Children's Food and Beverage Advertising Initiative Nestlé in the USA Pledge June 2022

Nestlé in the USA is a participant in the Children's Food and Beverage Advertising Initiative (CFBAI), a self-regulation program with the goal of improving the landscape of food and beverage advertising directed to children. Nestlé in the USA supports CFBAI's objectives and is committed to its Core Principles. Nestlé in the USA is pleased to submit this restated pledge, which is consistent with its previous CFBAI pledges and reflects CFBAI's Core Principles, 6th ed. (2022).

I. <u>Identifying Information</u>

1. Corporate Contact Information:

Nestlé USA, Inc. c/o Nestlé USA 1812 N. Moore St Arlington, VA 22209

2. Individual(s) responsible for overall implementation of the Pledge:

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Counsel:

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3. Entities covered by the Pledge:

Nestlé USA, Nestlé Nutrition (Gerber), Nestlé HealthCare Nutrition, Inc., and Nespresso, collectively "Nestlé in the USA."

Brand(s) and/or product line(s) covered by the Pledge:

All relevant Nestlé brands in the USA.

4. Commitment covered by the Pledge:

Nestlé in the USA commits it will advertise only products that comply with CFBAI's nutrition criteria (or Nestlé Nutrient Profiling System, whichever is stricter) in advertising primarily directed to children under age 13 (hereinafter "children"), in accordance with this pledge. Because audience data for the under-13 age group is not generally available, Nestlé will keep applying advertisement restrictions when 25% or more of the media channel audience is composed of children under age 12.¹ The company will provide information regarding such products to CFBAI prior to advertising them so that CFBAI can assess whether the products meet CFBAI's nutrition criteria and publicly indicate that the products qualify, and effectively monitor Nestlé in the USA's compliance with its Pledge.

II. Core Principles

1. Advertising Primarily Directed to Children

Nestlé in the USA commits that all advertising primarily directed to children in covered media will be for foods that meet <u>CFBAI's Category-Specific Uniform Nutrition Criteria</u>, <u>2nd ed.</u> or subsequently adopted Category-Specific Nutrition Criteria.

2. Covered media

The advertising commitment applies to 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
- Platforms (e.g., YouTube) that may have content or channels that are primarily directed to children²
- Video and computer games that are primarily directed to children

¹ CFBAI participants may apply a 27% audience threshold for children under 12 as a proxy for a 30% audience threshold for children under 13. Nestlé in the USA applies a stricter 25% audience threshold for children under 12.

- DVDs of movies that are rated "G" whose content is primarily directed to children, and other DVDs whose content is primarily directed to children
- Word of mouth.³

3. Product Placements

Nestlé in the USA commits to not paying for or actively seeking to place its foods or beverages into third-party program or editorial content of any medium primarily directed to children to promote the sale of those products.

4. Product Integrations

Nestlé in the USA commits that the paid for or actively sought integration of their foods or beverages in any medium primarily directed to children, including in interactive games or other digital content, will promote only foods or beverages that meet CFBAI's uniform nutrition criteria.

5. Influencers

Nestlé in the USA commits to use influencers to promote foods and beverages in communications primarily directed to children only if the foods or beverages meet CFBAI's Uniform Nutrition Criteria.⁴

6. Licensed Characters, Celebrities and Movie Tie-Ins

Nestlé in the USA commits that its use of third-party licensed characters, celebrities (including athletes) and movie tie-ins in advertising primarily directed to children will be consistent with its advertising commitments set forth in above.⁵

7. Advertising in Elementary Schools and Middle Schools

Nestlé in the USA commits to not advertising branded foods or beverages to children in elementary schools and middle schools, pre-K through 8th grade. This includes but is not limited to advertising on or through the following items:

- Posters
- Scoreboards
- School buses

² As provided in CFBAI's Core Principles, advertising on a platform that uses valid age verification to restrict access presumptively is not primarily directed to children.

³ Word of mouth advertising refers to advertising primarily directed to children 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.

⁴ 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. User-generated content that is not under the control of Nestlé in the USA is not covered by the Core Commitments.

⁵ 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). This commitment also does not apply to the use of company-owned characters.

- Pencils, book covers, and other school supplies offered for sale in school
- Textbooks
- Tray liners, cups, napkins, plates
- Coolers
- Food samples and taste tests

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.

8. Advertising to Children Under Six Years Old

Nestlé in the USA commits to not engaging in advertising primarily directed to children under six.

III. <u>Definitions of Child-Directed Advertising</u>

Nestlé in the USA will use the following criteria to define advertising primarily directed to children and to demonstrate compliance with CFBAI's Core Commitments.

Measured media. For measured media, Nestlé in the USA will define "advertising primarily directed to children" as advertising for which children under age 12 constitute at least 25% of the expected audience (the "audience threshold"). 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).

Nestlé in the USA typically purchases 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 based on an analysis of the annualized audience composition data for the block of time purchased.

<u>Digital and online media</u>. For "contextual advertising," which is served based on the content that is adjacent to the ad or in which the ad is placed, Nestlé in the USA will determine whether such content is child-directed based on an assessment of 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, Nestlé in the USA will consider such advertising primarily directed to children if 25% or more of the audience for the site, app, or content in which the ad is placed are children under age 12. Where audience composition data is inadequate to make this determination, such advertising will be deemed primarily directed to children 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, actions taken to restrict children's access to the site or content, and content identifier tools that indicate whether content is child-directed provided by platforms or content developers.

Nestlé in the USA also will use age-targeting tools and interest-based or behavioral factors to avoid serving ads for foods that do not meet CFBAI's Uniform Nutrition Criteria to children, such as:

- 1. Age-targeting (based on cookie data or other age indicia) to audiences other than children;
- 2. Targeting based on interest-based or behavioral data to audiences other than children:
- 3. Excluding specific sites, channels or other content that are directed to children; 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).