

# Marketing to Children Compliance Assessment (Brazil)

Nestlé

**25 May 2021**

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# 1. Executive summary

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The table below provides a summary of marketing activity for each product category in scope and observations identified:

Brands in scope (NF-no)	Marketing channels							
	Television	Print media	Outdoor	Toys/premiums	Packaging	Special characters	Digital/social media	PoS
Ninho (DPA)	No activity	No observations	No activity	Policy deviation	Opportunity for improvement	No observations	No activity	No observations
Chambinho (DPA)	No activity	No observations	No activity	Opportunity for improvement	Opportunity for improvement	Opportunity for improvement	No observations	No observations
Neston (DPA)	No activity	No observations	No activity	No activity	No observations	No activity	No activity	No activity
Chamyto (DPA)	No activity	No observations	No activity	Opportunity for improvement	Opportunity for improvement	No activity	No activity	No activity
Nescau (liquid drinks)	No activity	No activity	No activity	No activity	No activity	No activity	No observations	No activity
Neston (liquid drinks)	No activity	No activity	No activity	No activity	No activity	No activity	No observations	No activity
Nescau (powder drinks)	No observations	No activity	No observations	No activity	No activity	No activity	No observations	No activity
Nesquik (powder drinks)	No activity	No activity	No activity	No activity	No activity	No activity	No activity	No activity
Farinha Láctea (cereals)	No activity	No activity	No activity	No activity	No observations	No activity	No observations	No observations
Nestlé Baton (ice creams)	No activity	No activity	No activity	No activity	No observations	No activity	No activity	No observations
Nestlé Chambinho (ice creams)	No activity	No observations	No activity	No activity	Opportunity for improvement	Opportunity for improvement	No observations	No observations
Passatempo (biscuits)	No activity	No observations	No activity	Policy deviation	No observations	No observations	No observations	No observations
Baton (chocolates)	No activity	No activity	No activity	No activity	No activity	No activity	No observations	No activity
Páscoa (chocolates)	No activity	No observations	No activity	Opportunity for improvement	No activity	No activity	No activity	No activity

Key	Policy deviation	Agreed non-compliance with Nestlé Policy or Implementation Guidelines	Opportunity for improvement	No Policy deviation, however opportunity for improvement identified	No observations	Marketing activity existed for product category, however no observations were identified	No activity	There was no marketing activity for the product category during the assessment period
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## 2. Background

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As the world's largest food and beverage, nutrition, health and wellness company, Nestlé is working together with stakeholders, customers and retailers to create a healthier environment for individuals and families.

Over recent years concerns about child obesity have been rising continuously.

As an industry leader, Nestlé has proactively taken a number of steps in response to these concerns.

Nestlé participates in industry activities aimed at furthering responsible advertising to consumers such as those carried out by International Chamber of Commerce, the International Food and Beverage Alliance and the Consumer Goods Forum.

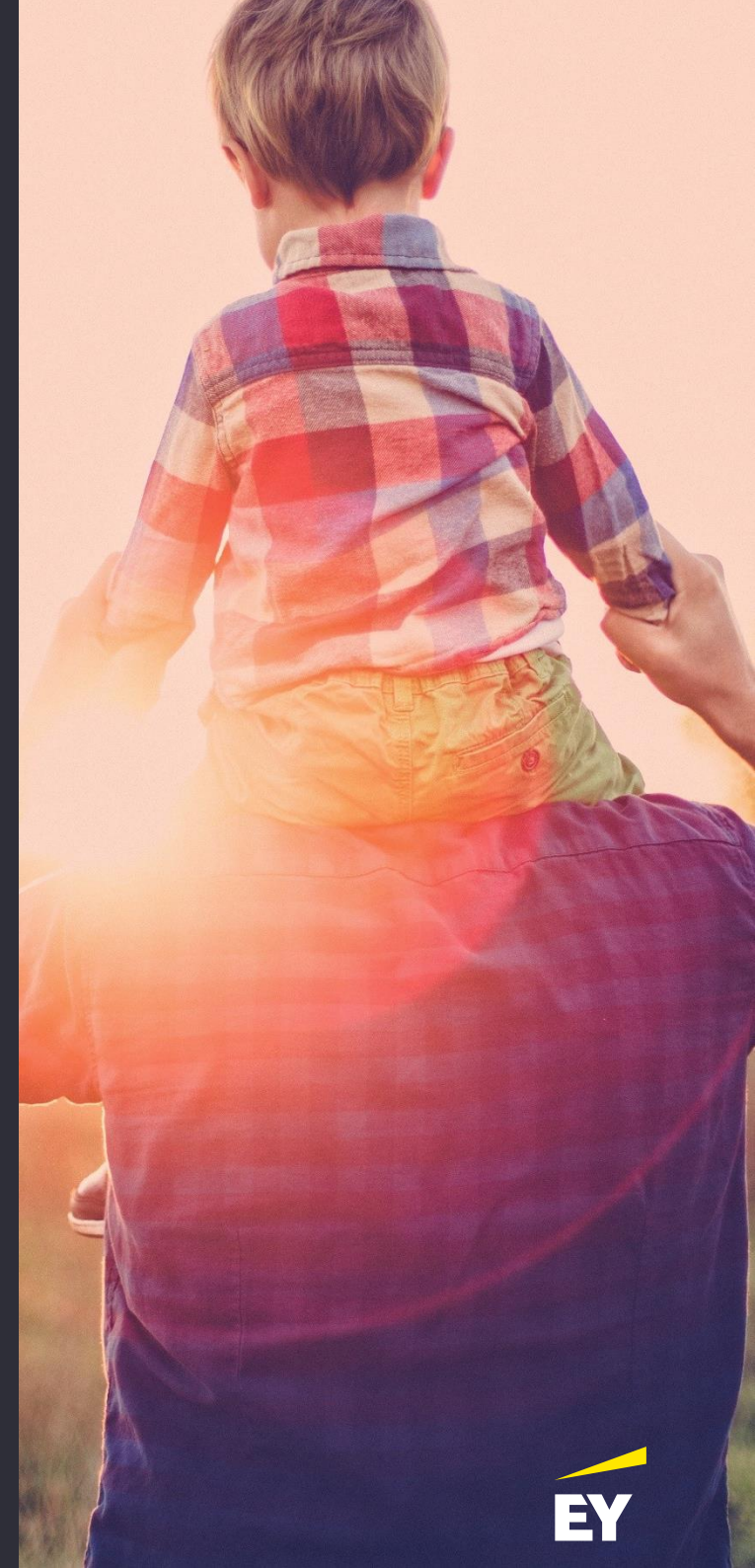
Nestlé is a signatory of industry Pledges covering over 50 countries, including the voluntary advertising to children initiatives in the United States (CFBAI) and in the European Union (EU Pledge).

**These industry Pledges are subject to third party compliance monitoring.**

In order to fulfil its global commitment to inspire people to live healthier lives, Nestlé engaged EY to perform its third party compliance monitoring of marketing communication to children in **Brazil**.

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As a vulnerable group, children deserve particular attention, and we firmly support responsible marketing practices.



## 3. Coverage

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### Sample size

We provide an overview of the sample size analysed during the onsite assessment per channel in the table below:

Channel	Product categories	Sample size
Television	Powder drinks	1
Print media	DPA, Ice creams	4
Radio	-	No activity
Cinema	-	No activity
Outdoor (e.g. billboards)	Powder drinks	25
Event sponsorship	-	No activity
Use of toys or premiums	DPA, Cereals	4
Packaging	DPA, Cereals, Ice creams	9
Special characters	DPA, Cereals, Ice Creams	7
Digital media <sup>1</sup>	All categories	8
Social media <sup>1</sup>	Liquid drinks, Powder drinks, Cereals, Ice creams	5
Point of Sale (historical)	DPA, Cereals, Ice creams	7
Point of Sale (current) <sup>2</sup>	All categories	88
<b>TOTAL</b>		<b>158</b>

<sup>1</sup> Digital and social media marketing material was analysed as part of the historical analysis. However, a separate focused digital media analysis was conducted by KPMG for the period in scope and was therefore excluded from the scope of this assessment.

<sup>2</sup> Assessed during physical onsite visits. Store locations based on proximity to primary schools

### Methodology

We selected our sample based on the following:

#### Historical assessment

- ▶ For the following channels, we selected a sample size of 100% for activity relating to products in scope from 1 Jan 2020 until 31 Dec 2020 ("Period in scope"), as indicated by Nestlé Brazil and/or identified in the local campaign and activity calendar:
  - ▶ Television
  - ▶ Print media
  - ▶ Outdoor
  - ▶ Use of toys or premiums
  - ▶ Packaging
  - ▶ Special characters
  - ▶ Digital media
  - ▶ Social media
  - ▶ Point of Sale ("PoS") campaigns
- ▶ There was no marketing activity identified during the period in scope for radio, cinema or event sponsorships.

#### Current PoS assessment

- ▶ The 88 stores visited during the onsite assessment were based on proximity to a selection of 18 prominent primary schools in and around São Paulo.
- ▶ The onsite assessment covered all product categories with a focus on placement, PoS campaigns, use of toys or premiums and/or packaging.

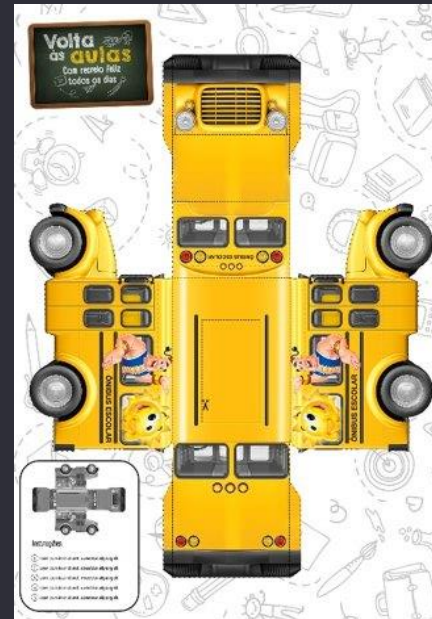


## 4. Detailed observations

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Product(s)	Channel(s)	Observations / comments	Nestlé Policy / Guidelines	Agreed outcome
Ninho (DPA)	1. Use of toys or premiums	<ul style="list-style-type: none"> <li>► Creative execution of this “back to school” campaign potentially appealing to children below 12 years of age due to use of on-pack/in-pack premiums which appear to target the child rather than the gatekeeper (e.g. paper toy school bus and adhesive sticker sheet)</li> <li>► Recommend removing the Nestlé owned character from the premiums</li> </ul>	<p><b>IV. Detailed implementation guidelines for eligible and non-eligible products:</b></p> <p><b>In-pack/on-pack premiums</b></p> <p>“Products that are not eligible cannot have premiums appealing to children below 12 years of age. All products can have on-pack or in-pack premiums that are oriented to gatekeepers. Oriented to gatekeepers means the premium offers direct value to the gatekeepers themselves or provides support in their role as a responsible caregivers such as:</p> <ul style="list-style-type: none"> <li>a) Items related to product usage (bowls, spoons, sippy cups, etc.) or</li> <li>b) unbranded items with clear educational value to the child (books, educational videos/music)”</li> </ul>	Policy deviation

Supporting information:



## 4. Detailed observations

Product(s)	Channel(s)	Observations / comments	Nestlé Policy / Guidelines	Agreed outcome
Passatempo	1. Use of toys or premiums	<ul style="list-style-type: none"> <li>Use of on-pack/in-pack premiums which appear to target the child rather than the gatekeeper (e.g. bowl with the Passatempo cartoon monkey) and may appeal to children below 12 years of age</li> <li>Recommend removing the Nestlé owned character from the premium</li> </ul>	<p><b>IV. Detailed implementation guidelines for eligible and non-eligible products:</b></p> <p><i>In-pack/on-pack premiums</i></p> <p>"Products that are not eligible cannot have premiums appealing to children below 12 years of age. All products can have on-pack or in-pack premiums that are oriented to gatekeepers. Oriented to gatekeepers means the premium offers direct value to the gatekeepers themselves or provides support in their role as a responsible caregivers such as:</p> <ul style="list-style-type: none"> <li>a) Items related to product usage (bowls, spoons, sippy cups, etc.) or</li> <li>b) unbranded items with clear educational value to the child (books, educational videos/music)"</li> </ul>	Policy deviation

Supporting information:



## 4. Detailed observations

Product(s)	Channel(s)	Observations / comments	Nestlé Policy / Guidelines	Agreed outcome
Páscoa (chocolates)	1. Use of toys or premiums	<ul style="list-style-type: none"> <li>► Creative execution of this Easter campaign potentially appealing to children below 12 years of age due to use of on-pack/in-pack premiums which appear to target the child rather than the gatekeeper (see below)</li> <li>► Recommend choosing premiums with greater emphasis on promoting educational value</li> </ul>	<p><b>IV. Detailed implementation guidelines for eligible and non-eligible products:</b></p> <p><b>In-pack/on-pack premiums</b></p> <p><i>"Products that are not eligible cannot have premiums appealing to children below 12 years of age. All products can have on-pack or in-pack premiums that are oriented to gatekeepers. Oriented to gatekeepers means the premium offers direct value to the gatekeepers themselves or provides support in their role as a responsible caregivers such as:</i></p> <ul style="list-style-type: none"> <li>a) <i>Items related to product usage (bowls, spoons, sippy cups, etc.) or</i></li> <li>b) <i>unbranded items with clear educational value to the child (books, educational videos/music)"</i></li> </ul>	Opportunity for improvement

Supporting information:

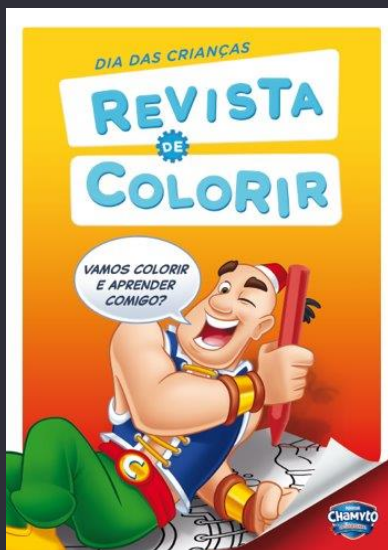




## 4. Detailed observations

Product(s)	Channel(s)	Observations / comments	Nestlé Policy / Guidelines	Agreed outcome
Ninho (DPA) Chambinho (DPA) Chamyto (DPA)	1. Use of toys or premiums	<ul style="list-style-type: none"> <li>Use of on-pack/in-pack premiums which may appeal to children below 12 years of age (e.g. memory game and colouring book)</li> <li>Could be considered promotion of educational development, however this specific campaign does not appear to be targeted at gatekeepers</li> <li>Recommend removing the Nestlé owned character from the premium</li> </ul>	<p><b>IV. Detailed implementation guidelines for eligible and non-eligible products:</b></p> <p><b>In-pack/on-pack premiums</b></p> <p>"Products that are not eligible cannot have premiums appealing to children below 12 years of age. All products can have on-pack or in-pack premiums that are oriented to gatekeepers. Oriented to gatekeepers means the premium offers direct value to the gatekeepers themselves or provides support in their role as a responsible caregivers such as:</p> <ul style="list-style-type: none"> <li>a) Items related to product usage (bowls, spoons, sippy cups, etc.) or</li> <li>b) unbranded items with clear educational value to the child (books, educational videos/music)"</li> </ul>	Opportunity for improvement

Supporting information:



## 4. Detailed observations

Product(s)	Channel(s)	Observations / comments	Nestlé Policy / Guidelines	Agreed outcome
Chambinho (DPA / ice creams)	1. Packaging 2. Special characters	<ul style="list-style-type: none"> <li>The creative execution of the Chambinho existing owned character appealing to children below 12 which is not <i>clearly</i> being used to promote a healthy, active lifestyle</li> </ul>	<p><b>IV. Detailed implementation guidelines for eligible and non-eligible products:</b></p> <p><b>Owned and licensed characters</b></p> <p><i>"The use of existing owned characters appealing to children 6 to 12 is allowed and in gatekeeper targeted campaigns. We will however not create new characters appealing to children below 12 for non-eligible products. Owned characters appealing to children 6 to 12 years of age must be used to promote healthy, active lifestyle. This includes healthy eating, active play, physical activity or support of educational development".</i></p>	Opportunity for improvement

Supporting information:



## 5. Limitations

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### General limitations

- ▶ We draw your attention to the limitations inherent in this report
- ▶ We were not required to and did not undertake an audit in accordance with Brazilian, Swiss or any other auditing standards. Consequently, no assurance has been expressed
- ▶ The scope of our work was limited to analysis of documentation and information made available to us and specific enquiries undertaken to pursue our mandate. We have not verified the authenticity or validity of the documentation made available to us
- ▶ We have included information that we obtained verbally, in this report. Unless expressly indicated otherwise, we cannot verify that such information obtained is credible or truthful
- ▶ The digital media monitoring component was excluded from our analysis due to work already performed by KPMG. Any digital or social media content analysed was provided by Nestlé Brazil as part of the historical analysis
- ▶ If additional or new information is brought to our attention subsequent to the date of this report which would affect the findings detailed below, we reserve the right to amend and qualify our findings accordingly
- ▶ None of the observations, considerations or contents of this report constitutes legal advice or opinions



## 6. Appendices

## 6. Appendix A – Glossary

### Disclaimer

Throughout this report, unless otherwise stated, the following references apply. These references serve to clarify this report and are not intended to be authoritative:

Abbreviation	Description
CFBAI	Children's Food and Beverage Advertising Initiative
DPA	Dairy Partners Americas, joint venture between Nestlé and Fonterra
EU Pledge	The EU Pledge on Advertising to Children is a voluntary initiative by leading food and beverage companies to change food and beverage advertising to children under the age of twelve on TV, print and internet in the European Union. Nestlé was a founding member when the EU Pledge was launched in December 2007, <a href="#">Link here</a>
Gatekeeper	Parent or guardian of the child
MtC	Marketing to Children
NF-no	Products <i>not</i> meeting the criteria of the Nestlé Nutritional Foundation: The status attained by any Nestlé food or beverage product when it meets the specific criteria established by the Nestlé Nutritional Profiling System, <a href="#">Link here</a>
PoS	Point of Sale
The Period in scope	1 January 2020 to 31 December 2020
The Policy	Nestlé Marketing Communication to Children Policy, January 2018, <a href="#">Link here</a>

## 6. Appendix B – Television viewership analysis

Broadcaster	Program	% of audience between 4-12 <sup>1</sup>			
		Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020
SBT	SABADO ANIMADO	21.09	24.39	24.39	24.39
SBT	PROGRAMAÇÃO LOCAL VES	16.92	19.91	19.91	19.91
TV BAND	LOGOTIPO EMISSORA	-	17.25	17.25	17.25
SBT	NOVELA NOITE 2	13.27	14.95	14.95	14.95
SBT	PROGRAMA DA MAISA	12.95	14.94	14.94	14.94
SBT	PROGRAMAÇÃO LOCAL MAT	-	14.91	14.91	14.91
SBT	BOM DIA E CIA	-	13.96	13.96	13.96
SBT	NOVELA NOITE 1	12.45	13.63	13.63	13.63
SBT	JOGO DAS FICHAS	10.03	12.50	12.50	12.50
TV BAND	VERAO ANIMADO MAT	-	12.40	12.40	12.40
SBT	PRA GANHAR E SO RODAR	10.71	11.89	11.89	11.89
SBT	CINE ESPETACULAR	10.23	11.85	11.85	11.85
SBT	ESQUADRAO DA MODA	9.57	11.82	11.82	11.82
SBT	NOVELA NOITE	-	11.76	11.76	11.76
SBT	BAKE OFF BRASIL	-	11.74	11.74	11.74
Record TV	RECORD KIDS MAT	-	11.54	11.54	11.54
SBT	BOLSA FAMILIA MAD	8.13	11.39	11.39	11.39
SBT	SEMPRE BEM	9.37	11.34	11.34	11.34
SBT	BAKE OFF CELEBRIDADES	-	11.26	11.26	11.26
SBT	TOPA OU NAO TOPA NOT	9.38	11.18	11.18	11.18
SBT	PROGRAMA RAUL GIL	-	10.97	10.97	10.97
SBT	TELA DE SUCESSOS	-	10.66	10.66	10.66
SBT	NOVELA TARDE 1	-	10.61	10.61	10.61
SBT	FAMILIAS FRENT A FRENT	-	10.51	10.51	10.51
SBT	JORNAL DA SEMANA SBT MAD	7.04	10.44	10.44	10.44

<sup>1</sup> 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



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As the world's largest food and beverage, nutrition, health and wellness company, Nestlé is working together with stakeholders, customers and retailers to create a healthier environment for individuals and families.

**Nestlé Marketing Communication to Children Policy**

January 2018



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