

**Council of Better Business Bureaus
Children's Food and Beverage Advertising Initiative
Nestlé USA's Pledge**

Nestlé USA, part of the world's leading nutrition, health and wellness company, is pleased to submit its Pledge in support of the Children's Food and Beverage Advertising Initiative. Participation in the Initiative further affirms Nestlé's commitment to responsible consumer communication.

A. *Identifying Information*

1. *The corporate name and address of the Participant.*

Nestlé USA, Inc., Dreyer's Grand Ice Cream, Inc., and Nestlé Prepared Foods Company
(collectively "Nestlé USA")

c/o Nestlé USA
800 N. Brand Blvd.
Glendale, CA 91203

2. *The name and contact information of an individual(s) responsible for overall implementation of the Pledge.*

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3. *The name of the specific entity or entities covered by the Pledge.*

Nestlé USA, Inc., Nestlé Prepared Foods Company, and Dreyer's Grand Ice Cream, Inc.

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

The following brands have advertising activities directed to children and fall within the scope of the Initiative:

- Nestlé® Juicy Juice® 100% juice;
- Nestlé® Nesquik® flavored milk (8 oz/100 calorie ready- to- drink, 25% reduced sugar chocolate powder, and no sugar added chocolate powder)
- Nestlé® Push-Up® frozen dairy dessert

(The Nutrition Facts and Ingredients statements for each of these products are set forth in Appendices A, B, and C.)

This list will be updated in the event Nestlé USA expands its advertising activities to children beyond the brands identified above.

B. Core Principles

1. *An overview of the manner by which the Participant intends to comply with the Advertising Messaging principle (i.e., the mix of product advertising including healthier dietary choices and advertising including healthy lifestyles messages).*

Nestlé USA will only advertise healthier dietary choices to children under 12 years old. As covered in Sections B2(d) and B2(e), Nestlé USA's healthier dietary choices standard is based on current dietary recommendations/guidelines and regulation/criteria of federal agencies.

Nestlé USA will apply this standard to 100% of its television, radio, print, and Internet advertising primarily directed to children under 12.

In addition, Nestlé USA will not target advertising to children under 6, regardless of the product's nutritional profile.

Nestlé USA's Pledge encompasses the period January 1, 2009 through December 31, 2009. Certain aspects of its commitment will be phased in over the first half of the year, as more fully explained below.

2. *A description of how the Participant intends to comply with the percentage requirement of the Advertising Message principle, including the following information:*
 - a. *state separately for each covered medium (television, radio, print and Internet) the percentage of advertising (measured in media impressions) that the Participant intends to devote to healthy lifestyles messaging and the percentage of advertising that the Participant intends to devote to advertising products representing healthier dietary choices;*

This Pledge is for the period January 1, 2009 through December 31, 2009. Effective January 1, 2009, all television, radio, print, and paid Internet advertising primarily directed to children under 12 will be for products that represent healthier dietary choices.

The Pledge will be implemented as follows: 100% of television, radio, print, and Internet advertising will be for products that represent healthier dietary choices.

During the first half of 2009, Nestlé USA will modify and re-launch the wonka.com web site, targeting a general/adolescent audience and will no longer be directed to children under 12 years old. In addition, during the same time period, the sections of the nesquik.com web site directed to children will be revised and advertise only those products that are healthier dietary choices. The kids.icecream.com web site will be modified early in the first quarter of 2009 and will only feature the Push-Up frozen dairy dessert brand, a healthier dietary choices product. By the end of March 2009, drumstick.com will be redesigned and it will no longer contain the Summerville section or any other section directed to children.

- 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;

Nestlé USA is a long time supporter of the Council of Better Business Bureau's Children's Advertising Review Unit (CARU). Our commitment to CARU and compliance to its guidelines remains. We will continue to apply CARU to all forms of communication to children from television advertising to web communications, and will also use the audience demographics set forth in Appendix D.

Audience demographic calculations will be measured in media impressions primarily directed to specific demographic groups at the time in which the media is purchased. Our media buying agencies are aware of our CFBAI Pledge and will execute and monitor all our buys accordingly to help ensure compliance with the Pledge.

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

All company owned web sites or sections of company owned web sites whose content is primarily directed to children under 12, will only advertise healthier dietary choices. Content primarily directed to children under 12 will be determined based on such factors as content subject matter, graphics, language, presentation, intended audience, and the demographics/composition of the audience to whom the web site is advertised. Nestlé's web sites are not measured by Nielsen, ComScore or other such web site advertising metrics services.

During the first half of 2009, Nestlé USA will modify and re-launch the wonka.com web site, targeting a general/adolescent audience and will no longer be directed to children under 12 years old. In addition, during the same time period, the sections of the nesquik.com web site directed to children will be revised and will advertise only those products that are healthier dietary choices. The kids.icecream.com web site will be modified early in the first quarter of 2009 and will only feature the Push-Up frozen dairy dessert brand, a healthier dietary choices product. By the end of March 2009, drumstick.com will be redesigned and it will no longer contain the Summerville section or any other section directed to children.

- d. *for products representing healthier 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*

The Nestlé USA criteria for defining products that represent "healthier dietary choices" are based on the principles within the Dietary Guidelines for Americans 2005 (Dietary Guidelines). Additionally we are sourcing criteria from the USDA's Food and Nutrition Service (FNS) 2008 HealthierUS School Challenge, FDA definition for "healthy", and policy statements from the American Academy of Pediatrics.

The Dietary Guidelines provide science-based advice to promote health and to reduce risk for major chronic diseases through diet and physical activity. For a complete copy of the Dietary Guidelines visit <http://www.health.gov/dietaryguidelines/dga2005/document/>

The FNS HealthierUS School Challenge criteria for Competitive Beverages/ A La Carte / Second Servings, is a program that has been developed to recognize schools that have taken a leadership role in helping students learn to make healthy eating and active lifestyle choices through this challenge. For a complete copy of the program criteria visit <http://www.fns.usda.gov/tn/HealthierUS/2008HealthierUS.pdf>

“Healthy” is an implied nutrient content claim about general nutrition that is defined by FDA in 21 CFR 101.65(d)(2). The term may be used in labeling an individual food product that qualifies as low in fat and saturated fat and contains limited amounts of cholesterol and sodium. In addition, it must provide at least 10 percent of one or more of vitamins A or C, iron, calcium, protein, or fiber. For the complete regulation visit http://edocket.access.gpo.gov/cfr_2008/aprqtr/pdf/21cfr101.65.pdf

The American Academy of Pediatrics is a not-for-profit organization of 60,000 pediatricians committed to the attainment of optimal physical, mental, and social health and well-being for all infants, children, adolescents, and young adults. The Academy offers policy statements, practice guidelines and many other child health resources. For more information visit <http://www.aap.org/about.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.*

Nestlé’s criteria for healthier dietary choices were developed by the companies’ nutrition experts following key recommendations in the Dietary Guidelines and other sources listed above. The Nestlé criteria take into account the contribution of the particular food to the overall daily diet and the importance of portion control. Section C(1) will provide further explanation and rationale for the criteria by food category.

Nestlé USA, as part of a global company, will continually assess its nutritional standards and refine them based on nutritional science and regulatory updates. This Pledge document will be amended should these standards impact products in this Pledge.

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/healthier dietary choices messaging; and*

Nestlé USA has done minimal character licensing in the recent past. Effective January 1, 2009, only products that represent healthier dietary choices will use third-party licensed characters in advertising to children under 12.

- 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.

See response immediately above. Advertising using third-party licensed characters will be limited to products that meet the healthier dietary choices guidelines.

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

Nestlé USA will not pay for or actively seek to place any products into program/editorial content of any medium primarily directed to children under 12 for the purpose of promoting the sale of those products.

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

Only Nestlé USA products that represent healthier dietary choices will be incorporated into interactive games primarily directed to children under 12.

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

Effective January 1, 2009 Nestlé USA will comply with the Advertising in Schools principle. This commitment does not apply to a limited number of activities, which were planned prior to this Pledge and which will be wrapped up by mid-year. This commitment is subject to the exceptions identified in the Initiative.

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

All commitments will be implemented during the calendar year 2009. Specific timing details for any medium or venue are set forth above.

C. Supporting Data

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

- a. *the product's name;*
See Appendix A for Juicy Juice brand
See Appendix B for Nesquik brand
See Appendix C for Push-up brand
- b. *the product's nutritional labeling;*
See Appendix A for Juicy Juice brand
See Appendix B for Nesquik brand
See Appendix C for Push-up brand
- c. *the product's ingredient list;*

See Appendix A for Juicy Juice brand

See Appendix B for Nesquik brand

See Appendix C for Push-Up brand

d. *the established scientific, governmental and/or company developed standard relied on; and*

See Section C(1)(e) below

e. *the basis for concluding that the product meets the standard.*

Nestlé® Juicy Juice® 100% Juice

The Dietary Guidelines lists fruits and vegetables as “Food Groups to Encourage.” The Dietary Guidelines recommend a daily intake of 1.5 cups (3 servings) of fruit and 2.5 cups (5 servings) of vegetables for a 1,800 calorie diet.¹ One-half cup of fruit juice or vegetable juice equals one serving and is recognized as a convenient way to help consumers reach their recommended daily intake.

The Juicy Juice brand offers 19 flavors across 4 different container sizes and each product provides between $\frac{3}{4}$ and 1 cup of fruits and/or vegetables per serving. Additionally, each serving of Juicy Juice is an excellent source of Vitamin C and meets the FDA definition for “healthy” defined in 21 CFR 101.65(d)(2).

Nestlé also evaluated serving size recommendations when developing our criteria. The American Academy of Pediatrics recommends limiting the daily intake of 100% juice to 8 to 12 ounces for children 7 to 18 years old.² In accordance with this recommendation and also FDA labeling requirements, the serving size for Juicy Juice 46 fl. oz. and 64 fl. oz. family-sized containers is 8 fl. oz. We also offer single serve 6.75 fl. oz juice boxes.

Nestlé’s criteria for healthier dietary choices reinforce all of the above recommendations. In order for a juice product to be considered healthier dietary choices it must be 100% fruit and/or vegetable juice, the serving size will be no more than 8 fl. oz. and no more than 170 calories per serving. See Appendix A for product specific information.

Nestlé® Nesquik® Flavored Milk

The Dietary Guidelines lists fat-free and low-fat milk and milk products as a “Food Group to Encourage.” Low-fat and fat-free milk and flavored milk helps consumers reach this recommendation. The Dietary Guidelines recommend a daily intake of 3 cups of fat-free or low-fat milk or equivalent milk products for a 1,800 calorie diet.

Additionally, the Dietary Guidelines recommends that added sugars be “kept to a minimum” and has allotted for them in the daily “discretionary calorie allowance.” The guidelines also recognizes that for children “sugars can improve the palatability

¹ Based on the average calorie requirements for females and males, 4-13 years old, across all levels of physical activity as outlined in the Dietary Guidelines.

² American Academy of Pediatrics. Endorsed Policy Statement: “Dietary Recommendations for Children and Adolescents: A Guide for Practitioners.” Pediatrics Volume 117, Number 2, February 2006. 8 Oct. 2008
<http://www.pediatrics.org/cgi/content/full/117/2/544>.

of foods and beverages that otherwise might not be consumed. This may explain why the consumption of sweetened dairy foods and beverages and presweetened cereals is positively associated with childrens' and adolescents' nutrient intake.”³

Nestlé also consulted the USHealthier School Challenge Program when developing our criteria. The criteria for competitive beverages / a la carte / second servings includes fat-free and low-fat white or flavored milk meeting state and local standards for pasteurized milk and/or USDA approved alternative dairy beverages may be offered daily. The serving size is limited to 8 fl. oz.

Nestlé's criteria for healthier dietary choices reinforce all of the above recommendations. In order for milk or flavored milk to be considered a healthier dietary choice it must be fat-free or low-fat, added sugars must be “kept to a minimum” and the serving size must be limited to 8 fl. oz. The product will also contain a good to excellent source of calcium, one of the “Nutrients of Concern” from the Dietary Guidelines for children and adolescents.

The following Nesquik products meet the aforementioned criteria:

- Nesquik Ready-to-Drink 100 Calorie Chocolate Milk contains no added sugar and is made with low-fat milk. It is sold in an 8 fl. oz. portion controlled bottle and provides an excellent source of calcium.
- Nesquik Chocolate Powder comes in two varieties: 25% less sugar and no sugar added. Both products have been formulated to contain reduced or no sugar, and over the course of 2009 will be relabeled to provide dual column nutrition labeling for reconstitution in 8 fl. oz. of low-fat milk. It also provides a good source calcium in powder form and an excellent source once reconstituted in low-fat milk.

See Appendix B for product specific information, including current on package nutrition information for Nesquik Chocolate Powder reconstituted in 2% reduced-fat milk and the revised nutrition information with 1% low-fat milk, which will be phased in on packages over 2009.

Nestlé® Push-Up® Frozen Dairy Dessert

In 2008 as a result of our continuous effort to improve the nutrition profile of our products, the Rainbow Twisters flavored and Fruit Mania Variety pack (Orange, Cherry, and Grape) flavored Push-Up brand frozen dairy dessert underwent a reformulation to reduce the total energy by more than 10%, as well as reduce added sugars by more than 25%.

Push-Up brand products are a convenient ‘on-the-go’ portion controlled snack. Each 2.75 fl. oz. portion contains no more than 100 calories and the two varieties specified above deliver an excellent source of Vitamin C.⁴ In early 2009, we will introduce two new varieties of Push-Up. Both will be portion controlled at 2.75 fl. oz, will contain no more than 100 calories, and provide either an excellent source of Vitamin C or Calcium.

³ U.S. Department of Health and Human Services and U.S. Department of Agriculture. “Dietary Guidelines for Americans 2005.” Page 37. January 2006. 8 Oct. 2008 <http://www.health.gov/dietaryguidelines/>

⁴ The Push-Up Rainbow Twisters and Fruit Mania Variety pack varieties meet the FDA definition for “healthy.”

In order for a frozen dairy dessert to be considered a healthier dietary choice it must be portion controlled and contain no more than 100 calories. The product must also deliver a functional benefit by providing an excellent source of a positive nutrient like Vitamin C or Calcium.

See Appendix C for product specific information. Appendix C will be amended in early 2009 as information becomes available for the two new Push-Up varieties.

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.*

Nestlé USA's participation in the Initiative is based on the healthier dietary choices advertising messaging option, but Nestlé will continue to include healthy lifestyle messaging in its communications, as appropriate.

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.*

This section is not applicable as Nestlé USA will advertise to children as set forth above. Section 2a sets forth the percentage audience composition it will use in helping to determine if advertising is to children.