

NKKKQA



INDEPENDENT ASSESSMENT REPORT

Name of the auditee: Asahi Group Foods, Ltd.

Address: 1-23-1, Azumabashi, Sumida-Ku, Tokyo, Japan

Representative: Hiroshi Kawahara, President and Representative Director

Reported by: Nippon Kaiji Kentei Quality Assurance Ltd.

Issued on: July 26, 2024

Approved by: K. Tsurui, General Manager of Audit Dept.

Place/ date of audit: Asahi Group Foods, Ltd., Head Office
on June 18 to 28, 2024

Phnom Penh, Cambodia
on June 18 and 19, 2024

Taipei and Taichung, Republic of China
on June 24 and 25, 2024

OBJECTIVES

This audit aims to verify compliance with the “Our Approach towards Infant Formula Distribution, hereinafter referred to as BMS Marketing Policy” established by ASAHI GROUP based on “International Regulations on the Sale of Substitute Milk” concerning the sales activities of substitute milk.

SCOPE

Organization: Asahi Group Foods, Ltd.
Sales countries: Cambodia, Mongolia, Hong Kong, Republic of China, Vietnam, Singapore and Japan
Sales products: Infant Formula, Follow Up Formula, Growing up Formula, and liquid targeted for infants

AUDIT METHOD

The audit was generally carried out through on-site visits to the organization, interviews with responsible individuals and staff, and verification of pertinent documents and records including electronic media.

Audits of sales outlets and agencies in Cambodia and Republic of China were also done. Audits were undertaken at sales outlets and agencies using sampling, and the countries and locations visited were designated by us.

APPLICABLE CRITERIA

- Regulations in each country in accordance with “International Code of Marketing of Breast-milk Substitutes”
- BMS Marketing Policy

SUMMARY OF ASSESSMENT

No.	Policy criteria	Result of assessment *)
1	The BMS marketing policy is established according to a predetermined procedure and communicated within the company.	N
2	Personnel involved are aware of the BMS marketing policy	C
3	Engaged in activities to understand the content related to one's own department or one's own business as stated in the BMS marketing policy.	C
4	The company has procedures in place to review current legislation regarding the manufacture and sale of infant formula.	C

No.	Policy criteria	Result of assessment *)
5	The company stipulates criterion for marketing to hospitals and maternity centers, if stipulated, there is a definition of "excessive"	C
6	The company has stipulated criterion for "employees with specialized knowledge" and assigns "employees with specialized knowledge" to meet customer needs.	C
7	A list of "high-risk countries" where the company sells breast-milk substitutes is available for departments that require it.	C
8	The company has procedures in place to review current regulations regarding BMS in all countries in which it sells breastmilk substitutes.	C
9	The company stipulates that it will not advertise or promote breastmilk substitutes (infant formula, follow-up milk) for infants under 12 months of age in "high-risk countries."	C
10	The company is acting to ensure that it does not advertise or promote breastmilk substitutes for infants under 12 months of age in "high-risk countries."	C
11	The company has confirmed that it complies with regulations related to the marketing and promotion of breast-milk substitutes in "low-risk countries" other than Japan.	C
12	The company has procedures in place to monitor its marketing activities in accordance with the principles and objectives of the WHO Code.	C
13	AGH Foods Executive supervises infant formula business.	C
14	The company has identified responsible persons for implementing and monitoring the BMS policy in each country.	C

No.	Policy criteria	Result of assessment *)
15	The company has a responsible department monitoring all countries in which it conducts sales activities.	N
16	The company prepares reports and results of monitoring conducted by the responsible department for all countries in which it conducts sales activities.	N
17	The company provides training for employees on BMS at an appropriate frequency and for appropriate targets.	C
18	The company is conducting an internal audit of operations related to the BMS business.	C
19	The company carried out corrective measures for non-conformities identified by internal audits related to the BMS business.	C
20	The company confirms the labeling and quality of BMS-related products, including those for export, in accordance with the latest regulations.	C
21	A whistleblower procedure is in place to report possible violations of BMS marketing policies	C
22	The company has established whistleblower protection provisions for reporting non-compliance with BMS marketing policies.	C
23	Corrective actions are in place to respond to both internal and external reports.	C
24	The Customer Service Center registers opinions, requests, and other information received from customers and external organizations in an internal database system and uses this information to develop and improve products and services and to formulate management and activity policies.	C

*) C: Conformity, N: Non-conformity, N.A.: Not Applicable

FINDINGS AND CORRECTIVE ACTION

Any findings identified during the verification have been categorised as per the following:

Non-conformance:

- Any failure to follow a written requirement specified within the Policy
- A failure to achieve local legal or statutory requirements as per our interpretation
- A purposeful failure of the company to correct non-conformances

Opportunity for Improvement:

- A process/activity/document that, while currently conforming to the Policy and local code and directives, could be improved to further strengthen the Market’s practices

Non-conformances

Policy criteria No. 1	The BMS marketing policy is established according to a predetermined procedure and communicated within the company.
Findings:	There is no documented procedure for determining BMS policies. In addition, there is no documented procedure for complying with BMS marketing policies.

Policy criteria No. 15 and 16	The company has a responsible department monitoring all countries in which it conducts sales activities. The company prepares reports and results of monitoring conducted by the responsible department for all countries in which it conducts sales activities.
Findings:	BMS policy compliance has not been monitored and No report has been prepared.

Opportunities for Improvement

1. Responsible person of overseas affairs

According to the organizational chart, the responsible person of overseas affairs is a resident sales representative, however, it is not specified that the person responsible for implementing and monitoring of the BMS marketing policy.

2. Education on BMS Marketing Policy and International Standards

Education on BMS Marketing Policy and International Standards was conducted in May 2021, and subsequently, we confirmed through interviews with the person in charge that each department was conducting in-house training using explanatory materials at the time. However, there is no evidence (record) for the implementation of education.

3. Labels

The label affixed on the top of the package for “Bonlact i” sold in Cambodia is written in Khmer and is also approved by the Ministry of Health in Cambodia. However, the label on the side is written in Japanese only.

4. Nutritional information

The nutritional information on the "和風馬鈴薯鮭魚燉煮" sold in Taiwan R.O.C. differs from that instructed in Japan.

CONCLUSION

In this audit, (2) non-conformities were found, but the response reported by the organization was judged to be appropriate and corrective action was accepted. In addition, (4) opportunities for improvement were found. We will confirm the status of correspondence at the next audit.

The compliance status regarding the “Our Approach towards Infant Formula Distribution (BMS Marketing Policy)” established by ASAHI GROUP based on “International Regulations on the Sale of Substitute Milk” concerning the sales activities of substitute milk by the auditee is being appropriately executed and maintained.

LIMITATION

Both our and your companies have a duty of secrecy regarding the audit.

Because the audit is performed through sampling, the absence of non-conformities identified does not imply the absence of non-conformities.

This report is not meant to provide an opinion on the researched market's compliance with applicable policy and local requirements. Furthermore, the results of this inquiry do not guarantee conformity with the policy and local legislation.

This assessment scope does not include providing opinions or assessments on the appropriateness of applicable policies related to the implementation of WHO regulations.

STATEMENT

The NKKKQA certifies management systems as a thoroughly unbiased third-party certification authority. We manage conflicts of interest and carry out certification activities that are unbiased, fair, and objective.

