



# The EU Pledge on Advertising to Children Nestlé Commitment

## Introduction and Background on Nestlé's Policy on Marketing Communication to Children

**Over recent years concerns about child obesity has been rising continuously. To respond to the rapidly evolving environment, Nestlé in February 2017 updated its Consumer Communications Principles and the Nestlé Policy on Marketing Communication to Children, to be implemented on a global scale as of January 2018.**

Nestlé Principles on responsible communication to consumers have been a part of the Nestlé Corporate Business Principles since they were first published in 1999. These undergo periodic review. The Nestlé Communication Principles are required reference points for all marketing staff and advertising agencies globally, and must be used when developing consumer communication. Nestlé has developed a strict process aimed at ensuring compliance. This includes Guidelines for Implementation, Monitoring and Reporting.

In 2008, with growing awareness of the effects of advertising on children, we introduced our Marketing Communication to Children Policy. The policy, updated in September 2011, states that we do not directly advertise or market our products towards children under six years of age. Advertising to children aged six to 12 is restricted to products with a nutritional profile that helps them achieve a healthy, balanced diet, including limits for sugar, salt and fat. To reflect an ever-changing world, we reviewed and updated these principles and policies again in January 2015, and then in February 2017. The new policy will enter into force in January 2018.

Nestlé participates in industry activities aimed at furthering responsible advertising to consumers such as those carried out by International Chamber of Commerce (ICC) and the International Food and Beverage Alliance (IFBA). Nestlé is a signatory of industry Pledges covering over 50 countries, including the voluntary advertising to children initiatives in the United States (CFBAI) and in the European Union (EU Pledge). These industry Pledges are subject to third party compliance monitoring. Recent surveys demonstrate general compliance rates above 96%. Nestlé's track record in self-regulation, as a complement to legislation, is excellent.

Those Pledges have proved to be a useful tool for Nestlé to receive third party feedback on its advertising practices in order to further maintain high standards of compliance.

## The Nestlé Policy on Marketing Communication to Children

### ***Nestlé Consumer Communication Principles and Children***

Nestlé fundamentally believes in providing responsible communication to consumers. In addition to compliance with national legislation in countries where we operate, our Corporate Communication Principles, which meet high ethical standards, are also followed diligently. Among other elements, our communication principles mandate that all communication to children:

- Must encourage moderation, healthy dietary habits and physical activity
- Must not undermine parental authority
- Must not mislead children about the potential benefits from the use of the product
- Must not create a sense of urgency
- Must not generate unrealistic expectations of popularity or success
- Must not create difficulty in distinguishing between programme content and advertising content
- Must not use programme personalities, live or animated, other than our copyright characters to market products in or adjacent to television programmes, movies, magazines or printed material or on internet websites in which they normally appear so that our communication is clearly distinguished from such content.

### ***The revised Policy on Marketing Communication to Children (effective January 2018)***

- We do not direct any marketing communication to children 0 to below 6 years of age.
- When directing marketing communication to children 6 to below 12 years of age, this can only be permitted with products that achieve the Nestlé Policy Nutrition Criteria.
- We do not direct any marketing communication for sweet and savory biscuits, sugar confectionery, chocolate confectionery, water-based beverage products with added sugars and ice-cream products to children below 12 years of age, irrespective of the Nestlé Policy Nutrition Criteria being met.
- The Policy covers a broader scope of channels and includes such marketing communication using television, radio, print, cinema, outdoor/places where children gather, digital media (digsphere), mobile, games, consumer relationship marketing, viral marketing, apps, e-mail/SMS, Nestlé owned websites, movie tie-ins, promotions, premiums, contests, product sponsorships, sampling, and point of sale.
- Marketing communication will be deemed directed to children below 12 years of age if 25% or more of the media channel's audience is of that age group.
- Licensed characters, endorsements of celebrities and premiums primarily appealing to children 6 to below 12 years of age, can only be used for marketing communication of

products that meet the Nestlé Policy Nutrition Criteria. They cannot be used for sweet and savory biscuits, sugar confectionery, chocolate confectionery, water-based beverage products with added sugars and ice-cream products.

- Owned or licensed characters, and premiums primarily appealing to children 6 to below 12 years of age (e.g. toys, games or books) must be used to promote healthy, active lifestyles. This includes healthy eating, active play and encouragement of physical activity, and support of educational development.
- We do not direct marketing communications to children in primary schools (i.e. with children below 12 years of age). We can participate in health and wellness educational programmes provided that they are specifically requested by, or agreed with, the school administration and endorsed by relevant national authorities. We will only participate in such activities with products that meet the Nestlé Policy Nutrition Criteria.
- Products sold to primary schools under Nestlé's direct control and supervision must achieve the Nestlé Policy Nutrition Criteria, and the sale must have the consent in writing of the school administration.
- Nestlé's vending equipment in primary schools under Nestlé's direct control and supervision must contain only products that meet the Nestlé Policy Nutrition Criteria.

### ***Implementation Guidelines***

As part of Nestlé's compliance strategy, we have developed a set of Implementation Guidelines to support our markets to accurately interpret our commitments.

All Nestlé markets have received a comprehensive document aimed at facilitating the understanding of the Policy and Principles and thus facilitating the accurate implementation.

These guidelines touch on the various situations that may arise at operational level, and include guidance on the following topics:

- Restrictions to be considered for products not fulfilling the nutrition criteria.
- Briefing on our advertising and media agencies on :
  - the circumstances when advertising to children is not permitted
  - the development, planning and execution of communication initiatives for products targeted at children
  - Do's and Don'ts for media planning and buying.
  - Conditions that should be met if we decide to sponsor an event.

The Implementation Guidelines is a dynamic document, aimed at reflecting the letter as well as the spirit of our Marketing and Communication to Children Policy. The guidelines are continuously enriched by our marketing teams' experiences throughout the implementation, always striving to improve our compliance measures wherever Nestlé has operations.

## ***Monitoring compliance, including reporting***

Nestlé has a process in place to better ensure compliance with our Consumer Communication Principles and Policy on Marketing Communication to Children. This includes a set of Implementation Guidelines, support and a monitoring system including reporting.

All countries where Nestlé operates have received clear instructions as to how to interpret and correctly implement these Principles.

Given that Nestlé's business model is highly decentralized; the responsibility for compliance with our Communication Principles including our Marketing to Children Policy is first and foremost designated at local level. The Business Executive Managers of each country are ultimately responsible for any marketing activity in their respective categories. It is the local Communications Director's responsibility to ensure that all marketing communications align with our communication principles.

To monitor and ensure compliance Communication Directors conduct the following activities:

- Share the internal Guidelines developed for the implementation of the Principles at operational level with all communication partners.
- Inform Media company representatives about Nestlé's Principles, inviting them to collaborate in our efforts to promote a healthy lifestyle.
- Request our media planning and buying agencies to keep updated records of the authorized plans, media contracts and post-buy analysis, as well as reports on viewership readings, to be able to demonstrate compliance.
- Collaborate with our Corporate Internal Audit team, who are specially trained to verify that our marketing activities are up to our standards. The team is tasked to submit any issues to General Management.
- Collect data and inform global HQ about the overall evaluation of our communication and marketing activities, which form part of a Marketing and Communication to Children Policy Compliance Report at the end of each year.

Any compliance issue should primarily be resolved by the Market Head. In cases where this cannot be solved locally, it should be submitted to Public Affairs and the Marketing & Consumer Communication department at the Nestlé global Head Quarters for advice.

Nestlé's internal process for monitoring compliance is in addition to the external third party monitoring taking place within the framework of the EU Pledge, IFBA and local pledges.

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