



BMS Marketing Report Global Index 2018

ATNI believes that it is essential for companies to contribute to optimal infant and young child nutrition. From conception to two years old, nutrition within the first 1,000 days of a child's life is particularly important.

Breastfeeding is a crucial element of infant and child nutrition (IYCN). Increasing breastfeeding to near universal levels could prevent over 820,000 deaths of children under five each year. It provides children with a lifetime protection against a range of illnesses, and confers many health benefits on mothers.

That is why the WHO recommends that babies everywhere are breastfed exclusively for the first six months, at which point safe, appropriate complementary foods should be introduced to meet their evolving nutritional requirements. The WHO also notes that complementary foods should not be used as breast-milk substitutes (BMS), and infants and young children should continue to be breastfed until they are two or older.

Good infant and child nutrition is essential to achieving global nutrition goals, such as those set by the WHO for 2025 on reducing wasting and stunting, and other goals related to combatting growing levels of overweight and obesity and reducing deaths and illness from diet-related chronic diseases. It is also key to delivering SDG 2 (Ending hunger) and SDG 3 (Good health and well-being), which will in turn contribute to the achievement of many other SDGs.

Inappropriate marketing of BMS can undermine optimal IYCN. Other factors associated with lower levels of breastfeeding include rising rates of female participation in the labor force, urbanization, and increasing incomes and aspirations, which have encouraged the adoption of convenience-oriented lifestyles and made baby formula and prepared baby foods more desirable. In many countries, the caché of premium products is an important symbol of social status.

Since publication of the 2016 Global Index, there have been several notable developments relating to BMS marketing. For example, WHA resolution 69.9 was passed in May 2016. The resolution clarifies the scope of BMS covered by and extends guidance on conflicts of interest. It also introduces new recommendations for marketing complementary foods and to deter cross-marketing.

Changes in company ownership and policy since Global Index 2016

Since the **Global Index 2016**, there have been some changes of ownership among the six major baby food companies assessed by the Global Indexes. Heinz and Kraft merged in July 2015 to form Kraft Heinz. Although this merger had happened by the time the last Global Index was published, much of ATNI's research had taken place prior to that date and as a result, the Heinz business was assessed separately. For this Index, the merged entity has been assessed. Mead Johnson Nutrition (MJN) was acquired in the summer of 2017 by RB and is referred to now as RB/MJN. As the new owner of MJN, RB developed a new BMS Marketing Policy and Procedures, this was published after ATNI had completed its research which has therefore not been taken into account.

Danone published a new BMS marketing policy in early 2016, in part spurred by the 2016 Global Index. Danone is now included in the FTSE4Good Indexes, having met the requirements for inclusion and is only the second baby food producer to do so, along with Nestlé. Nestlé also updated its BMS marketing policy in 2017 to provide more information about its management systems. In addition, it published 'The Nestlé Policy on Transparent Interactions with Public Authorities'. This new policy has stronger commitment regulators on BMS topics. FrieslandCampina also updated its Corporate Policy for the Marketing of Infant Foods in September 2017 and Abbott published its new policy in May 2017.

New research on BMS marketing

Various organizations have released reports since the 2016 Index was published that consistently find that BMS marketing around the world is not compliant with The Code. For example, Save the Children, supported by five non-governmental organization (NGO) partners, published a report entitled 'Don't Push It' in February 2017, highlighting the rapid growth of the baby food industry worldwide and what it described as the widespread aggressive marketing practices of major baby food companies at odds with recommendations of The Code. It drew to a large extent on four of ATNI's in-country studies. It also summarized three studies undertaken in Mexico, Ecuador and Chile using the original NetCode protocol that ATNI used for its studies in Thailand and Nigeria. The report states that these three studies in Latin America 'highlight the degree to which Code violations are rife in these countries'. It also summarized a survey by Action contre La Faim in Bangladesh.

Helen Keller International has published nine peer reviewed articles and several additional reports since March 2016 under its ARCH program (Assessment & Research on Child Feeding) on various aspects of marketing of complementary foods and BMS.5 International Baby Food Action Network (IBFAN) published another edition of its comprehensive global compendium of violations of The Code 'Breaking The Rules, Stretching The Rules' in 2017. Changing Markets Foundation, an NGO that has not previously been involved in this area, published two reports in 2017 on the claims, pricing, differentiation and marketing of BMS products. It focused on whether the wide array of products available is science-led as the manufacturers often claim.

How ATNI assesses BMS Marketing

The approach used for the 2018 Global Index assessment of the world's six largest BMS manufacturers' marketing practices is very similar to that used for the 2016 Global Index.

It again evaluates the performance of the same baby food companies in two ways:

BMS 1: Policy commitments, management systems and disclosure relating to BMS marketing.

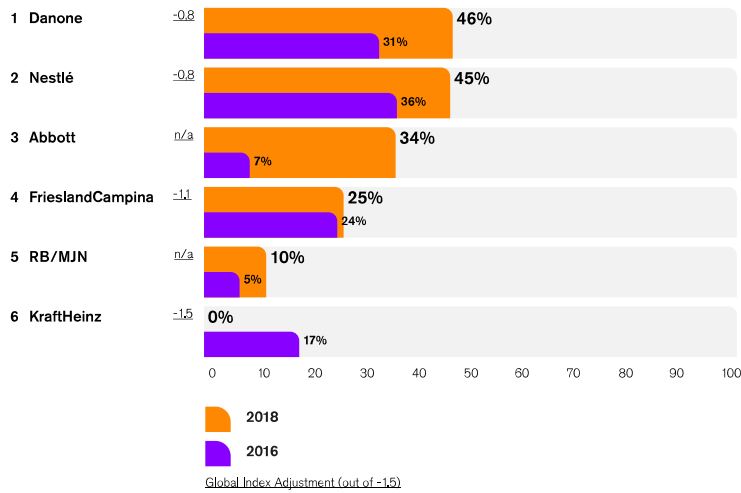
BMS 2: In-country studies of marketing practices in Thailand and Nigeria.

To perform well in these two areas, the companies need to:

- Adopt a comprehensive BMS Marketing Policy, fully aligned to The Code and subsequent relevant WHA resolutions (up to but not including WHA 69.9).6
- Apply that policy globally, to all subsidiaries and joint ventures, and to all formula products intended for infants up to two years of age and complementary foods for infants up to six months of age.
- Commit to upholding that policy in all markets and going beyond compliance with local regulations where the company's policy is more fully aligned to The Code and subsequent WHA resolutions than those regulations (while not contravening any local laws and standards).
- Put in place comprehensive best-practice governance and management systems to ensure full implementation of its commitments across the entire business i.e. consistently in all markets, high-risk and low-risk.
- Adopt clear policies and management systems on lobbying on BMS matters.
- Publish their policies, information about their governance and management systems, auditors' reports, position statements and other relevant documentation.
- Ensure that their policies and procedures are followed in all markets, such that there are no incidences of non-compliance with the recommendations of The Code, subsequent WHA resolutions or local regulations (where stricter than The Code) in the two countries where assessments of marketing were undertaken.

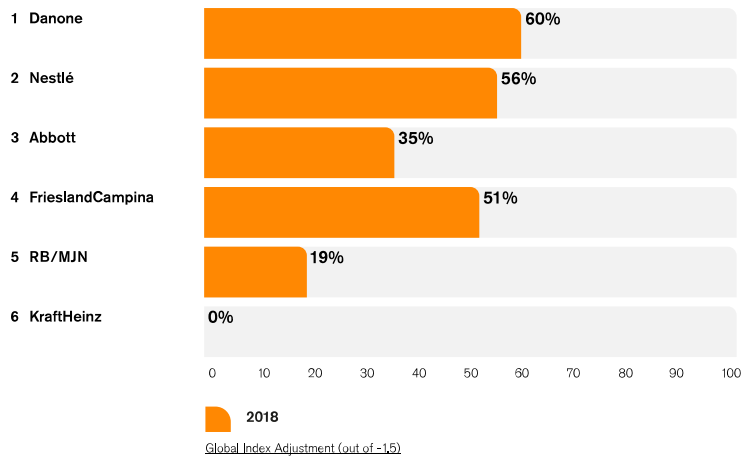
BMS Ranking 2018

Total BMS Score 2018



Danone leads the 2018 BMS Marketing sub-ranking with an overall score of 46%, a significant improvement on its score of 31% in 2016, when it ranked second. Nestlé's level of compliance is 45% overall, a 9% improvement on its score in 2016, though it has slipped to second place in this ranking. Abbott has jumped to the third place with an overall BMS Marketing score of 34%, compared to a score of only 7% in the last Index. FrieslandCampina ranks fourth, with a score of just 1% higher than 2016, of 25%. RB/MJN has doubled its overall score since the last Index to 10% and ranks fifth. Kraft Heinz scored zero and ranks last. Though several improvements were put in place, even the highest score of 46% is still far from complete compliance with recommendations of The Code.

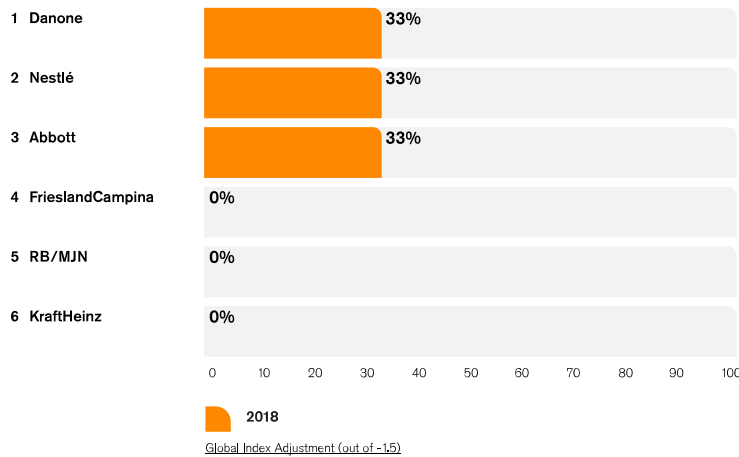
BMS 1



Danone ranks first on BMS 1 in the 2018 Index, displacing Nestlé. With the exception of Kraft Heinz, all companies improved their scores compared to the 2016 Index. Abbott improved the most and in addition, Danone, FrieslandCampina, Nestlé and RB/MJN have all improved their BMS 1 Corporate Profile scores compared to the 2016 Global Index.

Overall, as in 2016, the large variation in the companies' Corporate Profile scores indicates substantial differences in the content and scope of their policies, where they are applied, the stance companies take in relation to complying with local regulations in countries where they are weaker than their policies, as well as the strength and geographic application of various elements of their management systems. Their disclosure also varies considerably.

BMS 2



For the full results for the BMS 2 assessment, [click here](#).

How the BMS Marketing score is calculated and links to the overall Global Index score

Global Index 2018 BMS Scorecards

- The total BMS Marketing score is an average of the BMS Marketing Corporate Profile assessment score (BMS 1) and the 'in-country' assessments of marketing practices (BMS 2), carried out in Thailand and Nigeria by Westat, a specialist company contracted by ATNI – explained in full later.
- The total possible BMS Marketing score is 100%. The higher this score, the closer the company has come to achieving full compliance with the ATNI methodology, which reflects the recommendations of The Code, WHA resolutions and local regulatory requirements.
- The total possible score for each of the two elements (BMS 1 and BMS 2) is also 100%. An adjustment to the four F&B companies' final Global Index score is then made, proportionate to the BMS Marketing score, up to a maximum adjustment of -1.5. Had Abbott and RB/MJN been included in the Global Index, they would also have had an adjustment made to those scores.

Danone ranks first in the 2018 BMS marketing sub-ranking

Despite some improvements, the world's six largest baby food companies continue to market breast-milk substitutes using marketing practices that fall below the standards of The Code.

Baby food manufacturers must ensure their marketing policies align with The Code

Recommendations

Given that all six companies scored 60% or below on BMS 1, which measures the quality and completeness of their BMS marketing policies, management systems and disclosure, they all need to take steps to bring their marketing fully in line with The Code.

First, they should include all of their BMS products within the scope of their marketing commitments, particularly growing-up milks (GUMs) aimed at children from 12 to 24 months of age or, ideally up to 36 months, to bring their policies into line with the definition of BMS products set out in WHA resolution 69.9. No company currently does this.

Second, they should commit to apply their policies worldwide, i.e. in all countries, including low-risk countries, while at the same time committing to upholding those policies in countries where local regulations fall short of their own policies, or are entirely absent. This is particularly important given that only 39 countries currently have laws and regulations that embody all or most of the provisions of The Code.

Currently most companies only commit to applying their policies in so-called high-risk countries (with some exceptions in respect of certain products) and include caveats that mean they do not uphold their policies if regulation is in place, even if it is weaker than their policies, or absent.

Baby food producers also need to do more to ensure that their management systems deliver consistent compliance with their stated commitments given the extensive non-compliance found by ATNI in Thailand and Nigeria. It is particularly important that these companies establish clear policies with online retailers to ensure that their products are not promoted or advertised on those sites.

Most BMS manufacturers have significant scope to improve their disclosure of all relevant policies, audit reports and responses and corrective actions in relation to reports of non-compliance with their policies.

Future opportunities

ATNI will also continue to commission and publish in-country assessments on an ongoing basis. In the future we also hope to be able to incorporate the findings of NetCode based studies of BMS marketing conducted by others. We see opportunities to expand our assessment of baby food companies by, for example, developing an NPS for complementary foods and/or commissioning or utilizing studies done by other organizations relating to the marketing of baby foods.

There is also potential to broaden the scope of assessment of companies' contributions to infant and young child nutrition and/or supporting breastfeeding more broadly.