

Marketing Communications to Children Commitment





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ABOUT THIS GUIDE

Initiated by the World Federation of Advertisers and The Consumer Goods Forum, this tool aims to help the retailer and manufacturer member companies of the CGF to implement the agreed Commitment to stop marketing communications to children under 12.

The World Federation of Advertisers (WFA) is the voice of marketers worldwide, representing 90% of global marketing communications spend – roughly US\$700 billion per annum – through a unique, global network of the <u>world's biggest markets</u> and <u>biggest marketers</u>. WFA's champions responsible and effective marketing communications worldwide. More information at <u>www.wfanet.org</u>.

The Consumer Goods Forum (CGF) is a global, parity-based industry network that is driven by its members to encourage the global adoption of practices and standards that serves the consumer goods industry worldwide. It brings together the CEOs and senior management of some 400 retailers, manufacturers, service providers, and other stakeholders across 70 countries, and it reflects the diversity of the industry in geography, size, product category and format. More information at www.theconsumergoodsforum.com.

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1. WHAT

THE OBJECTIVE

To reduce the impact on children of the marketing of foods high in saturated fats, trans-fatty acids, sugars or salt and increasing their exposure to foods and beverages compatible with a balanced diet and healthy, active lifestyle.

THE COMMITMENT

As the leading global consumer and retail industry organisation, the CGF can and must take the leadership role in a sensible approach to marketing communications to children. In June 2014, the CGF Board of Directors adopted a Commitment to work together and play this key role - by 2018 to stop marketing communications primarily directed to children under 12 for food and beverage products that do not fulfil specific nutrition criteria based on scientific evidence and/or applicable national, regional or international dietary guideline.¹

THE SCOPE

The policy covers marketing communications directed to children under 12 years in TV and print, third-party internet and company-owned websites (including corporate and brand-owned websites), radio, cinema, DVD/CD-ROM, direct marketing, product placement in marketing communications, interactive games, mobile and SMS marketing.

2. WHY

The decision of members of The Consumer Goods Forum to apply a robust Marketing to Children policy on food and beverages, aligned with best practice such as the International Food and Beverage Alliance's global policy on Marketing to Children, the EU Pledge and other key regional and local programmes, responds to societal concerns in many countries around the world on the impact marketing of food and beverages can have on children's health. It recognises the call for action in the 2010 World Health Organisations Set of Recommendations on the Marketing of Foods and Non-alcoholic Beverages to Children and the 2013 WHO Global Action Plan on Non Communicable Diseases.

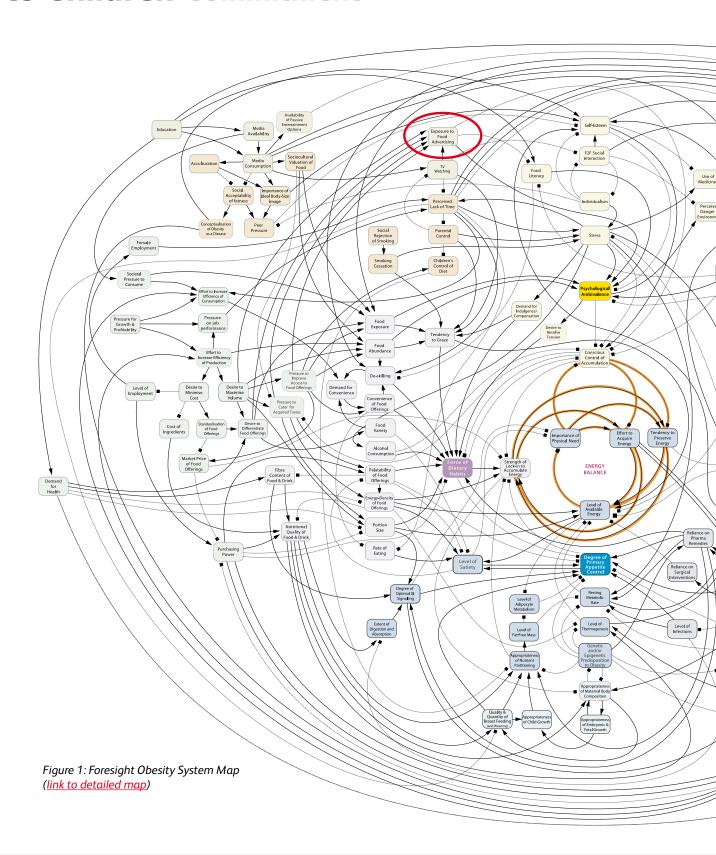
In one of the most comprehensive studies to date on the subject, the UK Government commissioned the Foresight Obesity System Map which identified more than 100 factors which may be connected to driving people to become overweight or obese. Of these factors, marketing (circled in blue) represents only one of the many drivers captured by the analysis. Action on responsible marketing is part of the wider effort of industry to make a meaningful contribution to addressing the societal challenge of childhood obesity.

¹ For the purpose of the policy, "communications primarily directed to children under 12" means placing marketing communications in child directed media where 35% or more of the audience is under 12 years of age. To control the appeal of marketing communications, as well as their placement, the commitment also requires that the use of certain techniques (such as licensed characters, movie tie-ins and celebrities that appeal to children under 12), which are primarily directed to children under 12 in the media channels covered, are only for products meeting 'better for you' criteria. Companies can also choose to simply not market any products to children, irrespective of nutrition criteria.





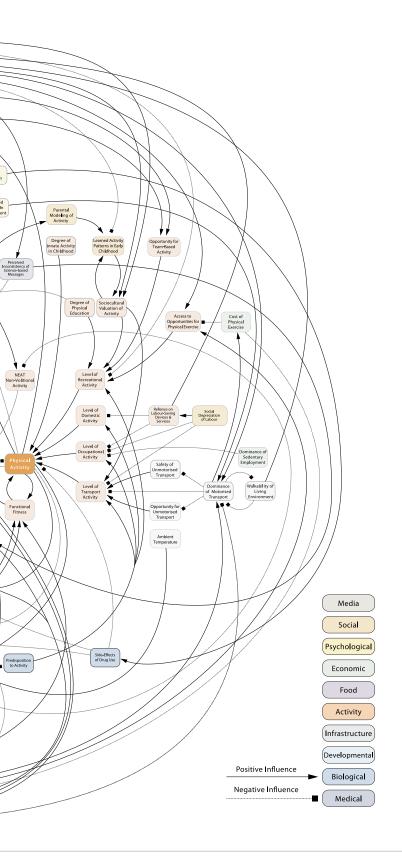
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While action on marketing will not solve obesity, producers and retailers of foods and beverages have a special ability to make a tangible contribution in this area. To control the impact of marketing on children efforts must be made to control both the placement and content of marketing. Given the fast development of marketing technologies, programmes in which the industry takes responsibility and plays an active role are much more effective in controlling both of these factors. To ensure such programmes are seen as credible and effective, industry must undertake its efforts with clarity and transparency, and in so far as possible with clear enforcement mechanisms — such as annual third party monitoring or public oversight through complaint mechanisms with impartial dispute adjudication.

It is for this reason to implement these commitments companies are encouraged to:

- Develop their own detailed policies on marketing to children and make them easily accessible to the public.
- Use evidenced based nutrition criteria (where possible common local, regional or international criteria) which can be revisited as dietary evidence and reformulation efforts progress.
- Develop third party monitoring to show (i) compliance with the policy and (ii) where possible the impact of the policy (e.g. in changes to the overall exposure of children to the marketing of different products).
- To better enable accountability encourage relevant business units to sign up to local or regional Pledges where those already exist, or ask them to push for the adoption of local or regional Pledges².
- Communicate the industry's efforts and encourage dialogue with consumers, civil society and government.

Given the continued pressure exerted on society by the obesity epidemic, it is important that the industry delivers on its commitments and can demonstrate they are an effective contribution.





² The CGF Commitment is seen as a minimum standard to be applied globally, which local and regional pledges can enhance.

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3. HOW

PREPARE

- 1. Define internal marketing to children policy
- 2. Assess products against common global / local nutrition criteria
- 3. Inform all internal stakeholders/third party partners and engage with industry peers

CGF Health & Wellness Tooklit

PARTICIPATE

- 1. Apply marketing to children policy by a set deadline
- 2. Provide annual compliance reporting individually or through industry programmes
- 3. Join local Pledges where appropriate

PROMOTE

- 1. Produce impact reporting
- 2. Promote efforts to consumers, civil society and government
- 3. Promote dialogue on enhancements to take into account marketing developments





Marketing Communications to Children Commitment

PREPARE

Define internal marketing to children policy Assess products against common global/local nutrition criteria Inform all internal stakeholders/third party partners and engage with industry peers

STEP ONE: DEFINE INTERNAL MARKETING TO CHILDREN POLICY.

The first step in implementation is to define your organisation's marketing to children policy which, while including the core elements of the common CGF/Pledge commitments, can also include broader actions aligned with your product portfolio and organisation values. It is expected that there will be variation between manufactures and retailers in terms of the associated actions which they undertake.

Examples of company policies:

- The Coca-Cola Company (<u>link</u>)
- Ferrero (<u>link</u>)
- General Mills (link)
- Grupo Bimbo (link)
- Kellogg Company (<u>link</u>)
- Lidl (<u>link</u>)

- Mondelēz International (link)
- Mars, Incorporated (link)
- Nestlé S.A. (link)
- PepsiCo, Inc. (<u>link</u>)
- Tesco (<u>link</u>)
- Unilever (link)

For assistance with developing company commitments please contact the World Federation of Advertisers or refer to the CGF Toolkit on Marketing to Children.

STEP TWO: ASSESS PRODUCTS AGAINST COMMON GLOBAL/LOCAL NUTRITION CRITERIA.

As a first step is recommended that a committee within your organisation is established involving nutrition experts to review the evidence for, and the impact of, different nutrition criteria. While companies can apply their own nutrition criteria, we recommend to (i) apply local government or industry standards when they exist or (ii) use the EU Pledge common criteria as a global reference when no local criteria exist.

There are a number of countries with local pledges, some of which have developed common nutrition criteria (and those which have not yet are expected to increasingly do so). We recommend for organisations commercially active in these markets to have their local subsidiaries align themselves with any local nutrition criteria which have been established (to facilitate understanding and recognition by consumers, civil society and government of industry's action).





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The active local pledges are listed below, and those with common nutrition criteria are marked with an (*). Please contact WFA if there is interest in participating or contributing to the development of a local self-regulatory body or a local Pledge structure.

- The Union of European Beverages Association (UNESDA) Pledge
- Australian Beverage Industry
- <u>U.S. Children's Food and Beverage Advertising</u> <u>Initiative</u> (*)
- The Canadian Children's Food and Beverage Advertising Initiative (*)
- The EU Pledge (*)
- Thailand Children's Food and Beverage Advertising Initiative
- Australian Responsible Children's Marketing Initiative
- South Africa Pledge on Marketing to Children
- <u>Brazil Public Commitment on Food and Beverage</u> <u>Advertising to Children</u>
- Russian Pledge on Limitation of Advertising to Children

- GCC Food and Beverage Pledge on Responsible Marketing and Advertising to Children (*)
- The India Pledge
- The Swiss Pledge (*)
- The Portuguese Pledge
- The Hungarian Pledge
- The Belgian Pledge (*)
- The Turkey Pledge
- Philippines Responsible Advertising to Children Initiative
- The Peruvian Advertising Commitment
- Malaysian Food and Beverage Industry's "Responsible Advertising to Children" Initiative

Where no local guidelines exist CGF recommends using the <u>EU Pledge common criteria</u> as a global reference (or other existing regional standards, such as the Mexican nutrition criteria in LATAM, the Singaporean nutrition criteria in ASEAN, and the GCC criteria in the Middle East). The nutrition criteria on which products are deemed acceptable to be advertised to children are understandably a key element in the discussion around responsible marketing to children. Aside from the EU Pledge criteria, there are other transnational proposals. For example, the World Health Organisation Europe Office released a set of <u>nutrition criteria</u> in 2015. The Consumer Good Forum recommends reliance on the EU Pledge nutrition criteria given, in addition to being developed with dietary experts and being recognised by authorities as a credible basis for action, these criteria are designed to align with industry product categorisation (to more easily track compliance in real world environments) and are challenging but achievable in delivering products which are still acceptable to general consumers (incentivising companies to reformulate products).

If your organisation would like to set stricter nutrition criteria, or to decide to stop marketing all food and beverage products to children, this is possible. CGF recommends that such action is communicated in a clear manner to ensure it is understood as an additional reinforcement to general industry efforts.

While not binding, it is recommended that as industry standards develop (at local or global level) companies update their own policies to remain aligned.





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STEP THREE: INFORM ALL INTERNAL STAKEHOLDERS/THIRD-PARTY PARTNERS AND ENGAGE WITH INDUSTRY PEERS.

Once a policy has been drafted it is important to inform all stakeholders, including external partners (e.g. contracted media agencies). It is recommended that an oversight committee including all key functions (including Marketing, Legal, Communications and Public Affairs) is established. Planning for implementation is recommended to include a period of pilot implementation before the commitment becomes binding.

To reinforce training of marketing staff and third party agencies it is recommended to leverage existing industry training resources such as the World Federation of Advertisers' Marketing to Children Road Test. Such tools enable the objective, and the real world application, of the marketing to children commitments to be understood by all elements of the business. They can also be integrated into existing training systems and help to deliver metrics which can be reported as part of HR and CSR development programmes. If needed, such tools can be adapted by the World Federation of Advertisers for specific brand owners (producers or retailers) to include elements relevant to specific product portfolios.

Engagement with industry peers to coordinate action is highly recommended, with the aim of taking unified action wherever possible (e.g. through Pledge groups – see PARTICIPATE – STEP 3).

PARTICIPATE

Apply marketing to children policy by a set deadline

Provide annual compliance reporting individually or through industry programmes

Join local Pledges where appropriate

STEP ONE: DEFINE INTERNAL MARKETING TO CHILDREN POLICY.

CGF members have committed to apply the marketing to children commitment by 2018. This means at this stage that all products which do not meet the 'better for you' nutritional criteria adopted by your company should not use marketing communications directed at children under 12. This policy will apply to the member's global operations.

STEP TWO: PROVIDE ANNUAL COMPLIANCE REPORTING INDIVIDUALLY OR THROUGH INDUSTRY PROGRAMMES.

As has been highlighted, the credibility of industry efforts relies as a first step on the ability of industry to demonstrate their commitments are being implemented effectively. While CGF has not mandated that all companies conduct monitoring within the specific marketing to children commitment, and discussions are ongoing on the monitoring of the CGF Health and Wellness commitments in general, it is recommended that all members factor in the need to provide compliance reporting.

Compliance reporting does not need to cover all marketing communications across all media types. However, ensuring core media (measured by investment or impressions) are covered will be important. This would normally include covering linear and non-linear TV, online (including social media) and increasingly developing forms of interactive media (e.g. mobile applications). For all these core media types, compliance data can be provided through media monitoring/audit agencies. Samples of marketing communications with a statistical relevance should be complied, either at random or to capture the most significant marketing communications (i.e. those generating the most impressions).





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Compliance is recommended to be measured in:

- The percentage of marketing communications (out of all from the sample of the specific media type) which met the 35% threshold.
- The percentage of marketing communications (out of all from the sample of the specific media type) which met the requirements on appeal.
- The percentage of total impressions that the compliant marketing communications represent.

It is recommended that third parties are used to conduct monitoring and results are made public annually. For the review of appeal, it is recommended dedicated organisations with credibility in this field are mandated, such as national self-regulatory organisations (a list of where organisations exist can be found here).

Monitoring through industry programmes (such as national Pledges) is encouraged for ease of implementation, minimising costs and credibility in communication. As an example of a comprehensive monitoring programme please see the <u>EU Pledge</u>.

STEP THREE: JOIN LOCAL PLEDGES WHERE APPROPRIATE.

Where possible, organisations are encouraged to join or otherwise support the local self-regulatory bodies and local Pledge structures. WFA and CGF sees this as the most reliable way to unify industry efforts, ensure consistency in application of commitments, minimise costs and align future development of actions in these areas at national level. The list of Pledges under PREPARE – STEP TWO summarises those currently in operation, though others are under development/reinforcement. Please contact WFA if there is interest in participating or contributing to the development of a local self-regulatory body or a local Pledge structure.





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PROMOTE

Produce impact reporting

Promote efforts to consumers, civil society and government Promote dialogue on enhancements to take into account marketing developments

STEP ONE: PRODUCE IMPACT REPORTING.

It is recognised that marketing is a factor on which action should be taken, but also that any action on marketing can only at best play a minor role in solving the challenge of obesity. However, industry is challenged to go as far as it can to show that its activities on marketing are having an impact. This requires industry to look beyond direct compliance with rules, and at the outcomes such compliance delivers to the real world interaction of children with food and beverage marketing. While difficult to measure, WFA and CGF would recommend organisations to consider metrics which demonstrate real world impact. For example, measuring the reduction in the total exposure of children under 12 to an organisation's marketing communications for products which do not meet 'better for you' criteria (in child directed media and in all media).

STEP TWO: PROMOTE EFFORTS TO CONSUMERS, CIVIL SOCIETY AND GOVERNMENT.

This is a particularly important area where collaboration by brands can have a particularly meaningful impact, sharing best practice and engaging with impact. Once policies have been developed, implemented and data is produced to demonstrate their effectiveness, it is important for industry to invest in promoting the benefits of the responsible action which has been taken. Promotion can include direct consumer engagement to highlight the contribution your organisation is making and to pressure other organisations to follow suit. It is also recommended that the results are communicated in annual CSR reporting, which can have a positive impact on the rating of your organisation on social responsibility indices. Engagement with government and civil society more widely to stress the contribution being made and to clearly communicate the impact will be particularly important to ensure industry is recognised as part of the solution — on marketing to children and on other societal issues more generally. Again, it is recommended to do this as individual organisations but also as part of wider industry groupings under local Advertiser Associations (a list of which can be found here), Self-Regulatory Bodies, and business organisations (e.g. national Food and Beverage and Retail associations, etc.).

STEP THREE: PROMOTE DIALOGUE ON ENHANCEMENTS TO TAKE INTO ACCOUNT MARKETING DEVELOPMENTS.

The industry recognises the issue of obesity and the challenge to demonstrate responsible marketing of food and beverages will be a reality for some time. Given the speed with which marketing, e-commerce and society in general is developing in many parts of the world it is important to see these commitments as part of a long-term process. It is recommended that organisations designate a point of contact to engage on these issues going forward and maintain an open dialogue with all stakeholders to constantly review implementation and seek ways to enhance commitments. CGF would ask all members to register this point of contact with the CGF Secretariat and WFA to enable industry-wide dissemination of developments going forward.







For more information, please contact:

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