

Dialogue with the Food and Non-Alcoholic Beverages Industries: Drafting of Recommendations on Marketing of Foods and Non-Alcoholic Beverages to Children

24 November 2008, Geneva, Switzerland

The objectives of the meeting were:

1. to identify policy initiatives in the area of marketing of food and non-alcoholic beverages to children in which the food and non-alcoholic beverages industries have participated;
2. to identify monitoring and evaluation processes and tools in the area of marketing of foods and non-alcoholic beverages to children.

This summary report is based on contributions from the following groups:

- The food and beverage industry group was made up of the following parties:
 - General Mills, Inc.
 - Kellogg Company
 - Kraft Foods
 - Mars, Incorporated
 - Nestlé SA
 - PepsiCo, Inc.
 - The Coca-Cola Company
 - Unilever N.V
- One company from the food service sector participated:
 - McDonald's Corporation.
- The Advertising industry sector was represented by:
 - World Federation of Advertisers

Comments from the food and beverage industry group (FBIG)

- The FBIG was pleased to have the opportunity to participate in this dialogue and thanked the WHO Director-General and Assistant Director-General for Noncommunicable Diseases and Mental Health for the invitation.
- The FBIG said that dramatic changes have taken place in how industry is marketing to children since the adoption of the Global Strategy on Diet, Physical Activity and Health (DPAS) in 2004.
- The FBIG indicated that since DPAS was adopted in 2004, consumer demand for healthier food and beverage products has resulted in significant marketplace shifts, and food and beverage companies have been involved in developing innovative new products and significant reformulation of existing products. This has become a matter of business necessity, where commercial goals and public health goals coincide.
- The FBIG referred to a letter sent to the WHO Director-General, in which they expressed their belief that the private sector can contribute further to addressing the challenges outlined in DPAS in several areas.
- All the FBIG companies present at the meeting have made individual, and now globally applied, voluntary commitments to practice responsible marketing. The

- companies in the FBIG have committed to either (a) market only products that meet a company's nutritional criteria; or (b) not to market any products to children.
- Companies with individual commitments are now banding together to formalize those commitments into programs (that is, Pledges), with monitoring and reporting on compliance.
 - According to FBIG, the following developments reflect the shift in industry approaches as a response to recommended actions outlined in DPAS:
 - 2006: UNESDA Pledge; Australia Beverage Industry Pledge; U.S. Children's Food and Beverage Advertising Initiative.
 - 2007: Canadian Food and Beverage Pledge; EU Food and Beverage Pledge.
 - 2008: Beverage Industry Global Marketing Pledge; Thai Pledge; Australia Food and Beverage Pledge; Australia Monitoring of Marketing Commitments; EU Platform DG Sanco - Implementation of Children's Marketing Commitments.
 - Expected in 2009: Monitoring of pledges in EU, Thailand, Australia begins; first EU results to be presented.
 - The FBIG highlighted that changing marketing practices around the world is a daunting task, and that efforts thus far are only the beginning of a long-term process.
 - The FBIG said that they define children as under 12 years old based on overwhelming evidence that by 12 years children understand the commercial intent of advertising. Moreover, insufficient evidence exists to show that advertising affects the food preferences, requests, purchasing and consumption behaviour of children and young people aged 12 and over. Furthermore, the FBIG pointed out that a number of jurisdictions that have chosen stricter regulation have identified 12 years as their age limit. Some companies, however, have committed in their individual pledges to not advertise at all to children under the age of 6.
 - The FBIG companies explained that they use strict definitions in their pledges, and that their pledges, at a minimum, apply to television, print and internet when the audiences are made up of more than 50% children. These media were chosen because they constitute 85+% of the child-directed advertising spend, depending on the country.
 - The FBIG stated that the pledges are independently monitored and transparently reported.
 - The FBIG gave the example of the U.S. Children's Food and Beverage Advertising Initiative as a demonstration of the importance of establishing a pledge program, even though not all companies join from the start. Initially 10 companies established the pledge program and shortly later 5 additional companies joined. According to the FBIG, the pledge programs around the world today cover a large share of the total child-directed advertising: 80% in the USA; 90% in Canada; 50% in the EU; 50% in Thailand; and 80% in Australia.
 - Furthermore, the FBIG stated that they intend that their commitments will be extended throughout the world, and the companies are working with WFA and the International Council of the European Advertising Standards Alliance to set up Self-Regulatory Organizations (SROs) and pledge programs in places where they

do not yet exist, specifically in big developing countries like China, Russia, India, Brazil and South Africa.

- The FBIG mentioned that in some developing countries they have found that governments have not placed marketing restrictions among their health priorities.
- On the evidence of impact of the pledges, reference was made by the FBIG to the satisfaction of the Spanish government with the self-regulatory approach and the success of the self-regulatory body AUTOCONTROL.
- The FBIG stated that a global standardized “nutrient profiling” system to determine eligibility for advertising products to children was not advisable.
 - The FBIG believes the current system whereby companies develop child marketing guidelines based on nutrition standards firmly and transparently grounded in respected and widely-accepted scientific evidence and/or applicable national and international dietary guidelines best serves the interests of consumers.
 - This approach is far more effective than a single “one-size fits all” nutrition standard because consumers choose products from a wide variety of categories (meals, snacks, beverages) and standards must reflect that diversity of products. This approach results in greater choice for consumers seeking a wide array of reformulated products for all eating occasions; it further encourages participation by the broadest cross-section of companies and categories and thus has the potential for the greatest market impact.
 - A uniform approach could discourage product innovation, as well as create distortions in the types of products that can be advertised. We have seen models where products that would be considered acceptable by most (i.e. yogurt, apples) were arbitrarily denied acceptance.
 - The FBIG firmly believes that a key tenet of such company-specific standards is full transparency on the science/nutrition guidance to assure consumer confidence.
- The FBIG said their goal is to have marketing commitments that are truly effective and described four pillars employed to achieve this:
 - to mandate clear, actionable standards;
 - to embrace transparency (regularly publish reports; and make them publicly available on dedicated websites);
 - to encourage consumer and stakeholder input;
 - to include effective enforcement mechanisms (requirements to change practices; referrals to government authorities; expulsion from the pledge program).
- The FBIG stated that independent monitoring and transparent reporting are fundamental tenets. Examples of existing monitoring reports include:
 - two self-reporting exercises:
 - The Council for Better Business Bureaus (CBBB) report on advertising content in 2007;
 - The Australian Beverage Industry Pledge using Food & Nutrition Australia as external auditor;
 - two monitoring exercises carried out by independent third party audits:

- The UNESDA first year monitoring report carried out by Xtreme Media, and PricewaterhouseCoopers;
 - The EU Pledge, using Accenture.
- FBIG stated that the monitoring reports show a high compliance rate with existing commitments. This is very important for companies in order to be accountable to their shareholders and for the public record. Furthermore, companies that take part in certain joint pledge programs could be expelled if they do not comply with the commitments.
- The FBIG cited a study carried out by Georgetown Economic Services (2008) on food, beverage and restaurant advertising to 2-11 year olds in the U.S. between 2004 and 2007 showed that children's advertising mix shifted towards water, fruits and vegetables and complete meals.
- The FBIG stated that various pledges or initiatives have received favorable comments from governments and civil society.
- The FBIG acknowledged that monitoring and evaluation are challenging tasks, especially for some media. The need for clear definitions was highlighted and the FBIG expressed that monitoring is easier where there is a bulk of advertising.
- Regarding compliance with voluntary advertising restrictions, the FBIG explained that, in order to make sure that their companies only advertise products which meet scientifically accepted nutrition standards when more than 50% of the audience is children, ratings are used to assess the viewership. When ratings are not available, the FBIG suggested that a qualitative assessment is made, looking at content in order to determine the intended composition of the audience.
- The importance of food technology to the FBIG was stressed -- if industry is allowed to work within a flexible framework, innovation will allow the development of new products.
- The FBIG emphasized that the "Pledge" responsible advertising to children model developed by the industry has successfully resulted in significant changes to the product portfolio with the end result that a wider range of healthier products are now available to consumers as well as products which offer greater portion control.
- The FBIG stressed that the wider application of the Pledge model to developing and emerging countries is already inspiring similar innovation alongside a widespread recognition that cost and availability are crucial factors in ensuring consumers are able to take advantage of new products.
- The FBIG have responded to consumer demand and expanded their portfolio in the area of "Better For You" (BFY) products by offering healthier products and portion control.
- It was pointed out by the FBIG that there are many areas in which business opportunities and public health coincide, and it was highlighted that marketing changes are part of a comprehensive commitment to healthy diets and lifestyles, including:
 - marketing responsibly to children;
 - offering consumers healthier choices (reformulation and innovation);
 - providing accurate and easily accessible nutritional information (labeling);
 - promoting physical activity and healthy lifestyles;

- partnering with other stakeholders (some of which focus on school nutrition).
- The FBIG set out a proposal (see attached) for the WHO set of recommendations on the marketing of foods and non-alcoholic beverages to children. Some of the points highlighted by the FBIG are included below.
 - It is important to expand participation in voluntary commitments by small and medium size local companies.
 - It is important to get other industries/stakeholders involved, such as the retailers.
 - Members of the food and non-alcoholic beverage industry should cooperate in efforts to promote healthier lifestyles, even though not all industry sectors market their products in the same way. For example, the FBIG expressed that fruits and vegetables can be marketed as healthy options. But even when promoting fruit and vegetables, as with other healthier options, consumer views show that taste and convenience are often deciding factors for consumers.
 - In order to make changes in the marketplace quickly, the FBIG would like to have more people around the table and to get support from the public sector/governments and WHO for voluntary efforts taken place.
- The FBIG stated that parents are the most critical element in shaping children's long term health habits and described how they are working to empower parents, including:
 - Providing more accessible nutrition facts;
 - Marketing policies and practices that support parents;
 Products which address parents' needs for nutrition first and children's desires second--ensuring that products meet taste factor. The need to better understand the social trends and challenges facing parents today was also pointed out by the FBIG.
- Primary research by a company in the FBIG in 2005 showed that venue matters in parental attitudes towards food and beverage advertising:
 - parents are most concerned about advertising in media where they are not present;
 - they are less concerned when advertising appears in "family-viewing" situations;
 - they are least concerned in special occasion venues (theme parks, restaurants, movie theatres) where they are present and nutrition concerns are second to fun and celebration.

Comments from the company from the food service sector - McDonald's

- The company expressed that it was honored to be present at the meeting to speak on this vitally important topic.
- The company stated that the issue of marketing to children was part of their initiatives to promote healthy lifestyles but was also a special challenge for them as they were a very decentralized organization, with a large proportion of the restaurants owned and operated by independent franchisees.

- The main role of the centre function is to provide overall strategy and guidance.
- It was expressed by the company that partnerships with the public sector are the best way to deliver long term, meaningful solutions and that working even more closely with regulators and key stakeholders represents the strongest path to take.
- The company believes that with the combination of voluntary monitoring programs and new and innovative company initiatives, industry can answer the call and evolve its practices to achieve positive, tangible results.
- On self-regulation, the company said that the participants in the U.S. Food and Beverage Pledge, of which this company is part, have shown strong commitment to meeting the standards of the pledge and that it has made a measurable difference in the advertising children is seeing.
- It was pointed out by the company that the strength of the voluntary agreements and monitoring lies in its collaborative and positive spirit and it was mentioned that the participants have come together to help deliver a solution, not to fulfill a mandate.
- The company stated that the overall themes that should fuel the overall effort in this area are education, innovation and collaboration.
- As part of their food options the company now offers more choices options on the menu - from salads and fruits to milk and vegetables - than at any time before. Innovation is key and more recently, the company removed trans-fatty acids worldwide from the core menu.
- The company reported that 32% of all Happy Meals in the U.S. and 40% of Happy Meals in China are being ordered with a fruit, vegetable or dairy choice option.
- The company recently developed Global Guidelines for Marketing to Children (see attached) to align the entire system around how the company communicates with children. The purpose of the principles is to reinforce positive action and encourage behavior in a particular direction and give the company an opportunity to make an impact across all its markets.
- The principles are purposefully broad in scope so that countries and their franchises can activate them in the most relevant manner based on their local customs and guidelines.
- The first principle states that company communication to children should focus on balanced food choices that fit within a child's nutritional needs.
 - For example, in the US, as part of the Children's Food and Beverage Pledge, the Company has pledged to only advertise meals to children featuring no more than 600 calories and no more than 35% calories from fat, 10% calories from saturated fat, and 35% total sugar by weight. The meal McDonald's advertises in the US is either a 4-piece Chicken McNuggets or Hamburger Happy Meal with low-fat white milk and apple slices with low-fat caramel dip. Most major McDonald's countries have similar criteria for their advertised meals to children, which meet a child's nutrition needs for a meal.
- The Company stated that they are using licensed characters and properties to encourage activity and help make fruits and vegetables fun to eat. This approach

has been very successful in increasing fruit and vegetable consumption and through this they are one of the largest sellers of apples in the United States.

- The Company also stated that they have focused on promoting a more active and fulfilling lifestyle for children everywhere, through community programs to promote activity among children and sponsorship of sports activities.
- They stated that they are providing nutrition information on their product packaging as part of a worldwide program to improve labeling which was launched in 2006. The company stated that they were the only restaurant that provides nutrition labeling on packaging to its customers.
- As part of their ongoing development they are engaging experts and third parties around the world to help guide the efforts. This includes a Global Advisory Council composed of health and nutrition experts from around the world that provides on-going guidance and feedback to the company. The participation in this dialogue was also seen by the company as a contribution to fulfilling this principal.
- The company stated that the principles were rolled out in January 2008, and that they are at the beginning of this journey. McDonald's is currently working with its countries around the world to implement the principles globally.

Comments from the World Federation of Advertisers:

- The World Federation of Advertisers provided the secretariat with a comprehensive report on the issue which will be submitted as a background document for the Expert Group Meeting.

Next steps:

- Industry needs to go into markets where they have not yet gone. It was expressed that it is important for industry to be as successful in developing markets as in developed markets.
- Furthermore, it is important to meet with local groups in the same way to explore particular aspects that may be specific to location or group.
- Industry expressed that they have understood the importance of establishing the link between voluntary commitments and independent monitoring in order to establish trust also outside the industry.
- Industry will seek to measure impact of the pledges and their effects on food and beverage marketing to children. An important component of this is to work with independent third parties in monitoring. In this context it was mentioned that this meeting is 11 months early because a number of monitoring reports will be available at a later time.

Proposal for WHO Recommendations

Recommendations

Urge Member States to:

- Encourage food and beverage companies to implement the following core tenets:
 - a. Only advertise products to children under 12 years that fulfill specific nutrition criteria based on accepted scientific evidence and/or applicable national and international dietary guidelines
 - b. Advertising to children under 12 years” means advertising to media audiences of more than 50% of children under 12 years
 - c. Media is defined as measured media (print, TV, radio and internet)
 - d. Programs to include Independent compliance monitoring and reporting
- Work cooperatively with industry to expand participation to include small and medium size local companies in this effort.
- Engage the private sector in cooperative efforts to promote healthier lifestyles
- Promote collaboration and expand the dialogue to other industries / stakeholders who can play an active role

Rationale

- ✓ Minimizes burden on Member States, WHO
 - ✓ Robust monitoring, transparent reporting and stakeholder engagement
 - ✓ Efficient enforcement
 - ✓ Flexibility to rapidly adopt / adjust to Member States’ needs
 - ✓ Flexibility of pledges encourages maximum collective impact
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- ✓ Signatory companies can assist in encouraging broader industry participation
 - ✓ Maximize impact on: nutrition education; media literacy; promotion of physical activity; public-private partnerships
 - ✓ Encourages transparency and broader involvement

Children's Marketing Guidelines

Pro-active and Positive Statements of Intent

- 1. Communicate to children balanced food choices that fit within a child's nutritional needs.**
- 2. Use our licensed characters and properties to encourage activity and balanced food choices for children and make food, such as fruit and vegetables, fun to eat.**
- 3. Promote to children positive messages that support their well-being, body, mind and spirit.**
- 4. Provide nutritional information of our food to help parents and families make informed food choices.**
- 5. Engage subject matter experts and informed third parties to help guide our efforts for children and families worldwide.**