

Children's Food and Beverage Advertising Initiative Children's Confection Advertising Initiative

Annual Report

A REPORT ON COMPLIANCE AND PROGRESS DURING 2023

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Children's Food and Beverage Advertising Initiative Annual Report 2023

CFBAI Pa	rticipants				
AMERICAN LICORICE COMPANY**	BURGER	Campbells	(oca:Cola	CONAGRA	NORTH AMERICA
Ferrara.	FERRERO	General Mills	HERSHEY	Hostess. BRANDS	Kelloggis
Keurig DrPepper	Kraft <i>Heinz</i>	⊗⊛ Lindt& sprüngli	MARS	M.	Mondelēz, International SNACKING MADE RIGHT
	Nestie	PEPSICO	Post CONSUMER BRANDS	Unilever	
CCAI Par	ticipants				
ROCA	İmpact	Selly Belly	JUST BORN, OCALITY CONFIRCTIONS	Balmer Making Candy Fun	UPIM BRANDS

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Executive Summary

BBB National Programs' Children's Food and Beverage Advertising Initiative (CFBAI) was launched in 2007 to improve the landscape of food advertising to children. Under CFBAI's Core Principles, participants voluntarily commit that, in advertising primarily directed to children under age 13, they will either not advertise foods or beverages at all or advertise only foods or beverages that meet CFBAI's Uniform Nutrition Criteria. Participants also commit to not advertise to children in elementary and middle schools. The Annual Report Regarding Compliance and Developments in 2023, CFBAI's 17th Annual Report, provides information about foods advertised to children by participants in 2023 and an evaluation of participants' compliance with their 2023 CFBAI pledge commitments.

The Report also discusses modifications to CFBAI's Core Principles and developments in the child-directed food advertising landscape, which in 2023 saw fewer products being advertised to children by CFBAI participants and fewer CFBAI participants directing any food and beverage advertising to children at all. This reduction in child-directed food and beverage advertising by CFBAI participants was reflected in CFBAI's 2023 Product List and the results of an assessment of food and beverage advertising on children-focused television networks.

Year in Review

Participation, Program Growth, and Program Impact

CFBAI's membership includes many of the largest food, beverage, and quick-serve restaurant companies in the United States. In 2023, CFBAI expanded its membership to include two new participants, Lindt & Sprüngli and Ferrara Candy Company. Lindt's and Ferrara's enrollment in CFBAI increased the number of participating companies to 22, more than double the number of companies in CFBAI at its inception. As a condition to CFBAI membership, each participant pledges to abide by CFBAI's Core Principles that require participants to either not direct food and beverage advertising to children under age 13 or to advertise in child-directed media only foods and beverages that meet CFBAI's Uniform Nutrition Criteria, which set limits on the calories, saturated fat, sodium, and added sugars that may be in the advertised food and require the advertised food to provide a positive nutrient contribution. Accordingly, as CFBAI's membership has grown, so has its impact on the landscape of child-directed food and beverage advertising.

Most participants did not engage in any child-directed food or beverage advertising in 2023. Of those participants that did, CFBAI's 2023 Snapshot of Foods Advertised on Children's TV found a reduction in the number of advertisements overall and the number of food categories advertised compared to 2022. CFBAI participants nevertheless continued to account for most food advertising (57%) on children's television networks.

Six confectionary companies participated in the Children's Confection Advertising Initiative (CCAI) in 2023. CCAI is a program modeled on CFBAI for small-to-medium size confection companies under which participating companies pledge to not advertise to children.

Excellent Compliance

CFBAI provides strong program oversight through regular assessment of food and beverage advertising on children's TV networks and monitoring of samples of child-directed websites and other digital media. CFBAI participants must submit annual reports to document their compliance, provide samples of their child-directed ads, and report instances of non-compliance with information about the occurrence and the steps taken to prevent recurrence. CFBAI also obtains and reviews Nielsen data regarding participants' television advertising as part of its compliance monitoring. CFBAI works with participants to stay informed regarding the evolving media landscape and how changes in that environment may impact CFBAI compliance. Although anyone may submit complaints about participant compliance to CFBAI, the program did not receive any such complaints in 2023.

CFBAI found excellent compliance by CFBAI participants in 2023, consistent with compliance reports since CFBAI began publishing annual reports in 2007. The overall compliance rate for participants' television advertising based on a review of Nielsen data was 99.6%, meaning that 99.6% of CFBAI participants' TV advertising spots were either for qualifying foods or, if for non-qualifying foods, appeared on programming for which children under age 13 were less than 30% of the measured audience. Thus, "non-compliant" airings represented a very small percentage of companies' overall TV ad placements. CFBAI monitoring of a sample of child-directed digital media found no instances of non-compliant advertising.

Fewer Foods on the Product List

CFBAI maintains a Product List on its website that identifies foods and beverages of participants that meet CFBAI's Nutrition Criteria and that participants have indicated may be the subject of child-directed advertising. CFBAI updates this list twice a year. The number of products on the list has declined significantly in recent years, a trend that continued in 2023. This Annual Report provides information about the reduction in the number of foods listed on the 2023 Product List compared to the prior year, the few foods added to the Product List in 2023, and the number of participants listing foods on the Product List.

Fewer Categories and Participants' Foods Advertised on Children's TV

CFBAI conducts annual snapshots of food advertising on children's TV networks. CFBAI reviewed and analyzed food ads that aired between January – July 2023 on 11 children's networks. Participants' ads comprised 57% of the advertising in the assessed categories on these networks.

- *Fewer Categories Advertised by the Participants.* The 2023 TV Snapshot observed advertising by CFBAI participants in three CFBAI food categories: Cereals, Meals, and Small Meals. This was fewer categories advertised by CFBAI participants compared to 2022. No beverage advertising was observed other than reduced fat milk in Meals advertising. Although not advertised to children on television in 2023, yogurts were advertised to children in other covered media.
- *Nutrition Highlights.* All participants' advertisements featured foods that provided a food group or a good source of an under-consumed nutrient or nutrient of public health concern.
- *Most Frequent Advertisements from Non-participants.* Candy advertising and restaurant advertising (pizza chains, quick serve, and casual restaurants) were the most frequently advertised categories by companies not participating in CFBAI.

Outreach

CFBAI engages in presentations in a variety of settings, and over the years has participated in briefings and outreach with federal agencies, advocacy organizations, industry members or groups, regulatory and legal conferences, international organizations, and in academic settings.

Beyond 2023

Advertising by non-participants for candy and restaurant foods on children's television programming continues to comprise a sizable portion of child-directed advertising. CFBAI was pleased that in 2023, Lindt & Sprungli and Ferrara Candy Company joined other leading confectionary companies that already participate in the program, signing a CFBAI pledge to not market their confections to children. Smaller and mid-size confectionary companies participating in CCAI also pledge to not market confections to children. CFBAI and CCAI will continue to seek to add additional participants from the confectionary industry and encourage companies in other food sectors, including the restaurant industry, to strengthen the advertising landscape through participation in independent self-regulation.

CFBAI participants remain committed to complying with CFBAI's Core Principles and positively impacting the landscape of child-directed food advertising by advertising only foods that meet CFBAI's Uniform Nutrition Criteria or by not advertising foods or beverages to children under age 13. As the landscape of child-directed advertising continues to evolve, particularly in digital media, CFBAI will continue to work with its participants to ensure that participant advertising is aligned with CFBAI's Core Principles and participants' CFBAI pledges.

I. Introduction and Report Overview

This Report addresses the ongoing work and impact of CFBAI, including an assessment of participants' compliance with their pledges and an overview of foods added to CFBAI's Product List and advertised to children in 2023.¹

Table 1. CFBAI Participant Compliance Assessment List for 2023				
American Licorice Company	General Mills, Inc.	McDonald's USA, LLC		
Burger King Corporation	The Hershey Company	Mondelēz Global, LLC		
Campbell Soup Company	Hostess Brands	Nestlé USA		
The Coca-Cola Company	Kellogg Company	PepsiCo, Inc.		
Conagra Brands, Inc.	Keurig Dr Pepper	Post Foods, LLC		
Danone North America, PBC	The Kraft Heinz Company	Unilever USA		
Ferrara Candy Company	Lindt & Sprüngli	Ferrero USA, Inc.		
Mars, Incorporated				

Table 2. CCAI Participant Compliance Assessment List for 2023				
Brown & Haley	Impact Confections	PIM Brands		
Jelly Belly Candy Company	Just Born Quality Confections	R.M. Palmer Company		

The Report consists of the following sections:

- Part II provides historical information and recent developments regarding CFBAI and its impact on the advertising landscape;
- Part III describes 2023 nutrition developments, including CFBAI's Category-Specific Uniform Nutrition Criteria and the results of CFBAI's 2023 Snapshot of Foods Advertised on Children's Television;
- Part IV discusses CFBAI's pledge compliance monitoring for 2023, including an assessment of compliance on children's TV programming based on Nielsen data;
- Part V describes the Children's Confection Advertising Initiative (CCAI); and
- Part VI is the Report Conclusion.

CFBAI's progress over the years is documented in prior annual reports for CFBAI and CCAI and other program materials, available on the CFBAI webpage of the BBB National Programs website at <u>bbbprograms.org/programs/cfbai</u> and at <u>bbbprograms.org/programs/ccai</u>.

II. About CFBAI and Food Advertising to Children

A. Background

Amidst concerns regarding rates of childhood obesity in the U.S., the Institute of Medicine (IOM) in 2006 recommended that all sectors of the food advertising environment do their part to help address this problem. IOM urged food companies to change the mix of products in child-directed advertising to include healthier foods and to strengthen self-regulation efforts.² In response, CFBAI was launched in 2007 by BBB National Programs' predecessor organization, the Council of Better Business Bureaus, and ten leading food and beverage and quick-serve restaurant companies. CFBAI's Core Principles created a framework to ensure that participants' food and beverage advertising to children features only foods that meet nutrition standards. The Core Principles apply to advertising in child-directed media (*e.g.*, television, websites, mobile apps, print, interactive games, product placement, influencer communications, etc.). CFBAI participants also commit to not advertise branded foods or beverages to children in elementary schools.³

Since 2007, CFBAI and its participants have worked to improve the children's food and beverage advertising landscape through strong and transparent self-regulation. CFBAI participants have reformulated foods, developed new products that meet CFBAI's nutrition criteria, and changed their advertising practices. In 2023, the program had 22 participating companies. Each participant signs a contract and agrees to be held accountable for failure to comply with their commitments through oversight by BBB National Programs. Each company develops a pledge that addresses how it will comply with CFBAI's Core Principles. CFBAI monitors covered media for compliance and participants also must submit reports about their advertising annually. Instances of non-compliance have been infrequent, typically inadvertent, and quickly remedied.

For transparency and accountability regarding the program and foods and beverages advertised to children, CFBAI maintains a website that identifies the participants and makes publicly available CFBAI's Core Principles, the Uniform Nutrition Criteria, each participant's individual pledges, the Product List, contact information, past annual reports, statements and press releases regarding the program, and an FAQ section.⁴ CFBAI regularly presents at conferences and meetings on children's advertising and food and beverage advertising, and occasionally participates in public proceedings of domestic and international governmental bodies or NGOs on matters relevant to CFBAI's program and expertise.

CFBAI complements the work of another BBB National Programs children's advertising program, the Children's Advertising Review Unit (CARU). CARU's Self-Regulatory Guidelines for Children's Advertising ("CARU Guidelines") set strong standards that help ensure that

- 3 Effective with the 2024-2025 school year, the elementary school commitment in the Core Principles will include middle schools.
- 4 See https://bbbprograms.org/programs/all-programs/cfbai. The CFBAI Core Principles are also included herein as Appendix A.

² See, e.g., Institute of Medicine's 2006 report, "Food Marketing to Children and Youth: Threat or Opportunity?" available at <u>http://www.iom.edu/Reports/2005/Food-Marketing-to-Children-and-Youth-Threat-or-Opportunity.aspx</u>

advertising to children for all products is not deceptive, unfair, or inappropriate.⁵ Whereas CFBAI's Core Principles apply to only food companies that opt-in to CFBAI, the CARU Guidelines apply to all advertisers, including all CFBAI participants. Both CFBAI and CARU monitor children's media, enforce the standards of the respective programs, and can refer non-complying companies to the Federal Trade Commission (FTC).

Like the CARU Guidelines, CFBAI's Core Principles apply to advertising primarily directed to children, a group that the advertising industry has long recognized merits special protection. CFBAI is not intended and was not designed to address all advertising that children might be exposed to but that is not directed to them, such as advertising on primetime shows or sporting events that is intended for and directed to adult audiences and where children typically represent a small percentage of the audience.

B. Recent CFBAI Developments

CFBAI added two new participants in 2023, increasing the total number of CFBAI participants to 22 companies. Lindt & Sprüngli, the parent company of Ghirardelli Chocolates and Russell Stover, joined in January 2023. Ferrara Candy Company, which owns popular confectionery brands such as SweetTarts, Laffy Taffy, Trolli, and Nerds, joined CFBAI in October 2023. Both Ghirardelli and Ferrara Candy Company had been participants in CCAI since its launch in 2016.

On January 1, 2023, the 6th edition of CFBAI's Core Principles took effect that expanded the scope of the Core Principles to include "advertising primarily directed to children under age 13." Prior to this change, the Core Principles covered advertising primarily directed to children under age 12. This expansion of the program's coverage brought CFBAI's Core Principles into alignment with the CARU Guidelines, which were revised in 2022 to apply to advertising to children under age 13.

C. CFBAI's Impact on the Advertising Landscape

Before CFBAI, there was no requirement that foods advertised to children meet nutrition standards. There was no independent oversight of what foods were advertised to this age group. Since CFBAI's launch in 2007, however, the landscape has changed. CFBAI participants have historically accounted for the majority of all child-directed food advertisements,⁶ meaning that most foods in advertisements directed to children have been subject to CFBAI's nutrition criteria. Over time, CFBAI's nutrition criteria have encouraged improvements in many foods advertised by participants. The strong, independent oversight provided by the CFBAI administrator, BBB National Programs, has helped ensure excellent compliance and guided the program to regular program enhancements.

There is also evidence that less food advertising is being directed to children. Recent studies regarding children's exposure to food advertisements on children's television programming show a significant decline in child-directed food advertising in that medium. A recent study found that from 2013 (the year before CFBAI adopted uniform nutrition criteria) to 2022, the exposure of children ages 6-11 to food-related advertisements on children's television programming decreased by 97% (from 1,745 to 52 ads seen per year), driven by a 98% reduction in exposure to ads from CFBAI companies (from 1,293 to 27 ads seen per year).⁷

⁵ See https://bbbprograms.org/programs/all-programs/children's-advertising-review-unit/Ad-Guidelines. CARU also administers Privacy Guidelines that address the protection of children's privacy in online environments.

⁶ CFBAI and others have regularly found that CFBAI participants' advertising cover most food and beverage advertising on children's television programming. See, e.g., Jensen, M.L., Fleming-Milici, F. & Harris, J.L. Are U.S. food and beverage companies now advertising healthy products to children on television? An evaluation of improvements in industry self-regulation, 2017–2021. Int J Behav Nutr Phys Act 20 (2023) (CFBAI participants accounted for 79% of advertising on children's television). <u>https://doi.org/10.1186/s12966-023-01517-y.</u>

⁷ Powell, Lisa M., et al., "Trends in Children's Exposure to Food and Beverage Advertising on Television," JAMA Network Open, 2024; 7(8).

This steep decline in children's exposure to food advertisements from CFBAI participants on children's programming continues the trend revealed in data from a prior study showing that children ages 6-11 viewed approximately 72% fewer food and beverage advertisements on children's television programming in 2021 compared to 2016.⁸ The decline in exposure since 2007, when CFBAI launched, is even greater.⁹ Although children's viewing habits are shifting from television to digital media, this dramatic reduction outpaces the rate of such migration.

This data comports with a trend that continued in 2023 of a decreasing percentage of CFBAI participants engaging in any child-directed advertising and a decline in the number of foods on CFBAI's Product List, which is where participants identify the foods and beverages that they might advertise to children. This reduction was reflected in the results of CFBAI's Snapshot of Foods Advertised on Children's Television discussed in the next section of this Report.

Although assessing the digital environment presents unique challenges, participants' CFBAI commitments to not direct food advertising to children or to advertise only foods that meet CFBAI's nutrition criteria apply to participant's digital advertising as well.

⁸ See Jensen et al., "Are U.S. food and beverage companies now advertising healthy products to children on television? An evaluation of improvements in industry self-regulation, 2017-2021," International Journal of Behavior Nutrition and Physical Activity, (2023); The Rudd Center, FACTS 2017 (2018) Report. The Jensen study found that children ages 6-11 viewed a total of 202 food ads from CFBAI participants on children's television in 2021, or 72% less than the 770 ads from CFBAI participants viewed by children in 2016 per the FACTS 2017 Report. Because the FACTS 2017 report included quick serve restaurant ad viewings, which were not included in the 2023 Jensen study, the ad viewings attributed to McDonald's that were identified in FACTS 2017 have been excluded in deriving the 72% decline assessment.

⁹ See Harris, Jennifer and Kalnova, Svetlana, "Food and beverage TV advertising to young children: Measuring exposure and potential impact," Appetite, at 52 (finding that children ages 6-11 viewed an average of 1,134 CFBAI participants' ads on children's TV in 2007).

III. Nutrition Developments

A. CFBAI Category-Specific Uniform Nutrition Criteria Overview

CFBAI's Uniform Nutrition Criteria, 2nd ed., apply to participants' advertising primarily directed to children on covered media. These criteria set limits on nutrients to limit (calories, saturated fat, sodium, and added sugar) and establish minimum requirements for positive nutritional contributions (*e.g.*, dairy, whole grains, calcium, Vitamin D). CFBAI first adopted uniform nutrition criteria in 2011, which were implemented in 2014. CFBAI enhanced and improved these criteria in 2018 and implemented the revised criteria in 2020.¹⁰

B. 2023 Product List Developments

CFBAI's Product List identifies the foods and beverages that participants have indicated may be the subject of child-directed advertising in covered media (typically on television or in digital media). The Product List is publicly available on CFBAI's website and is updated twice a year.

There was a substantial reduction in the number of foods and beverages listed on the 2023 Product List compared to prior years, with 43% fewer products listed in 2023 than in 2022. Concurrently, fewer participants listed any products on the Product List (meaning they were not considering any child-directed food or beverage advertising). Only eight of CFBAI's 22 participants, or 38%, listed any products on the Product List in 2023, compared to 11 of CFBAI's 20 participants, or 55%, that listed products in 2022.

Only two categories had new products added to the Product List in 2023. A few **Cereals** were added and advertised to children that provided either a good source of calcium and Vitamin D or an excellent source of iron. The **Waffles and Pancakes** category, though not advertised to children, also had several additions that each provided an excellent source of calcium or iron, with some also providing an excellent source of Vitamin A. No other categories had new product additions to the 2023 Product List, and the cereals, savory snacks, and yogurt categories had significant reductions in the number of foods listed.

¹⁰ The criteria were implemented January 1, 2020, coinciding with the implementation date for FDA's Nutrition Facts and Supplement Facts Label and Serving Size final rules. The 2018 UNC included improvements that impacted every category, including the use of added sugars rather than total sugars to align with FDA's updated Nutrition Facts Panel (NFP); sodium threshold reductions in 13 of 17 categories; reductions to added sugars contributions in key categories such as Milks, Savory Snacks and Sweet Snacks; an updated criteria for whole grains to ensure that foods qualifying based on whole grain content contribute a meaningful amount of whole grain; a requirement of more food groups in the Main Dish and Meal categories, which typically make significant contributions to children's diets; more rigorous nutrientbased qualifiers that are limited to "under-consumed" nutrients; and use of more transparent and descriptive food categories. CFBAI's 2018 White Paper provides the full rationale for the Revised Criteria and is available on CFBAI's website. On January 1, 2025, additional reductions to sodium in the Cereals category and added sugars in the Mixed Dishes and Small Meals categories will take effect.

C. 2023 Snapshot of Foods Advertised on Children's TV

CFBAI has conducted annual snapshots of food and beverage TV ads since 2010.¹¹ The 2023 Snapshot assessed food and beverage advertising airing from January to July 2023 on 11 children's television networks.¹² The Snapshot found advertising by four CFBAI participants and 20 non-participants, with advertisements from CFBAI participants accounting for the majority (57%) of food advertising. This section notes several Snapshot findings.

1. Fewer food categories and foods were advertised in 2023.

The Snapshot found that CFBAI participants advertised foods from fewer food categories in 2023 compared to the prior year. Three categories were advertised: the Cereal category continued to be the most frequently advertised category by participants, followed by the Meals and Small Meals categories. By comparison, participants advertised foods from four categories in 2022. There was an approximately 20% reduction in the overall number of ads from CFBAI participants compared to 2022.

2. Foods featured in participants' ads provided food groups and/or were good sources of nutrients of public health concern or under-consumed nutrients; calorie contributions were modest.

All advertised cereals were a good source of Vitamin D (a nutrient of public health concern) or an excellent source of an under-consumed nutrient like iron. Advertised Meals provided two food groups and an excellent source of calcium. Small Meals provided one and a half food groups and were a good source of an under-consumed nutrient. The average calorie contributions of these foods were modest: Cereals (140 calories), Small Meals (350 calories), and Meals (395 calories). The Snapshot did not find any advertising by CCAI participants, demonstrating compliance with the CCAI Core Principles.

3. Non-participant ads promoted mostly candy and restaurant offerings

Candy advertising and restaurant advertising featuring food (pizza chains, quick serve, and casual restaurants) were the most frequently advertised categories by companies not participating in CFBAI. Foods from the candy category generally exceed CFBAI limits on sodium and/or added sugars. Most non-participant restaurant ads did not feature a children's meal. Although some non-participants' ads featured foods from other categories (*e.g.*, Cheese, Sweet, and Savory Snacks), these categories represented a much smaller percentage of non-participants' ads than the candy and restaurant categories.

¹¹ CFBAI uses the TV ad-tracking platform iSpot to create its snapshots. The platform uses audio and video fingerprinting technology to extract product advertisements, movie trailers, and other entertainment promotions. It identifies the industry, product category and brand, as well as information regarding where and when the ad aired. This database can be searched by various criteria and subscribers can view ads.

¹² The networks were Boomerang, Cartoon Network, Discovery Family, Disney Channel, Disney XD, Disney Jr., Nick, Nick Jr., Nicktoons, Teen Nick, and Universal Kids. The results reflect ads that aired from 6 AM – 9 PM on programs identified by iSpot as kids programming and aired more than 25 times.

IV. Pledge Compliance Evaluation

CFBAI found that CFBAI and CCAI participants delivered excellent compliance with their pledges in 2023, as determined by the program administrator's analysis of a robust sample of Nielsen television advertising data, monitoring of samples of digital media and television content, and review of participants' advertising reports submitted as part of the program's compliance procedures. CFBAI's finding of excellent compliance is consistent with its past assessments, and third-party reports have previously noted participants' compliance with their pledges.¹³

CFBAI assesses pledge compliance in several ways. First, CFBAI monitors advertising in covered media to determine whether CFBAI and CCAI participants have complied with their commitments to not engage in child-directed advertising or to advertise only foods that meet CFBAI's Uniform Nutrition Criteria in child-directed advertising.¹⁴ Second, participants are required to submit reports about their advertising and how they met their CFBAI pledge commitments. Any issues regarding compliance that are observed by or reported to the administrator are investigated by CFBAI and addressed with the participant, and when necessary, corrective measures are taken to prevent recurrence.

Participants have created internal policies and procedures to support ongoing compliance with their CFBAI commitments, including employee training, guidance regarding advertising placement for use by internal media teams and external partners, and systematic processes for reviewing and executing advertising and media buys.¹⁵

CFBAI received no complaints regarding CFBAI participants' or CCAI participants' compliance in 2023. In the case of the few issues that were identified by the administrator or by participants themselves, the companies investigated them, addressed the problems or concerns, and, when necessary, established or revised procedures to prevent the issue from reoccurring.

See, e.g., Rudd Center, Food industry self-regulation after 10 years: Progress and opportunities to improve food advertising to children at 86 (Nov. 2017) ("In compliance with their pledges, only CFBAI listed brands (i.e., brands with products included on CFBAI company lists of products that may be advertised to children) appeared to direct their advertising to children under 12, including in advertising on children's TV programming"), available at <u>http://www.uconnruddcenter.org/files/Pdfs/FACTS-2017_Final.pdf</u>; at 2 ("Examination of compliance with industry self-regulation revealed complete conformity with company pledges.").

¹⁴ This report refers to a food that meets CFBAI's nutrition criteria as a "qualifying" or "qualified" food. Participants are required to submit these foods to CFBAI for review before they are advertised to children. A "non-qualifying" food thus refers to a food that does not meet the nutrition criteria.

¹⁵ These policies and procedures often direct employees across multiple internal divisions and departments, including legal, marketing, policy and planning, product development, product distribution, brand management, regulatory affairs, nutrition, and sales, as well as third parties involved in advertising development and placement, such as advertising agencies and media buyers.

A. Key Compliance Findings

1. Overview

CFBAI and CCAI's Core Principles address advertising primarily directed to children in covered media, which includes television, print, radio, and digital media (including company-owned websites, third-party websites, streaming platforms, child-directed YouTube channels, and mobile apps).

For media such as television and print for which reliable audience composition data is available from third parties, "child-directed advertising" in 2023 meant advertising for which children ages 2-12 constituted at least 30% of the expected audience at the time a participant buys its media, typically the year before advertising airs. CFBAI refers to the expected percentage of children in the audience as the "audience threshold."¹⁶

For media where reliable audience composition data may not always be available, such as for most digital media, CFBAI assesses whether an ad is primarily directed to children based on an evaluation of multiple factors, including age demographics for the site or digital content, an assessment of the overall nature of the content (*e.g.*, the subject matter of the site or video, the visual content, the language used, the kind of music or audio content), whether the ad is part of a larger child-directed campaign, and actions by an advertiser or a platform to restrict children's access to a site or content. Tools and settings are also often available in the online environment that an advertiser may have used to avoid serving ads to children under age 13. For example, some platforms or content developers provide content identifier tools that indicate whether content is primarily child-directed, which allows participants that do not want to reach children to avoid such content while allowing participants advertising qualifying foods to place ads for those foods contextually. Advertisers can also create "do not serve" lists of child-directed content and/or use age-targeting and interest-based or behavioral indicators to target an older or adult audience and avoid serving advertisements to children under age 13.

2. TV advertising

For 2023 compliance monitoring, CFBAI licensed second- and third-quarter 2023 national TV audience data from Nielsen to independently assess the instances of CFBAI and CCAI participants' ad airings appearing on television programs that exceeded CFBAI's minimum 30% audience threshold, meaning children under age 13 were at least 30% of the audience.¹⁷ Nielsen obtains audience composition data from panels of television-owning homes that are representative of the viewing behavior of households nationwide. The Nielsen data provides detailed statistics about advertising spots: the advertiser, product, network, program, date and time of airing, the estimated audience, and the demographic breakdown for ages 2-12, 2-11, and 2-5.

Because advertisers purchase most television advertising well in advance of when the advertisement will air, a participant's program compliance is based on the expected audience composition at the time the advertising is purchased, *i.e.*, the percentage of children under age 13 projected to be in the audience at the time the participant purchased the ad time. The compliance rate stated herein is based on Nielsen measurements of audience composition at the time of airing. At times, the measured audience for a program at the time of airing may unexpectedly exceed the expected audience composition for that airing at the time of purchase. For example, an occasional episode of a program on an adult network may have

¹⁶ Several CFBAI participants have made pledge commitments that exceed CFBAI's Core Principles requirements. Keurig Dr. Pepper, Mars, Nestle, and Unilever, for example, used a 25% audience measurement threshold to define child-directed advertising in their respective pledges in 2023. All participants' applicable audience measurement thresholds for 2023 are set out in Appendix B and in their CFBAI pledges.

¹⁷ CFBAI applied a 25% audience threshold measurement for those companies that use a 25% standard.

a measured audience that unexpectedly exceeds 30% children. Or an advertisement may air during a program with a very small audience that produces an unreliable audience sample, such as a show airing at 2 AM with a measured audience of 50% children. Accordingly, not all instances of ads for non-qualifying foods where the measured audience at the time of airing exceeded the audience threshold are necessarily violations of a participants' pledge



or evidence of non-compliance. Nevertheless, all such instances have all been incorporated into this Report as "non-compliant" regardless of unexpected or otherwise anomalous audience demographics.

In 2023, CFBAI's overall television advertising compliance rate was 99.6%.

This means that 99.6% of CFBAI participants' TV advertising spots were either for qualifying foods or, if for non-qualifying foods, appeared on programming for which children under age 13 were less than 30% of the measured audience. The individual participants'

overall compliance rates ranged from 98.8% to 100%, including participants that use a 25% audience threshold. "Non-compliant airings" therefore represented a small percentage of participants' overall TV ad placements. Most airings for non-qualifying foods that exceeded companies' thresholds occurred outside of children's programming.

Under CFBAI's Core Principles, participants also commit to not engage in any food and beverage advertising that is primarily directed to children under age 6, meaning advertising for which the expected audience of children under age 6 exceeds 30% at the time of media purchase. Children under age 6 were less than 30% of the measured audience for 99.7% of the programming on which participants' advertising appeared. This means that only 0.3% of advertising spots were aired to audiences with 30% or more children under age 6.

CFBAI provides each participant with their respective company-specific data regarding ad airings that exceeded their audience thresholds. This data is provided so that participants can assess the need for any modifications to their future media purchases to ensure continued compliance with their CFBAI pledge commitments.

3. Digital Advertising

Although children continue to report enjoying and spending time watching television, children's time spent engaging with digital content continues to increase.¹⁸ Participants' CFBAI Core Principles commitments cover child-directed advertising in digital media, including child-directed websites, apps, and streaming content. Each year, participants are required to report to the program administrator about their child-directed digital advertising with information about the foods and beverages advertised, the media in which such ads were placed, and samples of such ads for purposes of compliance evaluation. Although there is no single source that comprehensively identifies online child-directed content or audience composition data, CFBAI also monitors a sample of digital media identified as popular with children based on media reports, articles, and studies. In 2023, CFBAI monitored participants' brand websites and a robust sample of child-directed third-party websites, apps, and YouTube channels.

¹⁸ According to a 2022 Commonsense Media survey, total entertainment screen use among tweens (8- to 12-year-olds) was five and a half hours of screen media per day (5:33) in 2021, up from 4:44 in 2018. The Common Sense Census: Media Use by Tweens and Teens, 2021 (2022) at 3. Tweens reported watching television and online videos every day at the same rate (65% vs. 64%), with 61% reported enjoying online videos "a lot" vs. 48% enjoying television "a lot." *Id.* at 4.

Compliance with the Core Principles in participants' digital advertising was determined to be very good in 2023, with no program non-compliance found or reported. Generally, the foods advertised by participants in child-directed digital media are the same foods that participants have advertised on children's television programming and are often the same ads. This was true again in 2023. The four participants that engaged in child-directed advertising on television advertised the same foods in child-directed digital media, with no additions. These were the only participants that advertised in child-directed digital media in 2023, with one exception: one participant that did not engage in any child-directed television advertised a yogurt product to children in digital media. The advertised yogurt provided a half-serving of dairy and was a good source of calcium. No other food or beverage advertising from participants was found to be directed to children in digital media.

The digital media environment often makes available tools and controls that participants use to avoid serving advertisements for unqualifying foods to children. For example, the digital ecosystem's widespread use of "targeted" advertising allows participants to use demographic information about audiences to direct advertising to users that are well above CFBAI's age range (*e.g.*, targeting only adults ages 18+) and that have adult interests or behaviors unlikely to be exhibited by children (*e.g.*, primary shopper, yoga lover, car buyer). Under the Children's Online Privacy Protection Act (COPPA), websites, apps, and other online operators must avoid collecting personal information from children under 13 without verifiable parental consent.¹⁹ Because of COPPA, participants that advertise qualifying foods to children online therefore do so on a contextual basis, working with third parties with expertise in identifying children's online content and the placement of ads contextually in that content. Advertisers often create "do not serve" lists or use "negative targeting" (*i.e.*, prohibiting ad placement on content associated with children or primarily child-appealing topics) to avoid serving ads on child-directed content.

Popular platforms and digital publishers also have adopted policies that further limit childdirected food and beverage advertising. The YouTube Kids App, for example, does not serve any advertising to users, including advertising for foods. On the "regular" YouTube platform, Google prohibits personalized ads (*i.e.*, targeted ads) on content designated as "Made for Kids" content and prohibits even contextual food and beverage advertising on that content.²⁰ Roblox, the popular platform that allows users to play and create games, requires that advertising not be visible to children under age 13.²¹ TikTok's "Under 13 Experience," its platform designed for U.S. users under age 13, does not serve ads.

Most major social media platforms require users of their platforms to be at least 13 years old and restrict under-age users' access through age-screening procedures.²² In addition to age gating, the largest social media platforms recently have adopted additional policies that limit the ability of advertisers to reach teens on their platforms.²³ Reducing the ability of advertisers to advertise to teenagers is likely to also limit the number of ads, including food ads, seen by children under age 13 who may gain access to these platforms through misrepresentation of their age or other manner.

Many of the most popular on-demand streaming video platforms (*e.g.*, Netflix, Disney+, Max) that have predominantly been subscription-based and ad-free have begun adopting ad-

¹⁹ Under COPPA, website and online services directed to children must avoid collecting personal information from children under 13 without verifiable parental consent. This means that advertisers cannot engage in behavioral advertising to children under age 13. Thus, if CFBAI participants advertise qualifying foods to children online, they do so on a contextual basis.

²⁰ https://support.google.com/adspolicy/answer/9683742?hl=en

²¹ See https://en.help.roblox.com/hc/en-us/articles/13722260778260-Advertising-Standards.

²² Advertisers on platforms that use valid age verification mechanisms to restrict access by that demographic are not intending to advertise to children under age 13 and CFBAI does not treat participant advertising on these platforms as primarily directed to children.

²³ Meta (Facebook, Instagram, Messenger) no longer allows targeted ads to teens based on gender or in-app activity. Google does not allow ad targeting based on age, gender or interests for users under the age of 18.

supported models. Participants' CFBAI Core Principles commitments apply to advertising on video streaming platforms. Many of these streaming platforms have implemented policies and controls that limit the amount and type of advertising that children are likely to see, such as prohibiting or restricting advertising on programming viewed through children's profiles or on content deemed to be child-directed.

4. Advertising in Other Media

Video games that are rated "early Childhood" or "EC" or that are age-graded as primarily directed to children under 13 or G-rated DVDs. Participants did not report advertising in these media, and CFBAI did not identify any instances of non-compliance.

Licensed characters, celebrities, or movie tie-ins. The use of these techniques in covered media was observed only in conjunction with qualifying foods.

Print and radio. No participants reported engaging in child-directed advertising for any foods or beverages in print or radio media.

Product placement. No participants reported engaging in product placement in childdirected content, and no compliance issues with respect to product placement were reported or observed.²⁴

Word-of-mouth (WOM) and influencers. CFBAI's Core Principles cover WOM advertising and advertising through child-directed influencer communications on open-access platforms that include child-directed content, such as YouTube. CFBAI did not observe, and no companies reported, any WOM advertising or child-directed influencer advertising by CFBAI participants in 2023.

5. Advertising to children under age six

"Advertising primarily directed to children under age 6" under the Core Principles is defined as advertising in which 30% or more of the audience is children under age 6. As noted above, Nielsen Q2 and Q3 data for 2023 found that participants achieved a 99.7% compliance rate for this commitment. Companies' individual compliance was also excellent. In addition, CFBAI monitored some pre-school apps and did not observe advertising by participants.

6. Commitment to Not Advertise to Children in Elementary Schools

CFBAI and CCAI participants commit to not advertise foods and beverages to children in elementary schools,²⁵ including through posters, pencils, book covers, or tray liners that advertise specific or product-branded foods or beverages. No instances of non-compliance with this commitment were found by CFBAI or reported in 2023. All reported in-school activities by participants were limited to activities that are exempt from the commitment, such as signage that identifies foods for sale or donations.²⁶

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²⁴ CFBAI's Core Principles do not allow participants to pay for or actively seek to place their food or beverage products in the program/editorial content of any medium primarily directed to children for the purpose of promoting the sale of those products. Participants cannot guarantee, however, that child-directed entertainment or editorial content will not include their foods or beverages because movies, TV shows, or other third parties independently may decide to feature them.

²⁵ CFBAI's restriction on advertising applies to the entire elementary school and school grounds and facilities, including classrooms, cafeterias, libraries, hallways, auditoriums, gyms, playgrounds, and athletic fields. The commitment covers the entire school day while children are under the authority of the school or third parties on behalf of the school. The restriction also covers school buses used to transport children to and from elementary school or to any official, school-sponsored event at an elementary school. As noted in footnote 3, *infra*, the Core Principles commitment to not advertise to children in elementary schools will expand to include middle schools, effective with the 2024-2025 school year.

²⁶ The CFBAI and CCAI elementary school commitment bars direct food advertising to children in schools. Display materials that identify foods or beverages offered for sale in schools, items provided to school administrators for their personal use, charitable donations, support for fundraising efforts, public service messages, curriculum-support materials, and sponsorships are exempt from this prohibition.

USDA's final School Wellness Policy rule²⁷ and guidance²⁸ permit marketing in schools during the school day only for foods that meet USDA's Smart Snacks nutrition standards. CFBAI and CCAI participants do not advertise any foods in elementary schools, even foods that meet Smart Snacks nutrition standards.²⁹

7. Public Inquiries Relating to Compliance

CFBAI did not receive complaints or inquiries relating to participants' compliance with their pledges in 2023.

27 See Local School Wellness Policy Implementation under the Healthy, Hunger-Free Kids Act of 2010 (2016), available at https://www.federalregister.gov/documents/2016/07/29/2016-17230/local-school-wellness-policy-implementation-under-the-healthy-hunger-free-kids-act-of-2010. USDA also allows districts to develop stronger standards and restrictions.

²⁸ USDA, Food and Nutrition Service, Local School Wellness Policy: Guidance and Q&As (April 6, 2017), available at https://www.fns.usda.gov/cn/local-school-wellness-policy-guidance-and-qas.

²⁹ USDA has stated that its marketing restrictions are not intended to prohibit label redemption programs, incentive programs, foods sold as part of fundraisers, and foods that are not intended to be consumed at school, if allowed by individual school districts. *Id.* These USDAallowed activities substantially align with activities permitted under CFBAI's Elementary School Commitment exemptions.

V. About the Children's Confection Advertising Initiative

A. Background

BBB National Programs' Children's Confection Advertising Initiative is an program created in 2016 for smaller confection companies to take part in self-regulation efforts to respond to concerns about advertising in light of childhood obesity.³⁰ Modeled on CFBAI and established in partnership with the National Confectioners Association, CCAI participants commit to CFBAI's oversight of their commitment to not advertise candy to children under age 13 and to not advertise in elementary schools. BBB National Programs provides the essential elements of public commitment, transparency, and accountability.

The following companies participated in CCAI in 2023: Brown & Haley, Impact Confections, Jelly Belly, Just Born Quality Confections, Pim Brands, and RM Palmer. Ghirardelli, a CCAI participant in 2022, became part of CFBAI when Lindt & Sprüngli, its parent company, joined CFBAI in 2023 and made Ghirardelli part of Lindt's CFBAI pledge. Ferrara Candy Company (a 2022 CCAI participant) also joined CFBAI in 2023. The compliance assessment based on Nielsen data discussed in Section III of this report found that television airings by CCAI participants had a 100% compliance rate.

In 2023, the CCAI Core Principles were revised to align with the CFBAI Core Principles, 6th Edition. The CCAI Core Principles, 2nd ed., revised the advertising coverage of the program from "advertising primarily directed to children under age 12" to "advertising primarily directed to children under age 13," adopted a stricter minimum threshold for the definition of child-directed advertising in measured media (children 2-12 constitute at least 30% of the expected audience), and updated the "Covered Media" provision, including modernizing the Digital Media section to reflect changes in children's media consumption habits and the media landscape. Implementation of these updated Core Principles went into effect on January 1, 2024.

B. CCAI Administrative and Compliance Procedures

By joining CCAI, participants agree, by contract, to oversight and monitoring by BBB National Programs of their commitments and to be held accountable for failure to comply with these commitments. BBB National Programs has the discretion to remove from CCAI any participant that does not substantially comply with its pledge after giving the company notice and an opportunity to bring its conduct into compliance and may refer the matter to appropriate regulatory authorities.

30 See https://candyusa.com/responsible-marketing/.

The program recognizes that many confectionery companies have fewer administrative resources than the larger confectionery companies that participate in CFBAI, which can present a barrier to their participation in CFBAI. Accordingly, CCAI's administrative requirements are more streamlined than those of CFBAI. First, CCAI participants are not required to submit an individual pledge. Instead, their participation is noted on the CCAI website. Second, CCAI participants do not submit annual self-assessments. A CCAI participant is required, however, to submit an annual statement signed by a responsible company official that it has complied with its CCAI commitments. Third, CCAI participants also agree to respond promptly to reasonable requests for information from the program administrator. BBB National Programs independently monitors compliance with the commitments to not engage in child-directed advertising in measured and other covered media. No instances of non-compliance by CCAI participants were found or reported in 2023.

VI. Conclusion

CFBAI and its participants continue to demonstrate their commitment to improving the children's food and beverage advertising landscape. BBB National Program's strong oversight, and the participants' dedication of time and resources, have ensured compliance with CFBAI's nutrition standards for foods and beverages advertised to children. Notably, participants continued to demonstrate excellent compliance with their Core Principles commitments. CFBAI found a greater than 99% overall compliance rate in participants' television advertising and that any advertising by participants in online children's content featured only qualifying foods. The program has continually evolved through updates to the Core Principles that address the changing media and advertising environment and improvements to CFBAI's nutrition criteria.

Self-regulation's impact is not limited to compliance with the Core Principles and CFBAI's Uniform Nutrition Criteria. There is strong evidence that since 2007 when CFBAI launched, food advertising to children by participants has declined and children's exposure to food advertising has been reduced, as seen in studies related to children's exposure to child-directed TV advertising and the reduced number of foods advertised to children by participants. In addition, the prevalence of targeted advertising in the digital ecosystem can work to limit children's exposure to participants' online ads. Although many factors contribute to the changing advertising landscape, the presence of independent self-regulatory oversight by BBB National Programs and participants' public and ongoing commitment to responsible marketing have played a critical role.

Appendix A.

CFBAI Program and Core Principles Statement (6th Edition) B. **Programs** Children's Food & Beverage Advertising Initiative

National

CFBAI Core Principles, 6th Edition

The Children's Food and Beverage Advertising Initiative

I. Introduction

CFBAI is a voluntary self-regulation program created to improve the children's food and beverage advertising landscape. Food and beverage companies and quick-serve restaurants that participate in CFBAI have agreed to the CFBAI Core Principles to help address the challenge of childhood obesity.

Background. The original "Core Principles Statement" ("Core Principles" or "Core Commitments") was issued in November 2006 when the Council of Better Business Bureaus (CBBB)¹ and 10 companies launched the Children's Food and Beverage Advertising Initiative (CFBAI) to shift the mix of foods in advertising primarily directed to children under age 12 to include healthier dietary choices. Under this revised Core Principles, 6th Edition, participants commit that, in advertising primarily directed to children under age 13 ("child-directed advertising"), they will either not advertise any foods or beverages to children in this age group or will advertise only foods that meet CFBAI's Category-Specific Uniform Nutrition Criteria.

CFBAI previously updated the Core Principles several times:

- Expanded the media scope to include new and emerging digital and mobile media in 2009 (2nd Edition, November 2009);
- Harmonized the audience definition threshold for child-directed advertising in measured media at a minimum 35% threshold (3rd Edition, September 2010);²
- Added compliance monitoring of participants' policies not to engage in advertising primarily directed to children under age 6 (3rd Edition, September 2010);
- Agreed in 2011 to adopt the CFBAI Category-Specific Uniform Nutrition Criteria as the foundation for food advertising to children, implemented by December 31, 2013 (4th Edition, January 2014).
- Agreed in 2020 to update the Core Principles (i) to reflect the adoption in 2018 of the CFBAI Category-Specific Uniform Nutrition Criteria, 2nd ed., implemented January 2020; (ii) to adopt a stricter minimum threshold for the definition of child-directed advertising in measured media, and (iii) to update the "Covered Media" provisions, including modernizing the Digital Media section to reflect significant changes in children's media consumption habits and the media landscape (5th edition, January 2021).

CFBAI Core Commitments, 6th ed. This edition of the Core Principles revises the advertising coverage of the program from "advertising primarily directed to children under age 12" to "advertising primarily directed to children under age 13."³ Implementation of this change will be on or before January 1, 2023.

^{1.} CBBB restructured into three separate nonprofit organizations in 2019. CFBAI is part of one of these organizations, BBB National Programs. CFBAI's program functions remain the same

^{2.} At that time, participants defining child-directed advertising as advertising on media where the audience was composed of at least 50% children ages 2-11 changed to a definition of at least 35% children ages 2-11, harmonizing with other participants already using a 35% or lower threshold.

³ This edition also makes non-substantive organizational changes to the Core Principles

Part II of this Statement sets out the Core Principles, 6th Edition. All participants agree to make individual company-specific commitments that are consistent with these principles. Part III describes the administrative elements of the program.

II. Core Principles

Participation in CFBAI is entirely voluntary. Companies that participate in this program publicly commit to advertising policies that will further the goal of promoting balanced dietary choices to children under age 13. These commitments will be set forth in an individual "pledge" of each participant. All commitments will be consistent with the following Core Principles.

A. Advertising Primarily Directed to Children Under Age 13

Participants commit:

- That all advertising primarily directed to children under age 13 in covered media will be for foods that meet <u>CFBAI's Category-Specific Uniform Nutrition Criteria</u>, 2nd ed.⁴ or
- That they will not engage in child-directed advertising in covered media or through other media addressed herein.

B. Covered Media

The advertising commitment applies to advertising primarily directed to children under age 13 in the following media ("covered media"):

- Television
- Radio
- Print
- Internet/Digital media, including but not necessarily limited to:
 - Company-owned websites
 - · Third-party websites, including display, banner, pop-up, audio or video advertising
 - Mobile apps or mobile media, including advertising on phones, laptops, tablets, other personal digital devices, in whatever form, including email, text, IM or SMS messaging

^{4.} CFBAI's Category-Specific Uniform Nutrition Criteria, 2nd ed. were effective January 1, 2020. CFBAI's basis for the criteria are explained in the 2018 White Paper, available on CFBAI's website at https://bbbprograms.org/programs/CFBAI/. With CFBAI's consent, a participant may use company-specific criteria if such criteria are at least as strong as CFBAI's criteria. A participant also may use a bifurcated approach of using its own criteria, or portions thereof, when these are stronger than CFBAI's criteria. In no event will a participant be able to qualify a product for child-directed advertising that does not meet and/or exceed CFBAI's criteria.

- Platforms (e.g., YouTube) that may have content or channels that are primarily directed to children under age 13⁵
- Video and computer games that are primarily directed to children under age 13
- DVDs of movies that are rated "G" whose content that is primarily directed to children under age 13, and other DVDs whose content is primarily directed to children under age 13
- Word of mouth.⁶

C. Product Placements

Participants will commit to not paying for or actively seeking to place their foods or beverages into third-party program or editorial content of any medium primarily directed to children under age 13 to promote the sale of those products.⁷

D. Product Integrations

Participants will commit that the paid for or actively sought integration of their foods or beverages in any medium primarily directed to children under age 13, including in interactive games or other digital content, will promote only foods or beverages that meet CFBAI's Uniform Nutrition Criteria.

E. Influencers

Participants will commit to use influencers to promote foods and beverages in communications primarily directed to children under 13 only if the foods or beverages meet CFBAI's Uniform Nutrition Criteria.⁸

^{5.} CFBAI refers to YouTube explicitly because it is the leading example of an open-access platform with content directed to children. CFBAI views media platforms that restrict access by children under age 13 differently. A platforms' use of valid age verification to restrict access creates a presumption that an advertiser on such platforms is not intending to primarily direct its advertising to children under age 13.

^{6.} The commitment regarding word of mouth advertising refers to advertising primarily directed to children under age 13 where a participant provides incentives (financial or otherwise), product samples or other support to individuals or groups who are not employees to encourage such individuals or groups to discuss the company's branded foods or beverages.

^{7.} As covered in these Core Principles, the term "product placement" contemplates the insertion of a product into entertainment/editorial programming in an incidental, prop-like manner. Although the product is visible, it is not incorporated into the script, story line, dialogue, or action of the scene in an integral way. The incidental nature of the product's incorporation in the entertainment content distinguishes product "placement" from product "integration."

^{8.} Under the FTC Act and as set out in the FTC's Endorsement Guide and related FTC influencer guidance documents, endorsements, including influencer endorsements, must disclose material connections between the endorser/influencer and the brand. In addition, the CARU Guidelines and CARU cases recognize that children may have difficulty distinguishing between advertising and online content and therefore also require that ads be identifiable as advertising. CFBAI participants that work with influencers on child-directed influencer communications should request that influencers clearly and prominently disclose that the communication is advertising. However, compliance with this section of CFBAI's Core Principles will be assessed solely on whether the foods or beverages meet CFBAI's Uniform Nutrition Criteria. Note: As explained in CARU's Guidelines, content generated by a user who has no material connection to the product, service, character, or brand mentioned or depicted in the content is not advertising. However, as in the Guidelines, if a participant uses or incorporates such content in advertising primarily directed to children, then the use or incorporation of such content is covered by CFBAI's Core Principles.

F. Licensed Characters, Celebrities and Movie Tie-Ins

Participants will commit that the use of third-party licensed characters, celebrities (including athletes) and movie tie-ins in advertising primarily directed to children under age 13 will be consistent with their advertising commitments set forth in Sections II.A – II.E.⁹

G. Advertising in Elementary Schools¹⁰

Participants commit to not advertising branded foods or beverages to children in elementary schools, pre-K through 6th grade. This includes but is not limited to advertising on or through the following items:

- Posters
- Scoreboards
- School buses
- Pencils, book covers, and other school supplies offered for sale in school
- Textbooks
- Tray liners, cups, napkins, plates
- Coolers
- Food samples and taste tests¹¹

This commitment does not apply to displays of foods and beverages that identify foods that are for sale; fundraising support; public service messaging; curriculum materials; items given to school administrators for their personal use; charitable donations, or sponsorships.

H. Advertising to Children Under Age Six

Participants commit to not engaging in advertising primarily directed to children under age six.

I. Definitions of Child-Directed Advertising

Participants are permitted, within reasonable limits and subject to the CFBAI's review and approval, to define "advertising primarily directed to children under age 13" ("child-directed advertising"). Compliance determinations will be made in accordance with these standards as set forth in the company's pledge. Below we summarize the approaches that participants are required to use and other approaches that they may use to define such advertising and to demonstrate compliance with the Core Commitments.

Digital and online media.

In the complex and rapidly evolving digital environment, advertising is delivered to users through various channels using different methods to place an ad in front of a user. Advertisers use a variety of tools and approaches to direct their ads to the intended audience.

This commitment does not apply to other marketing channels, such as point-of-sale materials or packaging (provided that the packaging does not appear in advertising primarily directed to children under age 13). This commitment also does not apply to the use of company-owned characters.

CFBAI has published FAQs regarding the Core Principles generally and the Elementary School Commitment on the CFBAI website at https:// bbbprograms.org/programs/all-programs/cfbai/cfbai-faqs.

^{11.} This commitment is not intended to interfere with the ability of schools to conduct food or beverage taste tests to assess what foods or beverages to offer for sale at school.

Measured media, such as TV, radio, print and some digital. "Advertising primarily directed to children under age 13" will mean advertising for which children ages 2-12 constitute at least 30% of the expected audience (the "audience threshold").¹² The audience demographics that determine compliance with this audience threshold will be measured in media impressions expected to be received by specific demographic groups at the time the advertising is purchased, based on reliable third-party information (e.g., Nielsen ratings for TV or comScore data for digital media).

Participants typically purchase most television advertising once annually, well in advance of when the advertising will air, on a daypart or timeblock basis. Advertising placed in purchased dayparts or timeblocks will be identified as compliant for purposes of CFBAI pledge commitments based on an analysis of the annualized audience composition data for the block of time purchased.

In some cases, digital advertising called "contextual advertising" may be served based on the content that is adjacent to the ad or in which the ad is placed. Determining whether such content is child-directed depends on the composition of the audience for that content (if known) or, where reliable audience composition data is not available, an assessment of multiple factors related to that content.

Where audience composition is known, such contextual advertising will be deemed primarily directed to children under age 13 if 30% or more of the audience for the site, app, or content in which the ad is placed are children under age 13. Where audience composition data is inadequate to make this determination, contextual advertising will be deemed primarily directed to children under age 13 if the ad is placed in content that appears to be child-directed based on an evaluation of multiple factors related to that content, including whatever age demographics for the site or digital content may be available, an assessment of the overall nature of the content, including but not limited to the subject matter of the site or video, the visual content, the language used, the kind of music or audio content, the difficulty of game play, the influencer or influencers featured in the content, and actions taken to restrict children's access to the site or content. Platforms or content developers also may provide content identifier tools that indicate whether content is child-directed.¹³

In other cases, advertising called "targeted advertising" may be served based on the characteristics of the user rather than the content the user is viewing. Advertisers or their service providers within the digital advertising ecosystem obtain information about users from multiple sources, including information that users provide directly (e.g., through online registration), information from the device(s) they use, or information about their interests that can be inferred from their online behavior. In combination, age-targeting tools and interest-based or behavioral factors help an advertiser direct an ad to those individuals that fall within a targeted age range, that are in a certain location, or that have particular interests, regardless

^{12.} Because audience measurement data for children is more readily available in the U.S. for children under age 12, CFBAI participants may apply a 27% audience threshold for children under 12 as a proxy for a 30% audience threshold for children under 13.

^{13.} This analysis also applies in determining whether influencer communications and product integrations are child-directed.

of the content they are viewing. Advertisers also can use these tools to avoid directing an ad to a particular audience (e.g., to avoid serving an ad to children under age 13).

When engaged in this type of advertising, a participant generally will need to rely on one or more of the following tools to avoid serving ads for foods that do not meet CFBAI's Uniform Nutrition Criteria to children under age 13:

- 1. Age-targeting (based on cookie data or other age indicia) to audiences other than children under 13;
- 2. Targeting based on interest-based or behavioral data to audiences other than children under age 13;
- 3. Exclusion of specific sites, channels or other content that are directed to children under age 13; and
- 4. The use of relevant topic, keyword, or content classification or identification systems or filters provided by the platform owner or content developer (e.g., an app developer).

III. Administration and Oversight

Company pledges are established in consultation with the BBB National Programs-administered CFBAI program.¹⁴

1. Monitoring and Enforcement

The program is responsible for monitoring company commitments. Monitoring includes independent monitoring of covered media and the review of advertising materials, product information, and other information as reasonably requested by the program administrator (submitted on a confidential basis) to confirm participant compliance. The program also responds to inquiries relating to compliance.

The program provides, by contract, for the expulsion of a company that does not comply with its pledge after being given notice and an opportunity to bring its conduct into compliance and notice of any expulsion to regulatory authorities such as the Federal Trade Commission under appropriate circumstances.¹⁵

^{14.} CFBAI's website includes each participant's pledge.

^{15.} Under the contracts, BBB National Programs will give participants at least 30 days prior written notice before termination for cause and 60 days prior written notice for termination without cause. (The participants also have the right to terminate their participation upon prior written notice.) Specifically, when appropriate, BBB National Programs will notify a participant in writing of substantial noncompliance and give the participant a reasonable opportunity to bring its conduct into compliance. Upon termination of a participant, BBB National Programs may refer the matter to appropriate regulatory authorities. BBB National Programs will give a participant notice prior to making the termination and referral public.

2. Public Reports

The program publicly issues reports detailing its activities, including any expulsions or notices of such to regulatory authorities.

3. Periodic Program Reviews

This, the Core Principles, 6th Edition, revises the advertising coverage from "advertising primarily directed to children under age 12" to "advertising primarily directed to children under age 13." We believe that the Core Principles have broadly and properly defined "advertising primarily directed to children under age 13" and the media covered by these commitments. These definitions afford the program significant flexibility to address further media evolution. CFBAI also recognizes that individual participants have chosen or may choose to adopt company-specific policies or commitments that go beyond the Core Principles, and that they may reflect these additional policies in their individual CFBAI pledges.

The program will continue to conduct periodic reviews but recognizes the need for a reasonable interval between reviews to allow participants to implement and assess the operation of any program enhancements.

BBB National Programs

McLean, Virginia 22102

1st Edition, November 2006; 2nd Edition, November 2009; 3rd Edition, September 2010; 4th Edition, January 2014; 5th Edition, September 2021; 6th Edition, April 2022. © 2022 BBB National Programs,

Appendix B.

CFBAI Participants' Child-Directed Advertising Commitments (2023)

Appendix B. CFBAI Participants' Child-directed Advertising Commitments			
Company	Children Under Age 6 Commitment	Children Under Age 13 Commitment	Audience Threshold
Keurig Dr Pepper	No advertising	Qualifying foods only	
Mars, Incorporated	No advertising primarily directed to children under age 13		25%
Nestlé USA	No advertising primarily dire		
Unilever United States	No advertising primarily dire	No advertising primarily directed to children under age 13	
American Licorice Company	No advertising primarily directed to children under age 13		
Burger King Corporation	No advertising	Qualifying foods only	
Campbell Soup Company	No advertising	Qualifying foods only	
Conagra Brands, Inc.	No advertising	Qualifying foods only	
Danone North America, PBC	No advertising	Qualifying foods only	
Ferrara Candy Company	No advertising	Qualifying foods only	
Ferrero USA, Inc.	No advertising primarily directed to children under age 13		
General Mills Inc.	No advertising	Qualifying foods only	
Hostess Brands, Inc.	No advertising	Qualifying foods only	30%
Kellogg Company	No advertising	Qualifying foods only	30%
Lindt and Sprungi	No advertising	Qualifying foods only	
McDonald's USA	No advertising	Qualifying foods only	
Mondelēz Global, LLC	No advertising primarily directed to children under age 13		
PepsiCo, Inc.	No advertising	Qualifying foods only	
Post Foods, LLC	No advertising	Qualifying foods only	
The Coca-Cola Company	No advertising primarily directed to children under age 13		
The Hershey Company	No advertising primarily dire	cted to children under age 13	
The Kraft Heinz Company	No advertising	Qualifying foods only	

The Children's Food and Beverage Advertising Initiative

The Children's Food and Beverage Advertising Initiative (CFBAI), a division of BBB National Programs, is a self-regulation program created to improve the landscape of food advertising to children. CFBAI works with leading food, beverage, and quick serve restaurant companies to ensure that they comply with CFBAI's Core Principles and do not engage in advertising primarily directed to children under 13, or that they feature only foods that meet CFBAI's strict Uniform Nutrition Criteria in their child-directed advertising.

The Children's Confection Advertising Initiative

The Children's Confection Advertising Initiative (CCAI), a division of BBB National Programs modeled after CFBAI, is a self-regulation program for small- and medium-sized confectionary companies created in partnership with the National Confectioners Association (NCA) to help improve the landscape of food advertising to children. CCAI companies commit to not advertise confections to children under age 13.

BBB National Programs

BBB National Programs, a non-profit organization, is the home of U.S. independent industry self-regulation, currently operating more than a dozen globally recognized programs that have been helping enhance consumer trust in business for more than 50 years. These programs provide third-party accountability and dispute resolution services that address existing and emerging industry issues, create a fairer playing field for businesses and a better experience for consumers. BBB National Programs continues to evolve its work and grow its impact by providing business guidance and fostering best practices in arenas such as advertising, child-and-teen-directed marketing, data privacy, dispute resolution, automobile warranty, technology, and emerging areas. To learn more, visit **bbbprograms.org**.

BBB National Programs

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