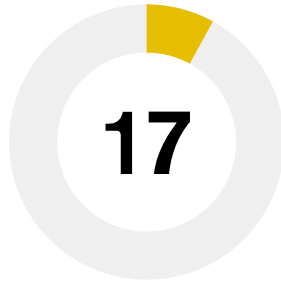


Reported product categories

Dairy, Confectionary, Ice Cream, Baby food, Sports and energy drinks



↓ Rank 17 / Score 0.8

Rank 0 (2016)



Product Profile

Rank 17 / Score 3.2

Headquarters

Japan

Market capitalization

11,562 m

Reported revenue by

geography ³

Not available

Number of employees

16,500

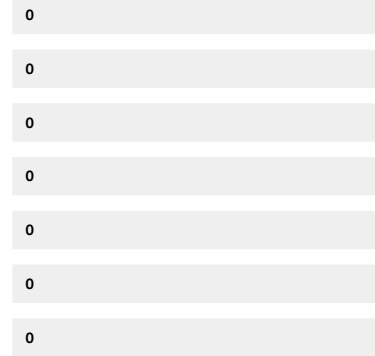
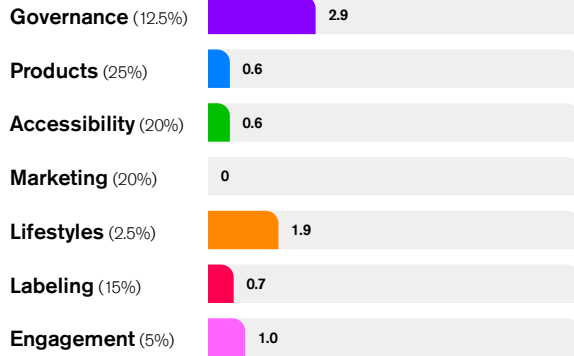
Total revenues ²

10,482 m

Corporate Profile

Nutrition 17/0.8

Undernutrition 20/-1



Main areas of strength

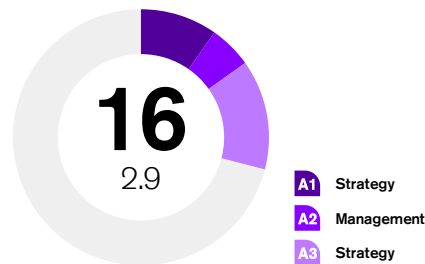
- Meiji is a new entrant to the 2018 Global Access to Nutrition Index. As a result, no comparisons can be made to the 2016 Index. ATNF welcomes Meiji's engagement in the research process.
- Meiji's 2026 vision is "to widen the world of 'Tastiness and Enjoyment' and meet all expectations regarding 'Health and Reassurance'". It states its intention to grow through a focus on health, and on healthy foods.
- Accountability for delivering this strategy is allocated to the highest level, to the CEO of the Food Segment who is a member of the Board of Meiji Holdings. Day-to-day responsibility for implementing its nutrition strategy is allocated to various executive managers, all of whom are one level below the Board.
- Meiji makes a commitment to support healthy diets and exercise among its employees. In Japan, it offers a range of healthy diet, healthy body and healthy behavior programs. It has a participation target and tracks health outcomes annually, in terms of weight loss and lower waist measurements, for example. It also does evaluations of some of its programs and sites.

Priority areas for improvement

- As Meiji scored only 0.8 and ranks seventeenth* it has substantial scope to improve its policies, practices and disclosure relating to nutrition.
- Meiji appears to focus on Japan, its home market. Given its growing presence in several other countries, it would be preferable to take a consistent, business-wide approach to nutrition, and to align its commitments to the Sustainable Development Goals (SDG) and other international nutrition goals.
- Having articulated some high-level nutrition-related commitments, the next step for Meiji would be to develop and publish clear global objectives, plans and targets to spell out how it intends to deliver on its commitments.
- Meiji ranks seventeenth in the Product Profile assessment with a score of 3.2 out of 10, based on an assessment of its major product categories in three countries. Meiji's home market, Japan, and its dominant product category, dairy, were not included. Therefore, the results are not likely to be representative of its global product portfolio. In the countries assessed, Meiji was estimated to derive only 1% of its total sales from healthy products. This illustrates that Meiji has significant scope to improve the healthiness of its portfolio in these countries through reformulation, innovation and/or portfolio changes.
- Meiji is encouraged to set and disclose clear targets to improve the nutritional quality of its portfolio and adopt a well-verified, independently developed nutrient profiling system to guide its efforts.
- The company should adopt, publish and implement policies to ensure the affordability and accessibility of its healthy products for low-income consumers.
- As no evidence was found of any responsible marketing policies, Meiji is strongly encouraged to commit to adopt comprehensive policies on responsible marketing to all consumers and children in particular, and to publish these.
- ATNF recommends that the company publish a comprehensive globally applicable nutrition labeling policy, and health and nutrition claims policy, making commitments beyond local regulatory compliance.

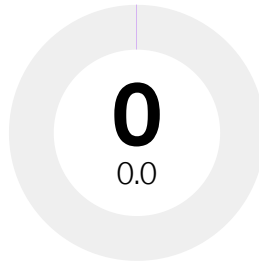
Category Analysis

Category A - Governance 12.5% - Nutrition



- Meiji has established a Board-approved global commercial 'nutrition strategy' based on the Meiji Group 2026 Vision outline; the company did not share this with ATNF but published it in April 2018 after ATNF had completed its research. The company is recommended to publish a series of tangible objectives and a clear timeframe for delivering them.
- Meiji states that it is committed to grow through a focus on health and healthy foods but appears to lack consideration of low-income populations in either the developed or developing markets. The company is encouraged to extend its commitments to these populations.
- Meiji did not provide any evidence that it considers nutrition issues in mergers and acquisitions nor that it has conducted a recent assessment of the risks to the business of nutrition trends, including potential legal, regulatory, strategic, market and reputational risks. The company is encouraged to conduct and publish such an assessment and outline how it intends to address any risks identified.
- The company does not frame or link its nutrition commitments to the priorities set out in the WHO Global Action Plan for the Prevention and Control of NCDs 2013-2020, nor does it commit to delivering nutrition-related SDGs. Meiji has an opportunity to consider how it might orientate its business more towards contributing to achieving international nutrition goals.
- Meiji discloses that 76% of its total global revenues in FY2016 were generated from healthy products. ATNF was unable to generate a figure to compare to Meiji's figure in the Product Profile, as it excluded Japan, a major market for Meiji where it sells many dairy products. As these products typically have a much better nutritional profile than confectionery and the other indulgent products included in its Product Profile, the results do not provide a sufficiently balanced view of Meiji's portfolio to use as a comparison.
- Accountability for delivering its nutrition strategy is allocated to a member of the Board of Meiji Holdings and day-to-day responsibility is allocated to an executive manager of the Product Development Department of each category at the head office. However, the company does not appear to link the remuneration of the CEO and/or senior managers with performance on nutrition targets/objectives, which it is encouraged to do.
- The company is encouraged to establish a high-level expert panel to advise the Board, comprised of specialists in all areas relevant to the delivery of a comprehensive nutrition strategy, as no evidence was found that it has one.
- Meiji provides regular updates on its nutrition-related performance on an annual basis, although these updates are not as comprehensive as they could be, and they are not subject to verification or external review. There is no sense of how the nutrition strategy contributes to business performance. Broadening its reporting and having it independently reviewed would enable stakeholders to better understand how its nutrition strategy is adding value to the business.

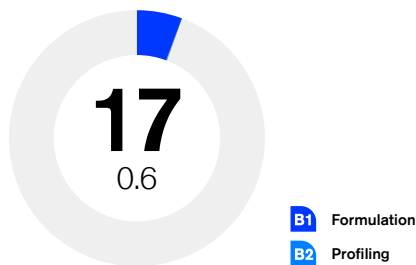
Category A - Governance 12.5% - Undernutrition



16/2/2018

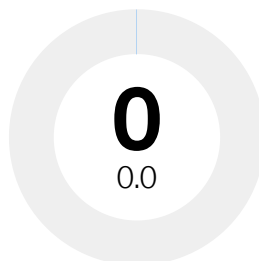
Not applicable

Category B - Products 25% - Nutrition



- Meiji makes no specific statements regarding its deployment of R&D funds towards improving the nutritional quality of its portfolio nor does it set any targets in this area. It states only that it will, 'take on the challenge of creating a new value that contributes to customers' healthy diets'. Meiji is strongly encouraged to set and disclose clear targets on dedicating R&D budgets to improving the nutritional quality of its portfolio.
- There is no evidence that Meiji has a Nutrient Profile System to assess the nutritional quality of its products, yet it states that more than 50% of its products meet its healthy standard. The company is encouraged to adopt and publish a well-verified, independently developed nutrient profiling model as soon as possible to provide a basis for figures it cites in respect of 'healthy' products.
- The company states in its 2016 Annual Report that it has developed, "products catering to health-conscious customers" such as, "low-sugar/low-fat drinking milk, yogurt and margarine". However, the company did not provide to ATNF nor publish consolidated figures relating to all the new healthy products it has introduced in the last three years.
- Meiji also did not provide information to ATNF, or report, whether it offers at least one healthy product in each brand, either for adults or children.
- The company is encouraged to improve its disclosure and accountability by publishing much more information about how it plans to improve the nutritional quality of its portfolio and its progress to date.

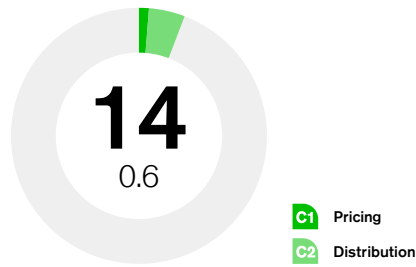
Category B - Products 25% - Undernutrition



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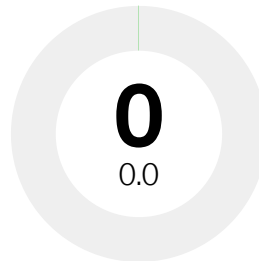
Not applicable

Category C - Accessibility 20% - Nutrition



- Meiji appears to do very little with respect to ensuring the affordability of its healthy products, though it does make efforts to address accessibility. The only evidence Meiji provided with respect to affordability was a few examples of offering discounts and similar promotions on its healthy products in Japan.
- With respect to accessibility, the company makes a broad commitment but did not provide any detail, nor does it appear to have a particular focus on low-income consumers. It only mentioned a home-delivery service in Japan, which includes its healthy products, and which therefore helps elderly consumers.
- The company is encouraged to develop and publish an accessibility and affordability strategy, underpinned by research in all of its markets, to increase the market penetration of its healthy products.

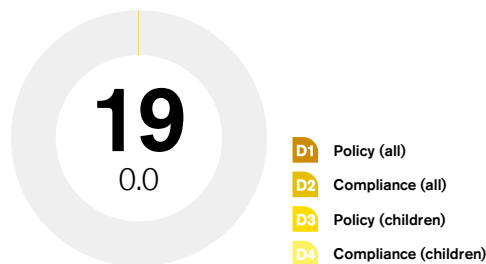
Category C - Accessibility 20% - Undernutrition



16/2/2018

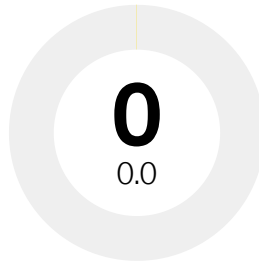
Not applicable

Category D - Marketing 20% - Nutrition



- Meiji is strongly encouraged to commit to adhere to the ICC Code for Responsible Food and Beverage Marketing Communication globally, to demonstrate its commitment to responsible marketing to all consumers and put in place systems to monitor its compliance with those principles.
- It is also urged to adopt a comprehensive policy on responsible marketing to children that covers all media, sets a low audience threshold for relevant channels, extends to the age of 18 and all schools and locations popular with children. Committing to commissioning independent monitoring its compliance with this policy would also be a welcome step.

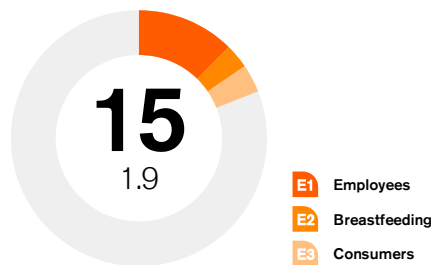
Category D - Marketing 20% - Undernutrition



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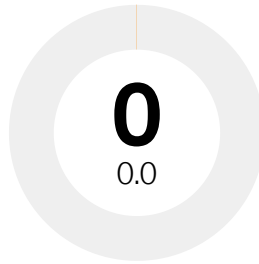
- Not applicable.

Category E - Lifestyles 2.5% - Nutrition



- Meiji makes a commitment to support healthy diets and exercise among its employees. In Japan, it offers a range of healthy diet, healthy body and healthy behavior programs. It has a target to track whether participation in all of its program elements increases each year. It also has a target for 50% of its employees to participate in its 'walking campaign', tracks use of its gym and tracks health outcomes annually, in terms of weight loss and lower waist measurements, for example, which is commendable. It also does its own evaluations of some of its programs/sites.
- To improve, the company could offer its health and wellness programs in more countries and open them up to all employees and their family members, and strengthen its tracking of participation. Commissioning independent evaluations of the impact of its programs is also recommended.
- In terms of supporting breastfeeding mothers, in Japan the company offers paid maternity leave of 101 days. It could extend the length of maternity paid leave to at least six months and offer the same benefits to employees in all markets.
- Meiji offers two breaks to mothers during the work day for the first year of the child's life, but no information was found about providing private, hygienic, safe rooms to express breastmilk, with fridges. The company is encouraged to offer these facilities, or, if it does already, report that it does so.
- Although Meiji doesn't make public a policy about which types of consumer-orientated nutrition education and physical activity programs it supports, it does promote 'food education' by explaining the value and health benefits of food at various events in Japan. It offers seminars for people of all generations, from children through to seniors, to increase interest in healthy diets. It collaborates with third-party organizations in offering these seminars. In financial year 2017, Meiji offered 2,900 such seminars in which more than 138,000 people participated.
- The company also has an Olympic and Paralympic Education Program through which it encourages people to do sports thus promoting health and active lifestyles in Japan.
- The company is encouraged to expand the coverage of all of its programs to promote both healthy diets and healthy lifestyles, and to extend their reach to all markets in which it operates. Its policy would ideally encompass commitments not to brand such programs and to design and develop them with independent expert organizations, to make clear that the purpose of these programs is consumer education and not marketing.
- Commissioning independent evaluations of these programs to determine whether they deliver strong health impacts would also be a positive step forwards.

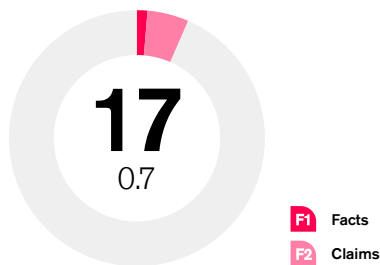
Category E - Lifestyles 2.5% - Undernutrition



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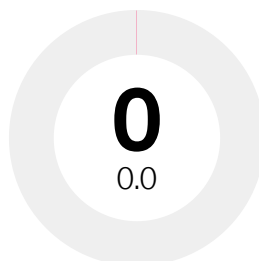
Not applicable

Category F - Labeling 15% - Nutrition



- Meiji only confirmed that it complies with local regulations in Japan. It did not provide a policy relating to which nutrients it includes in labels on the front or back of packs in other markets nor other aspects of labeling.
- The company is strongly encouraged to develop and publish in full a global labeling policy that commits to labelling all of the 'Big 8' nutrients on the back of all packs, using Guideline Daily Amounts or Daily Values, and which follows Codex guidance. Best practice is to provide this information on a per serving or on a per 100 mg or per 100 ml basis. Further, Meiji is encouraged to use an interpretative label on the front of all its packs to help consumers understand the nutritional quality of its products at a glance. Meiji should ensure to not undermine existing local interpretative FOP labeling systems by implementing alternative or additional systems. Track and publishing information about its progress in placing such labels on products in all of its markets would enhance transparency.
- Meiji does not publish and did not provide to ATNF its policy on the use of nutrition or health claims in all markets and therefore does not seem to commit only to use such claims when they comply with Codex standards in countries where no regulation exists. Establishing such a policy and publishing it would be a positive step forwards.
- It does, however, track the number of products that carry function claims but in Japan only, and disclosed that information to ATNF. The company stated that no complaints have arisen against it over the misuse of claims.

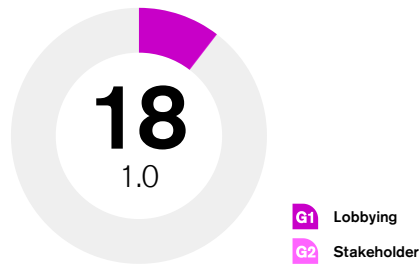
Category F - Labeling 15% - Undernutrition



16/2/2018

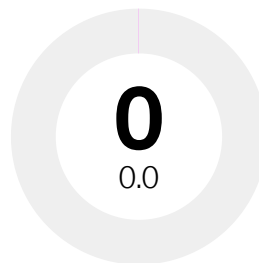
Not applicable.

Category G - Engagement 5% - Nutrition



- Meiji publishes a list of industry associations which it is a member of but does not report on its financial support for any organizations that lobby on its behalf, seats on their Boards or similar, or on its lobbying activities. It also does not publish its public policy positions on key nutrition issues. Meiji therefore has considerable scope to provide further information about how it lobbies in support of government efforts in markets it operates in to prevent and address obesity and diet-related chronic diseases.
- Meiji does not disclose how it engages with stakeholders to design and improve its nutrition strategy or policies. The company is encouraged to publish such a commentary.

Category G - Engagement 5% - Undernutrition



16/2/2018

Not applicable

Product Profile



17

Rank 17 / Score 3.2

| Average HSR score products (sales-weighted) | Percentage of healthy products (sales-weighted) | Percentage of healthy products suitable to market to children (sales-weighted) | Number of products included in HSR and WHO EURO assessments | | Number of countries included in the assessment |
|---|---|--|---|----------|--|
| | | | HSR | WHO EURO | |
| 1.6 stars | 1% | 0 | 75 | 75 | 3 |

- Meiji's average sales-weighted HSR is 1.6 (1.4 unweighted), generating a Product Profile score of 3.2 out of 10, and it ranks seventeenth.
- For Meiji, the results from the Product Profile are not likely to be representative of the nutritional quality of the company's full global portfolio. First, Japan is the company's main market (accounting for more than 90% of its total global sales in FY2016) and this was not one of the countries assessed. Second, in Japan, dairy products make up a large proportion of its sales, but not in the three countries included in the assessment. Dairy products typically have a much better nutritional profile than confectionery and the other products that were assessed in those countries. Meiji is the only company in the Product Profile assessment that misses coverage of its global dominant product category completely.
- In the three countries assessed, only 1% of products were considered healthy, using an HSR of 3.5 or more as the cut-off. None of the company's products in these three countries met the WHO EURO criteria for marketing to children.
- Out of the three countries included in Meiji's analysis, China had the highest mean HSR both before and after results were weighted by sales (1.9), with Australia having the lowest HSR of 0.6. These results were mainly driven by the types of products available in each country, with 'Ice Cream and Frozen Desserts' being the category with the highest mean HSR, and China selling the majority of these products
- Meiji ranks seventeenth on the 2018 Global Index, as well as on the Product Profile assessment. Although the results of the Product Profile assessment are not likely to be representative of Meiji's global portfolio, the company is recommended to step up its efforts to improve the healthiness of its products in the countries assessed through product reformulation, innovation and/or portfolio changes.

For full details, see the company's Product Profile scorecard.

Disclaimer Global Index 2018

General Disclaimer

As a multi-stakeholder and collaborative project, the findings, interpretations, and conclusions expressed in the report may not necessarily reflect the views of all companies, members of the stakeholder groups or the organizations they represent or of the funders of the project. This report is intended to be for informational purposes only and is not intended as promotional material in any respect. This report is not intended to provide accounting, legal or tax advice or investment recommendations. Whilst based on information believed to be reliable, no guarantee can be given that it is accurate or complete.

Sustainalytics participated in the data collection and analysis process for the Global Index 2018, contributed to the company scorecards and supported writing the report.

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country specific regulations related to marketing of these products in Bangkok, Thailand and Lagos, Nigeria. Westat is responsible for the analysis of the data related to compliance with the BMS Marketing standards and for the preparation of its final study report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report and the scoring of company performance for the same Index.

The George Institute for Global Health (TGI) is responsible for the data collection for the Product Profile assessment, using data from available databases that was supplemented with data provided by companies to ATNF. TGI is also responsible for the analysis of the data related to the Product Profile and the TGI Product Profile final report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report. Furthermore, TGI is responsible for the data collection and analysis related to the historic sodium reduction assessment in Australia, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

Innova Market Insights (Innova) is responsible for the data collection and analysis related to the historic sodium reduction assessment that was performed in four countries, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

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Footnotes

1. * ATNF was not able to assess all documents published or provided by Meiji in Japanese and the language barrier may have limited the extent to which details of company performance were reflected correctly in the scoring. Although Meiji markets baby food products, it was not included in the BMS assessment because it was estimated to derive less than 5% of its FY2016 revenues from baby food. Meiji generates less than 5% of its sales in non-OECD countries. Therefore, the company was not assessed on Undernutrition in the Global Index 2018.
2. Source: Morningstar, USD historic exchange rate
3. Source: Morningstar