

The Canadian Children's Food and Beverage Advertising Initiative: Nestlé Canada Inc.'s Commitment

Introduction

Nestlé Canada Inc. is pleased to participate in the Canadian Children's Food and Beverage Advertising Initiative (CCFBAI.)

Nestlé Canada's vision is to be the most trusted and respected food and nutrition company, bringing *Good Food, Good Life* to Canadians. We strive to do this in several ways. First, we continually use our extensive scientific knowledge to develop new products to help consumers manage their health and well-being and to improve the nutritional profiles of existing products. Secondly, Nestlé Canada is actively engaged with industry groups such as the Food and Consumer products of Canada, Concerned Children's Advertisers and the Long Live Kids Initiative. We have also supported community groups that encourage healthy active living for children such as Active Playgrounds and the Red Cross Swim Program to name a few.

Working hand in hand with these actions is Nestlé's fundamental belief in providing responsible communication to consumers. Our Corporate Communication Principles meet high ethical standards and we follow them diligently. Specific to children, Nestlé Canada commits to the following:

- (1) We will not specifically target children under 6 years of age.
- (2) Advertising for children from 6 to under 12 will be restricted to products with a nutritional profile which helps children achieve a healthy balanced diet, including clear limits for such ingredients as sugar, salt and fat.

Additionally, Nestlé has developed the following principles for communication to children:

- Food products advertised to children must be appropriate for the specific age range portrayed in the advertisement.
- Advertising should not mislead about potential benefits from the use of the product. Such potential benefits may include, but are not limited to, status or popularity with peers, physical growth, strength or proficiency.
- Our communication must not undermine the authority of parents. Children shown in our communication should not be seen urging parents or others to buy products.
- Advertising directed to children should not create a sense of urgency; imply exclusivity, or price minimization, for example, by using words like "now" and "only".
- Advertising should not portray or encourage behaviour intended to shock or create anxiety in children, including use of violence, or sexual innuendo.
- Fantasy, including animation, is appropriate for younger as well as older children. However, it should not create difficulty in distinguishing between the real and the imaginary.

- Products developed from or associated with program content primarily directed to children should not be advertised during or adjacent to that program.
- Program personalities, live or animated, should not be used to sell products, premiums, or services in or adjacent to programs primarily directed to children in which the same personality or character appears. In the same way, a character or personality associated with the editorial content of a print publication should not be used to sell products, premiums, or services in the same publication.

With the exception of the products covered in this Statement of Commitment, Nestlé Canada does not advertise directly to children under 12. Our Commitment will be updated as necessary.

A. Identifying Information

1. The Corporate name and address of the Participant:

Nestlé Canada Inc.
25 Sheppard Avenue West
North York, Ontario
M2N 6S8

2. The name and contact information of the Participant's representative responsible for overall implementation of the Participant's Commitment.

Kathryn Rowan
Vice President, Corporate Affairs
25 Sheppard Avenue West
North York, Ontario
kathryn.rowan@ca.nestle.com
416.218.2809

3. The name of the specific entity or entities covered by the Participant's Commitment.

Nestlé Canada Inc. – which includes Nutrition, Beverage, Confectionery, Ice Cream, Frozen Meals, Food Services divisions.

4. The name of each brand and/or product line that is covered by the Participant's Commitment.

NESQUIK one-third less sugar and NESQUIK 25% less sugar will be advertised to audiences of children 6 to under 12 years for the period of this Commitment.

No other Nestlé Canada brands are currently directly advertised to children under 12. Should this change, Nestlé Canada will immediately notify ASC and update this Commitment.

B. Core Principles

An overview of the way in which the Participant intends to comply with the Advertising Messaging and Content Principle, namely that: Participants will devote at least 50% of their television, radio, print and Internet advertising primarily directed to children under 12 years of age to further the goal of promoting healthy dietary choices and healthy lifestyles.

Nestlé will exceed the standards established by the Children's Initiative in the following manner:

Nestlé will not specifically target children under 6 years of age.

When targeting children aged 6 to under 12, Nestlé will only advertise products with a nutritional profile which helps children achieve a healthy balanced diet, including clear limits for such ingredients as sugar, salt and fat. Additionally, Nestlé Canada will only advertise products to children that meet criteria under the CCFBAI for foods that can claim biologic role claims as per the CFIA Guide to Food Labelling and Advertising.

2. A description of how the Participant intends to comply with the percentage requirement of the Advertising Messaging and Content Principle, including the following information:

a) a separate descriptive statement for each covered medium (e.g. television, radio, print and Internet, including Participant owned websites) of the percentage of advertising (measured in media impressions) that the Participant intends to devote to healthy lifestyles messaging and the percentage of advertising that the Participant intends to devote to advertising products representing healthy dietary choices;

For each covered medium (TV, radio, print and Internet), Nestlé Canada will devote 100% of its advertising directed to children ages 6 to under 12, as determined by the respective broadcast/measurement entity for each medium, to products with a nutritional profile which helps children achieve a healthy balanced diet, including clear limits for such ingredients as sugar, salt and fat, and meet the CCFBAI criteria. As per above, Nestlé Canada will not specifically target children under 6.

b) the method by which the Participant proposes to calculate media impressions for television, radio, print and Internet (excluding company owned websites) necessary to satisfy the percentage requirement;

N/A

c) the method by which the Participant proposes to measure advertising on Participant owned websites, if different than under Section B.2.b. above;

For websites that it owns, Nestlé Canada will devote 100% of its communication directed to children ages 6 to under 12 to products with a nutritional profile which helps children achieve a healthy balanced diet, including clear limits for such ingredients as sugar, salt and fat, and meet the CCFBAI criteria. As per above, Nestlé will not specifically target children under 6.

d) for Participant's products representing healthy dietary choices, descriptive statements of the standard on which the Participant is relying as an appropriate authority. Examples of such standards include:

Nestlé Canada will only advertise products to children 6 to under 12, and will restrict that advertising to products with a nutritional profile which helps children achieve a healthy balanced diet, including clear limits for such ingredients as sugar, salt and fat.

Nestlé Canada will only advertise products to children that meet criteria under the CCFBAI for foods that can claim biologic role claims as per the CFIA Guide to Food Labelling and Advertising.



Good Food, Good Life

3. The manner by which the Participant intends to implement the Licensed Character Principle, namely that: While the use of licensed characters is already restricted in children's broadcast advertising, Participants will also commit to reduce their use of third party licensed characters in advertising that appear in other media primarily directed to children under 12, if such advertising does not otherwise comply with the messaging and content options set out elsewhere in this Commitment Outline. The Participant in its Commitment under this Section B. 3. will include the following:

Licensed Characters: Per our policy, Nestlé Canada does not use any licensed characters, other than our own copyright characters to market products in broadcast, print or internet advertising, so that our communication is clearly distinguished from such content.

4. A detailed description of the way in which the Participant intends to implement the Product Placement Principle, namely that:

Product Placement: Nestlé Canada commits to not paying for or actively seeking to place its 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. A detailed description of the way in which the Participant intends to implement the Interactive Games Principle, namely that:

Interactive Games: Per our policy, Nestlé Canada does not intend to target children under 6. In any interactive game primarily directed to children aged 6 and under 12 where our products are incorporated into the game, the interactive games would incorporate only those products with a nutritional profile which helps children achieve a healthy balanced diet, including clear limits for such ingredients as sugar, salt and fat, and meet the CCFBAI criteria.

6. A detailed description of the way in which the Participant intends to implement the Advertising in Schools Principle, namely that:

Advertising in Schools: Nestlé Canada remains committed to adhering to standards established by schools individually and by school boards overall. Furthermore, Nestlé Canada commits to not advertising any of its products in elementary schools.

7. An implementation schedule for each commitment set forth in the Participant's Commitment.

All commitments are effective immediately for Calendar Year 2008 with the exception of one online promotion which will end April 30th, 2008. Should there be any changes, ASC will be immediately notified and this Commitment updated accordingly.