

**Submission of Kraft Foods Global, Inc.
To The
Children's Food and Beverage Advertising Initiative**

Kraft Foods has for many years been a strong supporter of the Council of Better Business Bureaus (CBBB) and its advertising self-regulation programs. Consistent with that historical commitment, Kraft agreed in November 2006 to support the CBBB's Children's Food & Beverage Advertising Initiative. The goal of this Initiative is to use advertising to help promote healthy dietary choices and healthy lifestyles among American children. While it remains the primary responsibility of parents to guide their children's behavior in these areas, Kraft and other industry members are voluntarily pursuing this Initiative as a means of assisting parents in their efforts.

The Initiative provides that each Participant will, in consultation with the CBBB, develop a Pledge incorporating certain core principles. This document sets forth for CBBB review Kraft's Pledge. We are aware that the information described in Sections A and B below will be made publicly available on the Initiative website.

A. Identifying Information

1. Corporate name and address

Kraft Foods Global, Inc.
Three Lakes Drive
Northfield, IL 60093

2. Contact information of an individual(s) responsible for Pledge implementation

Senior Vice President
North American Legal
Kraft Foods Global, Inc.
Three Lakes Drive
Northfield, IL 60093

Phone: 847.646.2000
E-mail: cbbpledgeinquiries@kraft.com

3. Name of the specific entities covered by the Pledge

All U.S.-based businesses of Kraft Foods Global, Inc.

4. Name of each brand and/or product line that is covered by the Pledge

Our Pledge covers all Kraft products. The following brands currently have child-directed

advertising campaigns¹:

Post cereals
Capri Sun beverages
Kool-Aid beverages
Nabisco cookies and crackers
Kraft “*Handi-Snacks*” snacks
Lunchables lunch combinations
Kraft macaroni & cheese

From time to time, we may amend this list by adding certain products that may be advertised consistent with the terms of our Pledge.

B. Core Principles

1. Overview of the Kraft Pledge

In early 2005, Kraft announced its intention to limit its advertising based on certain nutrition criteria. Kraft does not advertise at all in media primarily directed to children under 6. In addition, for TV, radio, print and internet advertising directed primarily to children between 6 and 11, Kraft only advertises products that meet its *Sensible Solution* nutrition criteria.

2. Description of how Kraft intends to comply with the percentage requirement of the Advertising Message principle:

a. Percentage of child-directed ads to be based on nutrition criteria

1. Television: 100% of ads
2. Radio: 100% of ads
3. Print: 100% of ads
4. Internet: 100% of ads

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

1. Television: Kraft does not advertise during any program where more than 35% of the total audience is under 6. In addition, Kraft restricts its advertising to only those products that meet its *Sensible Solution* nutrition criteria during:
 - any program where more than 35% of the total audience is under 12

¹ Note that the Pledge does not always apply to all SKUs sold under a given brand, but rather to specific items. Thus, while Sugar-Free *Kool-Aid* meets our nutrition requirements, Regular *Kool-Aid* does not. As a result, we advertise the former, but not the latter, via TV, radio, print and websites directed to children under age 12.

- any program that falls within time periods traditionally regarded as “kids’ viewing time” (as designated by media providers), irrespective of the size of the child viewing audience.

Audience composition will be determined based on Nielsen-reported average audience figures for the most recently completed four-quarter television season.

2. Print and Radio: Kraft does not advertise in publications or on radio directed primarily to children under 6. In addition, Kraft will advertise only those products that meet its *Sensible Solution* nutrition criteria in publications and on radio directed primarily to children under 12, based on MRI-reported readership data for publications and Arbitron-reported audience data for radio. The current list of publications and radio networks that Kraft has determined are primarily directed to children under 12 include:

- American Girl
- Boy’s Life
- Disney Adventures
- Girls’ Life
- Highlights
- National Geographic for Kids
- Nickelodeon
- Nintendo Power
- Official US Playstation
- Official Xbox Magazine
- PSM Playstation 2
- Sports Illustrated for Kids
- Time for Kids
- Tips & Tricks
- Radio Disney

Each year, Kraft will update CFBAI with the list of publications and radio networks where it may choose to advertise for the upcoming year.

3. Internet: Kraft does not advertise on web sites where more than 35% of the total visitors are under 6. In addition, on web sites where more than 35% of the total visitors are children under 12, Kraft will advertise only those products that meet its *Sensible Solution* nutrition criteria. Total visitors for web sites will be determined based on average, annual total visitor data as reported by Nielsen Net Ratings or by ComScore.

c. The proposed method by which the Participant intends to measure advertising on Participant owned websites;

None of Kraft’s own websites is directed to children under 6. In addition, Kraft features only those products that meet its *Sensible Solution* nutrition

criteria on its own websites where more than 35% of the total visitors are children under 12, as determined either by Nielsen Net Ratings or by site registration data.

- d. **For products representing healthy dietary choices, state the scientific and/or governmental standard(s), or the company developed standard(s) on which the Participant is relying to designate the product as a healthy dietary choice; and**

Kraft relies on its *Sensible Solution* nutrition criteria to identify those products that represent better-for-you dietary choices as compared with other products within the same category. For a complete, category-by-category listing of the Sensible Solution criteria, please see http://kraftfoods.com/kf/HealthyLiving/sensiblesolutions/SensibleSolution_Program.html, and http://kraftfoods.com/kf/HealthyLiving/sensiblesolutions/SensibleSolution_Products.html.

- e. **To the extent the Participant is relying on a company developed standard, state the scientific and/or governmental standard(s) on which it is based.**

Kraft relies on its *Sensible Solution* nutrition criteria to identify those products that represent better-for-you dietary choices as compared with other products within the same category. Developed by Kraft's nutrition experts, the nutrition criteria are derived from the 2005 U.S. Dietary Guidelines, as well as authoritative statements from the U.S. Food & Drug Administration, National Academy of Sciences, and other public health authorities. These criteria have also benefited from the input of Kraft's Worldwide Health & Wellness Advisory Council, a group of recognized experts from key health and wellness disciplines. For a complete, category-by-category listing of the Sensible Solution criteria, please see http://kraftfoods.com/kf/HealthyLiving/sensiblesolutions/SensibleSolution_Program.html, and http://kraftfoods.com/kf/HealthyLiving/sensiblesolutions/SensibleSolution_Products.html.

3. **The manner by which the Participant intends to implement the Licensed Character principle, including the following:**
- a. **the percentage reduction in the use of Licensed Characters in advertising that does not include healthy lifestyles/healthy dietary choices messaging; and**
- b. **the proposed basis for calculating such reduction, including a baseline figure from Participant's use in FY 2006 of Licensed Characters in advertising, and a description of how the baseline figure was calculated.**

Kraft only uses Licensed Characters on a long-term basis in advertising products that meet the *Sensible Solution* nutrition criteria. Kraft also uses Licensed Characters in short-term promotions across its portfolio. However, when we advertise those short-term promotions, we feature only the items that meet the *Sensible Solution* criteria. Therefore, Kraft meets the nutrition criteria of the Initiative 100% of the time when we advertise.

4. A description of the manner by which the Participant intends to implement the Product Placement principle.

We have instructed our Marketing and Promotions professionals that they may not solicit or accept opportunities to engage in paid product placement with respect to any television show or movie that is primarily directed to the under-12 audience.

5. A description of the manner by which the Participant intends to implement the Interactive Games principle.

We have already implemented the Interactive Games principle – i.e., in Interactive Games incorporated into websites primarily directed to the under-12 audience, we only depict products that meet Kraft’s *Sensible Solution* standards.

6. A description of the manner by which the Participant intends to implement the Advertising in Schools principle.

We abandoned all in-school advertising and marketing several years ago.

7. An implementation schedule for each commitment set forth in the Participant’s Pledge.

Because our commitments are already in place, no implementation schedule is required.

C. Supporting Data

1. For each product that the Participant intends to comply with the healthy dietary choices portion of the Pledge:

- a. the product’s name;
- b. the product’s nutritional labeling;
- c. the product’s ingredient list;
- d. the established scientific, governmental and/or company developed standard relied on; and
- e. the basis for concluding that the product meets the standard.

Please refer to our Exhibits for the above-listed materials as to each item we will advertise.

2. **For each healthy lifestyle messaging option that the Participant intends to comply with the messaging portion of the Pledge:**
 - a. **the messages the Participant intends to use (or a description of a source, for example, the Ad Council's "Small Step" Childhood Obesity Prevention campaign);**
 - b. **a representative sample of the messages; and**
 - c. **if the messages are to be joined with product advertising, a representative sample of product advertising including the messaging, when available.**

Not applicable.

3. **For those Participants that do not intend to advertise to children under 12:**
 - a. **a description of the specific criteria the Participant will use for each covered medium (television, radio, print and Internet) to determine if advertising is primarily directed to children under 12; and**
 - b. **a media plan indicating the venues of the Participant's advertising on each covered medium and providing sufficient detail to determine whether the media is primarily directed to children under 12 in accordance with the criteria established under section 3(a) above.**

Not applicable.

Attachment: Exhibits for Advertised SKUs