



ACCESS TO  
**NUTRITION**  
INITIATIVE

# **BMS/CF Marketing Index 2021**

Major baby food companies' compliance  
with the International Code of  
Marketing of Breast-milk Substitutes

June 2021



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This report sets out the findings of a study undertaken by several organizations. We would like to thank the Bill & Melinda Gates Foundation, the Dutch Ministry of Foreign Affairs (DGIS) and UK Aid - through the UK Foreign, Commonwealth and Development Office (FCDO) - for their financial support. We would also like to thank our research partners Westat, NCP and IBERO/INSP for their diligent efforts, as well as organic Intelligence and Eficiencia Informativa (EFINFO), the firms that provided the traditional media monitoring service in the Philippines and Mexico, respectively. We are grateful for the guidance of the BMS Expert Group. WRENmedia edited the report. Design is by Kummer & Herrman. © Copyright 2021

# Abbreviations

<b>ATNI</b>	Access to Nutrition Initiative
<b>BMS</b>	Breast-milk substitutes
<b>CF</b>	Complementary Foods
<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>FCDO</b>	Foreign and Commonwealth Department Office
<b>DGIS</b>	Netherlands Ministry of Foreign Affairs
<b>IBERO</b>	Universidad Iberoamericana
<b>IBFAN</b>	International Baby Food Action Network
<b>IF</b>	Infant formula
<b>INC</b>	Incidences of non-compliance
<b>INSP</b>	Instituto Nacional de Salud Pública
<b>FSMP</b>	Formula for Special Medical Purposes
<b>FOF</b>	Follow-on formula
<b>GUM</b>	Growing-up milk(s)
<b>HA</b>	Hypo-allergenic
<b>MJN</b>	Mead Johnson Nutrition
<b>NCP</b>	Nutrition Center of the Philippines
<b>NGO</b>	Non-governmental Organization
<b>RLF</b>	Responsible Lobbying Framework
<b>PKU</b>	Phenylketonuria
<b>SDG</b>	Sustainable Development Goal
<b>The Code</b>	International Code of Marketing of Breast-milk Substitutes
<b>UNICEF</b>	United Nations Children's Fund
<b>WHA</b>	World Health Assembly
<b>WHO</b>	World Health Organization

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# Welcome

It is my pleasure to introduce this BMS/CF Marketing Index 2021. This Index is both new and not new! ATNI previously rated the world's six largest baby food companies' marketing practices through a sub-ranking of each Global Index. The last one was published in 2018. Now, for the first time, we are presenting this research in the form of a stand-alone Index. It expands on our previous research in two ways. It encompasses the nine largest baby food companies in the world and it assesses their marketing of both breast-milk substitutes (BMS) and complementary foods (CF). I would like to thank the funders of this work for their continuing support: the Bill & Melinda Gates Foundation, and the governments of the United Kingdom through the Foreign and Commonwealth Development Office (FCDO) and the Netherlands Ministry of Foreign Affairs (DGIS).

The Access to Nutrition Initiative (ATNI) is an independent not-for profit organization, established in 2013. We work to encourage the world's largest food and beverage companies to do everything they can to address all forms of malnutrition. We design and publish various tools designed to encourage 'healthy competition' among these companies by tapping into their competitive nature. In the eight years since ATNI was established, we have proven that our model of benchmarking companies is a driver of and accelerates meaningful change.

Our Indexes measure food and beverage companies' contribution to addressing nutrition challenges. Among these are the deaths of over 832,000 babies each year who could have lived had they been optimally breastfed. Millions of children suffer wasting, stunting and micronutrient deficiencies due to inadequate diets. Increasing numbers are becoming overweight or obese for the same reason. Given the increasing roles of processed products – including BMS and CF - in diets around the world, one of ATNI's principal goals is to drive greater action by the private sector to turn this tide, to give all children the best start in life. Breastfeeding should be central to the diets of infants and young children, from birth up to two years or beyond, according to the WHO. Extensive independent academic research has established that breastmilk is better for children's health than breast-milk substitutes and that breastfeeding is also beneficial to mothers' health.

The nine companies rated in this report generated estimated revenues from BMS and CF of nearly US\$38 billion in 2019, over half of that year's global total. One of the ways they secured these sales was through extensive and effective marketing. With the advent of social media, baby food companies have even greater reach than ever before. The central issue is that their products compete with breastfeeding. Even in 1981, when the sector was much smaller and marketing channels were more limited, this problem had been identified. Following extensive consultation with a wide range of stakeholders, WHO determined to address it. And so, the International Code of Marketing of Breast-milk Substitutes was born. It did not aim to prevent the use of these products - sometimes they are necessary because some infants cannot be breastfed and some mothers cannot breastfeed. Rather, its aim was to contribute to the provision of safe and adequate nutrition for infants, by protecting and promoting breastfeeding. Specifically, the intention was to ensure that mothers and caregivers had accurate and adequate information about BMS and how to use them safely and properly, and that these products were marketed and distributed appropriately.

That aim is as relevant and urgent today as it was 40 years ago. The hope was that the WHO's Member States would pass laws and regulations to implement the 1981 Code. That hope has not been realized: only 31 countries have legal frameworks that substantially implement the Code and the 18 subsequent resolutions that support and augment it passed by the World Health Assembly since then. In the absence of market-by-market legal measures, it is imperative that baby food companies take voluntary action to implement The Code - which they are called upon to do, in Article 11. This Index assesses the extent to which they have adopted policies and practices to do so, and how transparent they are about this. It also looks at their related lobbying policies and practices.

One of ATNI's goals is to work closely with - and inspire action by - other stakeholders. In this vein, for the first time, FTSE Russell, one of the world's leading financial services companies, has drawn on this research to inform its decisions about the suitability of three of the companies to retain their place on the prestigious FTSE4Good Index. We look forward to further collaboration with FTSE Russell – and with others.

While ATNI hopes that all governments will step up their efforts to adopt legal measures to give effect to The Code, in the short term the most important action I hope will ensue from the publication of this report is that all baby food companies accelerate their efforts to implement The Code in full. They can play a pivotal role in supporting the realization of the 2025 global nutrition targets, the SDGs by 2030, and in saving the lives and protecting the health of babies, young children, and mothers everywhere.

**Inge Kauer**

*Executive Director*

Access to Nutrition Foundation





# 1. Executive Summary

## About the Index

This Index assesses the extent to which the world's nine largest manufacturers of breast-milk substitutes (BMS) and complementary foods (CF) market their products in line with WHO guidance, as set out in the 1981 International Code of Marketing of Breast-milk Substitutes (BMS) and 18 subsequent relevant World Health Assembly (WHA) resolutions (collectively referred to as The Code). For the studies ATNI commissioned to assess the companies' marketing in the Philippines and Mexico, the scope extends to any national legal measures that go beyond The Code.

This Index is the only one of its kind. A score of 100% would indicate that a company's marketing policies, practices and disclosure are fully aligned with these WHO recommendations.

Similar prior assessments were presented as a sub-ranking of ATNI's 2016 and 2018 Global Indexes. Now, to place greater emphasis on, and direct greater attention to the critical importance of the health and nutrition of infants and young children, ATNI is publishing a stand-alone Index.

The companies included are the nine largest by global revenues in the baby food segment. Together they generated an estimated US\$38 billion in sales in 2019, just over half of the global total for that year. The scores of the six companies within this Index that are also constituents of the Global Access to Nutrition Index 2021 will continue to be based, in part, on their scores in this Index.

One of the most significant changes in the scope of this assessment was the inclusion for the first time of the seventh, eighth and ninth largest players in the sector, which are all headquartered in China. These companies are China Feihe Limited (Feihe), China Mengniu Dairy Company Limited (Mengniu), Inner Mongolia Yili Industrial Group (Yili), with combined estimated sales in 2019 of around US\$4.5 billion.

## The importance of nutrition in early life

The critical importance of good nutrition and healthy diets has been underlined by the COVID-19 pandemic. Baby food companies can play a critical role in improving the health and life prospects of infants and young children by protecting and supporting breastfeeding. By following the recommendations of The Code, they can contribute to the realisation of several WHO 2025 nutrition targets and the Sustainable Development Goals. Specifically, to SDG 2 - by preventing child mortality and various forms of undernutrition - and SDG 3 - by decreasing children's risks of developing NCDs later in life.

Until such time as all countries have passed laws and regulations to give effect to The Code, baby food companies can contribute to health and nutrition by voluntarily marketing their products in line with WHO recommendations. To date, only 31 countries have a Code-aligned legal framework to control the marketing of BMS and CF. While many factors have contributed in recent years to falling breastfeeding rates in many countries, and the concomitant increasing use of BMS, a principal driver has been the increasing and widespread marketing of these products. Breastfeeding has long been proven to provide myriad significant health benefits compared to BMS. These benefits are unique to breastfeeding and help both mother and infant. Positive long-term benefits for infants include protection against becoming overweight or obese, as well as against certain non-communicable diseases such as diabetes mellitus. Further, in areas of the world where hygiene is poor and the availability of, and access to, food is sub-optimal, breastfeeding is key to lowering infants' risk of undernutrition and infectious diseases.

## Methodology

The full methodology is available [here](#). In short, the Index scores and ranks companies based on two types of assessment that are given equal weight. The first – BMS/CF 1 - determines the extent to which the companies' own policies –

adopted voluntarily – and their associated management systems and disclosure align fully to the recommendations of The Code. One section also assesses the stance companies take on lobbying governments in relation to adoption of legal measures to implement The Code. The companies' scores are based both on information in the public domain and – if they wish – unpublished internal documentation which they submit under a non-disclosure agreement to ATNI's online research platform.

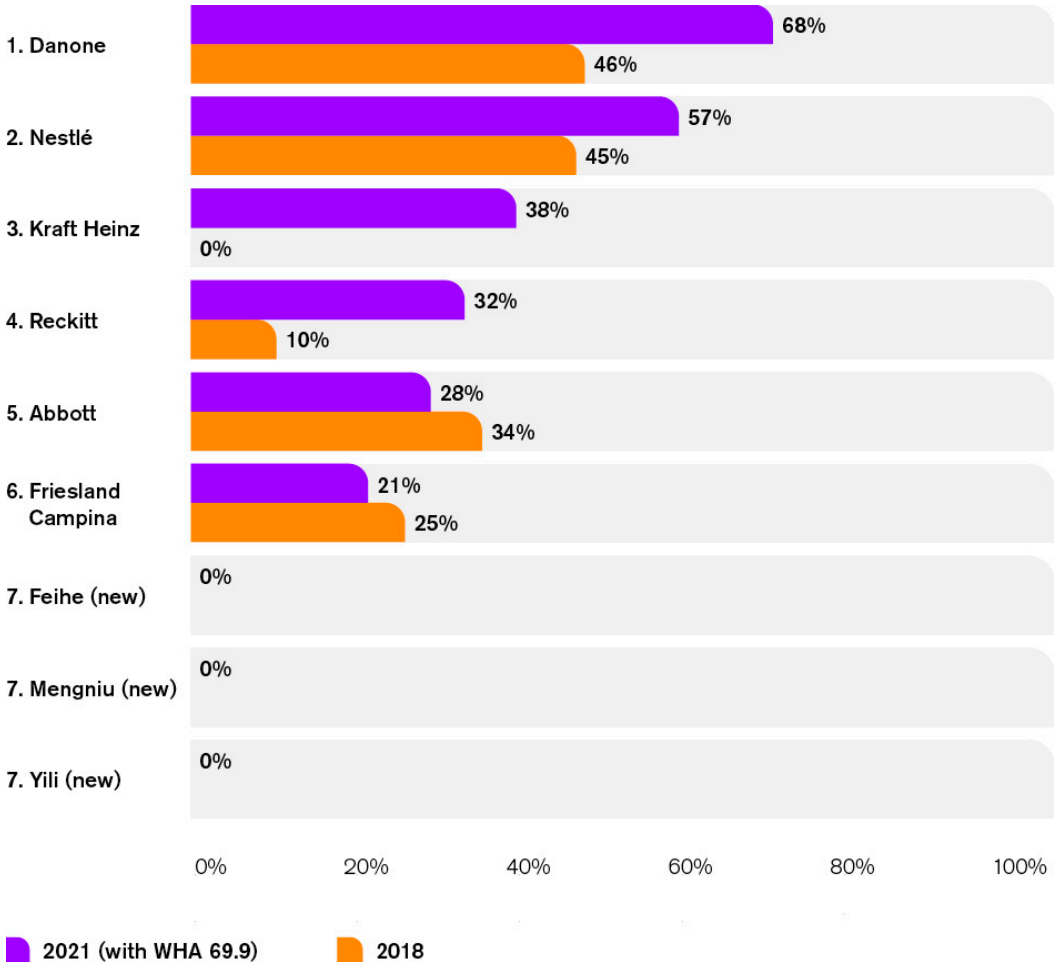
The second – BMS/CF 2 - aims to assess the extent to which companies market their products in line with The Code within two low or middle-income countries (called higher-risk countries). As for previous assessments, ATNI selected two countries in which to undertake research for this Index: the Philippines and Mexico. ATNI's summary reports, and those of Westat, the company which ATNI commissioned to undertake them, are available [here](#).

Numerous factors relating to the companies' own policies and practices, their market share, length of time in the market and the alignment

of national legal measures with The Code, and others, influences how companies perform on the second element of the assessment. For the first time, ATNI provided data from this element of the research to FTSE Russell to use in its decisions about the suitability of Danone, Nestlé and Reckitt to continue to be constituents of its FTSE4Good Index Series.

One principal change to the previous methodology is the inclusion of an assessment, for the first time, of companies' marketing in accordance with 2016 WHO 'Guidance on ending the inappropriate promotion of foods for infants and young children', referenced in WHA Resolution 69.9 adopted at the 69th World Health Assembly. Another notable change is the inclusion of the next three largest companies in the baby food segment, which are all based in China. ATNI was unable to establish contact with these companies and therefore they did not engage in the research process. Their assessments therefore had to be based only on information in the public domain, as has been the case for other companies in the past.

### BMS/CF Marketing Index 2021 Ranking



## Key finding

Fully 40 years after the original International Code of Marketing of Breast-milk Substitutes was adopted, this Index provides clear evidence that the marketing practices of the world's nine largest manufacturers of formula and foods for infants and young children are far from being aligned with its recommendations. Similarly, despite the WHA having passed 18 related resolutions since 1981, including and having endorsed in 2016 new guidance on ending the inappropriate promotion of foods for infants and young children, none of the companies assessed yet abides by the recommendations made in, or associated with, all of these resolutions.

All BMS companies were addressed by a [BMS Call to Action](#) issued in June 2020 by WHO, UNICEF and several non-governmental organizations which urged them to publicly acknowledge The Code and to commit to delivering full Code compliance by 2030 at the latest. While 17 companies responded – including seven included in this Index, most did

not make the requested commitments or action. The signatories to the Call to Action, in their [response to industry](#), stated that they were *'profoundly disappointed that no other company, including the largest global companies, took this crucial opportunity to commit to achieving compliance with internationally agreed health policy.'*

The UN Food Systems Summit, being held in September this year, and the Nutrition4Growth Summit being hosted by the Government of Japan in December, provide all baby food companies with the ideal opportunity to make the commitments necessary to honor The Code. We call on their investors and other stakeholders to encourage them to take this vital step. Those governments that have not yet adopted legal measures to fully implement The Code could also take this opportunity to do so. With less than a decade to go to realize the SDGs, now is the time for the companies ATNI has assessed – and all others in the sector, to commit to delivering on their responsibilities.

## Results by company

The table on page 13 shows the component scores on each element – BMS/CF 1 and BMS/CF 2 – and the impact on relevant companies' Global Index 2021 scores.

1. **Danone** retained first place, with a score of 68%, up substantially from its score of 46% in 2018. It had the second highest sales in this segment in 2019 of US\$ 8.5 billion. Its higher score in 2021 was driven principally by higher levels of compliance with The Code and local regulations that go beyond The Code in the Philippines and Mexico compared to the levels of compliance found in previous studies carried out in Nigeria and Thailand for the 2018 Index. It therefore achieved a higher score on BMS/CF 2 than in 2018. Though it has not revised its policy since the last assessment, the company's overall score fell in relation to its policy, management systems and disclosure, i.e., on BMS/CF 1. While it provided evidence of slightly stronger management systems in some areas and scored slightly better on the lobbying section of the methodology, the deterioration in its BMS/CF 1 score overall was due to the company having not adopted any of the recommendations in the guidance associated with WHA 69.9 and as a result there being no related disclosure.
2. **Nestlé** is the market leader with sales of just over US\$15 billion from this segment in 2019. It retained its second place, with a score of 57%, up substantially from its score of 45% in 2018. This increase was principally a result of the higher level of compliance with The Code and local regulations that go beyond The Code in the studies carried out in the Philippines and Mexico, compared to the results from the studies carried out in Nigeria and Thailand for the 2018 Index. It therefore achieved a higher score on BMS/CF 2 than in 2018. Nestlé's score fell in relation to its policy, management systems and disclosure as measured by BMS/CF 1, principally because the company has not adopted any new commitments to give effect to the guidance associated with WHA 69.9, nor any related management systems. As a result, it could not score on the relevant disclosure indicators.
3. **KraftHeinz** increased its ranking to third, with a score of 38%, up from a score of zero in 2018. This company is substantially different to the other nine assessed, as it is both the smallest, with global sales in 2019 of US\$ 512 million. It generated most of those sales from complementary foods, whereas all of the other companies generated most of their sales from BMS. The improvement in its score was driven by

- two factors. The company provided to ATNI for the first time its BMS Marketing Charter for assessment, and participated in the research process, which increased its BMS/CF 1 score. It also achieved a better result in the 2020 Mexico study compared to the one carried out in Nigeria in 2017. As a result, its BMS/CF 2 score also increased.
4. **Reckitt** (previously called RB until it rebranded in March 2021, which owns the former Mead Johnson Nutrition brands), was the fourth largest company in this segment in 2019 with sales of US\$ 3.8 billion. It increased its ranking to fourth, with a score of 32%, up from a score of 10% in 2018. This improvement is due to the company having developed and published a new BMS marketing policy, and having adopted associated management systems, as well as disclosing more. The company also engaged fully with ATNI's research process for the first time. These factors all contributed to its higher BMS/CF 1 score. Compared to the findings of the in-country studies carried out for the 2018 Index, Reckitt achieved higher levels of compliance with The Code and local regulations that go beyond The Code in one of the two countries, i.e., in Mexico, but not in the Philippines. Its BMS/CF 2 score therefore also improved.
  5. **Abbott's** ranking fell to fifth, with a score of 28%, down from 34% in 2018. It is the third largest company in the segment, with sales of just over US\$4 billion in 2019. The company revised its BMS marketing policy since the 2018 assessment. While it now commits to uphold its policy in markets where regulation is absent or less stringent than its policy, which is a positive development, the wording of the new policy is considerably less well aligned with The Code than the previous iteration. As a result, its score fell on BMS/CF 1. The company's levels of compliance found in the in-country studies did not change between 2018 and 2021. It had a high level of compliance with The Code and local regulations that go beyond The Code in the Philippines (as it did in Nigeria in 2018), and a low level of compliance with The Code in Mexico (as it did in Thailand in 2017). Its BMS/CF 2 score therefore did not change.
  6. **FrieslandCampina** is the sixth largest company in this segment, with 2019 global sales of close to US\$1.5 billion. Its ranking fell to sixth, with a score of 21%, down from 25% in 2018. The company has not changed its policy since the previous assessment; the wording is relatively well aligned to The Code. However, although the company commits to uphold its policy in markets with no relevant regulation, in markets where legal measures are in place, it defers to them, both in terms of the products within their scope and the provisions relating to marketing and labelling. The company has improved its management systems a little and improved its disclosure since 2018. Its lower score and ranking in this Index are principally due to a higher penalty being applied to its BMS/CF 1 score than previously, due to its stance in relation to local regulations, which is explained further in the report. The company's level of compliance in the one in-country study in which it was included – Mexico – was low, as it was in Nigeria in 2018, and therefore its BMS/CF 2 score did not change.
  - =7. **Feihe**, a new entrant to the Index, ranks equal seventh, with no score. The company does not appear to publish a BMS marketing policy or any other relevant documents. As it does not market its products in either Mexico or the Philippines, its score does not include any results from the in-country studies.
  - =7. **Mengniu**, a new entrant to the Index, ranks equal seventh, with no score. The company does not appear to publish a BMS marketing policy or any other relevant documents. As it does not market its products in either Mexico or the Philippines, its score does not include any results from the in-country studies.
  - =7. **Yili**, a new entrant to the Index, ranks equal seventh, with no score. The company does not appear to publish a BMS marketing policy or any other relevant documents. As it does not market its products in either Mexico or the Philippines, its score does not include any results from the in-country studies.

## Company scores and rankings, 2021, and Global Index 2021 adjustment, where relevant

Rank	Company	Global Index adjustment	Max. potential adjustment	Increase or decrease in rank since 2018	Combined total BMS/CF marketing score (out of 100%)	BMS/CF 1: Corporate Profile score	BMS/CF 2: In-country assessment score (out of 100%)	Combined total BMS marketing score, 2018 (out of 100%)	% change, 2018-2021
1	Danone	-0.48	-1.5	=	68%	53%	83%	46%	+22%
2	Nestlé	-0.64	-1.5	=	57%	48%	66%	45%	+12%
3	KraftHeinz	-0.93	-1.5	↑	38%	11%	66%	0%	+38%
4	Reckitt	N/A	-	↑	32%	47%	17%	10%	+22%
5	Abbott	N/A	-	↓	28%	24%	33%	34%	-6%
6	Friesland Campina	-1.18	-1.5	↓	21%	42%	0%	25%	-4%
=7	Feihe	N/A	-0.75	New	0%	0%	N/A	N/A	N/A
=7	Mengniu	-0.75	-0.75	New	0%	0%	N/A	N/A	N/A
=7	Yili	-0.75	-0.75	New	0%	0%	N/A	N/A	N/A

## Ten key findings and recommendations

1. Two companies have made significant improvements in their BMS marketing policies, management systems and/or disclosure – as illustrated in their BMS/CF 1 Corporate Profile scores.

- Reckitt revised and published a comprehensive BMS marketing policy following the acquisition of Mead Johnson Nutrition in 2017. The policy however applies only to infant formula and follow-on formula (and excludes most of its formulas for special medical purposes, FSMPs).
- For the first time, KraftHeinz shared its BMS Marketing Charter with ATNI though it has substantial gaps compared to The Code and does not cover CF, which make up most of its sales.

ATNI welcomes these improvements.

2. Three companies achieved high or complete compliance with The Code, and national regulations that go beyond The Code, in the two studies conducted in Mexico and the Philippines during 2020. This is illustrated by their BMS/CF 2 scores.

- Danone demonstrated complete compliance in the Philippines. It also achieved a high relative level of compliance in Mexico.
- Nestlé was found to have a high relative level of compliance in both Mexico and the Philippines during the study period. It is the market leader by sales value in both countries.
- KraftHeinz also achieved a high level of compliance in Mexico in relation to its CF products.

ATNI commends these results but encourages the companies to take action to eliminate all incidences of non-compliance as soon as possible.

3. None of the six companies that have a BMS marketing policy fully incorporate the wording of all articles of The Code, i.e., the 1981 Code and all subsequent relevant WHA resolutions and related guidance and standards, up to and including WHA 69.9.

This is illustrated in their initial BMS/CF 1 scores falling well short of 100%.

- All six companies are urged to update their existing policies to align their wording fully to The Code.





4. The three companies newly added to this Index – Feihe, Mengniu and Yili – have not yet published a BMS marketing policy.

- ATNI strongly encourages these companies to publish BMS marketing policies in which they commit both to uphold national regulation in China (and any other countries in which they currently do business or may do business in future) and to implement The Code in full in all markets.

5. No company's BMS marketing policy covers all types of formula marketed as suitable for infants from birth to 36 months of age. This is the most significant, common weakness in the companies' policies. While more include infant formulas and follow-on formulas within their scope, none extend to growing-up milks. Further, many companies state that some or all of their FSMP products (formulas for special medical purposes) are excluded from their policies and/or they follow national regulatory definitions of these products. Although not yet factored into ATNI's methodology nor the companies' scores, of particular concern is the exclusion from the scope of company policies some or all of their FSMPs. These products are BMS and have always been included in the definition of BMS products in the scope of The Code and should be included within the scope of companies' BMS marketing policies.

- All companies must extend the scope of their policies to include all types of formulas, including growing-up milks and all FSMPs, to fully align them to The Code.

6. None of the companies has a policy on marketing CF for young children aged 6-36 months that aligns to the recommendations the guidance associated with WHA Resolution 69.9. Despite this resolution and the associated guidance being adopted by the WHA five years ago, in May 2016, which inter alia made new and specific recommendations about marketing CF, none of the companies that make these foods have published a separate policy or amended their existing policy provisions to implement the recommendations in full.

- All companies must revise their policies to incorporate commitments to implement in full the recommendations in the guidance associated with WHA Resolution 69.9 in relation to CF for children 6-36 months of age.

7. The geographic application of companies' policies is not universal and therefore not fully aligned to The Code.

The Code is intended to be applied consistently in all markets. The Code does not make a distinction between 'higher-risk' and 'lower-risk' countries. This distinction was introduced by FTSE Russell's FTSE4Good Index Series in 2010.

- All companies are urged to restate the geographic scope of their policies to be global, in respect of all product types and all provisions of The Code.

8. Companies' approaches vary with regards to upholding their own policies in relation to local legal measures that implement The Code. While all companies commit to uphold national laws, regulations and standards, and most pledge to uphold their policies in full where such legal measures are absent or less extensive than their own policies, not all companies do so.

- ATNI calls on all companies that do not yet do so to commit not only to comply with local laws and regulations, but to go further and uphold their policies in full - adhering to the scope they establish for their policies in terms of products and types of marketing, and to do so in all countries where legal measures are weaker than The Code, or where they are absent altogether.

9. Gaps between the companies' policies and The Code were made clear by the in-country assessments in the Philippines and Mexico. The critical importance of both strong national laws and regulations and of companies adopting global policies that align fully to The Code was made clear by the results of the studies in the Philippines and Mexico. While neither country's laws nor regulations fully implement The Code, those of the Philippines are much more closely aligned to it than those in Mexico. As a result, ATNI found far fewer incidences of non-compliance with The Code and the one



aspect of local regulations relating to labelling in the Philippines (152) than in Mexico (325).

Moreover, the compliance of the companies included in this Index was better in relation to product types covered by their policies (typically infant formulas and follow-on formulas) and worse in relation growing-up milks and CF (though these products are also less well covered by the national legal measures). This illustrates that when companies adopt policies aligned to The Code and put in place effective management systems to implement those policies, less inappropriate marketing occurs.

- ATNI calls on all countries that have not yet done so to emulate the 31 countries that have to date adopted laws and regulations substantially or fully aligned with The Code. By doing so they will create a level-playing field for ALL companies.
- However, given that it is likely to take many years for countries to pass such measures, in the meantime it is imperative that companies adopt marketing policies that fully align to the Code, in all dimensions, as already noted

**10. Some companies' have reasonably good commitments relating to lobbying in relation to legal measures and standards to implement The Code. Now is the time to strengthen them.** It is vital that all countries adopt national laws, regulations and standards that fully align to The Code. ATNI assessed the extent to which companies pledge to support such efforts by assessing the relevant commitments, management systems and disclosure, using a small number of indicators. However, a related report published in June 2021 entitled [Spotlight on Lobbying](#) - provides a more comprehensive picture.

- Companies that make BMS and CF must make clear and unequivocal commitments to support – and not to undermine – the efforts of governments and international bodies to adopt Code-aligned legal frameworks. This will both provide the necessary protections to breastfeeding while also creating a level-playing field on which all companies can compete fairly. Without such measures, most companies are reluctant to make

voluntary commitments due to the considerable impact such steps would have on their revenues and profits.

- ATNI calls on all companies to implement the [Responsible Lobbying Framework](#) in full and to put in place rigorous systems to ensure that their interactions with policymakers and governments in all markets are governed by their public commitments. Much greater transparency about their lobbying positions and activity must also be provided. Investors are urged to use their influence with companies to encourage them to take these steps.

## Future Indexes

ATNI hopes that this Index will aid the work of all organizations and individuals committed to improving the health of infants and young children, particularly through increasing breastfeeding everywhere. ATNI encourages all stakeholders to use the Index and to provide feedback about how they have used it and how it could be improved in future.

From the autumn of 2021, ATNI will hold a series of consultations with a wide range of stakeholders to collate this input and inform the evolution of the methodology for the next Index.

The next BMS/CF Marketing Index – planned for 2023 - will be expanded to the world's 20 largest baby food manufacturers.



## 2. Introduction

For each of the preceding three Global Indexes published in 2013, 2016 and 2018, ATNI assessed the extent to which the world's six largest baby food companies market their products in line with the WHO's guidance, as set out in the International Code of Marketing of Breast-milk Substitutes (BMS) and 18 subsequent relevant World Health Assembly (WHA) resolutions (collectively referred to as The Code). Those prior assessments were presented as a sub-ranking of each Global Index and in a chapter within the Global Index report. (As outlined later, the assessments also encompass analysis of the companies' approach to lobbying on policy development on this topic).

For the 2021 Index cycle, ATNI took the decision to publish this research as a stand-alone Index in order to place greater emphasis on, and direct greater attention to, the critical importance of the health and nutrition of infants and young children. This new tool is entitled the BMS/CF Marketing Index 2021. (CF stands for complementary foods). The definitions used for breast-milk substitutes (BMS) and complementary foods (CF) and the documents from which they are taken are set out in Annex 1.

Having been provided additional funding, and based on the input of stakeholders, ATNI expanded the coverage of this assessment to include the nine largest companies in the global baby food segment. Company selection was based on 2018 financial year revenues (FY2018). Only those companies that derived fully 5% or more of their total global FY2018 revenues from the sale of baby foods were included in the BMS/CF Marketing Index 2021. Together these nine companies generated estimated revenues from the baby food segment of nearly US\$38 billion and account for just over half of all 2019 global revenues attributable to this segment.

The nine constituents of this Index are the same six companies as assessed previously because they remain the dominant players, along with three new entrants – China Feihe Limited, China Mengniu Dairy Company Limited and Inner Mongolia Yili Industrial Group - all of which are based in China and currently only market their products in China. As new entrants to the Index, ATNI had intended to visit the country to meet these companies and other key stakeholders prior to beginning research, but the Covid-19 pandemic prevented travel. As a result, ATNI was not able to explain the Index scope, methodology, research and engagement process to these companies nor secure commitments from them to engage during the research phase. The pandemic also disrupted the research that ATNI commissioned in Mexico, and delayed the Index research to some extent, as the companies included in the Index had to refocus their resources on responding to the pandemic.

As explained further within the report, the principal change to the previous methodology relates to the inclusion of an assessment, for the first time, of companies' marketing in accordance with document A69/7 Add 1, 13th May 2016, entitled 'Guidance on ending the inappropriate promotion of foods for infants and young children', referenced in WHA Resolution 69.9 adopted at the 69th World Health Assembly. A new Module was incorporated into the Corporate Profile methodology (called BMS/CF 1) to assess the marketing of these foods – which ATNI refers to as CF. Some changes were made to indicators within the pre-existing methodology that focused solely on BMS – now named the BMS Module - to incorporate recommendations relating to these products set out in the guidance associated with WHA 69.9. Other minor changes were made to pre-existing indicators in that module in relation to stakeholder feedback on the methodology used previously. For the second part of the assessment, based on two in-country studies, called BMS/CF 2, ATNI based the methodology on the second edition of the NetCode Protocol for Periodic Monitoring, published by WHO and UNICEF in 2017. Further details are provided later in the report.

The results of this Index again feed into the Global Index 2021, as in previous iterations and in the same way, for the six baby food companies included within that Index: (Danone, Nestlé S.A., The KraftHeinz Company, Koninklijke FrieslandCampina, China Mengniu Dairy Company Limited and Inner Mongolia Yili Industrial Group). The other three companies included in the BMS/CF Marketing Index, but not included



in the Global Index 2021, are Abbott Laboratories Inc., Reckitt and China Feihe Limited.<sup>a</sup> These companies are not included in the Global Index 2021 because they are not classified as food and beverage sector companies, and China Feihe Limited is not among the world's largest 25 food and beverage companies, and therefore falls outside the selection criteria for the Global Index 2021. Other companies included in the Global Index such as Arla Foods amla, Groupe Lactalis S.A. and PepsiCo Inc. that make BMS or CF are not included in the BMS/CF Marketing Index 2021 because they are not among the nine largest companies in the sector by global revenues.

Finally, for the first time, ATNI provided FTSE Russell with relevant data from the two in-country assessments carried out in the Philippines and Mexico to use for the verification studies FTSE Russell previously fully commissioned to PwC. This data was used by FTSE Russell to determine the suitability of Danone, Nestlé S.A., and Reckitt to retain their positions as constituents of its FTSE4Good Indexes. Further information about this collaboration is available [here](#).

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<sup>a</sup> Reckitt is the new name for the company previously known as RB up to March 2021. Prior to that it was listed in ATNI reports as RB/Mead Johnson Nutrition because it had acquired Mead Johnson Nutrition (MJN) in 2017.



## 3. Context

### 3.1 The importance of optimal infant and young child nutrition

Nutrition is particularly important within the first 1,000 days of a child's life (from conception to age two). Optimal breastfeeding is a crucial element of infant and young child nutrition. The World Health Organization (WHO) recommends that infants everywhere be breastfed exclusively for the first six months, at which point safe, appropriate complementary food (CF) should be introduced to meet their evolving nutritional requirements. The WHO also notes that CF should not be used as breast-milk substitutes (BMS), and that infants and young children should continue to be breastfed until they are aged two or older.<sup>1</sup> Any product that potentially replaces the consumption of breastmilk before the age of 36 months is considered to be a BMS (see Annex 1 for definition). Nevertheless, while breastfeeding for two years and beyond should be encouraged, the importance of appropriate CF from the age of six months onwards should not be undermined, as it has shown to be important in preventing stunting.<sup>2</sup> These foods should have appropriate levels of micronutrients, either inherently or through fortification, to provide all of the vitamins and minerals essential to healthy development.<sup>3</sup> CF of poor nutritional quality, particularly those that are high in sugar and calories, can contribute to weight gain in young children.<sup>4</sup>

Breastfeeding has long been proven to provide myriad significant health benefits compared to BMS. These benefits are unique to breastfeeding and help both mother and infant.<sup>5,6</sup> Positive long-term benefits for infants include protection against becoming overweight or obese, as well as against certain non-communicable diseases such as diabetes mellitus.<sup>7,8</sup> Furthermore, in areas of the world where hygiene is inadequate and the availability of, and access to, food is poor, breastfeeding is key to reducing infants' risk of undernutrition and infectious diseases.<sup>9</sup> The latest evidence from a systematic review and meta-analysis found that young children that continued to be breastfed after 12 months of age exhibited a two-fold lesser risk of mortality than those not breastfed.<sup>10</sup>

For mothers, breastfeeding can reduce the risk of certain types of cancer, such as ovarian and breast cancer,<sup>11</sup> and prolonged breastfeeding reduces post-partum weight retention.<sup>12</sup> Continued breastfeeding, as opposed to breastfeeding for a short period of time, can also reduce the risk of type 2 diabetes as well as cardiovascular diseases for the mother.<sup>13, 14</sup> Optimal breastfeeding has the potential to prevent an additional 98,243 deaths of mothers annually from cancer and type 2 diabetes.<sup>15</sup>

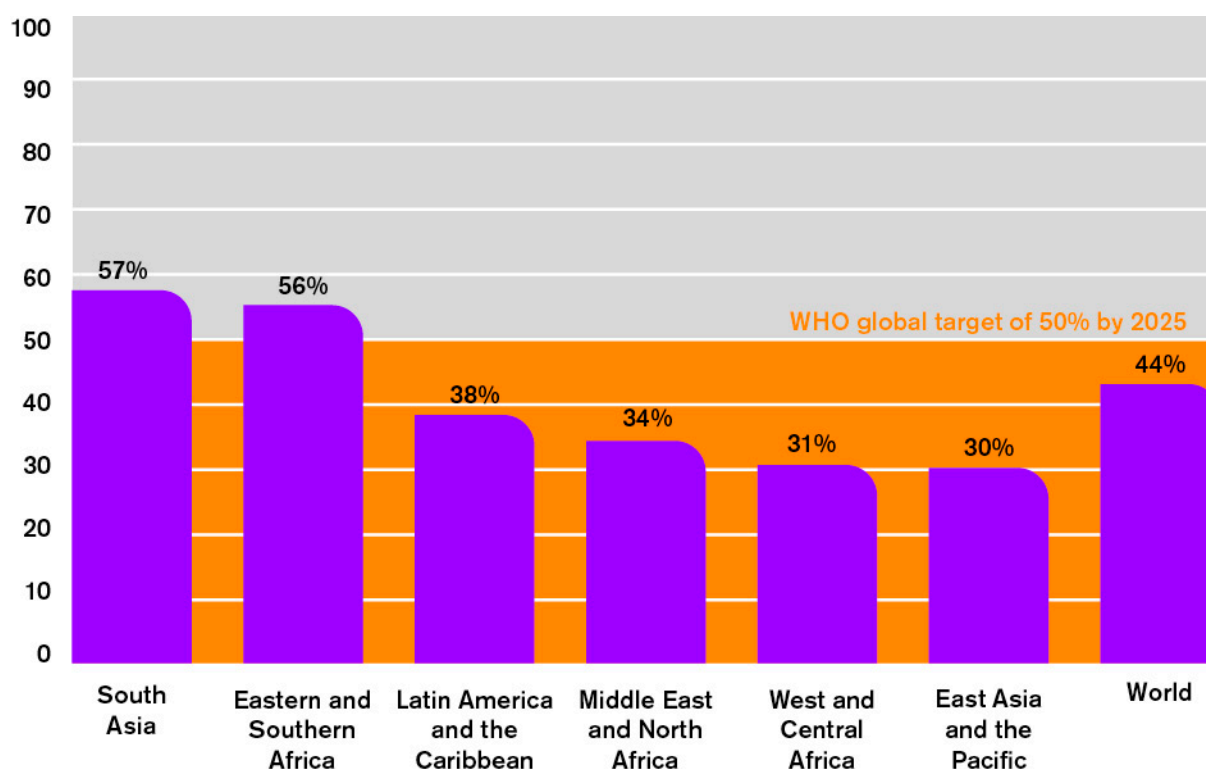
### 3.2 The imperative of increasing levels of breastfeeding worldwide and improving infant and young children's diets

In the poorest countries particularly, breastfeeding is vital to many children's survival and development. Nearly 600,000 childhood deaths (among those aged 0 to 23 months) from diarrhea and pneumonia are attributed each year to not breastfeeding according to the global recommendations from WHO and the United Nations Children's Fund (UNICEF), with 64% of these deaths occurring in lower middle-income countries.<sup>16</sup>

Due to the sub-optimal rates of breastfeeding worldwide, and continuing infant and young child mortality and poor health outcomes, in 2014 WHO set a global target for 2025 of achieving 50% exclusive breastfeeding in the first six months of age in all countries and regions.<sup>17</sup> UNICEF estimates of exclusive breastfeeding rates during the first six months of life show that they improved from 33% in 1995, to 42% in 2018 and 44% in 2019. Significant effort however still needs to be made to reach the global target, as four of the six global regions have rates well below 40%, with only South Asia and Eastern and Southern Africa having levels slightly above the global target (see Figure 1).



Figure 1: Global and regional rates of exclusive breastfeeding of infants 0-6 months, 2014-2019



Source: UNICEF Global database (2020)

Scaling up exclusive and continued breastfeeding is not only essential to individual's health and wellbeing, but also for optimal human capital development and strengthened individual and national economic outcomes.<sup>18</sup> Low levels of incorporation of The Code into national legislation and poor monitoring and enforcement result in significant financial loss: the global cost of not breastfeeding is estimated to be \$341.3 billion annually. Childhood deaths due to diarrhea and pneumonia and maternal deaths from ovarian and breast cancer, together with continued morbidity from obesity and maternal type 2 diabetes, cost countries millions in health system and cognitive losses, estimated at between 0.3 to 0.7% of global gross national income.<sup>19</sup>

Optimal infant and young child nutrition is an essential component of achieving the global nutrition goals set by the WHO for 2025 to reduce wasting and stunting, as well as other goals to combat growing levels of overweight and obesity, and reducing deaths and illness from diet-related chronic diseases.<sup>20</sup> The critical importance of good nutrition through healthy diets has been underlined by the COVID-19 pandemic.<sup>21</sup> Substantially improving the diets of infants and young child nutrition is also a critical element to delivering Sustainable Development Goal (SDG) 2 (ending hunger) and SDG 3 (good health and well-being), and will contribute to achieving many other SDGs.

### 3.3 International recommendations on breastfeeding and complementary feeding

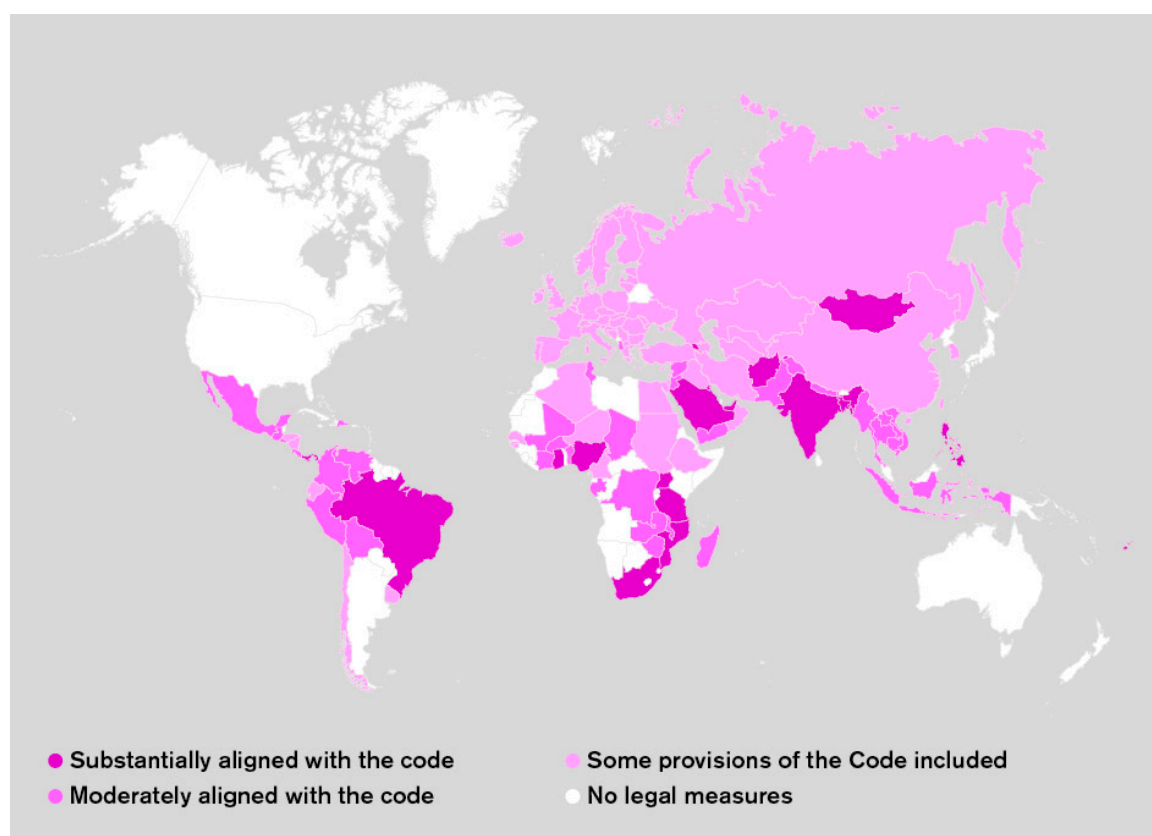
In 1981, The International Code of Marketing of Breast-milk Substitutes ('The Code') was adopted by the World Health Assembly (WHA) as a minimum requirement to protect and promote appropriate infant and young child feeding.<sup>22</sup> The Code is the recommended basis for action for Member States of the WHO to regulate and monitor the marketing of BMS. Article 11 of The Code also states that manufacturers and distributors of products within the scope of The Code should regard themselves as responsible for monitoring their marketing practices according to the principles and aim of The Code, and for taking steps to ensure that their conduct at every level conforms to them.



Since 1981, 18 WHA resolutions have been passed that augment or reinforce the original Code.<sup>23</sup> WHA Resolution 69.9 was adopted in May 2016 that included WHO guidance on ending the inappropriate promotion of foods for infants and young children. Further implementation guidance for countries was developed by WHO in 2017.<sup>24, 25</sup> This guidance further clarifies the scope of BMS products covered by The Code, i.e., all formulas intended for infants, older infants and young children from birth to 36 months of age, including infant formula, follow-on formula and growing-up milks. It is important to note that The Code does not reference formulas for special medical purposes (FSMPs) as The Code covers all types of formula marketed as BMS, which includes these products. The guidance also makes recommendations about avoiding conflicts of interest between companies and healthcare systems, about appropriate marketing of CF intended to be suitable for older infants and young children aged between 6-36 months, and about avoiding cross-promotion of BMS through the marketing of such foods. The term The Code, used throughout this report, refers both to the 1981 WHO Code and all subsequent relevant WHA resolutions, including WHA Resolution 69.9 and any guidance or standards referenced in those resolutions.

To give legal effect to The Code, countries need to enact laws and regulations that cover all aspects of The Code and rigorously monitor compliance. However, according to the 2020 Status of the Code Report, despite international efforts to encourage all countries to incorporate The Code into national legislation, 40 years since its release, 30% of countries still have none of its provisions in their law.<sup>26</sup> The report goes on to illustrate that only 31 countries have legal measures that implement the full breadth of The Code's recommendations. This is one of the reasons it is essential that manufacturers of BMS and CF for infants and young children commit to complying with The Code, to demonstrate their commitment to protecting breastfeeding and supporting optimal nutrition among infants and young children.

**Figure 2: National legal status of The Code in 2020**



Source: WHO, UNICEF & IBFAN, Marketing of Breast-milk Substitutes: National Implementation of the International Code Status Report (2020)



### 3.4 Why is use of BMS and CF increasing?

While the vast majority of women can breastfeed their infants and young children, and most infants and young children are able to be breastfed, in low-, middle- and high-income countries, breastfeeding rates are falling. A marked transition in global infant and young child feeding has occurred, with higher use of commercial milk formulas.<sup>27</sup> The transition is linked with rising rates of female participation in the labor force in many developing markets, urbanization, and increasing incomes and aspirations, which have encouraged the adoption of convenience-oriented lifestyles and made formula and prepared foods more desirable.

Structural factors such as inadequate maternity protection, workplace breastfeeding policies and hospital and antenatal clinic policies that are not supportive of breastfeeding strongly shape a mother's feeding preference even before birth.<sup>28</sup> Socio-cultural factors further play a role where breastfeeding and complementary feeding practices are largely based on cultural customs and are significantly influenced by grandmothers and the elderly in the community.

The marketing of BMS and CF products is demonstrated to contribute to these decreasing rates of breastfeeding.<sup>29</sup> Marketing of BMS and CF, which includes advertising, promotion and some information presented on labels, significantly shapes the perceptions of caregivers by acting as an influential source of information. Current BMS and CF marketing strategies undermine optimal breastfeeding and timely introduction of CF and are counter to global guidance of exclusive breastfeeding for six months by promoting early introduction of CF and displacing of continued breastfeeding.<sup>30, 31</sup>



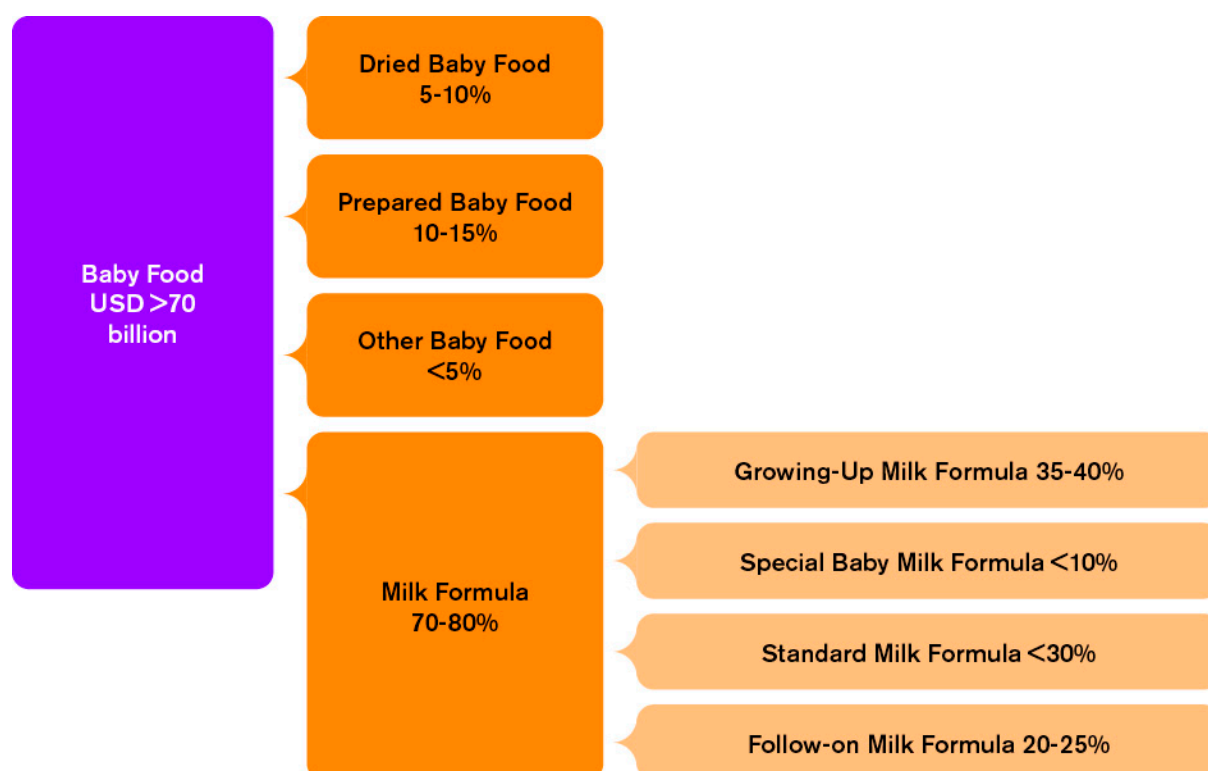
## 4. Approach to company assessment

### 4.1 Companies selected

The principal way that commercial producers of foods and beverages for infants and young children can protect breastfeeding is to align their marketing practices with the recommendations set out in The Code.

The sector is large and growing. In 2019, global sales within the baby food sector (including all types of formulas and baby foods) were \$72.4 billion and are projected to reach \$96.3 billion by 2027, growing at a compound annual growth rate of 6.0% from 2021 to 2027.<sup>32</sup> Figure 3 shows the breakdown in 2019 by product type. Formula sales made up 74% of all sales.

**Figure 3: Global baby food market, 2019, broken down by type of product**



Source: Euromonitor International; Packaged Food, 2021 Industry Edition

In 2019, ATNI selected the world's nine largest baby food companies for inclusion in the BMS/CF Marketing Index 2021, based on the latest available data at that time - their 2018 global revenues - as shown in Table 1. This is an expansion of the previous 2018 assessment, which included only the six largest companies. Additional funding enabled ATNI to broaden the coverage of the sector. By including nine rather than six companies, the BMS/CF Marketing Index 2021 provides a more complete comparison of the policies and practices of the world's major baby food producers than the previous iteration. The 2019 estimated or stated revenues of these nine companies generated from this segment totaled nearly \$38 billion, around 52% of the global total.





**Table 1: Companies included in the 2021 BMS/CF Marketing Index 2021, by decreasing size of baby food revenue, 2019**

Rank by global revenue	Company	HQ location	Total company revenue (2019, US\$m <sup>+</sup> )	Total baby food revenue (2019, US\$m <sup>+</sup> )	BMS revenue % of total
	<b>Total</b>		<b>232,340</b>	<b>37,933</b>	
1	Nestlé <sup>33</sup>	Switzerland	93,206	15,098 <sup>†</sup>	16% <sup>†</sup>
2	Danone <sup>34</sup>	France	28,328	8,498 <sup>×</sup>	30% <sup>×</sup>
3	Abbott <sup>35</sup>	USA	31,904	4,161	13%
4	Reckitt <sup>36</sup>	UK	16,337	3,790	23%
5	Feihe <sup>37</sup>	China	1,986	1,815	91%
6	Yili <sup>38</sup>	China	11,514 <sup>°</sup>	1,467 <sup>^</sup>	N/A
7	FrieslandCampina <sup>39</sup>	Netherlands	12,649	1,451 <sup>◊</sup>	11% <sup>◊</sup>
8	Mengniu <sup>40</sup>	China	11,439 <sup>°</sup>	1,139 <sup>°</sup>	10%
9	KraftHeinz <sup>41</sup>	USA	24,977	512	2%

All figures from companies' own reports. See references associated with each company's name

+ Currencies converted to \$ using average conversion rates for 2019

<sup>†</sup> Nestlé Health Science, which includes BMS and other products

<sup>×</sup> Early life and medical nutrition, which includes BMS and other products

<sup>°</sup> 2018 data

<sup>^</sup> Figure estimated by ATNI based on information on Yili's 2019 market share in China in its 2020 Annual Report (6%) and Euromonitor International data on the size of the market in China

<sup>◊</sup> Specialized nutrition, which includes BMS and other products

N/A Data not available in the public domain

Six of the nine companies included in the BMS/CF Marketing Index 2021 are also constituents of the Global Access to Nutrition Index 2021 (explained in Box 1) because they are among the world's 25 largest food and beverage manufacturers: China Mengniu Dairy Company Limited (Mengniu), Danone, Inner Mongolia Yili Industrial Group (Yili), Koninklijke FrieslandCampina (FrieslandCampina), Nestlé S.A. (Nestlé), The KraftHeinz Company (KraftHeinz).<sup>b</sup> Other companies included in the Global Access to Nutrition Index 2021 such as Arla Foods amla (Arla), Groupe Lactalis S.A. (Lactalis) and PepsiCo Inc. (PepsiCo) that make BMS or CF are not included in the BMS/CF Marketing Index 2021 because they are not among the nine largest companies in the sector by global revenues.

### Box 1: The Global Access to Nutrition Index 2021

ATNI has published three iterations of the flagship Global Access to Nutrition Index to date, in 2013, 2016 and 2018. The fourth Global Index will be published in July 2021, delayed due to the business interruption the COVID-19 pandemic caused. ATNI's Global Indexes score and rate the world's largest food and beverage manufacturers on their contribution to addressing global nutrition challenges. The score of any company included in the Global Index that generates more than 5% of its total global revenues from baby food BMS and/or CF is adjusted based on its score in the BMS/CF Marketing Index.

<sup>b</sup> The companies' short names are used throughout this report and all other associated reports and scorecards.



A further three companies are not included in the Global Index 2021 but are included in the BMS/CF Marketing Index: Abbott Laboratories Inc. (Abbott) and Reckitt<sup>c</sup> are not included in the Global Index 2021 because they are not classified as food and beverage sector companies, and China Feihe Limited (Feihe) is not among the world's largest 25 food and beverage companies, and therefore falls outside the selection criteria for the Global Index 2021.

Nestlé remains the definitive global market leader, with just over USD15 billion in sales in 2019. Danone is the second largest company, with around half those revenues. KraftHeinz is the smallest among the nine, with around half a billion dollars of sales, of mostly CF rather than formulas.

## 4.2 ATNI's methodology

The approach used for the BMS/CF Marketing Index 2021 to assess the marketing practices of the selected companies is similar to that used in 2018 and 2016. However, this Index incorporates for the first time an assessment of companies' compliance with the WHO guidance associated with WHA Resolution 69.9, described further below.

ATNI uses The Code's definition of BMS and CF. A BMS is 'any food being marketed or otherwise presented as a partial or total replacement for breastmilk, whether or not suitable for that purpose.' A CF is any food whether manufactured or locally prepared, suitable as a complement to breastmilk or to infant formula, when either becomes insufficient to satisfy the nutritional requirements of the infant. Such food is also commonly called 'weaning food' or breastmilk supplement.'

The WHO document A69/7 Add 1 'Guidance on ending the inappropriate promotion of foods for infants and young children', published in May 2016 and referenced in WHA Resolution 69.9 adopted at the 69<sup>th</sup> World Health Assembly, makes clear in Recommendation 2 that The Code covers all BMS marketed as suitable for from birth to 36 months of age. Recommendation 3 makes clear that it relates to CF marketed as suitable for older infants and young children from six to 36 months of age. For further information about product type definitions and age ranges, see Annex 1.

Figure 4 summarizes the two components of ATNI's methodology and associated the scoring system.

**BMS/CF 1. Corporate profile:** Policy commitments, management systems and disclosure relating to BMS and CF marketing. The BMS/CF Marketing Index 2021 assesses companies' approaches to BMS marketing and their approaches to marketing of CF for older infants 6-36 months of age. To perform well on this element of the methodology, companies need to:

- Adopt a comprehensive BMS/CF marketing policy, fully aligned to The Code (including all WHA Resolutions and all related WHO guidance and standards).
- Apply that policy globally to all subsidiaries and joint ventures, and to all formula products and CF intended for infants and young children up to 36 months of age.
- Commit to upholding that policy in all markets and going beyond compliance with local regulations where they are weaker than The Code or absent (while not contravening any local laws and standards).
- Put in place comprehensive best-practice governance and management systems to ensure full implementation of the commitments across the entire business, i.e., consistently in all countries, whether higher-risk or lower-risk.<sup>d</sup>
- Adopt clear policies and management systems relating to lobbying on BMS/CF matters.
- Publish their policies, information about their governance and management systems, auditors' reports and other relevant documentation.

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<sup>c</sup> Reckitt is the new name for the company previously known as RB up to March 2021. Prior to that it was listed in ATNI reports as RB/Mead Johnson Nutrition because it had acquired Mead Johnson Nutrition (MJN) in 2017.

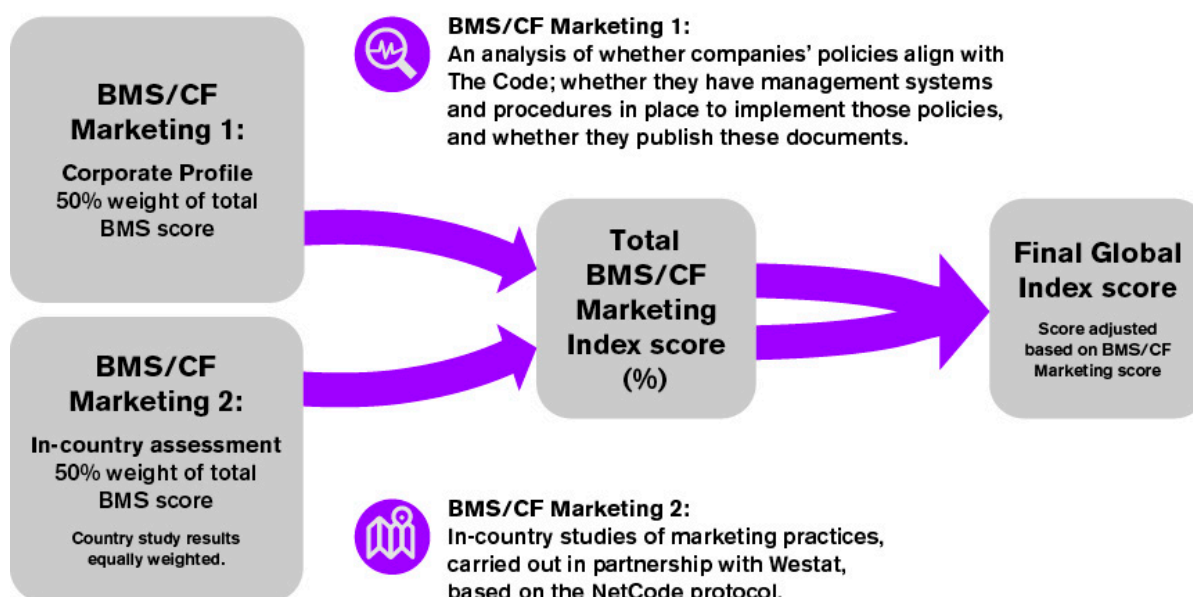
<sup>d</sup> Countries are considered higher-risk if they meet either of the following criteria: a) more than 10 per 1,000 under five mortality rate, b) more than 2% acute malnutrition (moderate and severe wasting) in children under five.



## BMS/CF 2 In-country studies of marketing in Mexico and the Philippines:

To perform well on this element of the methodology, companies need to ensure that their policies and procedures are followed in these two markets, such that there are no incidences of non-compliance with the recommendations of The Code, or national regulations (where stricter than The Code).

Figure 4: Scoring System used for the BMS/CF Marketing Index 2021

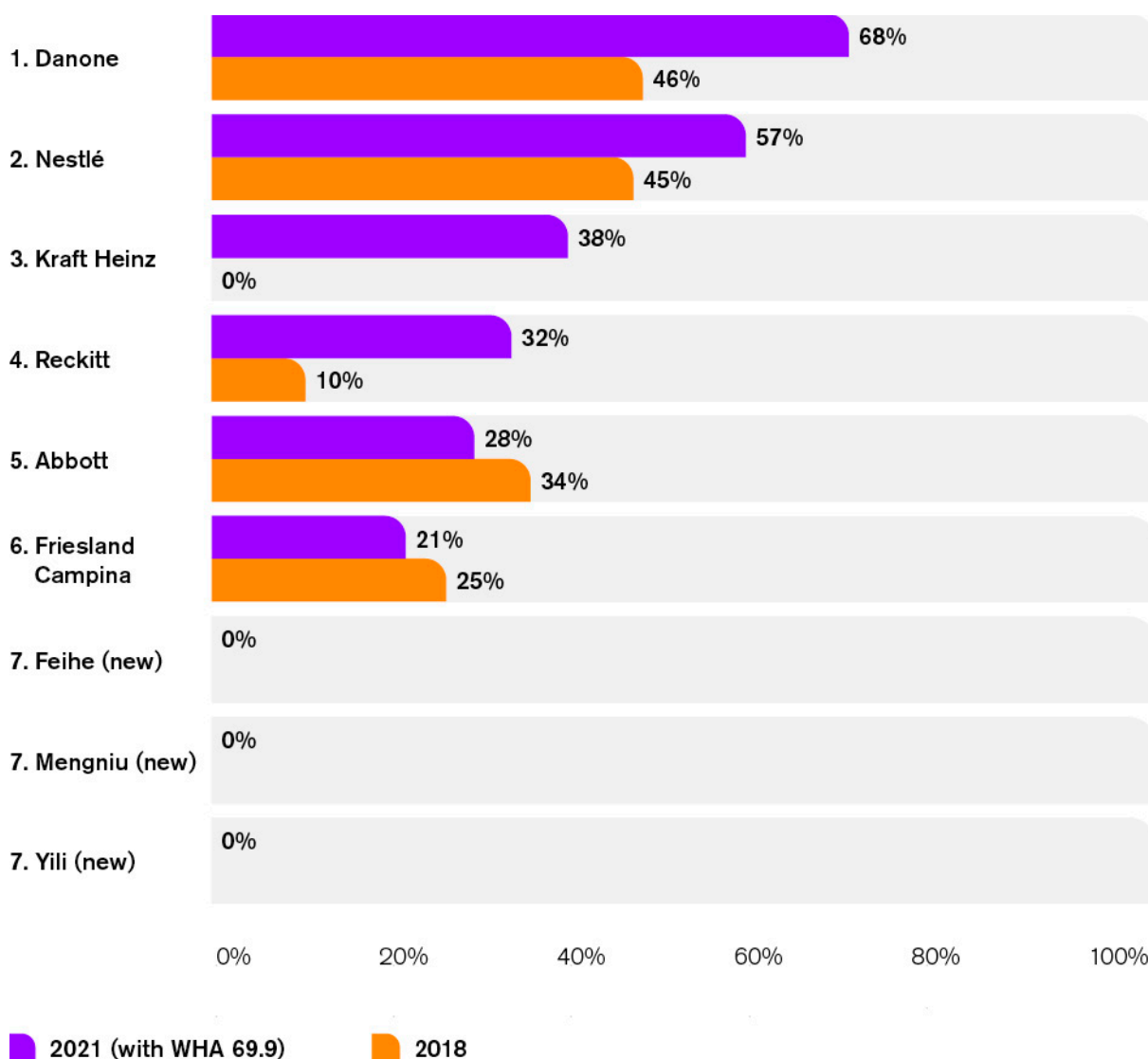




## 5. BMS/CF Marketing Index Ranking 2021

The overall results of the BMS/CF Marketing Index 2021 are set out in Figure 5, with a comparison to the 2018 scores and ranking. Each company's final score, score on BMS/CF 1 and BMS/CF 2, and its ranking is shown in Table 2 on the next page, along with the relevant adjustment to a company's Global Index 2021 score, where relevant.

Figure 5: 2021 BMS/CF Marketing Index final scores





## 5.1 Analysis

1. **Danone** retained first place, with a score of 68%, up substantially from its score of 46% in 2018. This was driven principally by higher levels of compliance with The Code and local regulations that go beyond The Code in the Philippines and Mexico compared to the levels of compliance found in previous studies carried out in Nigeria and Thailand for the previous Index. It therefore achieved a higher score on BMS/CF 2 than in 2018. The company's score in relation to its policy, management systems and disclosure (BMS/CF 1) fell for reasons set out in the Detailed Results section.
2. **Nestlé** also retained its second place, with a score of 57%, up substantially from its score of 45% in 2018. This increase was principally a result of the higher level of compliance with The Code and local regulations that go beyond The Code in the studies carried out in the Philippines and Mexico compared to the results from the studies carried out in Nigeria and Thailand for the previous Index. It therefore achieved a higher score on BMS/CF 2 than in 2018. The company's score in relation to its policy, management systems and disclosure as measured by BMS/CF 1, fell for reasons set out in the Detailed Results section.
3. **KraftHeinz** increased its ranking to third, with a score of 38%, up from a score of zero in 2018. This improvement was driven by two factors. The company provided to ATNI for the first time its BMS marketing policy for assessment, and participated in the research process, which increased its BMS/CF 1 score. It also achieved a better result in the 2020 Mexico study compared to the one carried out in Nigeria in 2017.<sup>e</sup> As a result its BMS/CF 2 score also increased.
4. **Reckitt** increased its ranking to fourth, with a score of 32%, up from a score of 10% in 2018. This improvement is due to the company having developed and published a new BMS marketing policy, and having adopted associated management systems, as well as disclosing more. The company also engaged fully with ATNI's research process for the first time. These factors all contributed to its higher BMS/CF 1 score. Compared to the findings of the in-country studies carried out for the 2018 Index, Reckitt achieved higher levels of compliance with The Code and local regulations that go beyond The Code in one of the two countries, i.e., in Mexico, but not in the Philippines. Its BMS/CF 2 score therefore also improved.
5. **Abbott's** ranking fell to fifth, with a score of 28%, down from 34% in 2018. The company revised its BMS marketing policy since the 2018 assessment. While it now commits to uphold its policy in markets where regulation is absent or less stringent than its policy, which is a positive development, the wording of the new policy is considerably less well aligned with The Code than the previous iteration. As a result, its score fell on BMS/CF 1. The company's levels of compliance found in the in-country studies did not change between 2018 and 2021. It had a high level of compliance with The Code and local regulations that go beyond The Code in the Philippines (as it did in Nigeria in 2018), and a low level of compliance with The Code in Mexico (as it did in Thailand in 2017). Its BMS/CF 2 score therefore did not change.
6. **Friesland Campina's** ranking fell to sixth, with a score of 21%, down from 25% in 2018. The company has not changed its policy since the previous assessment; the wording is relatively well aligned to The Code. However, although the company commits to uphold its policy in markets with no relevant regulation, in markets where legal measures are in place, it defers to them, both in terms of the products within their scope and the provisions relating to marketing and labelling. The company has improved its management systems a little and improved its disclosure since 2018. Its lower score and ranking in this Index are principally due to a higher penalty being applied to its BMS/CF 1 score than previously, due to its stance in relation to local regulations, which is explained further in the

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<sup>e</sup> KraftHeinz was only assessed in Mexico (2020) and Nigeria (2017). These two countries are official markets of the company, whereas the Philippines (2020) and Thailand (2017) were not.



report. The company's level of compliance in the one in-country study in which it was included – Mexico – was low, as it was in Nigeria in 2018, and therefore its BMS/CF 2 score did not change.<sup>f</sup>

=7. **Feihe**, a new entrant to the Index, ranks equal seventh, with no score. The company does not publish a BMS marketing policy or any other relevant documents. As it does not officially market its products in either Mexico or the Philippines, its score does not include any results from the in-country studies.

=7. **Mengniu**, a new entrant to the Index, ranks equal seventh, with no score. The company does not publish a BMS marketing policy or any other relevant documents.<sup>g</sup> As it does not officially market its products in either Mexico or the Philippines, its score does not include any results from the in-country studies.

=7. **Yili**, a new entrant to the Index, ranks equal seventh, with no score. The company does not publish a BMS marketing policy or any other relevant documents. As it does not officially market its products in either Mexico or the Philippines, its score does not include any results from the in-country studies.

**Table 2: Company scores and rankings, 2021, and Global Index 2021 adjustment, where relevant**

Rank	Company	Global Index adjustment	Max. potential adjustment	Increase or decrease in rank since 2018	Combined total BMS/CF marketing score (out of 100%)	BMS/CF 1: Corporate Profile score	BMS/CF 2: In-country assessment score (out of 100%)	Combined total BMS marketing score, 2018 (out of 100%)	% change, 2018-2021
1	<b>Danone</b>	-0.48	-1.5	=	<b>68%</b>	53%	83%	<b>46%</b>	+22%
2	<b>Nestlé</b>	-0.64	-1.5	=	<b>57%</b>	48%	66%	<b>45%</b>	+12%
3	<b>KraftHeinz</b>	-0.93	-1.5	↑	<b>38%</b>	11%	66%	<b>0%</b>	+38%
4	<b>Reckitt</b>	N/A	-	↑	<b>32%</b>	47%	17%	<b>10%</b>	+22%
5	<b>Abbott</b>	N/A	-	↓	<b>28%</b>	24%	33%	<b>34%</b>	-6%
6	<b>Friesland Campina</b>	-1.18	-1.5	↓	<b>21%</b>	42%	0%	<b>25%</b>	-4%
=7	<b>Feihe</b>	N/A	-0.75	New	<b>0%</b>	0%	N/A	<b>N/A</b>	N/A
=7	<b>Mengniu</b>	-0.75	-0.75	New	<b>0%</b>	0%	N/A	<b>N/A</b>	N/A
=7	<b>Yili</b>	-0.75	-0.75	New	<b>0%</b>	0%	N/A	<b>N/A</b>	N/A

<sup>f</sup> Friesland Campina was only assessed in Mexico (2020) and Nigeria (2017) rather than in both in-country studies for each year's assessment because these two countries are official markets of the company, whereas the Philippines (2020) and Thailand (2017) were not.

<sup>g</sup> While it made some references to breastfeeding, these were not sufficient to score.



## How the BMS/CF marketing score is calculated and links to the overall Global Index score

The total BMS/CF marketing score is calculated differently for the first six companies in Table 2 and the last three. For the first six companies listed, the final Corporate Profile score is an average of the BMS/CF marketing Corporate Profile score (BMS/CF 1) and the in-country assessments of marketing practices (BMS/CF 2). These were carried out in Mexico and the Philippines by Westat, a specialist company contracted by ATNI (see BMS/CF 2 In-country assessments of marketing practices, page 53). For the last three companies listed in Table 2, their final BMS/CF Marketing Index score is based solely on their final BMS/CF 1 score. These companies could not be assessed in the BMS/CF 2 in-country assessments because they appear to market their products predominantly in China, data reported by Marketscreener.com.

The total possible overall BMS/CF Marketing Index score is 100%. The higher the score, the closer the company has come to achieving full compliance with the ATNI methodology, which is designed to assess compliance with the recommendations of The Code (and, in the in-country assessments, any national regulatory requirements that go beyond The Code). The total possible score for each of the two individual elements (BMS/CF 1 and BMS/CF 2) is also 100%.

An adjustment to the score of six of the nine companies that are also included in the Global Index is then calculated, proportionate to the BMS/CF Marketing Index score and depending on which elements each company has been scored on. For Danone, Nestlé and FrieslandCampina the maximum adjustment that can be made is -1.5, as in the 2018 Index. The maximum adjustment to the Global Index 2021 score for Mengniu and Yili is -0.75. As Abbott, Feihe and Reckitt are not included in the Global Index 2021, these companies' scores require no adjustment.

## 5.2 Key findings and recommendations

### Encouraging findings

**Two companies have made significant improvements since 2018 in their BMS marketing policies, management systems and/or disclosure – as illustrated in their BMS /CF 1 Corporate Profile scores**

- Reckitt revised and published a comprehensive BMS marketing policy following the acquisition of Mead Johnson Nutrition in 2017. The policy however applies only to infant formula and follow-on formula (and excludes FSMPs).
- For the first time, KraftHeinz shared its BMS Marketing Charter with ATNI, which is welcomed. However, the Charter has substantial gaps compared to The Code and does not cover CF, which make up the majority of its sales.<sup>h</sup>

**Three companies achieved high or complete compliance with The Code, and local measures that go beyond The Code, as measured by ATNI's methodology, in the two studies conducted in Mexico and the Philippines during 2020.**

- Danone demonstrated complete compliance in the Philippines, a market it entered relatively recently. It also achieved a high relative level of compliance in Mexico. It is a small player in each market, by sales value.
- Nestlé was found to have a high relative level of compliance in both Mexico and the Philippines during the study period. It is the market leader by sales value in both countries.
- KraftHeinz also achieved a high level of compliance in Mexico, a market where it only sells CF but not BMS.

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<sup>h</sup> Note that the company published this charter only after ATNI had finished research for this element of the BMS/CF Marketing Index 2021 and therefore it does not score on disclosure.





## Concerning findings

**None of the six companies that have a BMS marketing policy fully incorporate the wording of all articles of The Code, i.e., the 1981 Code and all subsequent relevant WHA resolutions up to and including WHA 69.9**

- Only Nestlé's BMS marketing policy fully incorporates the wording of The Code and all subsequent relevant resolutions up to, but not including WHA Resolution 69.9. There are gaps in all other companies' policies, some small (in the case of Danone), and some large (in the case of Abbott and KraftHeinz).
- ATNI urges all six companies to update their existing policies to align their wording fully to The Code.

## Three companies have not yet published a BMS marketing policy

- The three companies newly added to this Index – Feihe, Mengniu and Yili – have not yet published a BMS marketing policy.
- ATNI was also not able to establish contact with any of these companies and therefore could not access any additional unpublished information, which it was able to do for the other six companies. None of the three companies could therefore be assessed and received a score of zero.
- ATNI strongly encourages these companies to publish BMS marketing policies in which they commit both to uphold national regulation in China (and any other countries in which they currently do business or may do business in future) and to implement The Code in full in all markets.

## No company's BMS marketing policy covers all types of formula marketed as suitable for infants from birth to 36 months of age

- As was the case in 2018, none of the six companies that have published a BMS marketing policy extend the scope to all types of formula, i.e., none includes growing-up milks, for young children from one to three years of age. This is the most significant, common weakness in the companies' policies which needs to be rectified if they are to fully align their policies to the scope of The Code.
- This omission is reflected in the fact that the largest number of incidences of non-compliance with The Code in both Mexico and the Philippines related to growing-up milk products.
- ATNI urges all companies to extend the scope of their policies to include growing-up milks.

## All companies state that some or all of their FSMP products (formulas for special medical purposes) are excluded from their policies

- Although not yet factored into how ATNI scores BMS manufacturers, of particular concern is the exclusion from the scope of company policies of some or all of their FSMPs and/or they follow national regulatory definitions of these products. These products are BMS and have always been included in the definition of BMS products in the scope of The Code and should be included within the scope of companies' BMS marketing policies.
- There are also considerable differences in the types and number of products that each company excludes from its policy. As a result, even those companies whose BMS marketing policies are well-aligned to The Code do not apply to FSMPs.
- ATNI urges all companies to extend the scope of their policies to all FSMPs.



## **None of the companies has a policy on marketing CF for young children aged 6-36 months that aligns to the recommendations the guidance associated with WHA Resolution 69.9**

- Despite WHA Resolution 69.9 and the associated guidance being adopted by the WHA five years ago in May 2016, which among other things made new and specific recommendations about marketing CF, none of the companies that make these foods have published a separate policy or amended their existing policy provisions to implement the recommendations.
- This omission in company policies, and the lack of regulations covering these products, resulted in a large number of incidences of non-compliance in both Mexico and the Philippines with the recommendations in the guidance associated with WHA Resolution 69.9.
- ATNI urges all companies to revise their policies to incorporate commitments to implement in full the recommendations of WHA Resolution 69.9 in relation to CF for children 6-36 months of age.

## **The geographic application of companies' policies is not universal and therefore not fully aligned to The Code**

- The Code is intended to be applied consistently in all markets. The Code does not make a distinction between 'higher-risk' and 'lower-risk' countries. This distinction was introduced by FTSE Russell's FTSE4Good Index Series in 2010.<sup>42</sup>
- KraftHeinz's BMS marketing policy (Charter) applies globally, although the company only markets its formulas in Australia, China, Italy and New Zealand. However, the Charter does not extend to include CF - the products that make up the vast majority of its sales across more than 30 markets worldwide. Two other companies – Abbott and Danone – state that their policies apply globally, but then limit their application to infant formulas only. In addition, their policies apply only in higher-risk countries for follow-on formulas and do not extend to growing-up milk.
- FrieslandCampina also states that its policy is global in scope, and covers both infant formulas and follow-on formulas. This is the case in the few of its markets where no regulation is in place, but in all others, it follows only the product scope set out in national regulations (rather than adhering to the product scope outlined in its policy - the approach taken by all other companies whose policies were assessed). Further, where regulations are in place, for the most part the company follows those regulations rather than its own policy and standards. (All other companies whose policies were assessed uphold their own policies in this situation). The only exception to this stance is where a provision in a regulation relating to a type of marketing or labelling is less detailed than FrieslandCampina's guidelines, it adheres to those guidelines). The effect, therefore, is that the company defers to local regulations in most markets, both in terms of product scope and provisions related to The Code.
- Nestlé and Reckitt's policies apply only to some products and only in higher-risk countries.
- ATNI urges all companies to restate the geographic scope of their policies to be global, in respect of all product types and all provisions of The Code.

## **Companies' policy stance in relation to local regulations varies**

- In terms of the stance that companies take in relation to local regulations, there are substantial differences.
- In the absence of legal measures that fully implement The Code in any market, or where such measures omit provisions of The Code, companies can demonstrate their commitment to responsible marketing by upholding their own policies in such circumstances.
- Danone, Nestlé and Reckitt commit to upholding their policies in the types of countries to which their policies apply where regulations are weak or absent - FrieslandCampina is more equivocal: only in very few of its markets (either higher-risk or lower-risk), where there are no regulations, does it uphold its own policy. In the many other markets where some local regulations are in place, FrieslandCampina simply adheres to those measures, even when they are weaker than its policy.
- ATNI urges all companies to commit not only to comply with local laws and regulations, but to go further and uphold their policies in full in all markets where legal measures are weaker than The Code, or where they are absent altogether.



### **Gaps between the companies' policies and The Code were made clear by the in-country assessments in the Philippines and Mexico**

- The critical importance of both strong national laws and regulations and of companies adopting global policies that align fully to The Code was made clear by the results of the studies in the Philippines and Mexico. While neither country's laws nor regulations fully implement The Code, those of the Philippines are much more closely aligned to it than those in Mexico. As a result, ATNI found far fewer incidences of non-compliance with The Code and the one aspect of local regulations relating to labelling in the Philippines (152) than in Mexico (325), due in large part due to the strength of legal measures and diligent monitoring in the former.
- Moreover, the compliance of the companies included in this Index was better in relation to product types covered by their policies (typically infant formulas and follow-on formulas) and worse in relation growing-up milks and CF (though these products are also less well covered by the national legal measures). This illustrates that when companies adopt policies aligned to The Code and put in place effective management systems to implement those policies, less inappropriate marketing occurs.
- Given that only 31 countries have to date adopted laws and regulations substantially or fully aligned with The Code, ATNI calls on all other countries to follow their lead. By doing so they will create a level-playing field for ALL companies. Given that it is likely to take many years for countries to pass such measures, in the meantime it is imperative that companies adopt marketing policies that fully align to the Code, in terms of wording, and that cover ALL types of BMS and CF products and apply globally.



## 6. Detailed results: BMS/CF 1 Corporate Profile

The BMS/CF 1 Corporate Profile is designed to measure the extent to which companies' BMS/CF marketing aligns with the recommendations of The Code. It assesses whether the companies have comprehensive, effective procedures and management systems to implement their declared policies, and their levels of transparency.

Companies that manufacture both BMS and CF (Danone, KraftHeinz and Nestlé) were assessed in respect of both types of products. Companies that were assessed only in relation to BMS products were Abbott, Feihe, FrieslandCampina, Mengniu, Reckitt and Yili.

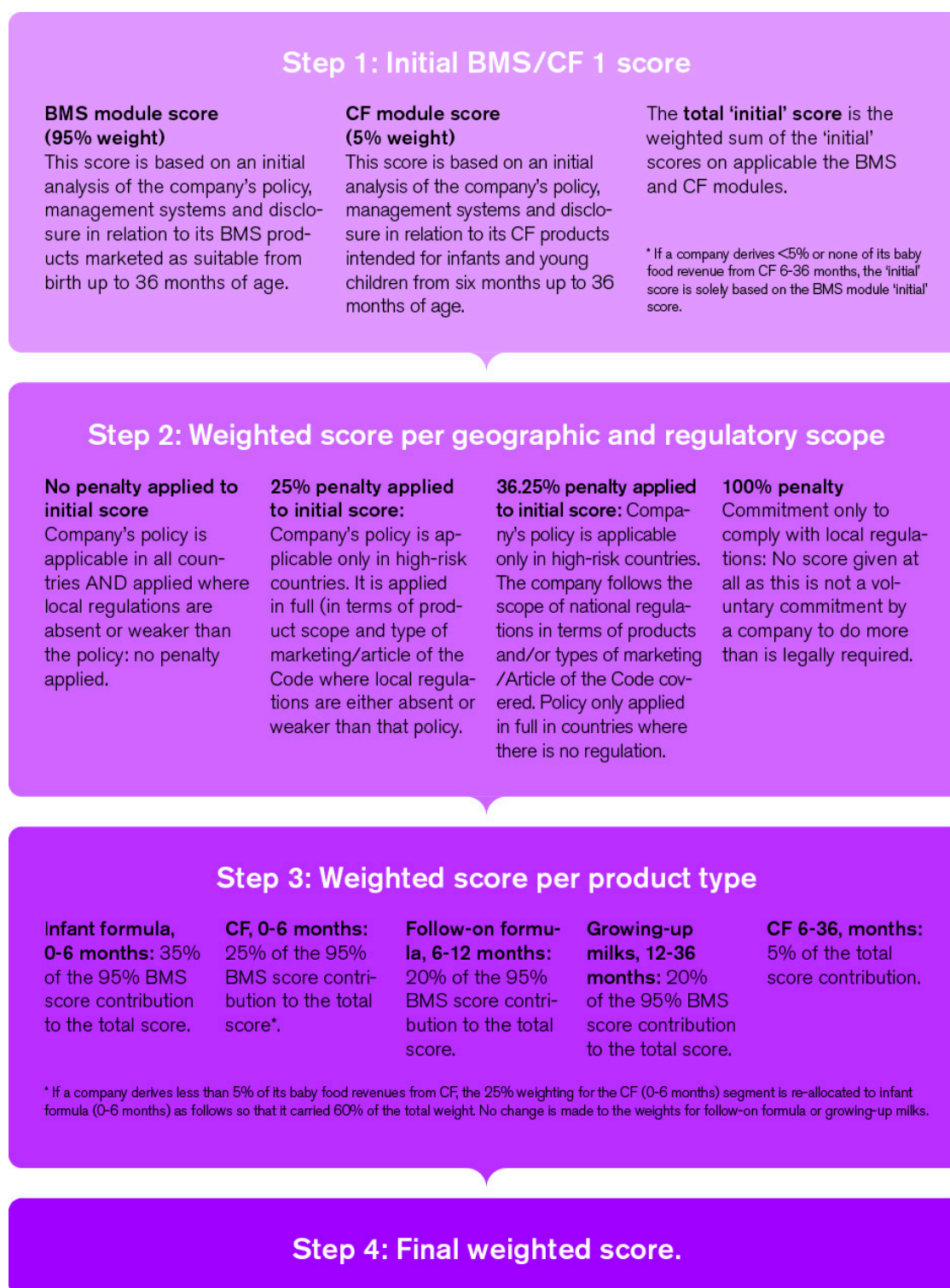
A critically important dimension of companies' marketing policies is where and how they apply them, i.e., their geographic scope, their product scope and the stance they take in relation to local laws, regulations and standards. Figure 6 outlines how various weightings and penalties are applied to the initial BMS/CF 1 score to reflect these factors.







**Figure 6: How BMS/CF 1 scores are calculated<sup>i</sup>**



Details about each company's stance on the factors outlined are presented in Annex 4.

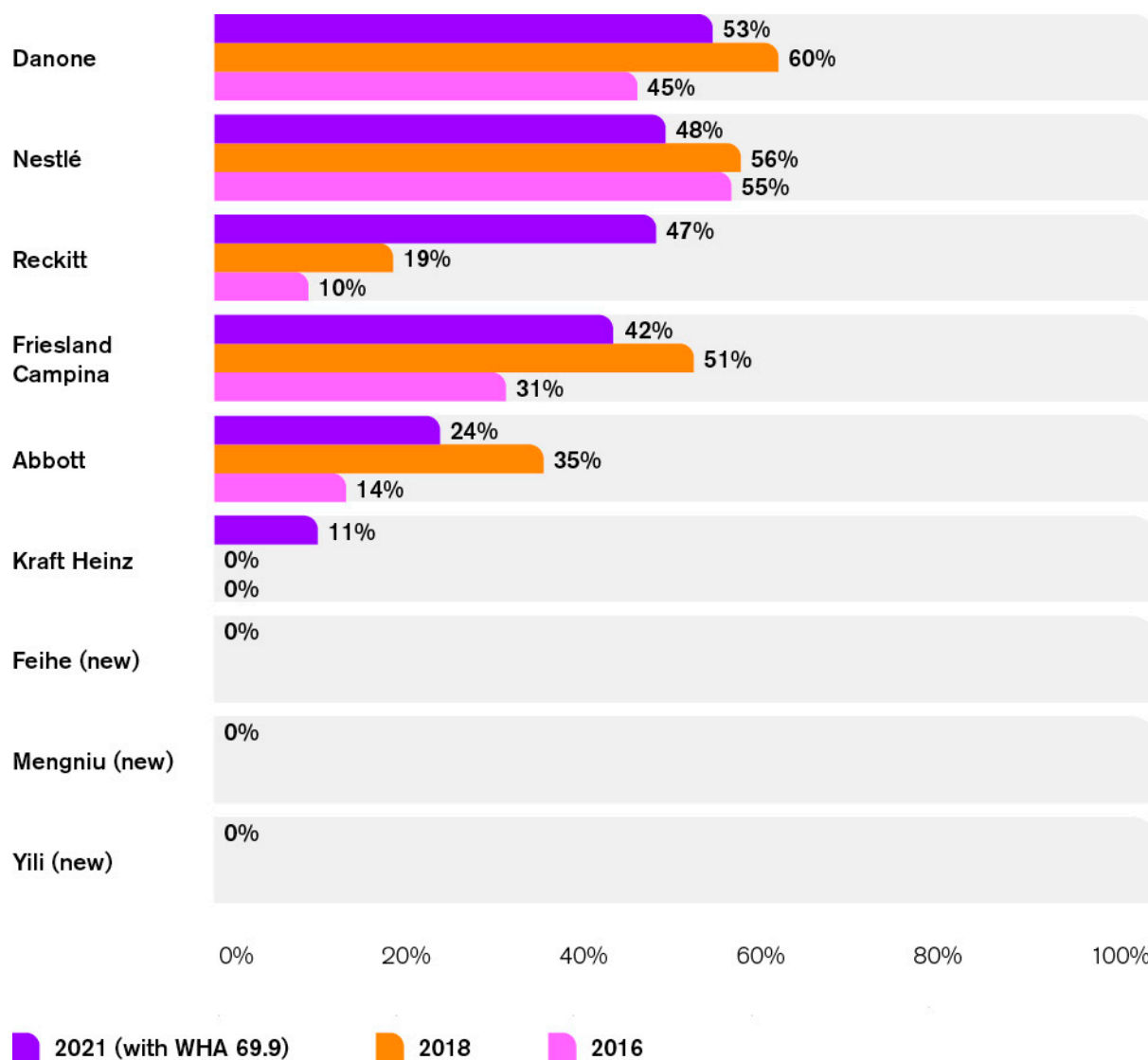
<sup>i</sup> The weighting approach outlined in Step 2 was applied to all companies as outlined, except FrieslandCampina. The company's approach to applying its policy does not align with ATNI's standard approach. Therefore a tailored 30.62% penalty was applied. For further explanation, see the company's BMS/CF Marketing Index Scorecard.



## 6.1 How do the companies perform overall on BMS/CF 1 Corporate profile?

Figure 7 shows companies' final weighted scores on the BMS/CF 1 Corporate Profile in 2016, 2018 and 2021.

Figure 7: Final weighted BMS/CF 1. Corporate profile score





**Danone once again ranks first** on BMS/CF 1 in 2021, with a score of 53%. Although the score is lower than the 60% scored in 2018, the drop is predominantly attributed to the inclusion in ATNI's methodology, for the first time, of compliance with WHA Resolution 69.9. Danone scored 10% on the newly introduced CF module – the highest score of the three companies assessed.

**Nestlé retains its ranking of second** on BMS/CF 1 in 2021 with a final score of 48%, somewhat lower than its 2018 score of 56%. Two main factors contributed to this fall. The company's BMS marketing policy and management systems have not changed since the last assessment and so in relation to the aspects of the methodology that were the same as in 2018, its performance did not change. However, the company has not added any provisions to its policy, or adopted a separate policy and management systems, to comply with the recommendations in the guidance associated with WHA 69.9. Similarly, the company's disclosure was a little less extensive than previously in some areas, and due to the company not having any commitments in relation to WHA 69.9, there was no related disclosure.

**Reckitt has made the greatest improvement, ranking third** on BMS/CF 1 in 2021, with a score of 47% up from 19% in 2018. As the new parent company, Reckitt developed a new BMS Marketing policy which is more fully aligned with The Code than the Mead Johnson Nutrition policy assessed for the 2018 Index. It also substantially improved the related management systems and disclosure, and the company engaged extensively in the research process to provide ATNI with internal documentation, which Mead Johnson Nutrition did not do. Reckitt also increased its score in relation to its lobbying policy.

**FrieslandCampina ranked fourth** on BMS/CF 1 in 2021, with a score of 42%, down from 51% in 2018. While the company has not changed its policy since the previous assessment and has improved its management systems and disclosure a little, the fall in its score and ranking is principally due a higher penalty being applied in the 2021 assessment. ATNI made this change having gained better insight into the effect of how the company's policy is applied in practice in both higher and lower risk markets. In the handful of countries where there is no regulation to implement The Code, the company applies its own policy. This is the same stance as the other five companies whose policies could be assessed. The higher, tailored penalty was applied because in countries where any regulations are in place, even where they are less strict than FrieslandCampina's policy, and irrespective of whether they are classified as higher or lower risk countries, the company follows those regulations. In these cases, it follows the scope of the regulation in terms of product type, rather than those outlined in its policy. It also follows the provisions in the regulation on marketing and labelling, rather than those set out in its policy, if the regulations cover these topics to any extent, whereas all other five companies assessed uphold their own policies in these circumstances. (The exception is that if the local regulation on a particular topic (e.g., labelling) is less detailed than the company's internal guidelines, it follows those guidelines). The effect of this stance is that in most markets in which it operates, FrieslandCampina defers to local regulations and therefore its marketing practices are less fully aligned to the recommendations of The Code than those of other companies. ATNI has therefore developed a tailored penalty of 30.62 (halfway between the maximum potential penalty of 36.25% and the next lowest penalty band of 25%). See the company's [scorecard](#) for more information.

**Abbott's score has fallen significantly, from 35% in 2018 to 24% in 2021.** While it now commits to uphold its policy in markets where regulation is absent or less stringent than its policy, which is a positive development, the wording of the new policy is considerably less well aligned with The Code than the previous iteration. As a result, the company's score on management systems and disclosure has also fallen. It now ranks fifth.

**KraftHeinz continues to rank sixth on BMS/CF 1 2021.** It was the first year when the company has actively participated in ATNI's research process. ATNI welcomes this engagement. It also shared its BMS Charter for the first time. The company has therefore increased its score on this element of the assessment from zero to 11%. However, the company's policy does not cover CF at all, only BMS, which make up a small fraction of its revenues in the baby food segment compared to its CF product sales. It scored only 2% on the CF module.





The three newly assessed companies **Feihe**, **Mengniu** and **Yili** do not publish BMS marketing policies. ATNI was not able to make contact with these companies and actively engage with them during the research process as it was able to do with the other six companies. ATNI therefore based these three companies' assessments only on the limited information that was found in the public domain, and not on additional unpublished information, which the six other companies provided. As a result, all scored 0%.

Overall, there remain large variations in companies' scores across all areas of the Corporate Profile that reflect the content and scope of their policies, where they are applied, the stance they take in relation to complying with local regulations, as well as the strength and geographic application of various elements of their management systems.

## 6.2 How have companies' Corporate Profile scores changed since 2018?

Table 3 provides a simple overarching assessment of the extent to which the companies' policies, management systems and disclosure relating to BMS/CF marketing have changed since 2018. The reasons for these changes are elaborated further in the following sections; they result both from changes to the companies' own approaches to BMS marketing as well as to changes in the methodology. More detailed graphs showing each company's separate scores on policy and management systems in 2016, 2018 and 2021 are presented in Annex 3. Analysis of their performance on lobbying is set out in section 6.4 below.

Only one company – Reckitt - has improved across the board whereas both Abbott and Nestlé score lower on all three elements of the assessment although for different reasons. Danone's score is lower than in 2018 on policy and disclosure, but its management systems remained relatively unchanged. While FrieslandCampina has improved its disclosure compared to the last assessment, KraftHeinz has improved with regards to its policy commitments. However, neither company's score has changed significantly on the rest of the elements assessed.

**Table 3: How the companies' practices have changed since 2018**

	Final BMS / CF Corporate Profile marketing score element		
	Policy	Management Systems	Disclosure
<b>Abbott</b>	-	-	-
<b>Danone</b>	-	~	-
<b>FrieslandCampina</b>	~	~	+
<b>KraftHeinz</b>	+	~	~
<b>Nestlé</b>	-	-	-
<b>Reckitt</b>	+	+	+

- 2021 score is more than 5% lower than 2018 score

+ 2021 score is more than 5% higher than 2018 score

~ 2021 score is within + or - 5% of the 2018 score

The approach ATNI uses to weight companies' initial scores to arrive at their final scores is set out in Annex 4. As noted, this is the first time that ATNI has included assessment of companies' compliance with the recommendations set out in the WHO guidance associated with WHA 69.9. Annex 5 provides analysis of how this change or other factors affected companies' scores, to provide a like-for-like comparison with the 2018 scores, to the extent possible.



## 6.3 How well aligned to The Code are the companies' policies and management systems?

All the companies whose policies ATNI was able to assess make statements about being committed to supporting breastfeeding and acknowledging The Code – at least to some extent – as measured by Section 1 of the methodology and set out in Annex 2. However, their policies and practices are not yet fully aligned to The Code and therefore do not implement it in full, as the following results show.

### Abbott (assessed on the BMS module only)

#### ***Policy commitments***

Having apparently strengthened its policy commitments on BMS marketing between 2016 and 2018, with the adoption of its new 'minimum standard' policy in 2017, the 2021 assessment shows a 27% drop in the initial score for Abbott's policy commitments from 64% to 37%. The decline is significant: the company has weakened its commitments in relation to Article 5 of The Code, which relates to advertising and communication with the general public and mothers. There is also a substantial gap between the company's policy and The Code regarding information and education (Article 4), healthcare systems (Article 6) and lobbying.

#### ***Management systems***

Abbott's initial score also fell by half in relation to its management systems, from 54% to 22%. This is to be expected, given the changes to its policy; if a company does not make commitments to operate in a particular way, it will not have related management systems. The most notable change is seen in regard to implementation and monitoring (Article 11) in terms of awareness among retailers/distributors, incentives and internal reporting.

### Danone (assessed on both the BMS and CF 6-36 modules)

#### ***Policy commitments***

Danone strengthened its BMS marketing policies since ATNI's first assessment in 2016 but they have effectively remained the same between 2018 and 2021. Its policies are well-aligned to the recommendations of the original 1981 Code but Danone's policy, which was updated in 2018, continues to omit commitments reflecting all WHA resolutions which is the principal reason for the drop in its overall initial policy score from 95% to 84%.

However, compared to the other two companies assessed on the CF 6-36 months module (KraftHeinz and Nestlé), Danone scored best on policy commitments for these products – though its overall score was low (10%). Its existing policies had some commitments related to recommendation 3 of WHA Resolution 69.9; the company commits to formulating products according to Codex standards for processed cereal-based foods for infants and young children and national, regional, and global dietary guidelines.

#### ***Management systems***

Between 2018 and 2021 Danone's management systems have also essentially remained the same; its initial score has dropped from 81% to 78%. It lacks some procedures and other documentation in some areas but has developed them in others. It was able to evidence some procedures relating to its policy on the formulation of CF 6-36 months.

### FrieslandCampina (assessed on the BMS module only)

#### ***Policy commitments***

FrieslandCampina's policy on BMS marketing has not changed since the 2018 assessment. Its initial policy score has decreased from 93% in 2018 to 89% due to ATNI's assessment of commitments in relation to WHA Resolution 69.9. The company has not revised its policy to reflect those recommendations in full. This score also takes into account changes ATNI made to the methodology in



relation to WHA 58.32 which means that while the company previously lost points, it gained them in 2021. Otherwise, its overall initial score has essentially remained the same.

### ***Management systems***

The company's management systems in relation to The Code are generally quite strong and have improved since 2018, as reflected in the increase in its initial management score from 77% to 82%. Small improvements have been made in developing procedures and other documentation relating to advertising and promoting BMS products to caregivers and the general public (Article 5), marketing within the healthcare system (Article 6) and to healthcare workers (Article 7).

### **KraftHeinz (assessed on both the BMS and CF 6-36 modules)**

#### ***Policy commitments***

Previously KraftHeinz did not publish its policy commitments but has since done so. As a result, its initial policy score has increased from 0% in 2018 to 50%. Its BMS marketing 'Charter' makes some policy commitments for BMS products in relation to information and education material (Article 4), healthcare systems (Article 6), health workers (Article 7), labelling (Article 9) and the quality of products meeting relevant standards (Article 10). The company makes nearly no policy commitments in relation to CF, as reflected in a score of 4% on the CF 6-36 module, although it does commit to formulating CF products for 6-36-month-olds according to national, regional and global dietary guidelines, partly meeting Recommendation 3 of WHA Resolution 69.9.

#### ***Management systems***

As with policy commitments, previously KraftHeinz did not publish, or share any evidence of, management systems to implement its policy commitments. However, it provided some evidence for the 2021 assessment related to implementation and monitoring of BMS policy commitments (Article 11), but not on any other article of The Code, or in relation to marketing of CF 6-36. Its initial policy score for management systems is therefore 2%.

### **Nestlé (assessed on both the BMS and CF 6-36 modules)**

#### ***Policy commitments***

Nestlé has not changed its policy since the last assessment in 2018. Changes to ATNI's methodology which resulted in the re-wording of two indicators related to WHA 58.32 and WHA 61.20 and ATNI's inclusion of consideration of commitments to implement WHA Resolution 69.9, resulted in a combined initial policy score for Nestlé of 89%, down from 96% previously. It scored 89% on the BMS module and 2% on the overall CF 6-36 module, due to making only minimal policy commitments in relation to the marketing of CF for children aged 6-36-months.

#### ***Management systems***

Nestlé continues to have strong management systems, which have improved since the last assessment in 2018, in relation to the implementation of its BMS marketing policy. However, the lack of a policy and therefore related management systems in relation to CF for 6-36-month-olds resulted in a combined initial score for management systems of 84%.

### **Reckitt (assessed on the BMS module only)**

#### ***Policy commitments***

Reckitt has updated the policy commitments of Mead Johnson Nutrition, the company it acquired, and as a result increased its initial policy score from 45% to 83% on BMS marketing. Stronger commitments have been made in relation to nearly all articles of The Code, and in the area of lobbying and influencing policymakers.

#### ***Management systems***

Reckitt has also put in place strong management systems in nearly all areas, most notably in relation to lobbying and healthcare worker relations. Reckitt showed the greatest improvement in management



systems among the six companies previously assessed. Its initial management systems score therefore increased from 44% to 71%.

### Three new entrants

ATNI was unable to establish communication with any of these three companies. As a result, the assessment had to be based solely on information in the public domain. However, ATNI could not find any published information, in either Mandarin or English, that was relevant to the assessment. Several factors beyond the companies' control may have impacted the availability of information, such as differences in disclosure requirements among countries, their internal capacity constraints and/or the Covid-19 pandemic. Therefore, in the case of limited or no engagement by such companies, this Index results may not represent the full extent of their policies and practices.

#### Mengniu

Limited relevant information was found in the public domain relating to BMS marketing. Mengniu made a commitment to food safety and quality management systems in its 2018 sustainability report, the latest available by the research cut-off date. It also made some basic commitments related to The Code's aims but did not elaborate on how these are operationalized. ATNI was not able to score the company on the basis of this limited information.

#### Feihe

No relevant information was found in the public domain.

#### Yili

No relevant information was found in the public domain.

Full details about all of the companies' policies, management systems and disclosure as assessed using ATNI's methodology (and thereby The Code) are set out in their scorecards, [available here](#).

## 6.4 How do the companies perform in relation to responsible lobbying?

The question that section 10 of the methodology aims to answer is: Do companies have clear policies, objectives and management systems relating to lobbying on BMS-related legislation and regulation?

This element of the assessment aligns closely to that used by the FTSE4Good Index Series, although company approaches to lobbying is not a topic covered by The Code<sup>1</sup>. This section in ATNI's BMS/CF Marketing Index 2021 methodology is relatively limited: it includes only four policy indicators and one management system indicator (as well as three associated disclosure indicators in the disclosure section).

However, since completing the research for this Index, ATNI has published a separate and more comprehensive analysis of these companies' policies, management systems and disclosure in relation to lobbying on BMS, based on the Responsible Lobbying Framework. The results can be found in the report Spotlight on Lobbying. They are also summarized in Box 2.

To score well in this section of the 2021 Index, companies must:

- have clear, openly stated lobbying objectives;
- have a policy that sets out under what circumstances, and how, it will lobby and engage with governments and policymakers on BMS issues;

<sup>1</sup> The [FTSE4Good Index Series](#) is a financial product offered by global financial services company FTSE Russell designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.



- state a commitment both not to undermine as well as to support public policy frameworks, the work of WHO or similar agencies, nor national governments' efforts to develop and implement The Code;
- explicitly state that it commits to seek to ensure that trade associations and industry policy groups to which it belongs operate to the same standards;
- have in place effective management systems to ensure that employees abide by these policies;
- publish a list of trade associations and industry groups it is a member of, relating to BMS and/or infant and young child nutrition;
- certify that this list is complete, i.e., it is a full list of all such groups it belongs to, in all markets, and at the global level; and
- publish a description of its lobbying activities.

One important change to the methodology is that, to achieve the maximum score, companies need to expressly state their commitment not to undermine the development of national or international policies and regulations designed to give effect to The Code. It is also important to note that because ATNI cannot monitor or assess companies' lobbying activities per se, this assessment is based only on their transparency in this area. As noted, the cut-off date for taking companies' information into account was June 2, 2020.

**Nestlé** has scored well in this area since 2016. It has been transparent with regard to its lobbying activities. In 2018 the company achieved the maximum score in this section. Given the change ATNI made to the methodology, outlined above, Nestlé's score dropped slightly from 100% to 94%.

**Danone** increased its score from 88% to 94%.

**Reckitt's** score substantially improved from 0% to 94%, having not published any BMS-specific information relating to lobbying in previous years.

**FrieslandCampina's** score did not change, remaining at 12.5%.

The scores for five companies were zero. This represents no change for **Abbott** and **KraftHeinz** – neither company published the necessary information to score on the indicators related to their lobbying commitments and activities. Similarly, ATNI could not find information in the public domain during the research period relevant to these indicators for the three new entrants to the BMS/CF Marketing Index 2021: **Feihe**, **Mengniu** and **Yili**. These three companies therefore also score 0% on lobbying.

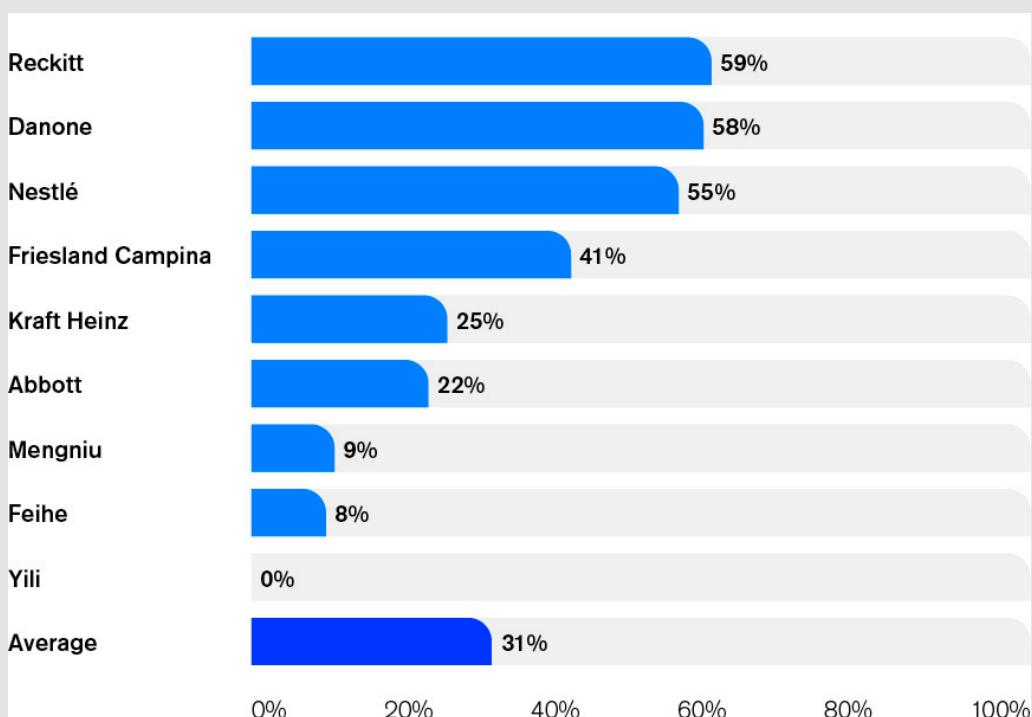


## Box 2: ATNI's benchmark of these companies using the Responsible Lobbying Framework

ATNI is increasing its focus on assessing companies' activities in relation to lobbying and influencing policymakers and the policy-making environment more broadly. Following the launch of the [Responsible Lobbying Framework](#) (RLF) in June 2020, which ATNI helped to develop, and since finalizing the 2021 BMS/CF Marketing Index 2021 methodology in early 2020, ATNI developed a more detailed methodology to assess baby food companies' approaches to lobbying. That methodology uses 33 indicators to assess more fully their policies, management systems and disclosure. The same nine companies as included in this Index were evaluated, based only on material in the public domain by October 9, 2020. The [Spotlight on Lobbying report](#) was published in early June 2021.

While the more detailed methodology used in that report allows for more differentiated scores, the ranking of the companies in both assessments broadly correlates. As shown in Figure 8, Reckitt ranked first with a score of 59%, just ahead of Danone with 58% and Nestlé with 55%. All three therefore ranked at the top of both of ATNI's assessment of lobbying. FrieslandCampina ranked fourth with 41%. Using the RLF methodology, Abbott, Feihe, KraftHeinz and Mengniu all achieved a score - of 25% or below - whereas they did not score in this BMS/CF Marketing Index 2021 which used fewer higher-level indicators. Yili does not appear to disclose any information on this topic and so also scored 0% on this assessment.

**Figure 8: Companies' final scores and rankings in ATNI's report Spotlight on Lobbying**





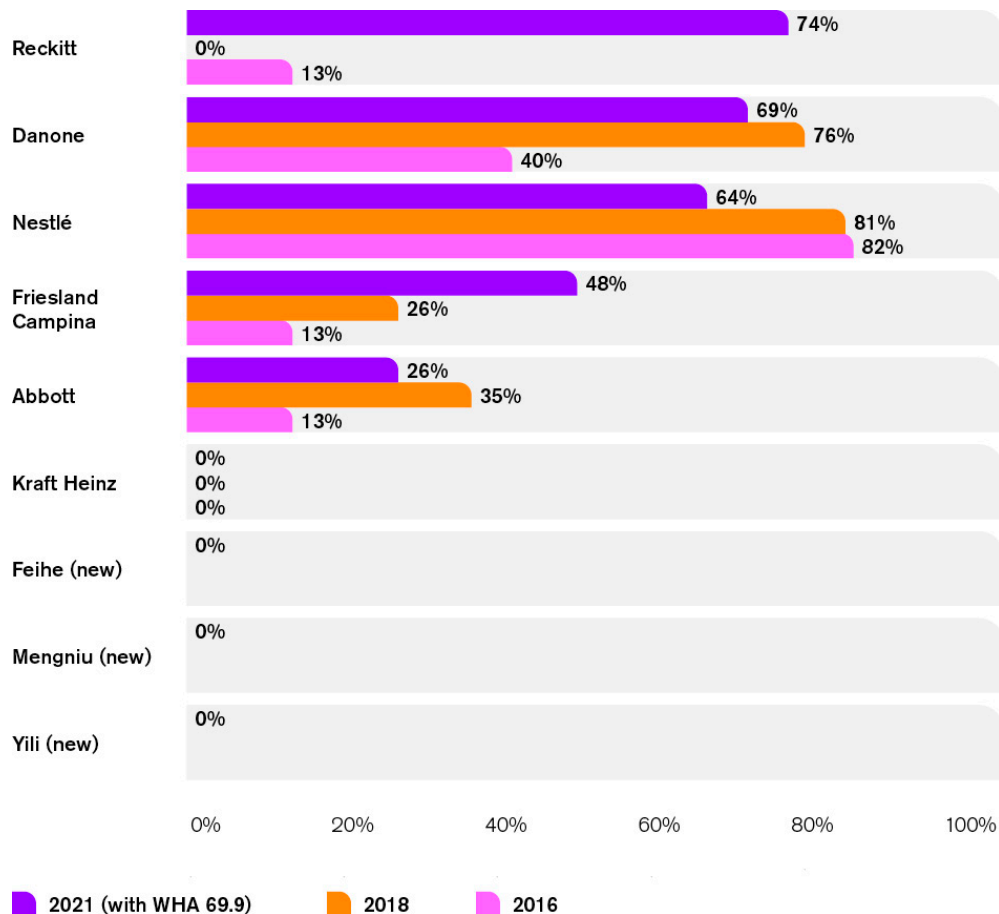


## 6.5 How extensive is companies' disclosure?

It is important for companies to be transparent with regards to their policies, management practices, audit results and lobbying activities so that stakeholders can scrutinize them and hold them to account. This section evaluates companies' public disclosure of documentation. Figure 9 shows how companies' disclosure has improved or worsened over the course of the last three Indexes.

**FrieslandCampina** and **Reckitt** are the only two companies whose disclosure scores improved in 2021 compared to 2018. Mead Johnson Nutrition previously did not disclose any documentation, but Reckitt discloses a lot of information. As a result, Reckitt is now the leading company in this regard, with a score of 74%. FrieslandCampina published much more material, and therefore scored 48% in 2021, up from 26% in 2018. **Abbott's** initial disclosure score fell in 2021 to 26%, given omissions in its revised published policy. **Danone** and **Nestlé** also posted lower initial disclosure scores in 2021 than in 2018 due in part to disclosing less and in part due to not having policy commitments to be able to disclose relating to WHA Resolution 69.9. **Danone's** disclosure score fell from 76% in 2018 to 69% in 2021 because it previously made available its response to reports published by organizations like IBFAN, Save The Children, ATNI and FTSE4Good, but seemed to stop doing so. Nestlé's disclosure score dropped from 81% to 64%. At the time the research was conducted it disclosed less than previously about its membership of trade associations and industry groups, and its lobbying activities. This has subsequently been rectified, as its score in the Spotlight on Lobbying report shows. However, neither of these two companies publicly disclosed any of their limited commitments related to CF. **KraftHeinz** had not published its Charter by the time the research for this element of the Index had been completed, nor any other relevant information and therefore did not score in this area. **Feihe**, **Mengniu** and **Yili** also made no relevant public disclosures at the time of the research and therefore also did not score on disclosure.

Figure 9: Companies' disclosure scores in 2016, 2018 and 2021





## 6.6 Cross-cutting issues identified by the 2021 assessment

This section highlights several key issues that came to the fore during ATNI's research for the BMS/CF Marketing Index 2021. Some are captured within the companies' scores, and some are not - and are therefore flagged here for consideration by stakeholders and/or ATNI in future iterations of these Indexes.

### Issue 1: The wording of companies' marketing policies does not fully align to The Code

The starting point for corporate practice in any area of business is a Board-approved policy. This policy sets out what the company will and will not do, where, in relation to a particular issue. It sets out the scope of application and exclusions.

Therefore, when assessing corporate marketing in relation to BMS and CF the critical initial question is: to what extent does the wording of the companies' policies fully align with the wording of The Code and subsequent relevant WHA resolutions.

Table 4 presents a graphical summary of the company's initial Corporate Profile policy scores. The analysis shows that Nestlé's policy wording is most closely aligned with The Code on all articles. The policies of Danone and FrieslandCampina are relatively well aligned, with some gaps on different articles. Reckitt's policy has more omissions, with fewer sections fully aligned to the Code. Those of Abbott and KraftHeinz are much less well aligned, while no policy was available in the public domain for Feihe, Mengniu or Yili. ATNI was not able to establish a dialogue with these companies to be able to secure unpublished policies to review. Therefore, these companies are not included in Table 4 below.

**Table 4: Alignment of companies' BMS marketing policy wording to The Code**

Article of The Code	Abbott	Danone	Friesland Campina	Kraft Heinz	Nestlé	Reckitt
<b>Article 4</b> Information and Education	Grey	Light purple	Light purple	Light purple	Dark purple	Light purple
<b>Article 5</b> The General Public and Mothers	Grey	Light purple	Light purple	Grey	Dark purple	Light purple
<b>Article 6</b> Health Care Systems	Grey	Grey	Light purple	Grey	Light purple	Grey
<b>Article 7</b> Health Workers	Grey	Light purple	Grey	Grey	Light purple	Light purple
<b>Article 8</b> Persons Employed by Manufacturers and Distributors	Grey	Light purple	Dark purple	Grey	Dark purple	Light purple
<b>Article 9</b> Labeling	Grey	Light purple	Light purple	Grey	Light purple	Grey
<b>Article 10</b> Quality	Light purple	Light purple	Light purple	Light purple	Dark purple	Light purple
<b>Article 11</b> Implementation and Monitoring	Grey	Light purple	Light purple	Grey	Dark purple	Light purple

Dark purple: policy score of equal to or more than 95%  
 Light purple: policy score of equal to or more than 75%  
 Grey: policy score below 75% alignment

All companies are encouraged to carefully review their policies and ATNI's analysis in order to understand how they can align them fully to The Code.



## Issue 2: The scope of companies' policies is limited, and subject to exclusions by product type and geography

All companies take a different approach to defining the geographic scope and product coverage of their policies. Further, while all companies commit to uphold national regulations in all countries at a minimum, they take different stances in respect of their practices in countries with regulations weaker than their own policy or absent altogether. The result is a complex patchwork which can be difficult to understand and which means that companies' current policies are not applied in such a way that fully upholds The Code.

To fully align with the intended product scope of The Code, company policies need to cover **all** types of formulas: infant formulas, follow-on formulas, growing up milks marketed as suitable for children up to 36 months of age, **and** all FSMPs. (Moreover, companies' policies need to include a commitment to label all CF as suitable for introduction to infants over six months of age and not younger; if they are not, they function as BMS). None of the companies have extended the scope of products covered by their policies to include growing-up milks marketed as suitable for young children aged 12 to 36 months. This means that none of the companies' definition of BMS products is fully aligned with the definition set out in the WHO guidance associated with WHA 69.9.

Further, none of the companies that manufacture CF marketed as suitable for young children aged 6-36 months have commitments to market these products in line with all of the applicable recommendations of the WHO guidance associated with WHA 69.9. Until all BMS and foods for infants and young children up to 36 months of age are included in the scope of company policies, high levels of non-compliance with The Code can be expected in all markets that have not implemented Code-aligned laws and regulations.

Although The Code was designed for universal application, many companies distinguish between higher-risk and lower-risk countries, using two criteria of more than 10 per 1,000 under five mortality rate and more than 2% acute malnutrition (moderate and severe wasting in under-fives) which were adopted by FTSE Russell's FTSE4Good Index in its BMS Criteria in 2010. The companies typically either exclude lower-risk countries from the scope of their policies or apply them to different product types in lower and higher-risk countries, or, as in the case of FrieslandCampina, follow each country's scope of products covered in regulation. In short, none of the companies' policies applies globally to all product types marketed as suitable from birth to 36 months of age.

Table 13 in Annex 4 shows the extent to which the companies' policies fall short of complete application as intended by The Code and the commentary explains the different approaches companies take on this issue.

ATNI urges all companies to close the gaps between their policies' product scope and geographic application and the aim and intention of The Code.



## Issue 3: Exclusion of FSMPs from companies' policies

The six company policies that ATNI was able to assess exclude some or all of the formulas known as FSMPs, which are formulated and marketed for infants with various medical conditions. Some companies exclude many more such products from the scope of their policies than others. While the methodology used for this Index does not include any way of assessing the companies' stance on this issue, ATNI will look at remedying this omission in future Indexes.

WHO's document on *Frequently Asked Questions* related to The Code was updated in 2017 in which it was clearly reiterated that infant formula<sup>k</sup>, which is covered by The Code, comes in various forms including **"special" formulas such as soy formula, lactose-free formula, low birthweight/premature formula and therapeutic milks** – so-called FSMPs.<sup>l</sup>

Therefore, all companies' BMS marketing policies should include **all** FSMPs. There is no basis for excluding them: they should also be marketed in accordance with all recommendations of The Code.

**Nestlé's** policy covers certain FSMPs: those classified as such under local legislation and/or those for the reduction of the risk of allergies under its "HA" (hypo-allergenic) brand (or equivalent), infant formula for constipation relief, and infant formula for low-hygiene conditions. It excludes from its policy three products made by its Nestlé's Health Science division under the brand names Althéra, Alfamino and Alfaré. These are formulas for babies with cow's milk protein allergies and/or multiple food allergies.

**Danone** also excludes from its BMS policy a much larger range of products that are intended for use by infants with special medical conditions. It describes these as those "for infants that have limited, impaired or disturbed capacity to take, digest, absorb, metabolize or excrete breastmilk or certain nutrients contained therein or metabolites, or other medically-determined nutrient requirements, whose dietary management cannot be achieved only by modification of the normal diet alone." Danone excludes **all** FSMPs from its policy. For example, Aptamil – the company's biggest brand globally – is excluded from its policy; these include Aptamil lactose free, Aptamil premium pronutra<sup>+</sup> HA (hypo-allergenic), Aptamil premium pronutra<sup>+</sup> pepti, Aptamil premium pronutra<sup>+</sup> comfort, and Aptamil lactose-free pepti junior. Various other products sold under other brands are also excluded.

**FrieslandCampina's** policy covers products that are defined by the company as formulas for healthy infants and those for infants with special medical needs from birth to 12 months. The company defines FSMPs as "formula specially processed or formulated and intended for the dietary management of infants from birth to 12 months, intended for exclusive or partial feeding, to be used under medical supervision." However, it is important to note that in countries where there is some form of regulation and/or definition of FSMPs, the company follows that regulation and the national definition, even if they are less stringent than its own policy. It is only where there is a complete absence of local legislation that the company adheres to its own policy.

**Reckitt** excludes from its BMS marketing policy products that are "distinctly formulated and intended for use under medical supervision by infants with special medical conditions who are not able to take, absorb, digest, metabolize and excrete breastmilk or standard infant formula or follow-on formula for healthy infants." Excluded products include but are not limited to: (i) FSMPs including but not limited to products to address metabolic conditions, or products for inborn errors of metabolism, such as Phenylketonuria (PKU) or Maple Syrup Urine disease; (ii) human milk fortifiers; (iii) formulas for prematurely born infants; and (iv) hypoallergenic protein hydrolysate formulas. The company's Nutramigen, Puramino and Pregestimil brands generally fall under these categories and in many markets are only available on a

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<sup>k</sup> As noted in the 2017 NetCode Protocol for Periodic Monitoring, the upper age indication on the product label varies from country to country but is usually between 6 and 12 months. There are various types of infant formula. These include "special" formulas such as soy formula, lactose-free formula, low-birthweight/premature formula and therapeutic milks.

<sup>l</sup> <https://apps.who.int/iris/bitstream/handle/10665/254911/WHO-NMH-NHD-17.1-eng.pdf?ua=1>



prescription basis. Other specialized products on the other hand such as Enfamil Gentlease/Confort which address digestive sensitivities and are designed to ease fussiness, gas and crying, are covered by the company's policy.<sup>m</sup>

**Abbott** defines FSMPs as “products that are specially designed for infants with special medical needs such as inborn errors of metabolism, severe gastrointestinal impairment, and treatment of malnutrition and prematurity.” The company argues that a patient's access to these products should not be prevented and therefore excludes FSMPs, such as Elecare, from its BMS policy.

Regardless of whether products are prescribed, used under medical supervision, or are considered the sole nourishment of an infant, The Code has and continues to cover formulas developed for special medical purposes. While information about these products can be shared with mothers and caregivers, and healthcare professionals, it needs to be science-based and factual, devoid of claims and marketing messaging, with appropriate messages about breastfeeding where relevant. Instructions about their use and preparation need to be comprehensive and clear; they should not be promoted in any way either to consumers or healthcare professionals. They should not be used to cross-promote other products made by the company. No samples of them should be given to mothers, nor to healthcare professionals for any reason other than professional evaluation. No other materials or equipment should be donated within healthcare systems related to these products. And companies that make these products should not sponsor meetings of health professionals or scientific meetings. In short, there is no justification for these products to be marketed in any way that is contrary to The Code.

ATNI therefore urges all companies to revise their BMS policies accordingly and include these products.

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<sup>m</sup> Clarified by the company in discussion with ATNI.



## Issue 4: Weaknesses in application of Article 8 of The Code

Article 8.1 of The Code requires companies to make two commitments:

- 1) Not to include within its bonus calculations for sales representatives the volume nor value of sales of products covered by The Code (8.1)
- 2) Not to set quotas for the sales of products covered by The Code (8.1)

This Article implies that measures of market share should not be used to calculate bonuses. Companies' commitments are verified by examining their policies and associated evidence of having comprehensive systems and relevant procedures to implement them.<sup>9</sup>

- **FrieslandCampina** received a full score for having explicitly stated commitments covering all aspects of Article 8.1. FrieslandCampina's policy is the only one of those assessed to include an explicit commitment indicating that sales of covered products include "sales volume, sales value, Ebit (Earnings Before Interest and Tax), market shares and number of prescriptions."
- **Nestlé** received a full score for its policy because it explicitly states commitments covering all aspects of Article 8.1. However, examination of **Nestlé's** procedures related to this Article revealed that the company does in fact base its bonus payments on measures of market share. It was therefore not given a full score for all aspects of its management systems.
- **Danone** and **Reckitt** however only received half the maximum score for their policy commitment to Article 8.1 because both companies base the calculation of bonuses on the **overall sales** of the products marketed by each company, *including* the sales of the products that are covered by the companies' BMS policies. The calculated bonus payments however cannot be **exclusively** attributed to the sales of their covered products. They do however explicitly state that no quotas are set for the sales of their covered products in the calculation of bonuses or incentives for their marketing personnel.
- **Abbott** and **KraftHeinz** received no score as neither company shares such commitments within their new BMS policies.
- **Feihe, Mengniu** and **Yili** do not provide any commitments to Article 8.1 in any of the documents that were found in the public domain.

ATNI urges all companies to make an explicit commitment that the measure of sales used to calculate bonuses does not include any form of sales whether in volume, value, or market share of products covered by The Code.

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<sup>9</sup> The management systems indicator that assesses whether a company has clear instructions to staff on how to interpret and apply company policy relating to Article 8 only applies to sub-article 8.2 as sub-article 8.1 is not relevant in application by marketing personnel.





## Issue 5: Companies that make complementary foods have not yet made policy commitments to implement the WHO guidance associated with WHA Resolution 69.9

Only three of the nine companies were assessed on the CF module of the methodology because they are the companies amongst the nine assessed that generate more than 5% of their baby food segment revenues from CF.

While the BMS module incorporates new indicators, or indicators were amended to take account of changes that the guidance associated with WHA Resolution 69.9 introduced in relation to BMS, the CF module specifically assesses whether producers of these products market them according to the recommendations of the guidance associated with WHA Resolution 69.9. Apart from Section 6 on Disclosure, all of the other sections of the CF module assess the whether the company has made policy commitments and put in place management systems in relation to each of the applicable recommendations. Table 5 summarizes companies' scores on this module. (There is no section relating to Recommendation 2 because that recommendation defines the age range of BMS and does not relate to CF.)

All three companies performed poorly because none had either introduced a separate marketing policy to cover these products nor added clauses to existing policies to cover them. They did provide other internal documentation, such as food and safety standards and packaging guidelines which referenced company practices, and on which the score on the indicators in this module was based.

**Danone** scored 10% because it references some of the relevant standards relating to product formulation. Its overall score on the CF module is based on the section that assesses alignment with recommendation 3 of the guidance on adhering to established standards and guidelines to ensure the products are appropriate for infants and young children.

**Nestlé** scored 2%. It only received a score due to stated commitments in confidential guidelines provided to ATNI relating to infant cereals packaging to include most of the required messaging as stipulated by recommendation 4 of the guidance on ensuring that marketing messages of foods for older infants and young children (whether through advertisements, promotions, online information or packaging labels) support optimal feeding.

**KraftHeinz** scored 2% based on its commitment to formulating CF products according to national, regional and global dietary guidelines. As this accords with recommendation 3 of the guidance, it received a partial score on product formulation.

**Table 5: Scores on each section of the CF module**

Section	Topic and relevant WHO guidance recommendation	Danone	Reckitt	KraftHeinz
1	Infant and young child feeding guiding principles (Recommendation 1)	0%	0%	0%
2	Product formulation (Recommendation 3)	58%	0%	10%
3	Marketing messages (Recommendation 4)	0%	12.5%	0%
4	Cross promotion (Recommendation 5)	0%	0%	0%
5	Avoiding conflicts of interest in healthcare systems (Recommendation 6)	0%	0%	0%
6	Disclosure	0%	0%	0%
	<b>Total score (average of all sections)</b>	<b>10%</b>	<b>2.1%</b>	<b>1.7%</b>



In relation to Section 3, recommendation 4, the messages that are required or should be omitted on or in all marketing messages, including on packs of all foods for infants and young children marketed as suitable from six to thirty-six months of age, include:

- having a statement on the importance of continued breastfeeding for up to two years or beyond and the importance of not introducing complementary feeding before 6 months of age
- ensuring the appropriate age of introduction of the food (this must not be less than 6 months) is included
- ensuring they are easily understood by parents and other caregivers, with all required label information being visible and legible
- not having any image, text or other representation that might suggest use for infants under the age of 6 months (including references to milestones and stages)
- not having any image, text or other representation that is likely to undermine or discourage breastfeeding, that makes a comparison to breastmilk, or that suggests that the product is nearly equivalent or superior to breastmilk
- not recommending or promoting bottle feeding
- not conveying an endorsement or anything that may be construed as an endorsement by a professional or other body, unless this has been specifically approved by relevant national, regional or international regulatory authorities.



## 6.7 Conclusions relating to BMS/CF 1 Corporate Profile

Although there has been improvement in some companies' performance in some areas since 2018, most are still far from marketing their products in line with the recommendations of The Code, even when excluding consideration of resolution WHA Resolution 69.9, which has already been in place for five years. No company markets its products in alignment with all relevant WHA resolutions. Similarly, there are big gaps between some of the companies' policy wording and even the 1981 Code, and no companies have a policy that applies globally, to all products, and prevails where local regulations are less stringent than their policies.

Other gaps have been revealed – in particular in relation to FSMPs. In future iterations of the BMS/CF Marketing Index, ATNI intends to change the methodology to account for such gaps. Another change ATNI envisages is assessing company performance on responsible lobbying separately to its approach to marketing, as illustrated by the initial assessment set out in the Spotlight on Lobbying based on the Responsible Lobbying Framework.

ATNI is encouraged by the specific commitments made by two companies included in this Index in response to the 2020 BMS Call to Action issued by WHO, UNICEF and several leading civil society organizations:

- Nestlé committed to extending its current policy relating to infant formulas to all markets by the end of 2022.<sup>43</sup> Should Nestlé make no other changes, and based on this methodology, its final BMS/CF 1 score would then increase to 56%, putting it in first place.
- KraftHeinz committed in its submission to achieve full Code compliance in all markets by 2030 but has not yet published a policy to deliver this commitment. ATNI cannot therefore evaluate that policy nor calculate the impact it would have on the company's score were it to have been in place at the time of the research.<sup>o</sup>

ATNI looks forwards to publishing the next Index in 2023 to be able to reflect those improvements and hopes that other companies follow suit. ATNI was also encouraged by the statements of several companies that they would explore ways to work with their peers and stakeholders to make the case for Code-aligned regulation to be adopted in markets.

## 6.8 Recommendations relating to BMS/CF 1 Corporate Profile

To make the greatest possible contribution to protecting breastfeeding, saving infants' lives and improving children's and mothers' health, ATNI recommends that all companies assessed here take the following steps:

### Policies

- Fully align both the wording of their policies with The Code and all subsequent relevant WHA resolutions, including WHA Resolution 69.9. There are currently many gaps.
- Apply all marketing policies globally.
- Extend the coverage of all policies to include growing-up milks marketed for children up to 36 months of age, and to all FSMPs.
- Incorporate the WHO recommendations in the guidance associated with WHA Resolution 69.9 into relevant policies in relation to the marketing of CF.
- At a minimum, commit to upholding all dimensions of their policies in all countries where regulation falls short of The Code or where it is absent.

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<sup>o</sup> However, in the company's [roadmap](#) submitted since its original commitment, the company appears to imply that it will exclude growing-up milks. This means that its commitment falls short of full Code compliance, i.e. including all formulas marketed as being suitable from birth to 36 months of age.



### Management systems

- Bolster their management systems to deliver consistent compliance with their stated commitments, once brought into full alignment with The Code. Specifically, put in place a full suite of procedures and instructions to staff in relation to each article of the original Code and the contents of all subsequent relevant WHA resolutions, including 69.9.
- Adopt effective company-wide governance, auditing and management arrangements to ensure that the policy and systems work effectively.

### Disclosure

- Publish more information on BMS and CF marketing policies and practices, so as to be as transparent as possible, and make key documents easily accessible to stakeholders.
- In terms of lobbying, as noted, the findings presented here relate to the indicators currently used to assess companies' approaches to lobbying. Given that ATNI has published a more complete assessment of companies' performance on this important topic since completing analysis for this Index, all companies are urged to review their scores and implement the recommendations in ATNI's report [Spotlight on Lobbying](#) in order to improve their performance.





# 7. BMS/CF 2 In-country marketing assessments

## 7.1 Introduction

This section presents a summary of the two in-country assessments commissioned by ATNI for the BMS/CF Marketing Index 2021. The purpose of these studies was to assess the compliance of all companies within the selected markets with five Articles of the 1981 Code (Articles 4, 5, 6, 7 and 9), subsequent WHA resolutions (including WHA 69.9) - known collectively as The Code, and any national legal measures that go beyond The Code.

Having worked successfully with Westat on five previous in-country assessments, in 2019 ATNI appointed this specialist health and social science research company to carry out two additional studies.<sup>P</sup> Using [ATNI's methodology](#), detailed below, Westat worked with local partners to conduct these two assessments in the largest city in each country - National Capital Region in the Philippines and Mexico City in Mexico. ATNI's summary reports for each country are available [here](#).

The methodology ATNI used was based on the second edition of the NetCode Protocol for Periodic Monitoring published in 2017 ([NetCode Protocol](#)). As noted, the objective of the studies was to assess companies' compliance with The Code. Companies' compliance with any local regulations that go beyond the scope of The Code was also assessed. The NetCode Protocol does not, however, include any components to assess the conduct of people employed by manufacturers and distributors (Article 8 of The Code) nor the quality of BMS or CF products (Article 10 of The Code).

Full details of the approach taken to each study and the results are available in the [Westat reports](#).

## 7.2 Country selection

ATNI used the same criteria to select two higher-risk countries as in the previous five reports carried out in Vietnam, Indonesia, India, Nigeria and Thailand. This process was finalized in April 2019.

One of the most principal factors in the identification of the selected countries was the presence of all or most of the six major infant and young child food manufacturers included in the BMS/CF Marketing Index 2021.<sup>q</sup> Market presence (but not market share) was determined using Euromonitor International data and/or information provided either by the companies to ATNI directly or which ATNI collected from their websites. A key requirement for this study was also that Danone, Nestlé and Reckitt were present in the two countries due to [ATNI's collaboration with FTSE Russell](#) in relation to its FTSE4Good Indexes. Additional information considered in the selection of the countries was the status of implementation of The Code and levels of exclusive breastfeeding, as well as practical factors such as the likelihood of receiving government approvals to undertake the studies, language, and safety.

While all six companies were officially present<sup>r</sup> in Mexico and it ranked highly on all factors, no other country where all six companies were officially present met or ranked highly on the selection criteria. Thus, countries in which only five companies were officially present were then considered. The Philippines

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<sup>q</sup> The BMS/CF Marketing Index 2021 has been expanded from the six to the nine largest companies worldwide, thereby including the three largest Chinese companies. These companies appear principally to market their products in China. Therefore their presence in other markets could not be considered when making the country selection.

<sup>r</sup> 'Officially present' means that the country is a market in which the company officially sells its products. Companies' products can also be found in markets that are not official markets due to other parties, usually distributors, retailers or individuals, importing those products from other countries. These are called parallel imports.





ranked next highest by a significant margin over the next candidate country. At the time, the Philippines was an official market of Abbott, Danone, FrieslandCampina, Nestlé and Reckitt. ATNI therefore decided, with the input of its BMS Expert Group, that Mexico and the Philippines were the best and only feasible combination of countries.

## 7.3 Company presence

All six companies included in the BMS/CF Marketing Index 2021 were present in Mexico, while in the Philippines only four were present - Abbott, Danone, Nestlé and Reckitt. While FrieslandCampina had also been present in the Philippines at the time of country selection, it pulled its Friso products out of that market in October 2019. The assessment of the companies that do not officially market their products in the Philippines - FrieslandCampina and KraftHeinz – is, therefore, based on only one market each. This was also the case in previous Indexes when it was not possible to select two markets in which all companies were present.

All companies - including local companies or any other multinationals - whose products or marketing were found in the cities in which the assessment took place were included in the study. In terms of the overall size of the baby food market in each country, sales in the Philippines were over US\$850 million in 2020, whereas in Mexico they had reached almost US\$1.2 billion in that same year<sup>44</sup>.

## 7.4 Scope of in-country assessments

A summary of the scope of research in each of the countries is presented in Table 6. In Mexico, due to national COVID-19 restrictions, no visits were made to health facilities or maternity clinics and therefore it was not possible to interview mothers of young children nor health professionals, nor to observe any donated equipment or materials in these locations.

**Table 6: Summary of research scope of in each country**

Research method	Philippines	Mexico
Number of mothers interviewed	330	-
Number of healthcare workers interviewed	126	-
Number of health facilities visited	43	-
Number of retailers visited/monitored	48	15
Number of physical retail outlets visited	43	10 <sup>s</sup>
Number of online retailers monitored <sup>t</sup>	5	5
Number of traditional media monitored	22	75
Number of online media monitored	32	30
Company/brand owned media	18	16
Other online media (e.g., parenting websites and social media)	14	14
Number of companies whose products were assessed	39	19
Ranked in the BMS/CF Marketing Index 2021	4	6
Other companies	35	13
Number of BMS/CF products assessed in total <sup>u</sup>	134	393

<sup>s</sup> Due to restrictions related to the COVID-19 pandemic, ATNI modified the protocol to select only the ten largest retailers based on local knowledge that they market the majority of the relevant products available for sale nationally, and that they were located in the selected subdivisions.

<sup>t</sup> For companies included in the BMS/CF Marketing Index 2021, the only results counted in the scores and described in this report were those related to sites with which those companies confirmed having contracts. This is because all other promotions or marketing was not initiated by the manufacturers but by the retailers.

<sup>u</sup> This was not necessarily the total number of products for sale in each city; more could have been available in stores that the researchers did not visit. Also, the supply and availability of the products in the countries may have been





It is important to note that the companies were not given notice prior to the research being undertaken. They were informed of the selected country only once data collection had been completed, at which point they were asked to confirm certain factual elements of the research.

For the ATNI Index companies, the products assessed were the ones confirmed by the respective companies as those intended to be sold in each country. Any product a company confirmed was not intended for sale in the studied market was classified as a *parallel import*<sup>v</sup> and excluded from the assessment.

## 7.5 Scoring

Six of the nine Index companies were assessed on BMS/CF 2. Their score is based on their in-country marketing practices, calculated by:

- Aggregating the total number of observed incidences of non-compliance in each country, except for KraftHeinz and FrieslandCampina, as noted, whose scores are based on the results from Mexico only.
- Normalizing the number of observed incidences of non-compliance by dividing the total number by the number of the company's legitimate products marketed in each country, as confirmed by each company.<sup>w</sup>
- Assigning a rating for the level of compliance in each country and a final percentage score as shown below:

Normalized score	Level of compliance	Percentage score
0 incidences of non-compliance	Complete	100%
≤ 1 incidence of non-compliance	High	66%
1.1 – 2 incidences of non-compliance	Medium	33%
> 2.1 incidences of non-compliance	Low	0%

The same ranges for level of compliance - high, medium and low - were used for both countries, as in all previous studies. The final BMS/CF 2 score for four companies is an average of the two country scores; for FrieslandCampina and KraftHeinz their final BMS/CF 2 score is based only on their compliance score in Mexico. No score is calculated for 'other' companies as they are not included in the BMS/CF Marketing Index 2021.

Data collected during mother and healthcare worker interviews (which was only possible in the Philippines due to the COVID-19 pandemic limitations in the Mexico study) are based on subjective recall, which could be biased, and are therefore excluded from the BMS/CF Marketing Index 2021 scoring

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affected by the pandemic. Per the NetCode protocol a single item was purchased of every product identified for sale in the study area. For products sold in different package sizes, the intent was to choose a medium-size or the most commonly purchased size available in an effort to maximize the amount of information included on the label while minimizing costs. The labels and any inserts were then assessed for compliance with the methodology.

<sup>v</sup> ATNI was able to confirm which products were legitimate products with the six companies included in the BMS/CF Marketing Index 2021. However, of the other companies present in the two countries, only three whose products were found in the Philippines responded after ATNI sought to confirm with them whether their products were legitimate products. These were HiPP, Only Organic and Bellamy's Australia. HiPP confirmed that the Philippines was one of its official markets. The other two companies did not address the question.

<sup>w</sup> This is the number of products found by the researchers during data collection, both in physical stores and via online platforms and/or for which any marketing was found, i.e., if advertising or any other form of marketing was found for a product that a company had confirmed was a legitimate product, but the researchers were unable to buy the product, it was still included. The ability to buy a product affected only whether its label and/or insert could be assessed.



calculations. However, the recalled data was used to provide context and corroboration of the objective information collected, as further outlined in the available Westat reports.

## 7.6 BMS/CF 2 Combined results from the Philippines and Mexico

A summary of the scores from the two country assessments is presented in Table 7. For companies present in both markets, the overall BMS/CF 2 score is the average of the two individual country scores. For companies only present in one market, their overall score is the score in that market alone.

**Table 7: Overall BMS/CF 2 score by company**

	Overall BMS/CF 2 score 2021	Philippines		Mexico	
		Level of compliance	Score	Level of compliance	Score
Danone	83%	Complete	100%	High	66%
KraftHeinz	66%	N/A		High	66%
Nestlé	66%	High	66%	High	66%
Abbott	33%	High	66%	Low	0%
Reckitt	17%	Medium	33%	Low	0%
Friesland Campina	0%	N/A		Low	0%

\*Note that N/A signifies that none of the company's BMS/CF products were found in that market or the company confirmed that all the products found were parallel (illegal) imports and not products made for sale in that country by the company.

**Danone** scored best, with 88% overall, due to achieving complete compliance in the Philippines and a high level of compliance in Mexico. As noted in the ATNI country reports, Danone has a small share of the market in each country which may be a factor that contributed to these results. Gaps between its policy and management systems, and The Code, account for those incidences of non-compliance Westat found using the ATNI methodology.

**KraftHeinz** achieved a high level of compliance based only on its score in Mexico. The company sells only CF in Mexico (35 such products were found), to which fewer marketing and labelling restrictions apply compared to formulas, both in The Code and in local regulations that go beyond The Code. None of the other companies assessed and included in the ATNI Index sold only these products. This limited product range is likely to have contributed to the high level of performance the company achieved. Gaps between its policy and management systems, and The Code, account for those incidences of non-compliance Westat found using the ATNI methodology.

**Nestlé** achieved a combined score of 66% due to a high level of compliance in both country assessments. It is the largest actor in both the Philippines and Mexico according to Euromonitor International data. It therefore sells and markets the largest range of products of any of the companies assessed. Its high level of compliance indicates that it has reasonably effective management systems in place in both countries to implement its policy, though gaps between The Code clearly remain in both its policy and practice, which account for those incidences of non-compliance Westat found using the ATNI methodology.

**Abbott** had a combined scored of 33% due to achieving a high level of compliance in the Philippines and a low level of compliance in Mexico. Abbott is a relatively small player in each market. As with other companies, both the gaps between the company's policy and The Code, and the lack of associated



management systems, account for the incidences of non-compliance Westat found using the ATIN methodology.

**Reckitt's** combined score was 17%, with a medium level of compliance in the Philippines and a low level of compliance in Mexico. Reckitt holds approximately the same large market share as Nestlé in the Philippines and is the second largest player in Mexico. As with other companies, both the gaps between the company's policy and The Code, and the lack of associated management systems, account for the incidences of non-compliance Westat found using the ATIN methodology.

**FrieslandCampina** was not present in the Philippines and achieved a low level of compliance in Mexico, resulting in a score of 0% on BMS/CF 2. It is a relatively small player in Mexico. As with other companies, both the gaps between the company's policy and The Code, and the lack of associated management systems, account for the incidences of non-compliance Westat found using the ATNI methodology.

## 7.7 Detailed results

The scope and summary tables of results for each country are presented below, followed by an overall summary of the findings based on both countries. This is the information used to generate the overall scores for the companies included in the BMS/CF Marketing Index 2021. A more extensive analysis for each country is presented in the ATNI individual country reports.

### 7.7.1 The Philippines study and results

#### Regulatory context

In addition to assessing compliance with The Code, the Westat study assessed companies' compliance with prevailing relevant national regulations relating to the marketing and labelling of BMS and CF where they go beyond The Code. According to the 2020 WHO, UNICEF and IBFAN Status Report on National Implementation of the International Code, the Philippines' Code law is classified as "substantially aligned with The Code".<sup>45</sup> The principal legal instrument is known as the Philippines Milk Code, passed in 1986. This is augmented by Administrative Order No. 2006-0012, known as the Revised Implementing Rules and Regulations.

These two instruments cover a range of marketing and advertising restrictions on all formulas and foods marketed as suitable for infants and young children from birth to 36 months of age. The regulations also set standards on quality, availability and label information related to product use. There is only one requirement in the local regulations relating to labelling that goes beyond The Code, with which Westat assessed compliance. That is that "Each container/label shall contain such messages on appropriate use, the superiority of breastfeeding, etc. [contained in International Code Art. 9.2 (a) – (d)], in both Filipino and English languages." A summary of the key legal measures in force in the Philippines is available in the [Westat report](#).

#### Findings

An overview of findings in the Philippines is provided in Table 8. More detail is provided in ATNI's summary report and in Westat's report. A total of 152 incidences of non-compliance were observed, 72 in relation to the four ATNI Index companies, and most of those in relation to adverts and promotions on traditional and digital media. A total of 80 observed incidences of non-compliance were found in relation to 'Other' companies.



**Table 8: Summary of findings in the Philippines**

	Level of compliance	Relative number of non-compliances	Total number of products found	Total number of incidences of non-compliance	Information / education materials at HF's and retail outlets	Observations of equipment at HF's	Media monitoring (traditional and online)	Promotions at retail outlets (physical and online retailers) <sup>2</sup>	Promotional material at HF's	Non-compliant product labels
					Sub-article 4.2	Sub-article 4.3	Sub-article 5.1	Sub-article 5.3	Sub-article 6.3, 6.8	Sub-article 9.2, 9.4
<b>Companies included in ATNI BMS/CF Marketing Index</b>										
<b>Abbott</b>	<b>High</b>	<b>0.75</b>	8	6	0	0	0	0	0	6
<b>Danone</b>	<b>Complete</b>	<b>0.0</b>	6	0	0	0	0	0	0	0
<b>Nestlé</b>	<b>High</b>	<b>0.94</b>	50	47	0	0	45	2	0	0
<b>Reckitt</b>	<b>Medium</b>	<b>1.11</b>	17	19	0	1	3	0	1	14
<b>Sub total</b>			<b>81</b>	<b>72</b>	<b>0</b>	<b>1</b>	<b>48</b>	<b>2</b>	<b>1</b>	<b>20</b>
<b>Other companies not included in the ATNI BMS/CF Marketing Index</b>										
<b>Sub-total Other</b>			<b>53</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>31</b>	<b>0</b>	<b>48</b>
<b>Total</b>			<b>134</b>	<b>152</b>	<b>0</b>	<b>1</b>	<b>49</b>	<b>33</b>	<b>1</b>	<b>68</b>

Source: The Philippines, Marketing of breast-milk substitutes and complementary foods, May 2021, ATNI

## 7.7.2 Mexico study and results

### Regulatory context

In addition to assessing compliance with The Code, the Westat study assessed corporate compliance with prevailing relevant national regulations relating to BMS and CF where they go beyond The Code.

Relevant national regulations span six legal instruments which relate to the marketing and labelling of BMS products, and the labelling of food and non-alcoholic beverages for infants and young children. (This term encompasses what ATNI refers to as complementary foods). These measures apply to various types of marketing, and to labelling, in different ways to different product types, including infant formula, follow-on formula, growing-up milks, formulas for special medical purposes and complementary foods.

According to the 2020 WHO, UNICEF and IBFAN Status Report on National Implementation of the International Code, Mexico's Code law is classified as "moderately aligned with the Code". This assessment overall considers it to be generally stronger in relation to restrictions on promotions to the general public and within healthcare facilities, but much weaker in relation to controlling engagement with healthcare workers. With respect to labelling, in some areas and/or in relation to certain product types, the local measures are weaker than The Code and in others they go beyond it. Moreover, the 2020 Status Report found that the provisions of The Code embedded in Mexico's legal measures do not include effective mechanisms for monitoring, reporting, and sanctioning against non-compliance.

The laws and gaps between Mexico's legal framework and The Code are documented more fully in the [Westat report](#).



## Findings

An overview of findings in Mexico is provided in Table 9. More detail is provided in ATNI's summary report and in Westat's reports. A total of 325 incidences of non-compliance were identified, 264 in relation to the six ATNI Index companies and 61 in relation to 'Other' companies. The largest number were related to point-of-sale promotions in retail settings including both physical and online outlets.

**Table 9: Summary of findings in Mexico**

	Level of compliance	Normalized no. of non-compliances	Total no. of products found <sup>1</sup>	Total no. of incidences of non-compliance	Media monitoring (traditional and online)	Promotions at retail outlets (physical and online retailers) <sup>2</sup>	Non-compliant product labels
					Sub-article 5.1	Sub-article 5.3	Sub-article 9.2, 9.4
<b>Companies included in BMS/CF Marketing Index 2021</b>							
<b>Abbott</b>	Low	<b>2.80</b>	15	42	12	20	10
<b>Danone</b>	High	<b>0.21</b>	14	3	1	0	2
<b>Friesland Campina</b>	Low	<b>2.60</b>	10	26	12	8	6
<b>KraftHeinz</b>	High	<b>0.14</b>	35	5	0	0	5
<b>Nestlé</b>	High	<b>0.52</b>	233	122	41	48	33
<b>Reckitt</b>	Low	<b>2.44</b>	27	66	28	29	9
<b>Sub total</b>			<b>334</b>	<b>264</b>	<b>94</b>	<b>105</b>	<b>65</b>
<b>Other companies not included in the BMS/CF Marketing Index 2021</b>							
<b>Sub-Total Other</b>			<b>61</b>	<b>61</b>	<b>6</b>	<b>19</b>	<b>36</b>
<b>Total</b>			<b>395</b>	<b>325</b>	<b>100</b>	<b>124</b>	<b>101</b>

Source: Mexico, Marketing of breast-milk substitutes and complementary foods, June 2021, ATNI

## 7.8 What was the overall level of Code compliance in the two countries?

Among the companies included in the BMS/CF Marketing Index 2021, almost four times the number of incidences of non-compliance were identified in Mexico (264) compared to the Philippines (72). The total number of products found in each country was also substantially different: 334 in Mexico versus 81 in the Philippines.

The normalized scores for each country (i.e., the ratio of number of incidences of non-compliance with the products available on the market) illustrate that the level of compliance with the ATNI methodology in the Philippines was higher than in Mexico. This is most likely because the legal measures in the Philippines are more fully aligned with The Code than in Mexico; all companies aim first and foremost to comply with local laws and regulations.

In the Philippines, the most commonly observed incidences of non-compliance related to labelling and adverts and promotions. In Mexico, these forms of marketing were also largely prevalent, most of which were found online. However, it must be remembered that due to the COVID-19 pandemic, data collectors could not visit healthcare facilities nor small retailers and, therefore, there are no findings for these locations.



Results for the companies included in the ATNI BMS/CF Marketing Index 2021 in both countries show that the highest percentage of incidences of non-compliance were related to growing-up milks, which contributed 49% of total non-compliance (Table 10) – a lower figure compared to the 2018 assessment when incidences of non-compliance relating to growing-up milks contributed 66%. The next highest levels of non-compliance were found in relation to CF for older infants and young children, and to infant formula, at 19% and 15% respectively. The lowest number of non-compliance incidences were found for follow-on formula and CF for infants from birth to 6 months of age with each of those product types contributing to 6% of total incidences of non-compliance.

**Table 10: Number of observed incidences of non-compliance (INC) by product type in the Philippines and Mexico**

	Total no. of products		Products		Products		Products		Products		Products		Not related to a specific product
	Total no. of products	INC	INC	INC	INC	INC	INC	INC	INC	INC	INC		
			CF 0-6	IF 0-6	FOF 6-12	GUM 12+	CF 6-36						
<b>Abbott</b>	23	48	-	-	15	13	2	1	6	34	-	-	0
<b>Danone</b>	20	3	0	0	13	1	3	1	4	1	0	0	0
<b>Friesland Campina</b>	10	26	-	-	7	4	1	1	2	21	-	-	0
<b>Kraft-Heinz</b>	35	5	0	0	0	0	0	0	0	0	35	5	0
<b>Nestlé</b>	283	169	4	0	33	5	14	3	26	94	206	50	17
<b>Reckitt</b>	45	85	-	-	25	16	6	7	13	56	-	-	6
<b>Sub-total</b>	415	336	4	0	93	39	26	13	51	206	241	55	23
<b>Sub-total other</b>	114	141	6	27	37	34	19	15	15	28	37	36	1
<b>Overall total</b>	529	477	10	27	130	73	45	28	66	234	278	91	24
<b>Overall% of total non-compliances</b>	<b>100%</b>		<b>6%</b>		<b>15%</b>		<b>6%</b>		<b>49%</b>		<b>19%</b>		<b>5%</b>

**Abbreviations:** Complementary foods (CF); Infant formula (IF); Follow-on formula (FOF); Growing-up milks (GUM)

## 7.9 What level of compliance did each company achieve?

**Danone**, as in the 2018 assessment, achieved the highest level of compliance of the six companies, with a BMS/CF 2 score of 83%.

Danone achieved a complete score in the Philippines with no incidences of non-compliance observed in relation to the six legitimate products assessed in that market. A high level of compliance was found in Mexico, where 14 legitimate products were assessed. These results may be due, in part, to the company's relatively small market presence in both countries.

In total, three incidences of non-compliance with The Code were observed in Mexico and none in relation to local regulations that go beyond The Code. Two products, one infant formula and one follow-on formula, had non-compliant labels, as they conveyed an endorsement by professionals which does not comply with Recommendation 4 of the guidance associated with WHA 69.9 which stipulates the messages that should and should not be used on package labels and in other marketing. Danone's BMS





marketing policy does not yet include any provisions relating to WHA 69.9. The remaining finding was a promotion on the company's website for a growing-up milk, products which the company does not include within the scope of its policy.

Like all other companies present in Mexico, Danone was fully compliant with Articles 4 and 6 which pertain to information, material, equipment, and promotion of products within healthcare facilities.

**Nestlé was found to have a high level of compliance in both countries and a total BMS/CF 2 score of 66%.**

Nestlé's BMS/CF 2 assessment score is high overall because it achieved a high level of compliance in both the Philippines and Mexico. The company has the largest market share in each country and sold the largest number of legitimate products - 283 in total - for which 169 incidences of non-compliance in total were found. The greatest number of findings were in relation to Article 5 of The Code, which addresses advertising and promotion to the general public, and predominantly on the company's own social media channels (rather than on traditional media) and online retail sites. The next highest area of non-compliance was in relation to Article 9 which addresses labelling, as well as claims made on some products, and wording omitted as recommended in guidance related to WHA 61.20 (as interpreted by the NetCode Protocol) and that related to WHA 69.9.

In terms of product types, the vast majority of non-compliance was in relation to growing-up milks and CF. This is because these product types fall outside the scope of the company's current BMS marketing policy, and Nestlé has not yet incorporated commitments to implement WHA 69.9 into that policy.

**KraftHeinz also achieved a total BMS/CF 2 score of 66%, based only on results from Mexico.**

KraftHeinz was present only in Mexico, where 35 legitimate CF products were found. It achieved a high level of compliance, as five labels were non-compliant with The Code, though not with local regulation. The labels were missing the required wording stated in Recommendation 4 of WHA 69.9 on the importance of continued breastfeeding for up to two years or beyond. No other types of marketing for these products were found across the media monitored (traditional and online) or at physical retail outlets. This may be due, in part, to the company's relatively small market presence in Mexico.

**Abbott achieved a combined score of 33% on BMS/CF 2 with a high level of compliance in the Philippines but a low level of compliance in Mexico.**

In the Philippines, all of the six observed incidences of non-compliance with The Code for Abbott's eight products found on the market related to labelling. These incidences were all associated with labels which omitted an instruction that powdered formulas should be prepared one feed at a time, as set out in the WHO/Food and Agriculture Organization of the United Nations (FAO) guidelines on safe preparation, storage and handling of powdered infant formula referenced in WHA 61.20, as interpreted by the NetCode Protocol (but which is not a requirement of local regulations). The company was fully compliant with Articles 4 and 5 and with local regulations that go beyond The Code.

In Mexico, 42 incidences of non-compliance were observed across many of the Articles of The Code for the 15 products found. No non-compliance with local regulation that go beyond The Code was observed. Most of the non-compliance related to promotions of BMS products (Article 5.3) followed by media advertisements of BMS products (Article 5.1). Most of Abbott's incidences of non-compliance were in relation to growing-up milks, followed by infant formula; the latter fall within the scope of Abbott's policy, but the former do not.

**Reckitt** achieved a combined score of 17% on BMS/CF 2 with a medium level of compliance in the Philippines and a low level of compliance in Mexico.

As with the other companies assessed in ATNI's BMS/CF Marketing Index 2021, most of the observed incidences of non-compliance for Reckitt's 44 products found in the two markets were associated with



marketing and promotions (Article 5) and labelling practices (Article 9). In the Philippines, most incidences related to omission of information as set out in the WHO/FAO guidelines on safe preparation, storage and handling of powdered infant formula, referenced in WHA 61.20, and as interpreted by the NetCode Protocol (but which is not a requirement of local regulations). In Mexico most incidences of non-compliance related to the promotion of products at retail outlets both online and at physical stores (Article 5.3) and promotion in various media (Article 5.1). The majority of incidences of non-compliance were for growing-up milks, which are not included in the scope of the company's current policy.

**FrieslandCampina** scored 0% on BMS/CF 2 due to its low level of compliance in Mexico, the one country on which its score is based.

A total of 26 incidences of non-compliance with The Code were observed relating to 10 BMS products, and none in relation to local regulations that go beyond The Code. Most incidences of non-compliance observed related to online marketing (Article 5.1), closely followed by online and physical point-of-sale promotions (Article 5.3) and labelling (Article 9). The majority of incidences of non-compliance were found on the company's own media sites. These findings related to 12 unique adverts or promotions of growing-up milk; there were no findings on traditional media nor on online parenting sites. Eight promotions for growing-up milk were also found on retailers' sites - three on online retail sites and five at physical outlets. However, the non-compliance in relation to labelling was more common for infant formula (four out of six non-compliant product labels). Again, all were missing one of the required statements that powdered formulas should be prepared one feed at a time as set out in the WHO/FAO guidelines on safe preparation, storage and handling of powdered infant formula referenced in WHA 61.20, as interpreted by the NetCode Protocol (but which is not a requirement of local regulations).

Full details of all six companies' performance can be found in their individual 2021 BMS/CF Marketing Scorecards [here](#). For analysis of relative levels of compliance with different Articles of The Code, see the Westat reports available [here](#). Analysis showing a like-for-like comparison of the companies' scores in the 2018 and 2021 Indexes, by removing findings related to WHA 69.9 for the 2021 assessment, is available in Annex 5.

## 7.10 Observations related to the in-country studies

Two sets of observations can be made, one in respect of the Articles of The Code, and the other in relation to product types.

### *Observations related to Articles of The Code and all subsequent relevant WHA resolutions*

#### **Marketing appears to be shifting away from physical materials (Article 4)**

Perhaps unsurprisingly, given the ease and flexibility of using online media to reach consumers and healthcare professionals, companies appear to be producing fewer physical informational and educational materials, such as posters or booklets. Only one was found in the Philippines, in either healthcare facilities or in retail stores. Similarly, although no visits could be made to healthcare facilities in Mexico due to COVID-19 restrictions, no materials were found in the retail environment in that country either. Overall, therefore, near total compliance with Article 4 of The Code was found.

#### **Online marketing and promotions (Article 5)**

Conversely, non-compliance with Article 5 of The Code was the most common type found. In Mexico, 199 incidences of non-compliance were observed for the six companies in the BMS/CF Marketing Index 2021 which generally have the largest market share; there were another 25 among the 'other' companies. In the Philippines, 50 such findings were found for the four companies included in the BMS/CF Marketing Index 2021, and another 32 for the 'other' companies. Further, most of the findings related to online marketing. This poses a significant challenge to national authorities in terms of monitoring and control because it is so widespread and constantly changing. More reason, therefore, for companies that assert that they aim to protect breastfeeding to do so by demonstrating their adherence to The Code, and voluntarily applying their policies to these media and diligently monitoring and regulating their own practices.



Article 5 of The Code also clearly states that promotions of all kinds are not permitted by manufacturers and distributors. This includes retailers of BMS products, whether they have formal contracts with BMS manufacturers to market their products or not. While recognizing the limits that companies face under anti-trust regulations (which, inter alia, prevent one company trying to influence the pricing decisions of another), manufacturers are urged to look for ways to engage with online retailers to abide by The Code's requirement that their BMS products should not be discounted or otherwise promoted. Similarly, national authorities are encouraged to do more to ensure that distributors and retailers, within physical stores and online, understand their obligations under local regulations and The Code, and that suitable penalties are in place to deter infraction of those obligations.

### **Marketing within and to the healthcare sector (Article 6, sub-article 6.3 and 6.8, WHA 69.9, (Article 7, sub-article 7.3, 7.4 and 7.5 and WHA 69.9)**

Due to COVID-19 restrictions, it was only in the Philippines that Westat's local partner Nutrition Center of the Philippines (NCP), could visit and observe potential non-compliance with Article 6, and conduct interviews in healthcare facilities and with healthcare professionals to assess compliance with Article 7. This was not possible in Mexico. The assessment of compliance with these two articles is therefore not as complete as in previous studies. The findings from the Philippines indicate that, similar to Article 4 in relation to informational and educational materials, the companies assessed appeared to donate very few pieces of equipment or materials, or offer such donations. There is, therefore, a relatively high level of compliance with The Code and local regulations in this area - an encouraging finding.

While in ATNI's methodology, financial or material inducements or product samples offered to healthcare workers do not contribute to companies' overall scores or the total number of incidences of non-compliance, 48 incidences were reported by the professionals interviewed in the Philippines. In relation to Article 7.4 and WHA 69.9, there were seven reported instances of healthcare professionals being contacted by companies to provide samples of BMS products to mothers. In relation to Article 7.5 and WHA 69.9, there were 40 reports by healthcare workers of being contacted by companies regarding payment to attend events or workshops outside the facility. This illustrates that there are weaknesses in the companies' adherence to their own policies in this regard and/or their policies do not fully incorporate the recommendations of The Code. This also indicates that there are potentially weaknesses in education and enforcement by local authorities, and/or regulatory and professional bodies. Continued vigilance and action is therefore needed by all responsible parties.

### **Labelling (Article 9)**

Product labels provide caregivers with essential information regarding the product, including its appropriate use, safe preparation and composition. It is crucial that BMS products are not in any way portrayed as being superior or equivalent to breastmilk, by using claims and other forms of messaging, and that appropriate breastfeeding practices are protected and promoted.

Overall, just under half (44%) of all of the observed incidences of non-compliance found in the Philippines related to labelling. The equivalent proportion in Mexico was just under one-third (31%). In the Philippines, prevailing regulations incorporate nearly all requirements of The Code, including relevant WHA resolutions, but do not fully align with the recommendations of the WHO/FAO guidance associated with WHA 61.20 on the safe preparation of powdered formulas, as interpreted by the NetCode Protocol. The interpretation of local measures in relation to the use of claims on BMS products, particularly formulas for special medical purposes, appears to need to be clarified. Similarly, in Mexico, although the legal measures currently in place in relation to labelling go beyond The Code in some respects for some products, in other respects there are significant gaps. These gaps were most apparent, as in the Philippines, in relation to: i) the WHO/FAO guidance related to WHA 61.20, as interpreted by the NetCode Protocol, and; ii) the use of claims on both BMS and CF. In Mexico, most findings of non-compliance related to labels were for growing-up milks and CF. Moreover, some of the companies' policies lack Code-aligned commitments in these areas and need to be strengthened.



Among the companies ranked by ATNI, none of the 241 CF found in the two markets were labelled as suitable for introduction before six months of age; a positive finding. However, many of those made by 'other' companies - many likely to be parallel imports - were labelled in this way.

Further, in relation to CF, there was incomplete compliance with other aspects of Recommendation 4 among all companies. The use of health and/or nutrition claims on these types of products was also quite widespread in both countries. Both the local authorities and all companies, therefore, need to strengthen prevailing policies to ensure that they preclude the use of claims and require all messaging required in relation to WHA 69.9.

In Mexico there were also a wide range of other types of non-compliance on the labels of infant formulas, follow-on formulas and growing-up milks, on both products made by ATNI-ranked companies and 'other' companies. This indicates the need for the local authorities in the country to strengthen current legal measures on labelling, and for all companies to adopt and fully apply policies that align to The Code, including recommendations set out in the guidance associated with WHA 69.9.

### ***Observations related to product type***

#### **Growing-up milks**

The Code defines BMS as any food being marketed or otherwise presented as a partial or total replacement for breastmilk, whether or not suitable for that purpose. As such, its recommendations have always applied to growing-up milks when marketed in this way. This was further clarified in 2016 by WHA Resolution 69.9 and the associated guidance. However, these products are not yet covered by any of the companies' policies and are subject to less stringent marketing controls than other types of formulas under the local laws and regulations in both countries. As a result, they were found to be the greatest source of non-compliance in both the Philippines and Mexico for all companies that make these products. This was also the case in ATNI's previous studies in other countries.

This finding is of particular concern because, as guidelines on feeding young children issued by WHO, UNICEF and others state, these products are unnecessary from a dietary perspective. Children from the age of 12 months can drink cow's milk, goat's milk or other local milks and/or breastfeeding should continue until two years or beyond.<sup>46</sup> Moreover, in recent studies in other markets, many have been found to be of poor nutritional quality, high in added sweeteners including sugar, and to carry claims not supported by independent science.<sup>47 48 49</sup> The widespread marketing of these products, usually branded as a 'suite' of related products suitable for different stages of development, i.e., similarly to the branding on infant formulas and follow-on-formulas, also serves to reinforce brand-level marketing.

#### **Parallel imports**

In both countries, a large number of parallel imports were for sale. Of the 182 products initially identified in the Philippines made by the four companies included in this Index, 101 products were 'legitimate' products, i.e., products intended for the Philippines' market, and the rest (45%) were parallel imports. In Mexico, 50 out of 382 products found were parallel imports (13%). ATNI was not able to confirm with the 'other' companies how many of their products were parallel imports, but it is likely a substantial proportion were.

The wide availability of products not made for a specific market means that local consumers are able to buy, and give to their children, formulas and foods that are not adequately labelled in the local language, for example, which could pose a risk to their health. Similarly, even if claims are restricted by local regulation, parallel imports may carry claims, which may not simply influence purchasing decisions related to the particular product but may also influence consumers' thinking more broadly about the suitability of products for their children, or their superiority compared to breast-milk, for example.

This is one reason why it is critical that companies adopt global fully Code-aligned policies to cover all products, so that some of these issues do not arise. Local authorities also have a role to play in ensuring that the importation of these types of products is more strictly controlled. Product manufacturers could



also consider how they might deter this trade, so that only products intended for particular markets are sold there.

## 7.11 Conclusion

In both countries, the current legal framework includes fewer controls on the marketing of growing-up milks and CF than on other types of products AND none of the policies of the companies included in this Index yet extend to these types of products (nor formulas for specific medical purposes).

Thus, while the observed incidences of non-compliance for these companies in relation to CF marketed as suitable for infants less than six months of age, infant formula and follow-on formula can be principally attributed to their policies not fully incorporating all aspects of The Code (particularly all WHA resolutions) and/or failures in their management systems, those related to growing-up milk and CF are due both to current regulation not being fully aligned with The Code (including all WHA resolutions) AND the lack of company commitments at present to market these products according to all of the recommendations of The Code.

## 7.12 Recommendations

**To fully implement the WHO recommendations, all companies need to extend the scope of their policies to all types of BMS and CF products.**

While most companies have policies that are moderately aligned with The Code - as shown by the BMS/CF 1 results - many incidences of non-compliance were observed (and reported by healthcare workers and mothers in the Philippines where interviews were able to take place). These related mostly to growing-up milk and CF. This is principally because these product types are currently excluded from the scope of all companies' policies in all markets. All companies are urged to revise their policies to extend their scope to encompass these products.

**To fully implement the WHO recommendations, all companies need to extend the scope of their current policies to incorporate the recommendations of all WHA resolutions and associated guidance and standards.**

The marketing policies of all of the companies assessed omit some or all of the recommendations of the 18 WHA resolutions passed since the adoption of the original code in 1981. In some cases, these resolutions re-state or re-emphasize the importance of certain elements of 1981 document; in other cases, they modify it - by extending or strengthening the original provisions. Thus, The Code evolves over time, in line with advances in science and public health and with marketing practices. All companies are urged to acknowledge that all WHA resolutions adapt or extend the 1981 Code, i.e., they should be taken together as a body of WHO recommendations, and to update their marketing policies regularly to reflect the recommendations associated with each new resolution. Specifically, companies are urged to carefully review all WHA resolutions and the associated guidance and standards, published by WHO, FAO and/or other organizations, and to update their policies to fully reflect all of them.

The WHO guidance associated with Resolution WHA 69.9 which was adopted in 2016 was particularly important because it introduced, for the first time, recommendations in relation to CF intended for young children aged 6-36 months, among other things. It urges member states to "*end inappropriate promotion of food for infants and young children, and to promote policy, social and economic environments that enable parents and caregivers to make well informed infant and young child feeding decisions, and further support appropriate feeding practices by improving health and nutrition literacy...*" It calls upon manufacturers and distributors of foods for infants and young children "*to end all forms of inappropriate promotion, as set forth in the guidance recommendations.*" The guidance provides seven clear recommendations that manufacturers should include in their internal policies and governments should enact in their national regulations and enforce. Those companies that make these products are urged to add clauses to their policies, and extend their management systems, to implement these recommendations.



**National authorities have scope to improve companies' compliance with The Code by adopting national laws and regulations that are fully aligned with it and by enforcing those measures.**

One of the most effective ways for countries to curb the inappropriate marketing of BMS and CF is to adopt laws and regulations that give full effect to The Code - including all subsequent relevant WHA resolutions - and to enforce them effectively. These results show stronger levels of compliance in the Philippines where legal measures are more fully aligned with The Code than in Mexico, where they are less well aligned. However, it is also critical that companies adopt and uphold their own policies that are fully aligned with The Code in order to ensure full global compliance until all countries have the necessary legal measures in place.





## 8. Future Indexes

ATNI hopes that this Index will aid the work of all organizations and individuals committed to improving the health of infants and young children, particularly through increasing breastfeeding everywhere. ATNI encourages all stakeholders to use the Index and to provide feedback about how they have used it and how it could be improved in future.

From the autumn of 2021, ATNI will hold a series of consultations with a wide range of stakeholders to collate this input and inform the evolution of the methodology for the next Index.

The next BMS/CF Marketing Index will be expanded to the world's 20 largest baby food manufacturers, thanks to the Bill & Melinda Gates Foundation.



# Annexes

## Annex 1: Definitions of BMS and CF used by ATNI, based on The Code, WHO and Codex definitions

The Code stipulates in its definitions that a BMS is any food being marketed or otherwise presented as a partial or total replacement for breastmilk, whether or not suitable for that purpose. If CF are marketed as suitable from six months of age, they are not considered to be BMS. But if they are labelled or marketed as suitable for infant younger than six months of age, then they are classified as BMS, and all marketing of those products should follow the recommendations of The Code.

The Code defines CF as any food, whether manufactured or locally prepared, suitable as a complement to breastmilk or infant formula when either becomes insufficient to satisfy the nutritional requirements of the infant. CF, as long as they are safely prepared and appropriately formulated, are essential to children's growth and development. Commercially produced CF should be promoted according to the recommendations set out in WHO document, A69/7 Add 1, dated 13<sup>th</sup> May 2016, and entitled 'Guidance on ending the inappropriate promotion of foods for infants and young children', referenced in WHA Resolution 69.9 adopted at the 69<sup>th</sup> World Health Assembly.

Foods for infants and young children is a broader definition set out in the same document that encompasses both BMS and commercially produced food or beverage products that are specifically marketed as suitable for feeding children up to 36 months.

Types of BMS					Types of CF
FSMPs intended for infants	Infant formulas	CF	Follow-on formulas	Growing-up milks	CF
Marketed or otherwise presented as suitable					
From birth	From birth to six months of age	Up to six months of age	From 6-12 months of age (or beyond)	From 12-36 months of age (or beyond)	From 6-36 months of age
Document defined by					
The Code & Codex Standard 72-1981, subsequently amended and revised up to 2016	The Code, 1981	The Code, 1981	WHO Statement, Jul. 2013  Codex Standard 156-1987, currently under revision	WHO Statement, Jul. 2013  WHO document A69/7 Add 1, dated 13th May 2016 entitled 'Guidance on ending the inappropriate promotion of foods for infants and young children'  Codex Standard 156-1987, currently under revision	The Code, 1981  WHO document A69/7 Add 1, dated 13th May 2016 entitled 'Guidance on ending the inappropriate promotion of foods for infants and young children'



## Annex 2. How comprehensive are companies' overarching commitments to The Code and to support breastfeeding?

The first section of the BMS module of the BMS/CF 1 methodology principally assesses whether company policies explicitly state support for the core principles of The Code and WHO recommendations regarding breastfeeding and infant and young child feeding.

As Table 11 shows, since the 2018 assessment, Danone<sup>x</sup> and Reckitt have strengthened their overarching commitments and KraftHeinz, for the first time, publicly disclosed its commitments. However, there is still room for some improvement. No company acknowledged WHA Resolution 69.9 and the associated guidance. As a result, having previously achieved 100% in this section, the scores of Abbott, FrieslandCampina and Nestlé's fell.

Though many companies make many of these statements, their policies and practices do not match them in reality, as the results of the Index illustrate.

**Table 11: Commitments made by each company to key principles of The Code and related scores**

Company explicitly states support for:	Abbott	Danone	Feihe	Friesland Campina	Kraft Heinz	Mengniu	Nestlé	Reckitt	Yili
Exclusive breast-feeding for first six months	Yes	Yes	No info	Yes	No	No info	Yes	Yes	No info
Continued breast-feeding up to two years or more	Yes	Yes	No info	Yes	No	No info	Yes	Yes	No info
Introduction of appropriate CF from the age of six months	Yes	Yes	No info	Yes	No	No info	Yes	Yes	No info
The Code	Yes	Yes	No info	Yes	Yes	No info	Yes	Yes	No info
All relevant WHA resolutions	Yes	Yes	No info	Yes	Yes	No info	Yes	Yes	No info
<b>WHA Resolution 69.9</b>	<b>None of the companies made an explicit acknowledgement of WHA Resolution 69.9</b>								
<b>Score 2021</b>	92%	94%	0%	92%	25%	0%	94%	81%	0%
<b>Score 2018</b>	100%	88%	N/A	100%	0%	N/A	100%	69%	N/A
<b>Score 2016</b>	58%	81%	N/A	69%	0%	N/A	100%	44%	N/A

Yes	Commitments the same as 2018
Yes	New commitment made
No	No commitments made
No info	No available information to complete the assessment of these commitments
N/A	Not applicable as company was not part of the assessment in that year

<sup>x</sup> Danone's improvement is not captured in Table 11 because it is due to the company policy now applying to joint-ventures and subsidiaries where the company has a holding of less than 50%



## Annex 3: Comparison of companies' scores on policy and management systems in 2016, 2018 and 2021

Descriptive analysis of each company's performance on policy and management systems is provided in section 6.3 of this report.

Figure 10 shows how each company performance on all policy indicators across all sections of the methodology, in terms of their initial scores.

Figure 10: Initial policy commitment scores on the BMS/CF 1. Corporate profile

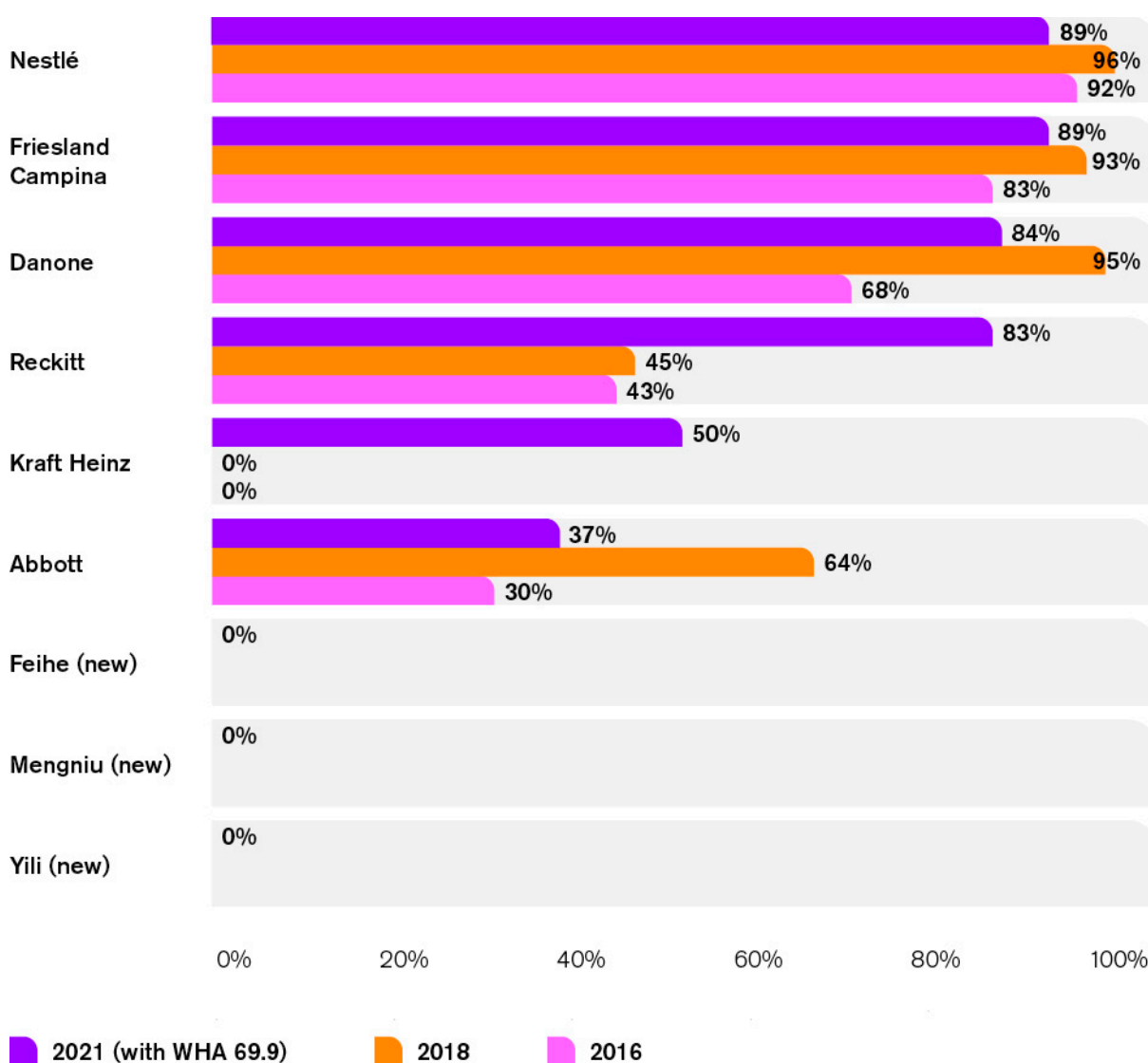
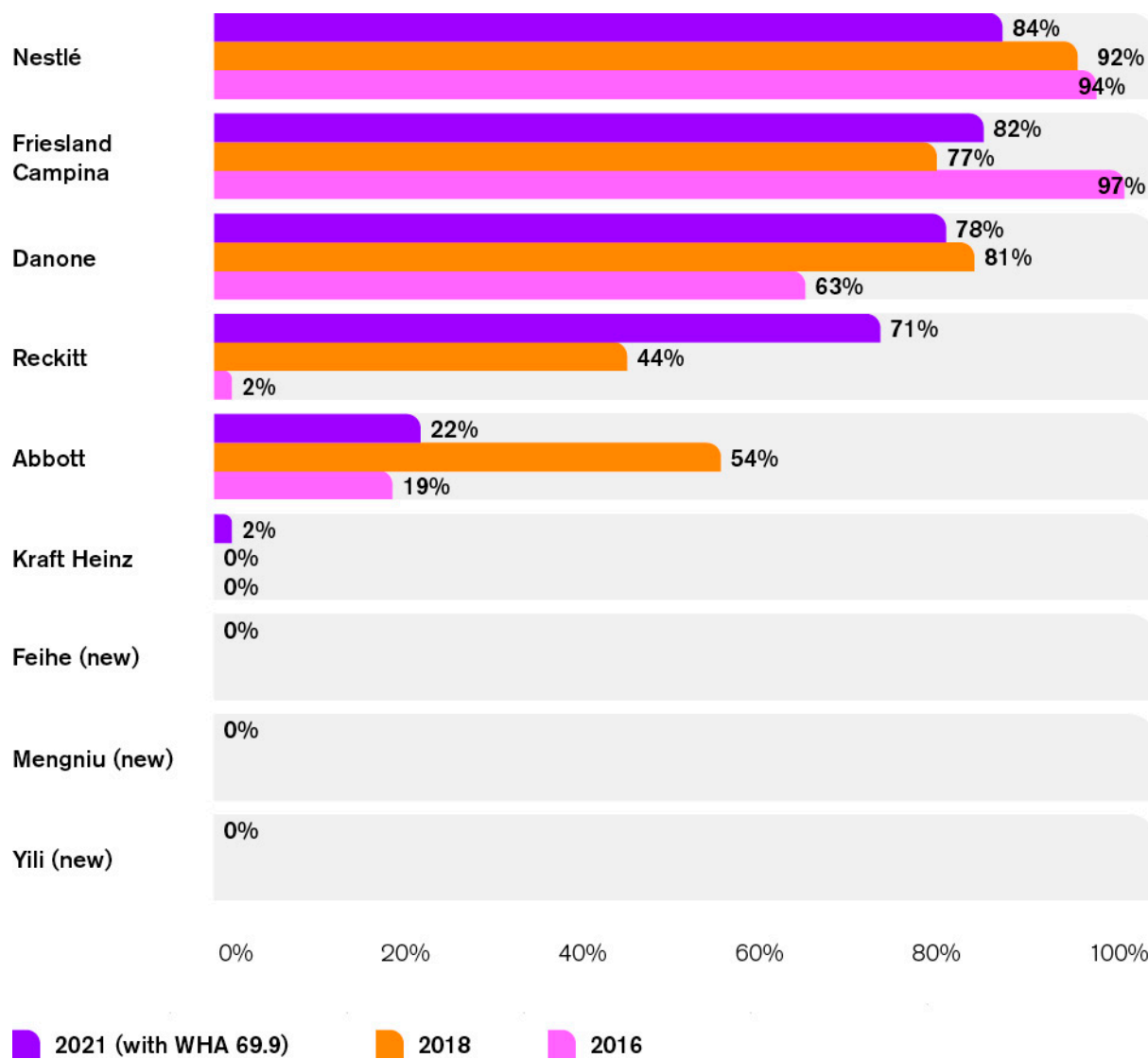




Figure 11 shows how each company performance on all management systems indicators across all sections of the methodology, and the relevant modules, in terms of their initial scores.

Figure 11: Initial management systems scores on the BMS/CF 1. Corporate profile





## Annex 4: How companies' initial scores are weighted to generate final scores on the BMS/CF 1 Corporate Profile

### A4.1 Initial BMS/CF 1 Corporate Profile scores

The companies' final BMS/CF 1 Corporate Profile score is arrived at by applying several different types of weightings and penalties to the initial BMS/CF 1 score.

Table 12 presents companies' initial scores on BMS/CF 1 Corporate Profile combining the scores from both modules, with the module weights already applied (95% for BMS Module, 5% for CF Module, if applied. If a company is not assessed on the CF Module, its score is based only on the BMS Module score.).

**Table 12: Companies' initial BMS/CF 1 Corporate Profile percentage score**

	Nestlé	Danone	Reckitt	Friesland Campina	Abbott	Kraft Heinz	Feihe	Mengniu	Yili
<b>Overall initial Corporate Profile score</b>	85%	81%	78%	76%	32%	20%	0%	1%	0%

Having assessed the companies' policies and associated management, the next step is to determine to which product categories and in which types of countries they apply.

### A4.2 Scope of companies' policies

All companies take a different approach to defining the geographic scope and product coverage of their policies. Further, while all companies commit to uphold national regulations in all countries at a minimum, they take different stances in respect of their practices in countries with regulations weaker than their own policy or absent altogether. The result is a complex patchwork which can be difficult to understand.

To fully align with the intended product scope of The Code, company BMS marketing policies should cover **all** BMS products, including growing up milks marketed as suitable for children up to 36 months of age, and all FSMPs. If they make CF, their policies should be extended to include commitments in relation to the marketing of these products, or a separate policy should be developed. That policy should align to all of the recommendations set out in the guidance associated with WHA Resolution 69.9. All CF should be labelled as suitable for introduction to infants over six months of age and not younger; if they are not, they function as BMS.

Although The Code was designed for universal application, many companies distinguish between higher-risk and lower-risk countries, using two criteria of more than 10 per 1,000 under five mortality rate and more than 2% acute malnutrition (moderate and severe wasting in under-fives) which were adopted by FTSE Russell's FTSE4Good Index in its BMS Criteria in 2010.

Table 13 shows the extent to which the companies' policies fall short of complete application as intended by The Code. Red cells illustrate which products and /or types of country are excluded from the companies' policies. Dark green cells show to which products and /or types of countries the companies include within the scope of their policies. FrieslandCampina takes a different approach to the other companies, as described below.





**Table 13: Application and scope of companies' policies to markets and products**

	BMS								CF
	CF 0-6 (a)		IF 0-6		FOF (6-12)		GUM (12-36)		CF 6-36
	High risk	Low risk	High risk	Low risk	High risk	Low risk	High risk	Low risk	
<b>Nestlé</b>	Own policy	Out of scope	Own policy	Out of scope	Own policy	Out of scope	Out of scope	Out of scope	Out of scope
<b>Danone</b>	Own policy	Out of scope	Own policy	Own policy	Own policy	Out of scope	Out of scope	Out of scope	Out of scope
<b>Friesland Campina (b)</b>	N/A	N/A	Own policy where no regulations	Own policy where no regulations	Own policy where no regulations	Own policy where no regulations	Out of scope	Out of scope	Out of scope
<b>Abbott</b>	N/A	N/A	Own policy	Own policy	Own policy	Out of scope	Out of scope	Out of scope	N/A
<b>Reckitt</b>	N/A	N/A	Own policy	Out of scope	Own policy	Out of scope	Out of scope	Out of scope	N/A
<b>Kraft Heinz</b>	Out of scope	Out of scope	Own policy	Own policy	Own policy	Own policy	Out of scope	Out of scope	Out of scope
<b>Feihe</b>	No policy in the public domain								
<b>Mengniu</b>	No policy in the public domain								
<b>Yili</b>	No policy in the public domain								

**Abbreviations:** Complementary foods (CF); Infant formula (IF); Follow-on formula (FOF); Growing-up milks (GUM)

a) The green shading means that the commitments made by companies in relation to CF 0-6 are that they will not market or label any CF as suitable for infants under six months of age. Red means that companies do not make this commitment in the types of markets indicated.

b) FrieslandCampina takes a different stance in relation to local regulations in countries where they are in place, as explained below. For this reason, the shading in the table is different to that used for other companies.

**KraftHeinz** commits to apply its BMS marketing policy to infant formulas and follow-on formulas globally where there are no regulations or where those regulations are less extensive than its own policy – the only company to do so. However, the policy does not include commitments to implement all articles of The Code, and it does not cover any of its baby foods. KraftHeinz therefore does not make the important commitment in relation to these products (which make up a sizable proportion of its sales in the baby food category) not to market or label them as suitable for introduction for children below six months of age. In reality, therefore, its marketing practices in all countries will fall well short of The Code. [However, in its response to the recent BMS Call to Action issued by WHO, UNICEF and several leading civil society organizations, KraftHeinz has made the commitment to achieve full Code compliance in all markets by 2030.]

**FrieslandCampina's** policy wording is substantially aligned to each of the Code's Articles. The policy applies (as do the associated Standard and internal Guideline) in all markets in which it operates, i.e., it does not make a distinction between higher-risk and lower-risk countries. It commits, where there are no local regulations, to follow its own policy, as do all other companies' whose policies ATNI was able to assess. However, in countries where regulation is in place, even where it is weaker than FrieslandCampina's policy, it follows local regulation both in terms of the products the legal measures cover and the provisions of the regulation in relation to different forms of marketing. (The exception is where local regulation has the same provision as FrieslandCampina's internal Guideline but that provision is less detailed than the company's guideline, in which case it applies its Guideline.) Thus, the effect of this



stance is that FrieslandCampina applies its policy less extensively than the five other companies whose policies ATNI was able to assess.

**Nestlé and Reckitt** – whose policies are substantially aligned with The Code and some subsequent WHA resolutions, as outlined earlier – apply their BMS marketing policies in higher-risk countries only and commit to upholding their policies where local regulations are in place but are less stringent than their own policies. In lower-risk countries, they comply only with local regulations. WHO has assessed all lower-risk countries' legal measures as falling short of The Code. [However, Nestlé has committed through the BMS Call to Action to extend its current policy for infant formulas in lower-risk markets by the end of 2022.]

**Danone's** policy, which is substantially aligned with the Code, but not subsequent WHA resolutions, covers infant formula in all markets, but follow-on formulas only in higher-risk markets. It has the same stance as Nestlé and Reckitt in relation to local regulations.

**Abbott** also states that its policy covers infant formula in all markets, but follow-on formulas only in higher-risk markets. It also states that it will adhere to its own policy where national measures are weaker. (The company confirmed to ATNI that it also adheres to its own policy in markets where there are no regulations, also this is note stated in its policy).

No relevant information appears to be published by **Feihe, Mengniu or Yili**.

## Final weighted BMS/CF 1 Corporate Profile scores

The last step in the ATNI scoring process is to apply all relevant product types, country types and legal stance weightings and penalties. These are the scores on which the final BMS/CF 1 Corporate Profile rankings are based. Table 14 shows these scores. A detailed explanation of how the relevant weightings and penalties were applied is provided in each company's scorecard. A description of the reasons for the increases or decreases in score is set out in section 6.1 of this report.

**Table 14: Final weighted BMS/CF Corporate Profile scores, presented by rank order on final scores**

		Initial BMS/CF1 Corporate Profile 2021 score (out of 100%)	⇒		Final BMS/CF 1 2021: Corporate profile score (out of 100%)	Final BMS/CF 1 2018: Corporate profile score (out of 100%)
1	<b>Danone</b>	81%		↓	53%	60%
2	<b>Nestlé</b>	85%		↓	48%	56%
3	<b>Reckitt</b>	78%		↑	47%	19%
4	<b>Friesland-Campina</b>	76%		↓	42%	51%
5	<b>Abbott</b>	32%		↓	24%	35%
6	<b>KraftHeinz</b>	20%		↑	11%	0%
=7	<b>Feihe</b>	0%			0%	N/A
=7	<b>Mengniu</b>	0%			0%	N/A
=7	<b>Yili</b>	0%			0%	N/A



## Annex 5: Estimating the effect of the inclusion of WHA Resolution 69.9 on companies' scores

For this Index, the Recommendations of the guidance associated with WHA Resolution 69.9 were incorporated into ATNI's methodology in order to provide a complete analysis of companies' compliance with The Code as it is understood to apply in 2021. This change affected the scope of the assessment and the scores in three principal ways: i) it extended the definition of BMS to formulas marketed as suitable for young children up to 36 months of age (whereas previously the definition had been 24 months of age); ii) it incorporated the recommendations relating to foods for older infants and young children aged 6 to 36 months, and; iii) it strengthened some of the restrictions on marketing within existing Code articles.

### A5.1 Like-for-like results of the 2018 and 2021 BMS/CF1 Corporate Profile assessments

In order to provide an estimate of the like-for-like comparison of the 2018 and 2021 results, ATNI has recalculated the scores for the six companies included in the 2018 assessment by excluding any indicators or answer options in the BMS module relating to WHA Resolution 69.9 (which affects all companies) and basing the final BMS/CF 1 score only on the BMS module by excluding the CF module scores. This affects only the three companies that make CF, as denoted with an asterisk in Table 15 below, which sets out the results. This exercise illustrates how much of any company's change in score could be ascribed to the inclusion of WHA Resolution 69.9, versus how much it is due to changes in the company's policies, practices and disclosure (and/or other changes ATNI made to the methodology.) It is important to note that these are not the results that provide the complete picture of Code compliance. They are provided for information only. They are not the basis of any scores or analysis presented elsewhere in this report or associated reports.

**Table 15: Companies' final scores excluding indicators and the module related to WHA Resolution 69.9**

	Was the company assessed on CF in 2021	2018 final BMS 1 score excluding WHA Resolution 69.9	2021 final BMS /CF 1 score excluding WHA Resolution 69.9	2021 final BMS/CF 1 score including WHA Resolution 69.9
Abbott	No	35%	26%	24%
Danone*	Yes	60%	62%	53%
FrieslandCampina	No	51%	44%	42%
Kraft Heinz*	Yes	0%	13%	11%
Nestlé*	Yes	56%	57%	48%
Reckitt	No	19%	50%	47%

Had ATNI not included the CF module as well as indicators relating to WHA Resolution 69.9 in the BMS module, Danone would have scored 62% rather than 53% which would have been two points higher than its final 2018 score. This indicates that its lower score in this BMS/CF Marketing Index 2021 is primarily attributed to the inclusion of WHA Resolution 69.9 which is reflected across the company's policy commitments, management systems and disclosure. Similarly, Nestlé would have scored 57% rather than 48% which would have been one percentage point higher than its final 2018 score.

Reckitt's substantial increase in score was due to the company adopting a new policy, though it does not include any WHA Resolution 69.9 recommendations, as was also the case for KraftHeinz. FrieslandCampina's score is lower in this BMS/CF Marketing Index 2021 principally due to ATNI's change in approach to calculating its final score, as described earlier. Abbott's lower score was also due to its revision of its policy, which makes no reference to any new recommendations introduced by WHA Resolution 69.9.



## A5.2 Like-for-like results of the 2018 and 2021 BMS/CF2 assessments

Table 16 sets out the results for the six companies included in ATNI's Index if the findings related to WHA 69.9 are excluded from the BMS/CF 2 results. This provides an estimate of the like-for-like comparison of the findings in 2018 and in this Index. It is important to note that these are not the results that provide the complete picture of Code compliance. They are provided for information only. They are not the basis of any scores or analysis presented elsewhere in this report or associated reports.

There is no effect on the scores or level of compliance for **Abbott, FrieslandCampina** or **Reckitt**, because they do not sell CF in these markets. For the other three companies the impact is as follows:

**Danone:** No change to the company's level of compliance in Mexico - it remains high.

**KraftHeinz:** The company's level of compliance increases from high to complete.

**Nestlé:** In the Philippines, the company's normalized score improves from 0.94 (as shown in Table 8 on page 58) to 0.83. The level of compliance is therefore high in both scenarios. In Mexico, the company's level of compliance worsens, falling from 0.52 (as shown in Table 9 on page 59) to 1.76, thereby reducing its level of compliance from high to medium.

**Table 16: Results for six ATNI companies were findings related to WHA 69.9 to be omitted**

	The Philippines			Mexico		
	Total number of BMS (i.e. excluding CF)	Relative level of compliance excluding WHA 69.9 results	Total number of incidences of non-compliance excluding WHA 69.9 results	Total number of BMS (i.e. excluding CF)	Relative level of compliance excluding WHA 69.9 results	Total number of incidences of non-compliance excluding WHA 69.9 results
<b>Abbott</b>	8	0.75 (High)	6	15	2.80 (Low)	42
<b>Danone</b>	6	0.00 (Complete)	0	14	0.10 (High)	1
<b>Friesland Campina</b>	-	-	-	10	2.60 (Low)	26
<b>KraftHeinz</b>	-	-	-	0	0.00 (Complete)	0
<b>Nestlé</b>	31	0.83 (High)	26	46	1.76 (Medium)	81
<b>Reckitt</b>	17	1.11 (Medium)	19	25	2.64 (Low)	66

Further details on each company's like-for-like comparison with its 2018 results are presented within each company scorecard found [here](#).



# Endnotes



- <sup>1</sup> WHO, 'Global strategy on infant and young child feeding' (2002) [http://www.who.int/nutrition/topics/infantfeeding\\_recommendation/en/](http://www.who.int/nutrition/topics/infantfeeding_recommendation/en/)
- <sup>2</sup> R Black et al., 'Maternal and child undernutrition: global and regional exposures and health consequences' (2008) *The Lancet* 9608: 243-260 [https://doi.org/10.1016/S0140-6736\(07\)61690-0](https://doi.org/10.1016/S0140-6736(07)61690-0)
- <sup>3</sup> PAHO/WHO, 'Guiding principles for complementary feeding of the breastfed child' (2003) [https://www.who.int/nutrition/publications/guiding\\_principles\\_compfeeding\\_breastfed.pdf](https://www.who.int/nutrition/publications/guiding_principles_compfeeding_breastfed.pdf)
- <sup>4</sup> UNICEF, 'Improving Young Children's Diets During the Complementary Feeding Period. UNICEF Programming Guidance' (2020) <https://www.unicef.org/documents/improving-young-childrens-diets-during-complementary-feeding-period-unicef-programming>
- <sup>5</sup> R Chowdhury et al., 'Breastfeeding and maternal health outcomes: A systematic review and meta-analysis' (2015) *Acta Paediatrica* 467: 96-113 [10.1111/apa.13102](https://doi.org/10.1111/apa.13102)
- <sup>6</sup> M Sankar et al., 'Optimal breastfeeding practices and infant and child mortality: A systematic review and meta-analysis' (2015). *Acta Paediatrica* 467: 3-13 [10.1111/apa.13147](https://doi.org/10.1111/apa.13147)
- <sup>7</sup> C Victora et al., 'Breastfeeding in the 21st century: Epidemiology, mechanisms, and lifelong effect' (2016) *The Lancet* 10017: 465-490 <https://www.bpni.org/Article/Breastfeeding-in-the-21st-century-epidemiology-mechanisms.pdf>
- <sup>8</sup> B Horta et al., 'Long-term consequences of breastfeeding on cholesterol, obesity, systolic blood pressure and type 2 diabetes: A systematic review and meta-analysis' (2015) *Acta Paediatrica* 467: 30-37 <https://onlinelibrary.wiley.com/doi/epdf/10.1111/apa.13133>
- <sup>9</sup> Duijts et al., 'Breastfeeding protects against infectious diseases during infancy in industrialized countries. A systematic review' (2009). *Maternal & child nutrition*. 5. 199-210 <https://doi.org/10.1111/j.1740-8709.2008.00176.x>
- <sup>10</sup> Sankar MJ et al., 'Optimal breastfeeding practices and infant and child mortality: a systematic review and meta-analysis' (2015) *Acta Paediatrica* 104 (467): 3-13 <http://www.ncbi.nlm.nih.gov/pubmed/26249674>
- <sup>11</sup> C Victora et al., 'Breastfeeding in the 21st century: epidemiology, mechanisms, and lifelong effect (2016). *The Lancet* 10017: 475-490 <https://www.bpni.org/Article/Breastfeeding-in-the-21st-century-epidemiology-mechanisms.pdf>
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