of nutritious whole grain products.

¹ The complete list of products CFBAI participants may advertise to children can be viewed at www.bbb.org/kids_food. This report is based on the April 2012 product list.

² *Dietary Guidelines for Americans, 2010*, at 34. Available at <http://www.cnpp.usda.gov/DGAs2010-PolicyDocument.htm>.

³ *Id.* at 37.

⁴ The whole grain content of these products varies, in part, because of different serving sizes.



Appendix E. Benchmarks Used in Participants' Definitions of Advertising Primarily Directed to Children Under 12 and Policies of Not Directing Advertising to Children Under 6

The table below summarizes the children viewer/visitor benchmarks from the participants' pledge definitions of child-directed advertising and their policies of not directing advertising to children under 6. Some participants also use additional factors in defining child-directed measured media. In the online world,

benchmarks alone may not necessarily encompass all child-directed sites and actual visitor demographics may not be available. The CFBAI and its participants use a multi-faceted approach to determine whether an online destination is child-directed. Appendix G explains how the CFBAI defines and monitors child-directed online content.

Company	Children Under 6 Commitments	Children Under 12 Commitments
Burger King Corp. (Change effective Jan. 1, 2011) ¹	≥ 30% or more of audience: No advertising	≥ 30% or more of audience: Approved products only
Campbell Soup Company (Changes effective Jan. 1, 2010) ²	≥ 35% of audience: No advertising	≥ 35% of audience: Approved products only
The Coca-Cola Company (Change effective Oct. 1, 2010) ³	≥ 35% of audience: No advertising	
ConAgra Foods, Inc. (Change effective June 1, 2010) ⁴	≥ 35% of audience: No advertising	≥ 35% of audience: Approved products only
The Dannon Company (Changes effective Jan. 1, 2011) ⁵	≥ 50% of audience: No advertising	≥ 35% of audience: Approved products only
General Mills Inc. (Change effective July 2010) ⁶	≥ 35% of audience: No advertising	≥ 35% of audience: Approved products only
Hershey Company	≥ 30% of audience: No advertising	
Hillshire Brands (Change effective June 2012) ⁷	≥ 35% of audience: No advertising	≥ 35% of audience: Approved products only
Kellogg Company (Changes effective June 2010) ⁸	≥ 35% of audience: No advertising	≥ 35% of audience: Approved products only
Kraft	≥ 35% of audience: No advertising	≥ 35% of audience: Approved products only
Mars, Inc.	≥ 25% of audience: No advertising	
McDonald's USA		≥ 30% of audience: Approved products only
Nestlé USA	≥ 35% of audience: No advertising	≥ 35% of audience: Approved products only
PepsiCo, Inc. (Changes effective Aug. 2010; & Jan. 2011) ⁹	Multi-factorial standard (includes whether ≥ 35% of audience is under 6): No advertising	Multi-factorial standard (includes whether ≥ 35% of audience is under 12): Approved products only
Post Foods, LLC	≥ 35% of audience: No advertising	≥ 35% of audience: Approved products only
Unilever (Change effective May 2010) ¹⁰	Multi-factorial standard: No advertising	Multi-factorial standard (includes whether ≥ 35% of audience is under 12): Approved products only

Footnotes continued on next page

Appendix E. Benchmarks *continued*

¹ Burger King Corporation added a policy to not direct advertising to children under six.

² Campbell's previously used a composition index. Campbell's pledge also codified its existing policy of not directing advertising to children under six and established a 35% audience standard for this group.

³ The Coca-Cola Co. revised its audience definition standard to 35% from 50%.

⁴ ConAgra Foods added a policy to not direct advertising to children under six.

⁵ Dannon added a policy to not direct advertising to children under six. For advertising directed to children under 12, Dannon reduced its audience definition standard to 35% from 50%.

⁶ General Mills reduced to 35% from 50% its standard for its no advertising directed to children under six policy.

⁷ Hillshire Brands added a policy to not direct advertising to children under six.

⁸ Kellogg reduced its audience definition standard to 35% from 50% for both of its policies.

⁹ In 2010, PepsiCo added a policy to not direct advertising to children under six, and in 2011 added the 35% audience percentage to its multi-factorial standards.

¹⁰ Unilever added a 35% audience percentage to its multi-factorial standard.



Appendix F. List of Child-Directed Company-Owned Websites (2011)

In 2011, most CFBAI participants maintained company-owned child-directed websites. The CFBAI requires that advertising on these sites be limited to foods that meet nutrition standards. Many sites featured interactive games and activities and several included activity breaks that

pause the online activity after a predetermined amount of time (e.g., 15 minutes of screen time) to encourage children to engage in active play.¹ Appendix G explains in detail how CFBAI defines child-directed websites and monitors compliance on these sites.

Company	Website(s)
Burger King Corp.	www.bkercrown.com www.clubbk.com
Cadbury Adams USA LLC	None
Campbell Soup Company	www.myslurp.com (discontinued in 2012) www.goldfishfun.com
The Coca-Cola Company	None
ConAgra Foods, Inc.	www.kidcuisine.com www.peterpanpb.com
The Dannon Company	www.danimals.com (mixed content for parents and children) www.danonino.us.com (mixed content for parents and children; child-directed content discontinued in 2011) www.rallyforrecess.com (mixed content for parents and children)
General Mills Inc.	www.3foottheater.com (site discontinued in 2012) www.replacementhelpcenter.com (site discontinued in 2012) www.gushers.com (now redirects to www.fruitsnackia.com) www.gushersmystery.com (now redirects to www.fruitsnackia.com) www.bewarethegush.com (site discontinued in 2012) www.gusherforaneye.com (site discontinued in 2012) www.biggcerealheroes.com www.cookiecrisp.com www.crazysquares.com www.cuckooshow.com (site discontinued in 2012) www.gimme5giveaway.com www.gogurt.com www.honeydefender.com (www.nutsabouthoney.com redirects to this site) www.luckycharms.com www.luckycharmsfun.com (same content as www.luckycharms.com) www.reesespuffs.com www.trixworld.com (www.sillyrabbit.com redirects to this site) www.winonegiveone.com
Hershey Company	None
Kellogg Company	www.applejacks.com www.cornpops.com www.frootloops.com www.frostedflakes.com www.gripz.com (site discontinued August 2012) www.poptarts.com (the child-targeted section of the site was taken down on January 6, 2011)

Appendix F. List of Child-Directed Company-Owned Websites (2011) *continued*

Company	Website(s)
Kraft Foods Global, Inc.	www.lunchables.com www.respectthepouch.com www.thecheesiest.com (discontinued in 2011)
Mars, Inc.	None
McDonald's USA	www.happymeal.com (includes www.mcworld.com) www.ronald.com (redirects to www.happymeal.com)
Nestlé USA	www.juicyjuice.com (temporary child-targeted section discontinued in April 2012) http://www.nesquik.com/kids/index.aspx
PepsiCo, Inc.	www.chewysuperstar.com www.tropicanatropolis.com (discontinued in 2011)
Post Foods, LLC	www.gobigfortheplanet.com www.pebblesplay.com
Sara Lee Corp. (now Hillshire Brands Co.)	None
Unilever	www.popsicle.com (no longer directed to children under 12 as of 2012) www.peanutbutter.com/kidscorner.aspx ("Kid's Corner" section discontinued in 2012)

¹ Activity breaks are included on child-directed sites of General Mills Inc., The Kellogg Company, and Nestlé USA.

Appendix G. Defining and Monitoring Child-Directed Online Advertising and Advergames

I. Overview

The Children's Food & Beverage Advertising Initiative (CFBAI) requires that participants limit their advertising primarily directed to children under 12 ("child-directed advertising") to products that meet meaningful nutrition standards or not engage in such advertising. The CFBAI has reported comprehensively on its methodology for assessing its participants' compliance with their commitments and its findings in annual reports since the CFBAI was launched. The reports include a list of the participants' child-directed sites and sometimes include a summary of the sites' interactive features, such as games, and what foods have been featured. These reports are available at www.bbb.org/kids_food.

Because of ongoing interest in the online medium, this appendix explains in detail CFBAI's requirements for online advertising and how compliance is monitored and assessed. While children's online usage is not nearly as extensive as their TV viewing, which is the medium children use most, the CFBAI and its participants take compliance in the online world as seriously as TV compliance.

Defining what is child-directed and assessing compliance in the dynamic online marketplace is more challenging than on TV. A bright-line standard of at least 35% viewers age 2-11 works well to identify programming primarily directed to children on TV, a mature medium. In the online world, determining whether a site is child-directed may involve more than just looking at the percentage of child visitors. A 35% benchmark alone may not necessarily encompass all child-directed sites and actual visitor demographics are not always available. At the same time, an approach based solely on what foods are on a site or whether the site includes games is too simplistic. A site is not necessarily child-directed simply because it features candy, cookies or colas, or includes games. Thus, the CFBAI uses a multi-faceted approach, involving an assessment of visitors, content, and where/how the site (or a food on the site) is advertised, to determine whether an online destination is child-directed. Based on such analyses, the CFBAI and its participants may consider a

site child-directed even if the percent of child visitors to the site is less than 35% or unknown.

Our extensive, ongoing compliance reviews of this medium have found that it is an ever changing milieu: websites are discontinued, new ones are added, and content, including the number and type of games, is constantly evolving. What has remained constant is the participants' high level of compliance. While mistakes do happen, they are infrequent and corrected promptly.

II. The products CFBAI participants advertise online to children must meet meaningful, science-based nutrition criteria

About the CFBAI's Requirements Generally.

The CFBAI requires participants to limit child-directed advertising to healthier products, as determined by meaningful nutrition criteria that are familiar to nutrition professionals. Some commit not to engage in any child-directed advertising. The CFBAI's focus is on advertising that is primarily directed to children under 12 — not all ads children may see on TV programs or sites that are designed to appeal primarily to teens, adults or a broad range of viewers.

The CFBAI's requirements have led to steady improvements in foods advertised to children since the CFBAI began. The foods advertised include yogurt, cereal, soup, canned pasta, crackers, and meals with milk or juice, fruits and whole grains. All the foods advertised meet reasonable limits on calories, fats, sodium and sugar.

About the CFBAI's online and digital media

requirements. The CFBAI's requirements apply to child-directed company-owned sites, third-party sites, and interactive games the participants may provide for free or at nominal charge on their own sites or elsewhere.¹ In determining whether online venues are child-directed, the participants generally use 35% of age 2-11 visitors as a threshold. In this vibrant, evolving medium such a threshold by itself, however, may not necessarily fully encompass sites that are primarily child-directed. Additionally, some sites do not receive enough traffic to be tracked by third-party services and, if the sites do not

require visitors to register and give their ages, the site owners will not know how many visitors are children. Accordingly, the CFBAI and the participants do not rely solely on that one measure and instead rely on an analysis of multiple factors, including the target audience based on the media plan, actions taken to restrict child access, such as age screening, and the overall impression of the site's content.²

III. CFBAI participants have an excellent compliance record

Assessing compliance with CFBAI's requirements for online advertising. The CFBAI has been monitoring and reporting on compliance since inception and has found excellent compliance with its participants' pledges.³ In addition to conducting extensive independent monitoring, the CFBAI researches reports from third parties about alleged noncompliance. The CFBAI also requires that participants review their compliance and report their findings to CFBAI annually.

The participants' reports include what child-directed websites they maintained, whether they included games, and what third-party sites they used for banner ads or advergames. This list may, for the reasons noted above, include sites that are deemed child-directed even though less than 35% of the visitors or unknown percentages are children.⁴ The reports also must describe the steps taken to correct any noncompliance (in all covered media) and avoid future problems.

What the CFBAI Monitors. The CFBAI independently assesses the participants' compliance by regularly reviewing content on the child-directed sites they list in their reports to determine whether only foods meeting the participant's nutrition criteria are displayed (the use of branded foods is not required; non-branded or generic foods, such as fruits, may be displayed). Our evaluation includes playing any game through at least one level to determine whether the foods in the game (if any) meet the participant's nutrition standards.

We also analyze other sites the participants maintain to ascertain independently whether they contain child-directed content, and if so we assess compliance. We recently reviewed more than 150 such sites. Our reviews encompass all participants, including those that have committed not to engage in child-directed advertising. Similarly, we monitor dozens of third-party sites that the media reports are directed to kids.

How the CFBAI Monitors. To determine whether a company-owned or third-party website is child-directed, we look beyond what the participants have reported and assess the net impression of the site. This involves evaluating the overall effect of the content, language, graphics, pictures, games, and age limitations on activities. We also consider whether there are child-directed ads in other CFBAI-covered media (such as ads on children's TV) for the participant's foods that would drive children to the site. On occasion, to determine whether the site is child-directed, we ask participants to submit additional data, including the percentage of visitors who are children (if available) and information on where the foods on the site are otherwise advertised.

We do not consider the use of animation, cartoon characters, licensed characters, or fantasy as features that inherently make a site child-directed because these same features are routinely used in websites that are directed to teens and adults. Similarly, the inclusion of games, even simple ones, does not in our view necessarily make a site child-directed. For example, at least one adult-directed candy site that includes games expressly refers to the games as providing fun for adults and a site for a different product that also includes games specifically states they are for adults who'd like to recapture some of the fun of their youth.

We recognize that sites that are not child-directed may attract some younger visitors, but such visits do not mean they are the target audience. We also do not consider participants that maintain sites that are clearly adult directed (e.g., a focus on recipes, nutrition and adult experiences) but include pages with games or other activities for adults and children to play together to be engaging in advertising primarily directed to children that is the subject of their CFBAI commitments.

In short, we independently confirm whether each company has reported all of its child-directed sites and we assess whether the content on child-directed company-owned and third-party sites complies with each company's commitment.

Compliance review results. Our extensive monitoring and analysis of supplemental data over the years has found overall compliance to be excellent. We have not found any participants maintaining child-directed sites when they pledged not to, or any child-directed sites that were not

reported to CFBAI. We also have not seen or received any credible information to the contrary. Our reviews as well as the participants' internal reviews have found some relatively minor problems, which are then corrected. These problems generally fall into four categories.

- **Initial implementation issues on company-owned sites.** The challenges of bringing large, multi-paged sites for a brand into compliance have made this the most common source of problems (the actual number, however, has been modest). The problems have included not removing all displays of or references to foods that did not meet the participant's criteria (e.g., links to TV ads for those foods that had aired prior to the participant's pledge implementation date).
- **Brand advertising issues.** Other problems have involved a company-owned site or banner ad on a third-party site referring to or displaying an entire brand or the brand's logo, when not all the foods within the brand met the participant's nutrition criteria. In such instances, brand advertising is not permitted and only conforming products may be displayed.
- **Other issues.** In a very few instances, a company-owned site or banner ad on a third-party site has displayed a food that did not meet the participant's nutrition criteria.
- **Game issues.** There have been a handful of instances of online games that included mentions or images of foods that did not meet the participant's nutrition criteria.

In response to these self-reported or CFBAI-identified issues, the participants consistently took prompt and appropriate measures to correct and prevent the issues from reoccurring. In some instances the problems were the fault of ad agencies or vendors, which led to the participant re-emphasizing to the third party its policies and/or developing a tighter process for placing products in online campaigns. All of these issues have been reported in the CFBAI's annual reports.

IV. Children spend significantly more time watching TV than they do playing games on food & beverage sites

About children's online usage and advergame playing. We recognize that some believe advergames inherently equal child-directed advertising, but the demographics of online gaming tell a very different story. For example, data on the demographic profile of online gamers indicate that children age 2-11 are only 9% of the unique visitors to online gaming sites. Older age brackets account for a much larger proportion of visitors (e.g., 18-34 year olds account for 33.6% of visitors).⁵ Simply put, just because a website has a game doesn't mean the site is designed to appeal primarily to children or in fact does appeal to them.

Online branded food and beverage games are not among the top website destinations for children. Recent research indicates that kids under 12 comprise only 15.7% of visitors to food and beverage company sites with advergames.⁶ The number of kids under 12 who visit such sites (all, not just CFBAI participant sites) is relatively small, representing only 3% of U.S. children under age 12⁷ and only 6% of visitors to the Internet who are under age 12.⁸

Television still dominates kids' media use. While children's media use patterns are changing with the emergence of new media, TV – for better or worse – is still king. The top shows for children draw nearly 2 million kids ages 2-11 on average *per episode*. Several shows have as many (or more) viewers age 2-11 *per episode* than the number of *monthly* visitors age 2-11 to *all* food and beverage company sites with interactive content.⁹

These findings are not surprising in light of other studies indicating that children are much more likely to watch TV than use a computer. One study estimated that 72% of 5-8 year olds watched TV daily while only 22% used a computer daily. In fact, the percent of daily time spent watching TV was almost six times greater than computer time for children age 0-8.¹⁰ Playing online games ranked even lower on kids' agendas: while children age 8-10 spent nearly four hours watching TV on an average day, they spent less than 20 minutes playing games on the computer.¹¹

We recognize, however, that children's increasing use of mobile media may change the dynamics of their overall media use. Accordingly, while the CFBAI's participants

have little used this media for communications primarily directed to children under 12, the CFBAI subjects it to the same intense scrutiny as online advertising receives.

V. Conclusion

While children spend the majority of their media time with TV, not on the Internet or playing advergames on computers, the CFBAI's requirements apply equally to child-directed Internet advertising, including games, on both child-directed company-owned and third-party sites. Further, even though food and beverage sites are not where the online action is at for kids, the CFBAI and its participants take compliance in this medium as seriously as we do for TV. The CFBAI rigorously monitors the online environment and has found that compliance in this, as in other media, is excellent.

¹ Child-directed ads on new and emerging media such as smart phones and tablets also are covered. To date such venues have been little used, so this appendix focuses on online advertising.

² Most participants use a benchmark of 35% (or 25 or 30%) of visitors age 2-11 to identify child-directed sites. Several say that sites intended for children are child-directed without regard to the number of visitors. In practice, for company-owned sites and often for third-party sites, all use intent (media plans) and design features to make this determination.

³ Other independent reviews also have indicated that the participants are complying with their commitments. See, e.g., 2009 Compliance Report that Accenture prepared for the International Food & Beverage Alliance (IFBA). It monitored IFBA's members' compliance with their advertising commitments on TV, print and the Internet. IFBA's members were also CFBAI participants.

⁴ Our reviews show that the number of participant-owned child-directed sites varies: there were 45 in 2009 and 30 in 2010. In 2011, there were approximately 40 such sites.

⁵ eMarketer, "Online Gaming Audience: Lines Blur as the Market Grows," Aug. 2011.

⁶ Jennifer L. Harris, et al., "US Food Company Branded Advergames on the Internet: Children's exposure and effects on snack consumption," *J. of Children and Media*, Vol. 6, No. 1 (2012), at at p. 6, Table 1 ("Rudd Center report").

⁷ U.S. Census Bureau, POPULATION UNDER 18 YEARS BY AGE, 2010 American Community Survey 1-Year Estimates.

⁸ Based on 18.6 million monthly Internet visitors age 2-11 and 1.2 million monthly visitors age 2-11 to food and beverage sites with advergames (Rudd Center report, p. 6).

⁹ Based on Nielsen data for the third quarter of 2010.

¹⁰ Common Sense Media, *Zero to Eight: Children's Media Use in America Children's Media Use in America* (2011).

¹¹ Kaiser Family Foundation, *Generation M2: Media in the Lives of 8-18-Year-Olds* (2010) (uses 2009 data). Thus, our focus in media that is primarily directed to children is on ensuring that the participants' foods are for healthier foods meeting meaningful nutrition standards.



About the Children's Food and Beverage Advertising Initiative

The BBB launched the Children's Food and Beverage Advertising Initiative in November 2006 to shift the mix of advertising messaging directed at children to encourage healthier dietary choices and healthier lifestyles. The 16 participants of the CFBAI are Burger King Corp.; Campbell Soup Company; The Coca-Cola Company; ConAgra Foods, Inc.; The Dannon Company; General Mills Inc.; The Hershey Company; Hillshire Brands (formerly Sara Lee Corp.); Kellogg Company; Kraft Foods Group, Inc.; Mars, Incorporated; McDonald's USA, LLC; Nestlé USA; PepsiCo, Inc.; Post Foods, LLC and Unilever United States. For more information about the CFBAI, visit www.bbb.org/kids_food.

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