

Morinaga

Headquarters
Japan

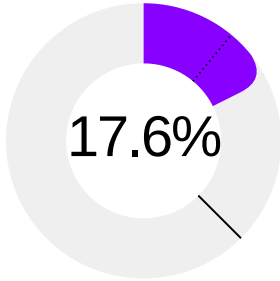
Type of ownership
Public

Estimated percentage of Morinaga's
global F&B sales from BMS ❶¹
18%

Estimated percentage of Morinaga's
global baby food sales from BMS ❶²
95%

Countries covered in country studies
Indonesia/Viet Nam

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BMS Marketing
Score 2024 ❶³

⋮ Average score
| Highest score



Country Studies
Score ❶⁴

33% 2 countries



Corporate Profile
Score

2.3%

Important:

The research findings regarding companies' performance in this Index are based on information shared by companies or gathered by service providers, in addition to information that is available in the public domain.

The level of detail and comprehensiveness of information shared by companies and gathered through external service providers varied. In the case of limited or no engagement by companies, this Index may not represent the full extent of their efforts. Similarly, in the case of limited data collected by service providers, the findings of this Index may not provide a comprehensive representation of company practices.

ATNI's research and Indexes do not assess compliance with local regulations or laws, but rather assess private sector performance against international standards and guidance.

BMS COUNTRY STUDIES



Country Studies
Score

33% 2 countries

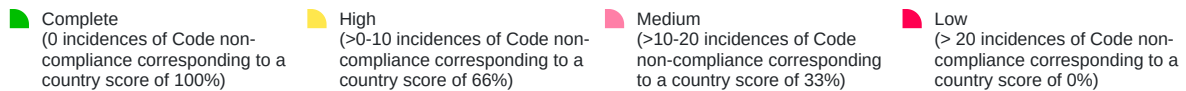
The Country Studies component of the BMS and CF Marketing Indexes 2024 evaluates the extent to which a company's marketing practices align with specific provisions of the WHO Code (not against local Code-related regulations). The main marketing channels assessed in the Country Studies for the BMS and CF Marketing Indexes 2024 are online points-of-sale, traditional and online media outlets, and product labels, which were all assessed according to the NetCode protocol. Morinaga Milk sells BMS products in two (Indonesia and Viet Nam) of the five countries selected for the assessment, which represents over 70% of Morinaga Milk's estimated global BMS sales. The Country Studies results for Morinaga Milk are summarized below for Indonesia and Viet Nam across each marketing channel.

<https://new-l40rlzsq.accesstonutrition.org/app/uploads/2024/03/Assessment-methods-and-scoring.pdf>

Country Studies overview

Morinaga	Country assessments			BMS market ^{① 5}	
	Total incidences of non-compliance across online, traditional media, and product labels ^{① 6}	Number of product labels assessed ^{① 7}	Company brands found	BMS market share	Proportion of Morinaga's global BMS sales
CHINA	N/A	N/A	N/A	N/A	N/A
GERMANY	N/A	N/A	N/A	N/A	N/A
INDONESIA	118	9	Chil Go, Chil Kid, Chil Mil	18%	72%
US	N/A	N/A	N/A	N/A	N/A
VIET NAM	2	2	Chil Mil, Hagukumi	<5%	No information

Code compliance level



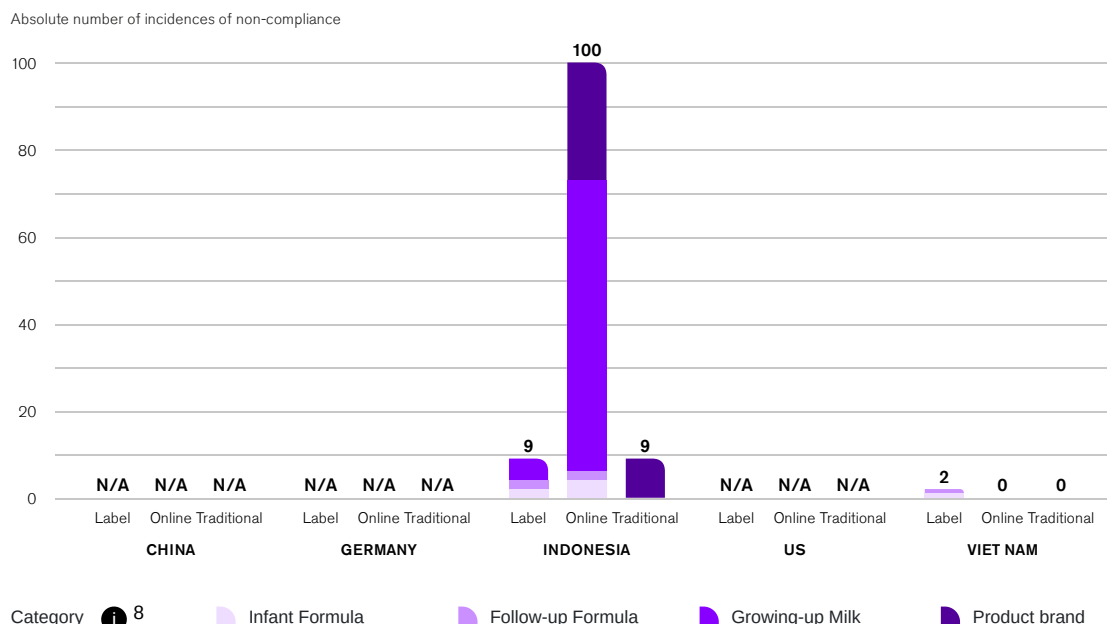
- A total of 120 incidences of non-compliant marketing practices were found for Morinaga Milk. Non-compliant marketing practices were found across online and traditional media channels assessed in two countries. A total of 11 product labels were assessed of various Morinaga Milk brands.

- The highest number of incidences of non-compliance were found (118) in Indonesia, where Morinaga Milk has a relatively high share of the Indonesian BMS market (~18%) and which represents over 70% of the company's total global BMS sales. Of these observations, a total of 100 advertisements and promotions related to BMS brands were found online

during the research period, and 9 advertisements were found on traditional media channels in Indonesia. All nine product labels assessed contained one or more instances of non-compliance.

- A significantly lower number of incidences of non-compliance (2) were found for Morinaga Milk in Viet Nam, which is not a major market for the company nor is it a major player: the two product labels assessed both contained one or more instances of non-compliance. No advertisements and promotions related to BMS brands were found online or on traditional media during the research period.

Observed incidences of non-compliance with the Code per country



Main in-country findings

Morinaga Milk's highest number of incidences of non-compliance were found in Indonesia (118), and only two observations were made in Viet Nam.

Across the two country assessments, the majority of incidences of non-compliant marketing practices (100 out of 118) for Morinaga Milk were identified through the social listening of online platforms in Indonesia, followed by the incidences of non-compliance attributed to inappropriate product labels (11). All the rest of the incidences of non-compliance were found on traditional media only in Indonesia (9). The incidences of non-compliance found online were largely concerning growing-up milks whereas advertisements on traditional media concerned brand promotions, and non-compliant labels were found across all types of BMS.

Online findings

- All of the online advertisements and promotions related to Morinaga Milk's BMS brands were found in Indonesia (100 in total).
- Among the total incidences of non-compliance found online, nine observations were related to point-of-sale promotions found on online retailer platforms in Indonesia, mainly in the form of discounts for growing up milks. However, one point-of-sale product promotions concerned infant formula. This product should not be advertised as per Article 5 of the Code. Despite ATNI's request for Morinaga Milk to verify any contractual relationship with the retailers monitored, confirmation could not be obtained from the company. No online advertisement was found of Morinaga Milk BMS products in Viet Nam in the eight-week period the channels were monitored.
- The remaining 91 online media observations were found on the company's in-country websites and social media platforms (Facebook and Instagram) in

Indonesia. An average of two incidences of non-compliance were identified with each observation in online media. Apart from advertising BMS – a non-compliance with the Code in itself – other common incidences found with those advertisements included incentivizing the purchase of those products through offering vouchers and gifts, as well as providing education and information about infant and young child nutrition and feeding. Other, but less common observations include soliciting caregivers in Indonesia to sign-up to memberships and reward club points with the prize of a BMS Morinaga Milk product. The majority of advertisements also included claims, with around 80% of the identified advertisements in Indonesia containing at least one type of claim. Nutritional claims were the most common incidence of non-compliance found.

- In total, three product promotions for Moringa Milk infant formula were found on a parenting website. ATNI did not receive any confirmation from Moringa Milk if

they had any contractual relationship with this parenting site.

Traditional media findings

- In total, nine BMS advertisements by Morinaga Milk were identified on traditional media in Indonesia, seven were found on television, and two other advertisements were found in printed media. All 9 advertisements concerned BMS products where the targeted age was not clearly indicated, and all had at least one type of claim. No traditional media observations were made of Morinaga Milk BMS products in Viet Nam in the six months the channels were monitored.

BMS product label

- A total of 11 of Morinaga Milk's BMS product labels were assessed for the two markets, 9 of which were in Indonesia. For all Morinaga Milk product labels assessed, at least one incident of Code non-compliance was observed. The average number of incidences of non-compliance per product label per market were four in Indonesia and five in Viet Nam.

- Over 50% of all labels were missing a statement on

the importance of exclusive breastfeeding in the first six months and continued breastfeeding for up to two years or beyond. All the labels assessed contained at least one claim (health, nutritional and/ or marketing). Other common observations classified as non-compliant with the Code included not clear statement on the need to only use the product on the advice of a health professional before deciding to feed with formula, irrespective of the age at which formula is introduced or containing text or images that may discourage or undermine breastfeeding.

- It is worth noting that ATNI did not have the resources to collect products from the different markets and take pictures of their labels. In this iteration, ATNI's research was based on product label images from an external provider. For some products, images were not clear enough or did not show all parts of the package, thus ATNI asked the respective companies to provide images of the labels. Morinaga Milk did not respond to ATNI during the verification phase, and no images of product labels were provided, as requested by ATNI. Therefore, one incomplete assessment remained for one product in Indonesia. Since at least one incidence of non-compliance

Recommendations

- Given the number of incidences of non-compliant marketing practices observed across the two markets assessed, Morinaga Milk is strongly encouraged to strengthen its responsible BMS marketing policies and ensure their full alignment with the recommendations of the Code and all subsequent relevant resolutions, including the guidance supported by WHA resolution 69.9. ATNI has developed a model company policy on the responsible marketing of BMS which can guide the company on how to incorporate Code provisions and align with the latest public health requirements in practice.

- Although relatively few advertisements of Morinaga Milk's BMS products were found on traditional media platforms, a substantial number of advertisements were observed on online platforms (100), mainly for growing-up milks and BMS brand advertisements. Morinaga Milk is urged to restrict the advertising and promotion of all types of BMS products and brands on all forms of media platforms globally. The company should also refrain from incentivizing the purchase of those products by offering vouchers and gifts or soliciting contact with caregivers and providing education and information on infant and young child feeding across all platforms.

- Morinaga Milk is strongly encouraged to take responsibility for monitoring its marketing practices beyond local regulations, according to the principles

and the aim of the Code and subsequent relevant resolutions, and to take steps to ensure this includes online media channels.

- Morinaga Milk is encouraged to engage with its industry associations, retailers and/or regulators to ensure that there are no promotions of BMS products in the retail environment, and see that products are appropriately marketed in line with the Code.

- Given that each of the labels assessed across both countries were found to be non-compliant with the Code requirements in at least one aspect, Morinaga Milk is encouraged to focus on improving labeling practices across all markets to ensure full compliance with the Code and all subsequent relevant resolutions, including the guidance supported by WHA resolution 69.9. This includes ensuring that product labels clearly indicate the appropriate age range for consumption, instructions for powder formula preparation, and statements promoting the importance of exclusive breastfeeding for the first six months and continued breastfeeding up to two years or beyond, and that labels do not include health or nutrition claims, except if specifically provided for in national legislation.

- Clear evidence was found of Morinaga Milk applying point-of-sale promotions for growing-up milks and promoting these on online platforms, which is contrary to the requirements of the Code, specifically the

guidance supported by WHA resolution 69.9 that extended the scope of the Code to growing-up milks. Therefore, ATNI urges Morinaga Milk to ensure its commitments are extended to include growing-up milks in all markets.

- Morinaga Milk is strongly encouraged to cooperate fully with any future independent third-party assessments by providing clear and comprehensive

product label images. Incomplete assessments can lead to inaccurate evaluations and hinder efforts to address incidences of non-compliance effectively.

- ATNI is calling on Morinaga Milk to review all incidences of non-compliance identified across all marketing channels, which were shared in detail with the company, and to take corrective action in each of the markets.

BMS CORPORATE PROFILE



Corporate Profile
Score

2.3%

The Corporate Profile component of the BMS and CF Marketing Indexes 2024 evaluates the extent to which a company's policies align with various provisions of the Code, the effectiveness of its related management systems as well as the company's level of disclosure on commitments relating to BMS marketing. Morinaga Milk's BMS marketing commitments were assessed across 11 topics that cover different aspects of the Code on which the company scored an average of 5%. This score is equivalent to the company's initial overall Corporate Profile score before a geographic penalty (if applicable) is applied to each BMS product type. The final Corporate Profile score considers how the company's BMS marketing commitments are applied for the different BMS product types sold by the company, and across different markets. As Morinaga Milk sells infant formula, follow-up formula, and growing-up milks, the company's application of BMS commitments was evaluated for each product type, as shown in the next section on 'Geographic application of BMS commitments by product type'. The scores and findings on each topic are described in further detail in the section below on 'BMS Commitments by Topic'.







<https://new-l40rlzsq.accesstonutrition.org/app/uploads/2024/03/Geographic-penalty.pdf>

Geographic application by Morinaga of BMS commitments by product type

The table below shows the percentage of product sales where commitments are upheld and the geographic penalty applied to each type of BMS. The penalty ranges from 0% up to 90% depending on whether a company fully upholds its BMS marketing commitments in all or none of the countries in which it operates, respectively, where national Code regulations are absent or less stringent than the company's policies and standards.

Corporate Profile score before penalty ⁹	Product type	Percentage of Morinaga's global sales from markets where BMS commitments are upheld ¹⁰	Geographic penalty applied	Final Corporate Profile score
5.1%	Infant formula ¹¹	32%	61.2%	2.3%
	Follow-up formula ¹²	70%	27%	
	Growing-up milk ¹³	0%	90%	

Commitments are upheld

-  Upheld for all products in this category - without exception - globally
-  Upheld for some products in this category - without exception - globally
-  Upheld for all products in this category - without exception - only in some markets
-  Upheld for some products in this category, and only in some markets
-  Not upheld for this product category in any market
-  No policy found in the public domain nor shared by the company, therefore no information on how commitments are upheld

The table below shows the percentage of product sales where commitments are upheld and the geographic penalty applied to each type of BMS. The penalty ranges from 0% up to 90% depending on whether a company fully upholds its BMS marketing commitments in all or none of the countries in which it operates, respectively, where national Code regulations are absent or less stringent than the company's policies and standards.

ATNI referred to Morinaga Milk's Breast-Milk Substitutes Marketing Policy (2021) to assess how the company's BMS marketing commitments are upheld for each product type and in which markets. Euromonitor retail sales estimates were used to calculate the proportion of Morinaga Milk's global product sales covered per BMS product type.

Infant formula

The company only upholds its commitments for this product type in higher-risk countries, even when national regulations implementing the Code are absent or weaker than the company policy.

Based on the information found in the public domain, and the evidence shared by the company, it was not clear if the policy is also upheld for infant formulas for special medical purposes.

Consequently, the company commitments are upheld only for products representing 32% of its global infant formula sales, resulting in the application of a geographic penalty of 61% for this product type.

Follow-up formula

The company only upholds its commitments for this product type in higher-risk countries, even when

national regulations implementing the Code are absent or weaker than the company policy.

Based on the information found in the public domain, and the evidence shared by the company, it was not clear if the policy is also upheld for follow-up formulas for special medical purposes.

Consequently, the company commitments are upheld only for products representing 70% of its global follow-up formula sales, resulting in the application of a geographic penalty of 27% for this product type.

Growing-up milk

The company does not apply its BMS marketing commitments to growing-up milks. This is evident from the country assessments where the majority of the observed incidences of non-compliance were attributed to growing-up milk products.

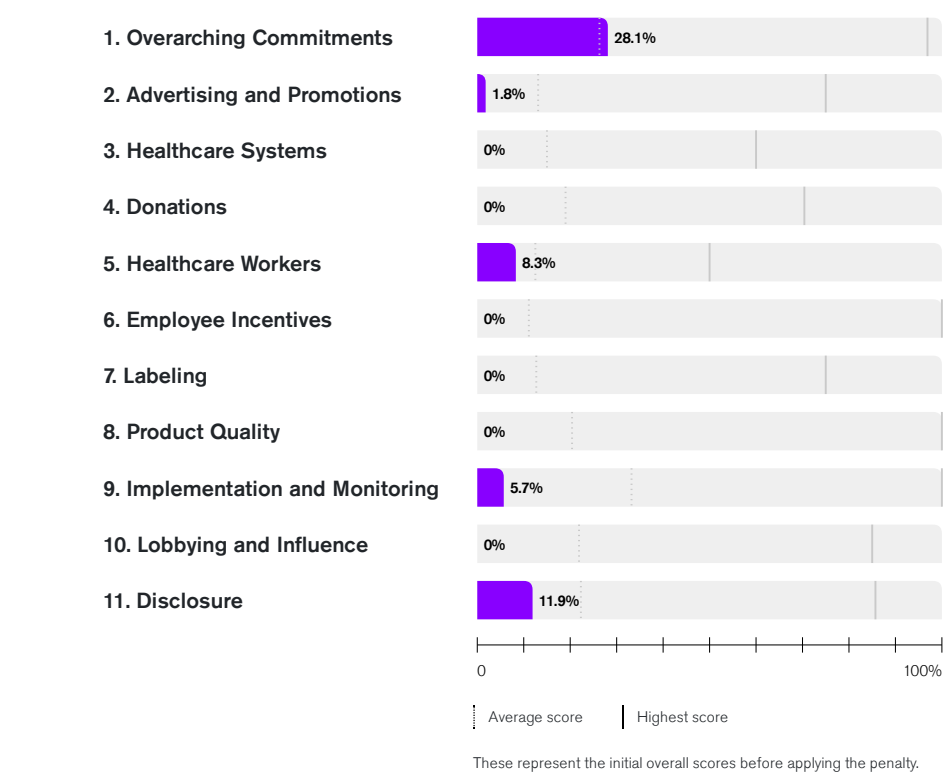
The corresponding geographic penalty for this product type is the maximum of 90%.

ATNI calls on Morinaga Milk to consider the expanded definition of the Code, following the World Health Assembly resolution 69.9 recommendations, to cover

any milk products up to three years of age.

Based on the company's application of its BMS commitments to the different BMS product categories across its global markets, the final Corporate Profile score is 2%.

Topics Overview

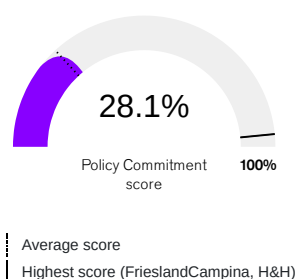


BMS commitments by topic

Most topics include assessments on both policy commitments and management systems, except for the topic on 'Implementation and Monitoring', which mostly considers management systems, and the topic 'Overarching Commitments', which considers policy commitments only. A separate topic assesses the level of disclosure and transparency practiced by companies on the different aspects of the Code.

1. Overarching Commitments

This topic consists of policy commitment indicators only.

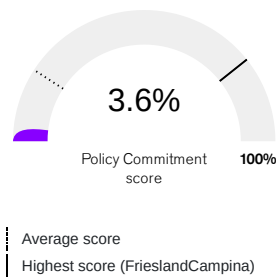


Policy Commitment

- ATNI found a BMS marketing policy published by Morinaga Milk. Based on this policy, the company explicitly states support to exclusive breastfeeding for the first six months and introduction of appropriate complementary foods from the age of six months. However, no information was found on the company's support of continued breastfeeding up to two years of age or beyond, as per international public health recommendations.
- The company was only found to acknowledge the International Code of Marketing of Breast-milk Substitutes of 1981, but it does not explicitly recognize subsequent relevant World Health Assembly resolutions, including the guidance on ending the inappropriate promotion of foods for infants and young children supported by WHA resolution 69.9. In addition, the evidence provided by the company did not clearly and explicitly show that the company's BMS marketing commitments apply to formulas for special medical purposes and that these commitments apply to all joint ventures and subsidiaries where the company has a holding. The company therefore did not fully score on this topic. To score in this area in future, Morinaga Milk is urged to recognize the Code in full and to make these statements.

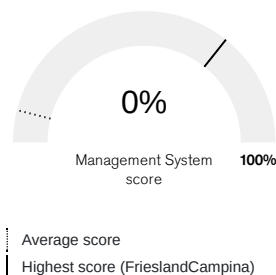
2. Advertising and Promotions

This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.



Policy Commitment

- In the company's BMS Marketing policy, only a broad statement was identified, that shows the company's commitment not to advertise or promote BMS products to the general public, however it is not explicitly stated to which forms of media this applies to. In addition, no further information was found or shared by Morinaga Milk in the second round of engagement in regard to the company's commitments on other Code provisions related to advertising and promoting BMS.
- In order to score in this area, the company should comply with Article 5 of the Code and recommendation 6 of the guidance supported by WHA 69.9, by refraining from advertising BMS through various media channels and avoiding distribution of samples or promotional materials to caregivers. Additionally, the company should avoid point-of-sale promotions and cross-promotion between different types of BMS, ensuring distinct packaging and labeling for each BMS product type.
- Morinaga Milk is encouraged to adopt these Code requirements in full and clearly outline them in its BMS marketing policy.

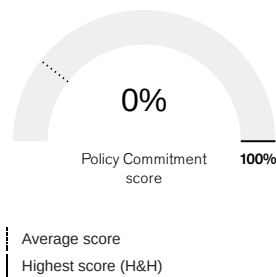


Management System

- ATNI was unable to identify documentation about any management systems the company has in place to implement its BMS marketing policy, and no evidence was shared by the company on this aspect.
- To score in this area, Morinaga Milk would need to develop comprehensive management systems, procedures and other guidance for its employees to implement all commitments set out in its policy(ies) relating to responsible BMS marketing.

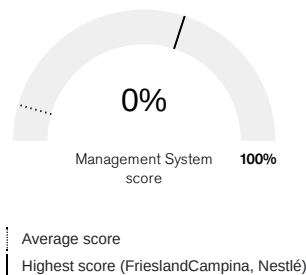
3. Healthcare Systems

This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.



Policy Commitment

- No relevant information was found in Morinaga Milk's BMS Marketing policy nor shared by the company in regard to its commitments on responsible marketing of BMS throughout the healthcare system; therefore, the company did not score on this topic.
- In order to score in this area, the company should comply with Article 6 of the Code and recommendation 6 of the guidance supported by WHA 69.9, by refraining from using healthcare facilities for promoting BMS products, displaying related materials, providing gifts or coupons to caregivers and offering them education on infant and young child feeding, or deploying personnel within these settings. The company should also avoid demonstrations of formula feeding by its staff and avoid hosting events or campaigns in health facilities.
- Morinaga Milk is encouraged to adopt these Code requirements in full and clearly outline them in its BMS marketing policy.

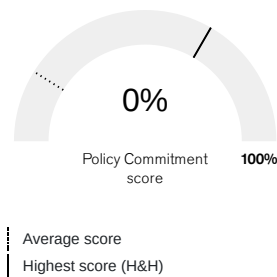


Management System

- ATNI was unable to identify documentation about any management systems the company has in place to implement its BMS marketing policy, and no evidence was shared by the company on this aspect.
- To score in this area, Morinaga Milk would need to develop comprehensive management systems, procedures, and other guidance for its employees to implement all commitments set out in its policy(ies) relating to responsible BMS marketing.

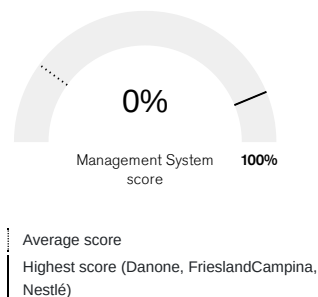
4. Donations

This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.



Policy Commitment

- No relevant information was found in Morinaga Milk's BMS Marketing policy nor shared by the company in regard to its commitments on BMS donations; therefore, the company did not score on this topic.
- ATNI noted on the company's sustainability management page that Morinaga Milk does supply products during disasters and distribute products to food banks, though it is unclear whether these include BMS products.
- In order to score in this area, the company should comply with the Code requirements specified in recommendation 6 of the guidance supported by WHA resolution 69.9, as well as WHA resolutions 47.5 and 63.23, and the Operational Guidance for Infant and Young Child Feeding in Emergencies. The company should comply with the Code recommendations by refraining from providing free or reduced-price BMS products (including equipment, materials or services) through healthcare facilities. In humanitarian settings, BMS donations should be provided only upon official authoritative request, ensuring compliance with Code provisions and quality standards. In social welfare institutions, BMS products are only provided upon request, without using donations for sales inducement or distribution outside institutions.
- Morinaga Milk is encouraged to adopt these Code requirements in full and clearly outline them in its BMS marketing policy.

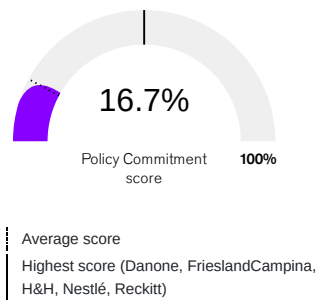


Management System

- ATNI was unable to identify documentation about any management systems the company has in place to implement its BMS marketing policy. The company referred ATNI to its BMS marketing policy, however no relevant information was found, and no further evidence was shared by the company during the second round of engagement.
- To score in this area, Morinaga Milk would need to develop comprehensive management systems, procedures and other guidance for its employees to implement all commitments set out in its policy(ies) relating to responsible BMS marketing.

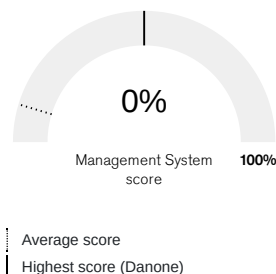
5. Healthcare Workers

This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.



Policy Commitment

- Based on the company's BMS Marketing policy found in the public domain, Morinaga Milk was found to explicitly state that information provided to health workers regarding BMS products will be restricted to scientific and factual matters, therefore the company scored on this indicator.
- During the first round of engagement, the company provided a brochure about the Morinaga Milk BF-1 infant formula. However, no relevant information was found in that brochure in regard to the company's commitments on responsible marketing of BMS to healthcare workers and no score was given for other indicators assessed in this topic. No additional information was provided by the company during the second round of engagement, and Morinaga Milk did not fully score on this topic.
- In order to score in this area, the company should comply with Article 7 of the Code and recommendation 6 of the guidance supported by WHA 69.9 by ensuring only factual information is provided to health workers that does not imply bottle-feeding superiority and that is limited to provide guidance on appropriate use of BMS. Any form of financial or material inducements to healthcare staff is not allowed, and as a BMS company it should not sponsor scientific meetings for health professionals to avoid conflicts of interest.
- Morinaga Milk is encouraged to adopt these Code requirements in full and clearly outline them in its BMS marketing policy.

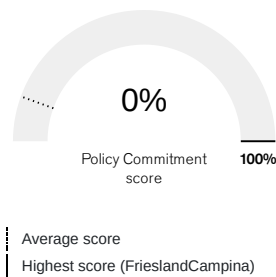


Management System

- ATNI was unable to identify documentation about any management systems the company has in place to implement its BMS marketing policy, and no relevant information was found in the evidence shared by the company.
- To score in this area, Morinaga Milk would need to develop comprehensive management systems, procedures and other guidance for its employees to implement all commitments set out in its policy(ies) relating to responsible BMS marketing.

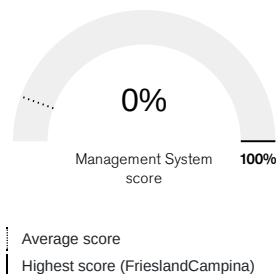
6. Employee Incentives

This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.



Policy Commitment

- During the engagement phase, the company mentioned to ATNI that bonus calculations for its sales representatives are not based on BMS product sales and that it does not set quotas for the sales of its BMS products. However, no additional evidence was provided by the company in the second round of engagement as requested by ATNI to substantiate the assessment, therefore Morinaga Milk did not score on this topic.
- In order to score in this area, the company should explicitly comply with Article 8 of the Code by excluding the sales volume of BMS products from determining incentives for its employees or distribution partners and show evidence of this commitment in internal policies and practices.
- Morinaga Milk is encouraged to adopt these Code requirements in full and clearly outline them in its BMS marketing policy.



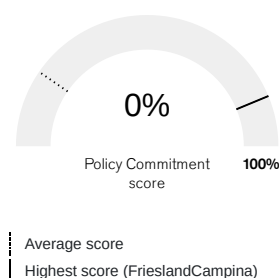
Management System

- ATNI was unable to identify documentation about any management systems the company has in place to implement its BMS marketing policy, and no evidence was shared by the company on this aspect.
- To score in this area, Morinaga Milk would need to develop comprehensive management systems, procedures and other guidance for its employees to implement all commitments set out in its policy(ies) relating to responsible BMS marketing.

7. Labeling

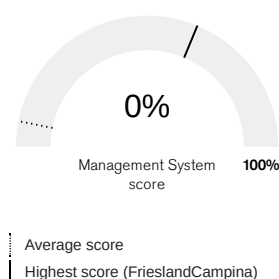
This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.

Policy Commitment



- Based on the company's BMS Marketing policy found in the public domain, Morinaga Milk was found to commit to some of the Code requirements for BMS product labels/inserts, such as providing necessary information about appropriate use of the product and including a statement about the superiority of breastfeeding, among others. However, not all Code requirements for BMS product labels were covered in the policy. The company shared two BMS product labels as evidence of its commitments on the remaining requirements assessed, however this information does not reflect the company's universal and standard commitments and practices, thus Morinaga Milk did not score on this topic.
- In order to score in this area, the company should comply with Article 9 of the Code and recommendation 4 of the guidance supported by WHA resolution 69.9 by ensuring that BMS packages have clear labels with information in the appropriate local language(s) and that they include appropriate breastfeeding messages. Labels should avoid idealizing formula use, include ingredient information as well as warnings against the health hazards of inappropriate powdered formula preparation. They should also include a clear statement that the product should only be used on the advice of a health worker on its use and the proper method of use. Health or nutrition claims for BMS products should only be included if required by national regulations.
- Morinaga Milk is encouraged to adopt these Code requirements in full and clearly outline them in its BMS marketing policy.

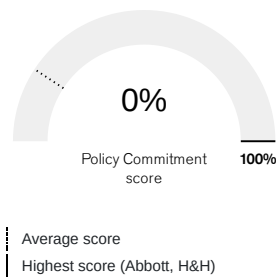
Management System



- ATNI was unable to identify documentation about any management systems the company has in place to implement its BMS marketing policy, and no evidence was shared by the company on this aspect.
- To score in this area, Morinaga Milk would need to develop comprehensive management systems, procedures and other guidance for its employees to implement all commitments set out in its policy(ies) relating to responsible BMS marketing.

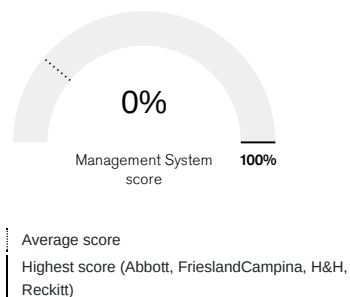
8. Product Quality

This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.



Policy Commitment

- No relevant information was found in the public domain nor shared by the company in regard to its commitments on the quality of BMS products. ATNI noted the FSSC 22000 certificate that Morinaga Milk shared, however, this topic specifically assesses whether the company follows relevant Codex standards for the production and marketing of BMS.
- In order to score in this area, the company should comply with Article 10 of the Code and is encouraged to clearly outline which specific Codex standards it follows at a minimum, and to ensure that the listed standards are regularly revised so that the most updated versions are adhered to.

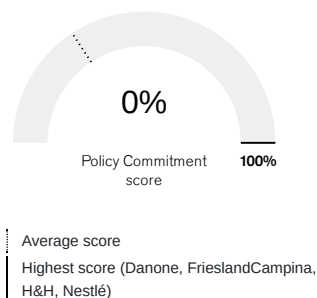


Management System

- ATNI was unable to identify documentation about any management systems the company has in place to implement its BMS marketing policy, and no evidence was shared by the company on this aspect.
- To score in this area, Morinaga Milk would need to develop comprehensive management systems, procedures and other guidance for its employees to implement all commitments set out in its policy(ies) relating to responsible BMS marketing.

9. Implementation and Monitoring

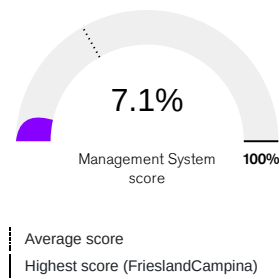
This topic consists of policy commitment indicators and management system indicators. The policy commitment indicators contribute to 20% of the topic score, while 80% of the weight of the score is attributed to management system indicators.



Policy Commitment

- Based on the company's BMS Marketing policy found in the public domain, Morinaga Milk stated support to policies and standards set by governments however it did not explicitly refer to supporting and not undermining the implementation of fully Code aligned regulatory frameworks. Although Morinaga Milk stated that its BMS marketing policy applied to all its employees, no clear commitments were found showing that the company apprises its marketing personnel of its BMS marketing policy, and their responsibilities to effectively apply it.
- In order to score in this area, the company is encouraged to clearly define as well as effectively communicate responsibilities for implementing BMS marketing commitments and monitoring compliance of the company's practices to the principles of its BMS marketing policy.

Management System

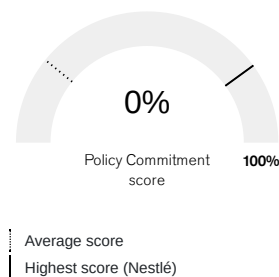


- Like most companies assessed in the BMS Marketing Index, the company was found to follow globally recognized food safety and quality standards to certify its BMS products, such as ISO and FSSC, which was shared as evidence by the company. Although Morinaga Milk shared other evidence with ATNI, such as certain marketing guidelines and a compliance card to demonstrate the company's internal allegations system, it was unclear if the guidelines were provided to retailers and distributors to follow and if the compliance card applied to compliance with the company's BMS Marketing policy. No further information was found in the public domain nor shared by Morinaga Milk during the second round of engagement about any management systems the company has in place to implement its BMS marketing policy
- To score in this area, Morinaga Milk would need to develop clear guidance for its employees and contractual third-parties on the responsible marketing of BMS as outlined in the company's related policy(ies). The company should also have effective systems in place to monitor and manage incidences of non-compliance with the company BMS marketing policy(ies). The company should also clearly assign executive responsibilities and oversight to ensure the effective implementation of its BMS marketing policy.

10. Lobbying and Influence

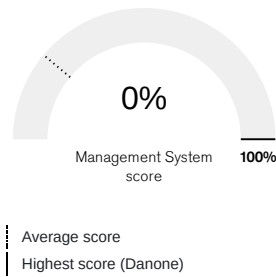
This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.

Policy Commitment



- ATNI did not find any publicly available information with regard to any commitments or objectives the company has in relation to engagement with policymakers on BMS marketing, including in Morinaga Milk's anti-corruption policy document found on the company's website. No evidence was shared by the company on this topic. The company therefore did not score on this topic.
- To score in this area, Morinaga Milk is encouraged to develop a policy setting out under what circumstances and how it will lobby and engage with governments and policymakers on issues relating to the Code and BMS marketing. The company should also commit to not undermining existing public policy frameworks, the work of WHO or similar agencies, and Government efforts to develop regulations to implement the Code in full. In addition, the company should review the positions of all trade associations and industry policy groups it belongs to and assess the extent to which they align with the company's own policy positions.

Management System

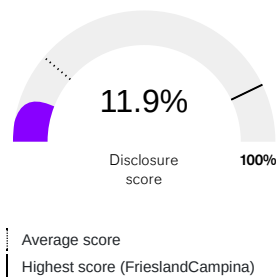


- ATNI was unable to identify documentation about any management systems the company has in place to implement any policy it may have in relation to engaging with stakeholders on BMS marketing and no evidence was shared by the company on this aspect.
- To score in this area, Morinaga Milk would need to clearly assign executive responsibilities and oversight to ensure the effective implementation of its policy on engaging with stakeholders on BMS marketing and the Code, as well as develop clear systems and control mechanisms such as reporting and internal audits.

11. Disclosure

This topic consists of disclosure indicators only.

Disclosure



- In regard to the commitments found for Morinaga Milk that are in line with the Code, these were publicly disclosed in the company's BMS marketing policy. However, ATNI was not able to find any information in the public domain relating to certain elements of the Code that should be referred to in the company's BMS marketing policy, along with related management systems, lobbying activities or its accountability mechanisms related to BMS marketing, and therefore the company did not fully score on this topic.
- Morinaga Milk is encouraged to have its BMS marketing commitments available and easily accessible in the public domain and improve its disclosure in various aspects relating to the Code and responsible marketing, including lobbying and accountability.

Footnotes

1. BMS stands for breast-milk substitutes which include any milks (or products that could be used to replace milk, such as fortified soya milk alternatives), in either liquid or powdered form, that are specifically marketed for feeding infants and young children up to the age of three years. These include: - Infant formula (IF) - Follow-up formula (FUF) - Growing-up milk (GUM) It is important to note that the Code never made exceptions to formulas for special medical purposes therefore these products are also included within the scope of ATNI's studies. Bottles and teats however are not included in ATNI's assessments as these products generally would not be manufactured by food and beverage companies.
2. Less than 5% of Morinaga's global baby food sales are derived from complementary foods.
3. The Country Study score and Corporate Profile score each contribute to 50% of Morinaga's BMS Marketing Index score.
4. This represents the average score of two country assessments: Indonesia and Viet Nam.
5. Based on 2021 Euromonitor retail sales estimates.
6. Incidences of non-compliance include non-compliant labels and observations from online and traditional media.
7. Where companies engaged, these numbers should represent the number of products confirmed to be marketed in these countries as communicated by the companies to ATNI. It is possible however that the number of products and brands assessed are not representative of each of the assessed markets, due to limitations in data collection and limited company engagement.
8. - Infant formula is a BMS product intended for infants younger than six months of age. - Follow-up formula is a BMS product intended for older infants between six months up to one year of age. - Growing-up milks or toddler milks are BMS products intended for young children between one to three years of age. - Product brand relates to observations where no age is specified on a product or no specific product is promoted, but the observation is associated with a BMS brand.
9. This is the company's average score on the 11 topics.
10. Euromonitor retail sales estimates (2021 data) were used to calculate the proportion of companies' global product sales covered per product type. It is important to note however that the underlying data used for the calculations may not be fully representative of the company's markets. Euromonitor International intelligence is used under license. Although Euromonitor aims to correct inaccuracies of which it is aware, it does not warrant that the data will be accurate, up-to-date or complete as the accuracy and completeness of the data and other content available in respect of different parts of the content will vary depending on the availability and quality of sources on which each part is based.
11. Product weighting: 45%
12. Product weighting: 35%
13. Product weighting: 20%