

# **DH INITIATIVE - DEVELOPING A SET OF VOLUNTARY PRINCIPLES**

## **Stakeholder Consultation Session – 18 March 2010 - Final meeting report**

### **1. Overview**

#### **1.1 Background on the Initiative**

The Department of Health (DH) and the Food Standards Agency (FSA) have been working together with the food industry to support consumers to have a healthy, balanced diet. This includes making sure individuals have the information they need about food to make healthy decisions, for example front of pack nutrition information, and encouraging manufacturers to reduce the amounts of salt, saturated fat and added sugar in food. By working closely with the food and drink sector, as well as health and consumer groups, good progress is being made. Some manufacturers, retailers and caterers have already been very active in encouraging healthier eating, and are reporting increased sales of healthier product lines.

A consortium led by the National Heart Forum (NHF) and the International Business Leaders Forum (IBLF) has been commissioned by the DH to look at developing a set of voluntary principles to underpin all forms of marketing and promotion of food and drink to children, particularly where established mandatory self- or co-regulatory regimes do not exist. In addition, an Advisory Group has been established to provide support and advice to the consortium.

#### **1.2 Stakeholder consultation sessions**

On behalf of the DH, the NHF and IBLF organised two stakeholder consultation sessions on 18 March 2010, held at the IBLF's offices in London, to give an opportunity for corporate stakeholders to review and feed into the first step of the process - the mapping and auditing of the current position on national and international food marketing to children, including policies, codes, nutrient profiling, regulations and company pledges. The sessions were facilitated by IBLF under Chatham House rules. (Please see appendix 1 for a participant list).

The stakeholder consultations were part of the wider mapping exercise, which includes consultations with industry and consumer stakeholders. The findings and conclusions of this stakeholder event will inform this ongoing mapping exercise and will also be included in the interim report in June 2010. The DH anticipates that the interim report and its findings will be presented to the minister mid/end of June 2010. The interim report will be made publicly available.

During the stakeholder sessions, clarification was requested on what the status of notes of these and any future discussions would be if an FOI request for information was received. Also, the DH was pressed to clarify what the purpose of the project was and what were the desired outcomes. The DH stated that this initiative aims to look at what can be done to promote healthy products more responsibly. The DH referred to this as “rebalancing” the range of products/promotions available. The aim of this initiative is to focus on those marketing areas that are *not yet* regulated in order to complement the existing UK regulatory regime for broadcast and non-broadcast media (CAP, BCAP, ASA, Clearcast and Ofcom). It aims to look at what forms of regulation exist and what forms of voluntary codes sit alongside the statutory and self-regulatory regimes, to draw from what works well and to determine whether learnings from similar initiatives can be applied. The DH made clear that it does not have any pre-conceptions and stated that the outcomes were not *set in stone*. Hence, it is not definite that the DH will actually decide to come up with a set of Voluntary Principles (VPs) at the end of the process, the development of which will depend entirely on the results of the commissioned mapping exercise as well as the feedback of the stakeholder engagement sessions. According to the DH, VPs will only be developed if they are likely to have an impact and are accepted by the relevant stakeholders. In addition, the DH stated that there is no predetermined end game in terms of policy.

### 1.3 Advisory Panel

#### Members of the Advisory Panel

- Dr Agnes Nairn, Professor of Marketing
- Ms Lynsay Taffe, Communications and Policy Manager, ASA
- Mr Andrew Opie, Food Policy Director, BRC
- Ms Melanie Leech, Director General, FDF
- Dr Ian Twinn, Director of Public Affairs, ISBA
- Prof Richard Parish, Chief Executive, RCPH

#### Objectives

The objectives of the Advisory Group are to support the consortium contracted to take forward this work through a) provision of advice and expertise; b) encouraging sector engagement with the project, c) consideration of the emerging findings from the mapping work and the implications for the development of voluntary principles; and d) advice on and support for the communication of project conclusions.

Various questions arose around the *role* of the advisory panel, which seemed unclear to the stakeholders, particularly related to their involvement in the final report and their role in the decision-making process. The TORs had not been made available to the stakeholders in advance of the meeting, which might have answered some of these questions and concerns. It was agreed the TORs should be revisited to be more precise and detailed on these items. However it was also stated that the process would be ‘iterative’ although no further information was available at this stage about what this meant in practice or what if any influence the Panel would be able to exercise.

## 1.4 Process and Timing / Roadmap / Final Report

- 1) Mapping of existing regulatory terrain (ongoing)
- 2) Initial Feedback from corporate stakeholders (completed)
- 3) Consultation with children and parents (May 2010)
- 4) Learning from other settings - including Marine Stewardship Council (MSC) case study (June 2010)
- 5) Data analysis and development of principles (July 2010)

**General/Step 1:** Stakeholders commented that the *overall process* and *end objective* of this initiative was unclear, which indicated that more details needed to be made available to them.

The DH explained that due to the forthcoming General Election the work of the initiative would be delivered in a two-stage process, which would have a number of iterative steps. Clarity would be provided on the stages in the process and what each entailed and where responsibilities lay.

The first phase, which includes the *mapping exercise* and feedback of the *stakeholder engagement sessions*, will be completed by the end of April 2010. Relevant ministers will then be presented with a package of information and if they agree with the direction of the initiative the consortium will continue with the second phase. The DH is liaising with the devolved administrations in Scotland, Wales and Northern Ireland; however, this project relates to England only.

**Step 2:** The DH explained that the aim of these stakeholder sessions was information gathering and taking into account corporate views and comments on the mapping exercise being undertaken by the NHF, with the purpose of adding and enriching the information gathered. The sessions were not decision-making meetings. More sessions would be organised in order to give corporate stakeholders further opportunities for engagement, as required.

**Step 3:** The National Children's Bureau (NCB) would talk to children and parents to make sure their views are also reflected in this initiative. The NCB has a lot of expertise to make these sessions as useful as possible. The aim of their work is not to undertake profound research, but to provide a "sounding board" from a group (children and parents) on various issues.

The NCB would talk to two groups of children (School Year 5: 9-10 year olds and School Year 9: 13-14 year olds; each working group with 10-12 children) as well as visit two Children's Centres to interview two groups of parents. In addition to interviewing these four groups NCB would undertake a small survey. Content is still to be decided, but suggestions included questions around what children do on the internet and how they are using the internet; whether they notice marketing, rather than asking about advertising of food per se; what is seen as positive marketing and what should be done about this?

Stakeholders were concerned about the small sample groups and reminded NCB about possible peer pressure when questioning the groups of children. NCB reassured during the meeting that it would be using its own respected "accredited" research department. The DH

confirmed that questions will be “sense-checked”, and the process employed will be open and transparent. The group asked the NCB to provide further information on the methodology and to share the results with the group. In addition, it was suggested they tap into existing available resources before developing the content for the sessions, such as the 2009 report: *The Impact of the Commercial World on Children's Wellbeing*, commissioned by DCSF and DCMS<sup>1</sup>, research done by ChildWise Monitor<sup>2</sup>, as well as the Media Smart initiative<sup>3</sup>.

**Step 4:** In the brief it was explained that the consortium would look outside of food marketing issues to potentially draw on learnings from other sectors. As a case study, the *Marine Stewardship Council (MSC) and certification scheme* will be looked at as a means to explore an equivalent multi-stakeholder endeavour, which has sought to develop principles to deliver a public benefit. However, some stakeholders questioned the rationale for looking at the MSC initiative. It was agreed it might be useful to provide more information and/or be clearer on the purpose and envisaged outcomes of this activity as well as to ask Brenda May and John Gummer about the lessons from the MSC. It was suggested that it would also be useful to look at DEFRA’s green principles initiative. Other suggestions were welcomed.

**Step 5:** Many participants sought clarification on *who* will be writing the final report, *who has the final say* on it, *who* is giving the final recommendations to the DH and *what* will be presented to the Ministers at the end of the initiative.

Questions were raised about the ability of both the NHF and NCB to undertake an objective and impartial review, based on their stated public positions on many of the issues. DH said that it had conducted a full tender exercise, and satisfied itself on this point in awarding the contract to the consortium led by NHF but industry still felt uncomfortable, despite the inclusion of the panel in the process. It was not clear as to whom was overall author and owner of the outputs to Govt. The DH stated that the final report will be written in agreement with all parties and with input from the Advisory Group. However, it was agreed that this step needs to be formulated more clearly.

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<sup>1</sup> *The Impact of the Commercial World on Children's Wellbeing, Report of an Independent Assessment*, 2009. Available online: <http://publications.everychildmatters.gov.uk/default.aspx?PageFunction=productdetails&PageMode=publications&ProductId=DCSF-00669-2009>

<sup>2</sup> ChildWise Monitor: [www.childwise.co.uk](http://www.childwise.co.uk)

<sup>3</sup> Media Smart: <http://www.mediasmart.org.uk/>

## 2. General feedback on in initiative

- It was agreed that the DH needs to be more precise on the **definition of marketing to children**. As part of this clearer definition of the voluntary principles it should be made very clear that this initiative is not about marketing per se or trying to tackle generic issues (about which it was acknowledged some stakeholders felt strongly) of the so-called commercialisation of childhood. The current wider context for marketing was a given – the project was confined to the specific issue of rebalancing the marketing of food to children. Considering that virtually everything is regulated one way or another, questions arose as to the value of talking specifically about *digital* in this forum? Other questions that came up included: what impact does media/marketing have on the target audience? Is that a good or a bad thing? And do we need to have VPs at all?
- A concern was raised around the **lack of evidence** for this initiative, emphasizing the need to be clear on what we are trying to achieve and what the success factors are. However, it was commonly acknowledged that companies do sign up to various pledges and initiatives because they think it is “the right thing to do” and “right for their business”, without the need for sound evidence. As gathering evidence is a challenge, it was felt by many that it was important to use common sense and look at where consensus exists on issues – to help industry move forward positively and to do something on their own.
- It was suggested that another way could be to try and define the **actual size of the problem**: if around 70% of the industry is already addressing the issue – how big is the problem? Also, are we making any difference on a voluntary basis if we are not touching the remaining 30%? How could those who are unwilling be engaged?
- It was acknowledged that this mapping exercise should also be about reassuring ourselves that the situation may actually **not be as bad** as we think. This might be a potential outcome of the initiative. In addition, the group emphasized that it might be good not solely to set up VPs restricting the marketing of food, but to develop VPs highlighting **opportunities** to promote healthy habits.
- The group was asked to keep the notion of “**rebalancing**” in mind. Questions came up with regards to what might be the regulatory limit e.g. on health claims, labelling etc; and with regards to what criteria are out there defining “healthy”. The group felt it was always very easy to focus on the negative side, but that we should be talking about the positives of advertising too (e.g. drug education). There is a need to assure the matrix is correctly balanced.
- The DH acknowledged the biggest barrier to encouraging the promotion of *healthy* food to children is the challenge of defining **what healthy food is** - beyond fruit and vegetables (which are unbranded). Different companies define healthy food in different ways. The question arose as to whether it was possible to find a way to agree on a definition for healthy food. The group shared its frustration on this matter. It is difficult because of variations in product formulation/recipes for similar “generic” products e.g. cereal bars. Potentially great products cannot be sold in schools because of their packaging or because they are categorised in certain ways e.g. cereal bars. Not because of the health issues. The rules are strict, but often not rational.

- The DH highlighted that the **Change4Life Campaign** is being successful and that there is considerable discussion with industry groups as to how to use the retail environment more effectively to promote positive health messages.
- The DH stated that this initiative will try to look at how **licensed characters** can be used more responsibly on packaged food, and how characters that appeal to children can be used to promote healthier food. (Stakeholders mentioned that the licensing industry has in fact been trying to develop a separate Code of Practice with the aim of defining rules on suitable food products on which licensed characters should be used, to be signed both by the food manufactures and the licensing industry).
- It was suggested to split the stakeholder group between **food manufacturers** and the **licensing/merchandising** industry due to their different agendas. It was felt that the issues are very different when e.g. looking at licensing characters to be used by food manufacturers as opposed to working with licensees to prevent inadvertent unhealthy food promotion. Therefore, it was agreed that holding some separate discussions might be a good way forward.
- The group heard that the **Advertising Association Council had proposed industry-wide recommendations** to extend the existing self-regulatory rules for non-broadcast media to areas of non-paid for space online, such as advertisers' own websites and in social media to the ASA. These now needed to be agreed and ratified by CAP. Any related extension to CAP would be coming into force in the autumn 2010. It was stated that the self-regulatory rules will be expanded to include marketing communications in non paid for space within digital media (NB all paid-for digital media – search, display, video, mobile - is covered by the existing CAP Code). This will be backed up with an effective compliance and enforcement regime to address the challenge of the lack of a “gate-keeper” (ie media owner) in the non paid-for environment. CAP still needed to agree “how” the extended remit would work. For example, in “drawing the line” between marketing communication and user content on a social networking site.
- It was also suggested that companies may be constrained in their ability to sign up to collective voluntary principles because of **competition law**.

### 3. Feedback on Mapping Exercise

The NHF explained that the notes circulated on the mapping exercise represented a ‘**work in progress**’ and were being shared as a **scene setter** for the stakeholder sessions. The work only provided the initial phase of the exercise - beginning to show the current regulatory landscape (which is rapidly changing), and give a feel on what is happening and what organisations are actually doing. The final mapping exercise will be as comprehensive as possible, reflect what is out there by compiling the information in a legitimate, factual and non-judgmental way, and provide a framework for reference. The methods used for the research will be mainly literature review - including company websites and statements, as well as information provided by trade associations.

### 3.1 General comments on mapping exercise

- **The mapping exercise should aim to look at where the gaps lie:** After some discussion it was agreed that the big piece that is missing is not what happens in other markets, or what other international codes look like, but what marketing activity *is currently restricted* and not restricted in the UK. The mapping needs to get a clear picture about the regulatory situation in the UK, and show what the existing codes (e.g. CAP, OFCOM, trading standards) actually cover and what falls through the net. It would be **helpful for corporate** stakeholders to get a sense of this, and not to reopen a whole range of issues that are closed and “done and dusted”. In other words show the status quo. The group commented that what is happening on the internet is actually far more regulated than is widely recognised and, that the situation may actually not be as bad as perceived.
- It was acknowledged that there is a need to **differentiate between food and non food marketing** and to be clear which statistics referred to in the mapping exercise are generic and which are related to food marketing. Also, the analysis needs to be more specific to illustrate whether there is actually something specifically different about food marketing in the digital arena and beyond.
- There was also a discussion about the lack of consideration to date around **point of sale** marketing.
- Companies felt they were often suspected wrongly of undertaking underhand marketing activity. They felt it needed to be understood that **big brands** would not risk the relationship with their customer base by using devious advertising techniques. Most big brands are actually signed up to a very robust regulatory system in the UK across most areas. The issue of non-compliance with good practice might rest with some of the smaller companies, who the group felt might be the main target audience for the VPs. Indeed, some **smaller companies** might actually welcome such a code of practice.
- Looking from an **international perspective** is important as for some big companies it is difficult to sign up for something isolated to the UK, without taking into account Europe, and further afield.
- The group felt that there should be more emphasis on the role of **parental guidance**. Participants said that children do not generally buy food online. In addition, although children may have a large impact on the shopping list of most households, parental involvement is key when purchasing food. Some participants mentioned that there seems to be a lack of information on purchasing decisions related to food, on how children/parents are navigating around the shop and if parents/children do actually know about nutrient profiling models.
- Some brands do have **marketing principles** addressing corporate behaviour/values, which give leeway to decide if an advertisement is going in the wrong or right direction, and which different markets can apply more or less, depending on what works on the ground. These guidelines are more *principle* than *issue* related, in order to guarantee continuity and consistency across markets. It was emphasised that the process of creating an advertisement follows rigorous rules and involves legal, regulatory, communication and other filters to check if it conforms. Also, a set of guidelines is given to third party marketing agencies indicating what is, and what is not, allowed.

- When signing up to codes/pledges companies do so to set a standard, in order to have an impact - otherwise they would not do it. There is a perception that companies say one thing and do another, but companies would not sign up to principles and knowingly flout them, due to the risk of brand damage. However, information on how companies measure impact and monitor the process of these pledges/codes is not publicly available, and hence an open question was posed: “do we need an **independent monitoring system** to guarantee transparency and accountability?” It was pointed out that some EU and global pledges are in fact currently independently analysed and results published by the WHO - it might be worth for the research team to look into these examples.

### 3.2 Technical/detailed comments on mapping exercise

- It was generally agreed that if stakeholders were to have confidence in the project the mapping exercise will need to be more detailed, more robust, and that the information provided should be properly sourced and terminology clearly defined.
- The group felt that the facts need to be supported by an overarching context/regulatory framework, in order to make proper sense (e.g. when talking about “audience definition).
- The term *marketing communication* is a very wide term, which needs to be defined properly. It was stated by the group that it is important to clearly define *food marketing* and be more precise about which facts only refer to advertising, and which refer to other aspects of marketing (packaging, merchandising etc). In addition, it was highlighted that some of the research statistics referred to relate to food, some to other goods/services. It needs to be clearer which ones refer to *food* and which ones to *non food* marketing.
- The group noted that the mapping exercise provides a lot of information on *audience* and *broadcast advertising*, but not on child exposure to other sorts of advertising (billboards, etc). The rationale for this needs to be clarified.
- “*Advertising expenditure on social networking sites such as Facebook is rising rapidly...*”(Trends/expenditure). References such as these need to be clarified, e.g. does this statistic refer to expenditure on social media or on banner ads? Also, some participants highlighted that we actually do not know what the expenditure on social networking might be, as actual spending is very difficult to measure.
- “*The use of brand equity characters however, is widespread, and they are often used to introduce and feature in games (e.g. Magic Kinder and BK Games)*”; “*Many websites use celebrity endorsement (which often crosses over to TV ads).*” (Marketing Techniques). The group highlighted that the research team needs to be more specific, as these statistics might be true for toys and games but questioned if this was also true for food marketing.
- “Sponsorship of television programs, other media emissions and events is usually excluded.” (Marketing techniques generally not covered/Sponsorship). Some participants of the group asked for further clarification on this statistic, as sponsorship of TV programmes is an OFCOM regulated area while events fall outside this framework. Also, it was asked if this statistic looks at sponsorship from an overall company or individual brand/product perspective. The group highlighted the fact that there is a positive intent happening within the industry to change to their healthier product range when sponsoring events.

## Participant List – Stakeholder Sessions 18 March 2010

| Company                       | Title | First name | Surname       | Job Title                                      | session |
|-------------------------------|-------|------------|---------------|--|---------|
| IBLF                          | Ms    | Kathrin    | Bauer         | Programme Manager                              | am & pm |
| IBLF                          | Ms    | Olive      | Boles         | Director, Strategic Relations                  | am & pm |
| NCB                           | Ms    | Issy       | Cole-Hamilton | Freelance Consultant                           | am & pm |
| NHF                           | Mr    | Paul       | Lincoln       | Chief Executive                                | am & pm |
| DH                            | Ms    | Alison     | Ross          | Food Policy Manager                            | am & pm |
|                               |       |            |               |  |         |
| Premier Foods                 | Mr    | Ian        | Bowles        | Group CSR Manager                              | am      |
| AA                            | Ms    | Sue        | Eustace       | Director of Public Affairs                     | am      |
| Mc Donalds                    | Mr    | Hugh       | Milward       | Head of Public Affairs                         | am      |
| IAB                           | Mr    | Nick       | Stringer      | Head of Regulatory Affairs                     | am      |
| Tesco                         | Ms    | Karen      | Tonks         | Company Nutritionist                           | am      |
| Kellogg                       | Mr    | Chris      | Wermann       | Regional Corporate Affairs Director, Europe    | am      |
| The co-operative food         | Mr    | Andrew     | Young         | Food Policy Development Manager                | am      |
|                               |       |            |               |  |         |
| BBC                           | Ms    | Jenny      | Allen         | Director of Corporate Affairs                  | pm      |
| BSDA                          | Ms    | Jill       | Ardagh        | Director General                               | pm      |
| DBIS                          | Mr    | Henry      | Ashworth      | Deputy Director, Better Regulation Executive   | pm      |
| Kinnerton Confectionery       | Mr    | Clive      | Beecham       | Zetar Group Managing Director                  | pm      |
| Fox Licensing & Merchandising | Ms    | Lindsey    | Chester       | UK Licensing Manager                           | pm      |
| Unilever                      | Ms    | Rachel     | Cowburn       | Public Affairs Manager Unilever UK and Ireland | pm      |
| POPAI UK & Ireland            | Mr    | Phil       | Day           | Business Manager                               | pm      |
| LIMA UK                       | Mr    | Kelvyn     | Gardner       | Managing Director                              | pm      |

| <b>Company</b>                | <b>Title</b> | <b>First name</b> | <b>Surname</b> | <b>Job Title</b>                                      | <b>session</b> |
|-------------------------------|--------------|-------------------|----------------|---|----------------|
| Danone                        | Mr           | Steve             | Godwin         | Public Affairs Director Danone Dairies and Waters UK  | pm             |
| POPAl UK & Ireland            | Mr           | Martin            | Kingdon        | Director General                                      | pm             |
| Fox Licensing & Merchandising | Mr           | Carl              | Lumbard        | Senior Vice President & Managing Director             | pm             |
| Disney                        | Mr           | Tessa             | Moore          | Vice President Corporate Brand Management Disney EMEA | pm             |
| PepsiCo UK & Ireland          | Mr           | Andrew            | Smith          | Head of Public Affairs                                | pm             |
| Coca Cola GB                  | Ms           | Katherine         | Sykes          | Head of External Affairs                              | pm             |
| Mars                          | Ms           | Emma              | Webbon         | Public Affairs Manager                                | pm             |
| Disney                        | Mr           | Paul              | Woodhouse      | Director Corporate Brand Management Disney EMEA       | pm             |

#### **Advisory Panel**

|                         |    |         |       |                                   |    |
|-------------------------|----|---------|-------|-----------------------------------|----|
| FDF                     | Ms | Melanie | Leech | Director General                  | pm |
| EM-Lyon Business School | Dr | Agnes   | Nairn | Professor of Marketing            | am |
| ISBA                    | Dr | Ian     | Twinn | Director of Public Affairs        | pm |
| ASA                     | Ms | Lynsay  | Taffe | Communications and Policy Manager | am |