



# Mengniu

The People's Republic of China



**About the company<sup>a</sup>**



<b>Baby food global market share (2019)</b>	2%
<b>Percentage of baby food revenues out of total revenues (2019)</b>	10%
<b>Key global baby food brands</b>	Yashily; Arla Baby & Me; Dumex; Reeborne

	Weight	Score		
		2021	2018	2016
<b>BMS/CF 1: Corporate Profile</b>	100%	0%	-	-
<b>BMS/CF 2: In-country assessment</b>	-	-	-	-
<b>Total</b>	100%	0%	-	-
<b>Impact on Global Index 2021 score</b>		-0.75	N/A	N/A

All figures presented in the scorecard are rounded. The underlying figures are calculated using values of multiple decimal places.

Country assessments were carried out in the Philippines and Mexico for the 2021 Index. As Mengniu does not sell its products in either country, its score does not include any in-country study results (BMS/CF 2) and the Global Index adjustment is only based on the Corporate Profile score (BMS/CF 1)

## BMS/CF 1: Corporate Profile

**Index purpose:**

The BMS/CF Marketing Index 2021 scores the constituent companies on the extent to which they market their breast-milk substitutes (BMS) and complementary foods (CF) in line with the recommendations of the 1981 Code and all relevant subsequent relevant WHA resolutions (together known as The Code).

**Research:**

The Corporate Profile research was undertaken by ATNI between May and September 2020, based on documents available in the public domain or provided by the company under NDA by the beginning of June. Mengniu is included in this Index for the first time. Minimal relevant information was found in the public domain in either English or Mandarin. Further, ATNI was not able to establish contact with the company during the research phase. As this was possible with six of the Index companies, to ensure the most comprehensive assessment possible was conducted for Mengniu, a further check was done of documentation published in both English and Mandarin in spring 2021. However, no additional relevant information was found.

The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information such as differences in disclosure requirements among countries or capacity

constraints within companies due to, among other factors, the Covid-19 pandemic. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

**Methodology:**

The [BMS/CF Marketing Index 2021 methodology](#) was used to undertake this assessment, adapted from the methodology used in 2018, developed with input from ATNI stakeholders' and ATNI's BMS Expert Group. For the first time, this Index includes an assessment of whether complementary foods marketed as being suitable for infants from six to 36 months of age, are marketed in line with the guidance associated with WHA 69.9. Accordingly, the BMS/CF 1 Corporate Profile methodology includes two modules which assess companies' policies, management systems, procedures and disclosure in relation to both BMS marketing (BMS Module) and CF marketing (CF Module).

**Product definitions and scope:**

ATNI uses the definitions for BMS, for foods for infants and young children, and CF established by the World Health Organization (WHO). These are set out in the 1981 International Code of Marketing of Breast-milk Substitutes and in the WHO document, published in 2016, A69/7 Add 1, 13<sup>th</sup> 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 69<sup>th</sup> World Health Assembly. Hereafter this document is referred to as the guidance associated with WHA 69.9. <sup>b</sup>

<sup>a</sup> Sources: Euromonitor International; Packaged Food, 2021 Industry Edition China Mengniu Dairy, [Annual Report 2018 \(2019\)](#)

<sup>b</sup> A BMS product is one that is marketed or otherwise presented as a partial or total replacement for breastmilk, whether or not suitable for that purpose, for infants and young children from birth to 36 months of age. BMS include: foods and beverages identified as being suitable for infants up to six months of age (CF 0-6), any type of milk-based infant formula (IF) or follow-on formula (FOF, also called follow-up formula) or growing-up milk (GUM, also called toddler milk). A complementary food is any food (whether manufactured or locally prepared) suitable as a complement to breastmilk or formula, when either become insufficient to satisfy the nutritional requirements of the infant.





## Initial Corporate Profile score

As explained in ATNI's BMS/CF Marketing Index 2021 methodology, this Initial Corporate Profile score shown in Table 1 indicates: i) the extent to which the wording of the company's policy is fully aligned with The Code; ii) whether the management systems the company uses to implement its policy are comprehensive and consistently applied, and; iii) how extensive its disclosure is.

As Mengniu derives more than 5% of its baby food revenues from BMS, it is assessed on the BMS Module.

Sections 2-10 of the BMS module all include analysis of policy commitments and management systems. Section 11 of the BMS Module measures disclosure. The initial 2021 Corporate Profile score does not reflect which products and geographies the policy applies to, or the company's application of the policy in relation to the status of local regulation in different markets. That score is the Final Corporate Profile shown in Table 3, with appropriate weightings and penalties applied.

**Table 1: Initial Corporate Profile score**

Section	Article <sup>c</sup>	Topic	2021 score	2018 score	2016 score
<b>Breast-milk substitute Module</b>					
1	Introduction	<b>Overarching commitments</b>	<b>0%</b>	-	-
2	4	<b>Information and education</b>	<b>0%</b>	-	-
3	5	<b>The general public and mothers</b>	<b>0%</b>	-	-
4	6	<b>Healthcare systems</b>	<b>0%</b>	-	-
5	7	<b>Healthcare workers</b>	<b>0%</b>	-	-
6	8	<b>Persons employed by manufacturers and distributors</b>	<b>0%</b>	-	-
7	9	<b>Labelling</b>	<b>0%</b>	-	-
8	10	<b>Quality</b>	<b>0%</b>	-	-
9	11	<b>Implementation</b>	<b>5%</b>	-	-
10		<b>Lobbying (policy and objectives)</b>	<b>0%</b>	-	-
11		<b>Disclosure</b>	<b>0%</b>	-	-
<b>Initial Corporate Profile score (BMS module only)</b>			<b>1%</b>	-	-

<sup>c</sup> In addition to alignment with each article of The Code, this assessment includes consideration of any WHA resolutions that augment or relate to the article. For further detail, see the ATNI methodology for the BMS/CF Marketing Index 2021.

## Corporate Profile: Analysis

### Overarching commitments

ATNI did not find a BMS marketing policy published by Mengniu. No other relevant information was found to reflect recognition of the International Code of Marketing of Breast-milk Substitutes and relevant subsequent WHA resolutions including the guidance associated with WHA 69.9 (The Code), nor The Code's recommendations to support exclusive breastfeeding for the first six months and exclusive breastfeeding up to two years of age or beyond. The company therefore did not score in this section of the methodology. To score in this area in future, Mengniu is urged to recognize The Code and to make these statements.

### Policy commitments on marketing

As a BMS Marketing policy was not found in the public domain and ATNI was not able to establish contact with the company during the research phase, Mengniu did not score in this section of the methodology.

To score in this area in future, Mengniu is encouraged to publish a BMS marketing policy that fully aligns with the wording of The Code, in addition to upholding the relevant national regulations in China. The policy should also cover all products within the scope of The Code and be applicable in all markets in which Mengniu currently operates or enters in future.

### Management systems

ATNI was also unable to identify any documentation about any management systems the company has in place

to implement any policy it may have in relation to BMS marketing. However, Mengniu did receive credit for having the required certifications to ensure relevant food safety and quality management standards.

To score well in this area in future, having adopted a BMS marketing policy, Mengniu would need to develop comprehensive management systems, procedures and other guidance for its employees to implement all commitments set out in the policy.

### Policy commitments on lobbying

ATNI did not find any publicly available information with regard to any commitments or objectives the company has in relation to engagement with policymakers on BMS marketing. The company therefore did not score in this section of the methodology.

(For a more comprehensive analysis of the company's policies, management systems and disclosure relating to lobbying undertaken after research for this Index, see ATNI's report Spotlight on Lobbying, published in June 2021).

### Disclosure

As ATNI was not able to identify any information in the public domain relating to Mengniu's policy, management systems, lobbying activities or its accountability mechanisms related to BMS marketing, the company did not score in this section of the methodology.

## Final Corporate Profile score

The table below shows to which products the company's policy apply, in which geographies, and its stance in relation to local regulations. This information is used to calculate the final Corporate Profile score, as shown in Table 3.

**Table 2: Application of company policy**

Product type	Product made	Policy scope	Geographic coverage of policy	Stance on application of policy in relation to local regulations
<b>Infant formula: 0-6 months</b>	✓	No relevant information found to complete this assessment		
<b>Complementary foods: 0-6 months</b>	N/A	N/A		
<b>Follow-on formula: 6-12 months</b>	✓	No relevant information found to complete this assessment		
<b>Growing-up milks: 12-36 months</b>	✓	No relevant information found to complete this assessment		
<b>Complementary foods: 6-36 months</b>	N/A	N/A		

**How the Final Corporate Profile score is calculated**

**Weighted scores:** The initial Corporate Profile score is adjusted according to: i) which types of countries the policy applies to (the score is reduced by 25% if the company applies the policy only in higher-risk countries for a particular product type); ii) the company's stance in relation to local regulation in countries where regulations are weaker than its policy, or absent. If it does not uphold its own policy in full, the score is reduced by a further 15%.

The scores for each product type in Table 3 show the level of compliance each company achieves for that product type. If the company does not apply its policy to any product category it scores zero for that category. This is also the case if the company does not

disclose how it applies its policy to a particular product type. If a company does not make a type of product, N/A is shown in Table 3.

**Final Corporate Profile score:** This is the final score weighted as described above and applying the weightings for each module of the methodology. The BMS module carries 95% of the weight and the CF module carries 5% of the weight. That final score is arrived at by applying all relevant penalties and weightings. (IF score \* IF weighting \* 0.95) + (CF 0-6 score \* CF weighting \* 0.95) + (FOF score \* FOF weighting \* 0.95) + (GUM score \* GUM weighting \* 0.95) + (CF 6-36 score \* CF weighting \* 0.05). If a company derives less than 5% of its baby food revenues from CF, the CF module is not applied and it is not scored for that product type. The BMS module then contributes 100% to the company's score.

**Table 3: Calculation of the Final Corporate Profile score, with product type and module weightings applied**

Product type weighting		BMS				CF
		IF 0-6	CF 0-6	FOF 6-12	GUM 12-36	CF 6-36
Step 1	Does the policy apply to this product type?	No info	N/A	No info	No info	N/A
Initial Corporate Profile score (Table 1)		1%				
Product type weighting of Initial Corporate Profile score (100% BMS Module)		60% <sup>d</sup>	N/A	20%	20%	N/A
Step 2	Initial score for each product type with product type weighting applied	0%	N/A	0%	0%	N/A
Step 3	Score after product weight applied based on policy coverage	No info	N/A	No info	No info	N/A
Step 4	Score after geographic penalty applied if any (x 25%)	No info	N/A	No info	No info	N/A
Step 5	Score with regulatory penalty applied if any (x additional 15%)	No info	N/A	No info	No info	N/A
Step 6	Final score by product type	0%	N/A	0%	0%	N/A
Final Corporate Profile score (sum of product type final scores)		0%				
Adjustment to Global Index 2021 score (out of 0.75)		-0.75				

**Adjustment to Global Index score:**

For those companies included in the Global Access to Nutrition Index 2021, the total possible adjustment made based on the Corporate Profile (CP) is -0.75, 50% of the maximum possible adjustment of -1.5. The other -0.75 maximum adjustment is determined by the company's score on BMS/CF 2. However, country assessments were carried out in the Philippines and Mexico for the 2021 BMS/CF Marketing Index. As Mengniu does not sell its products in either country, its score does not include any in-country study results and the Global Index adjustment is only based on the Corporate Profile score. The total possible adjustment is therefore -0.75 rather than -1.5.

The final Corporate Profile score represents the level of compliance with the ATNI methodology; the adjustment is based on the level of non-compliance. Therefore, the calculation for the adjustment is:  $-0.75 \times (100\% - \text{final CP score})$ .

<sup>d</sup> Given that the company derives  $\geq 5\%$  of its baby food revenues from BMS sales but not from CF sales, the Corporate Profile assessment and score is solely based on the BMS module. In this case, because to ATNI's knowledge Mengniu does not manufacture CF 0-6, the 25% weighting for CF 0-6 is re-allocated to IF so that a weighting of 60% is applied to IF.



## Disclaimers

ATNI is an independent organization that bases its work on the input of many stakeholders. The findings, interpretations, and conclusions expressed in this report may not necessarily reflect the views of all companies, members of the stakeholder groups or the organizations they represent, or of the funders of the project. This report is intended to be for informational purposes only and is not intended as promotional material in any respect. This report is not intended to provide accounting, legal or tax advice or investment recommendations. Whilst based on information believed to be reliable, no guarantee can be given that it is accurate or complete. The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information such as differences in disclosure requirements among countries or capacity constraints within companies due to, among other factors, the Covid-19 pandemic. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

Westat and the Nutrition Center of the Philippines (NCP), its local subcontractor, were responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes, all subsequent, relevant WHA resolutions, and any additional country-specific regulations related to marketing of these products in the Philippines. Similarly, Westat and Universidad Iberoamericana (IBERO) in collaboration with the Instituto Nacional de Salud Pública (INSP), IBERO/INSP being Westat's local subcontractor, were responsible for the same scope of data collection in Mexico. In the Philippines, Westat and NCP engaged with health facilities, mothers of infants who attended those facilities, health professionals at the facilities, and retailers as part of the data collection and analysis process. In Mexico, Westat and IBERO/INSP engaged with retailers as part of the data collection and analysis process. Westat is

responsible for the analysis of the data related to compliance with ATNI's methodology on which the Access to Nutrition Foundation (ATNF) will (in part) base the scoring of baby food companies in the ATNI BMS/CF Marketing Index 2021, which will in turn inform the companies' scores in the ATNI Global Index 2021.

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