

CHILDREN'S FOOD AND BEVERAGE ADVERTISING INITIATIVE PROGRAM AND CORE PRINCIPLES STATEMENT

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-

¹ Post Foods joined the CFBAI on October 1, 2009, after the review was substantially completed and thus did not participate in the review.

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.

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. 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.

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.

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

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.

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

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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.