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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: June 2, 2025

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

Place/ date of audit: Asahi Group Foods, Ltd., Head Office
on March 26 to 28, 2025

Ho Chi Minh, Vietnam
on April 16 and 17, 2025

Ulan Bator, Mongolia
on April 22 and 23, 2025

OBJECTIVES

This audit aims to verify compliance with the "The Asahi Group's Marketing Policy for BMS" and "The Asahi Group's Implementation Procedures for the Marketing of BMS" established 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 and Japan
Sales products:	Infant Formula, Follow Up Formula, Complementary Foods and beverages for infants, and Delivery products（i.e. teats and bottles）

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 Vietnam and Mongolia 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

- International Code of Marketing of Breast-milk Substitutes
- The Asahi Group's Marketing Policy for BMS
- The Asahi Group's Implementation Procedures for the Marketing of BMS

SUMMARY OF ASSESSMENT

【The Asahi Group's Marketing Policy for BMS】

Article.	Policy criteria	Result of assessment *)
4	Information and education	C
5	General consumers and mothers	C
6	Health care system	C
7	Health Worker	C
8	Persons employed by Manufacturer and Distributor	C
9	Labelling	N
10	Quality standard	C
11	Implementation and monitoring	C

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

【The Asahi Group's Implementation Procedures for the Marketing of BMS】

Article.	Procedures	Result of assessment *)
1	Appropriate policy and procedures	C
2	Training and communication	C
3	Responsibility	C
4	Monitoring and reporting	C
5	Corrective measures	C
6	Support activities	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 9.1	The Labels of the "Covered Products" are designed to provide all the necessary information about the safety and appropriate use of the Products, and must not prevent breastfeeding in accordance with the local laws and regulations.
Mongolian Regulation 8.1.4	The expression "DO NOT ADD SALT OR SUGAR" in capital letters in the instruction.
Findings:	Among the 7 snack items (OYATSU) sold in Mongolia, there was no mention of 'DO NOT ADD SALT OR SUGAR'. Furthermore, among the 2 baby food items, there was a mention of ' DO NOT ADD SALT OR SUGAR ' but it was not in capital letters.

Opportunities for Improvement

1. There is a need for improvement in the documentation of procedures.
   Although the response procedure for external reports received from the global site was communicated via email, it has not been documented as a shared document, leading to the possibility of information being lost due to changes in email software.

2. There is a need for improvement in the corrective action against the assessment results.
   The response to improvement items 3 and 4 raised in the previous assessment has resulted in a plan for response and request for improvement of label marking management to the local agents. Labeling of the products in high-risk countries must comply with local laws and regulations and must not be in any way that would discourage breastfeeding. Therefore, it is essential to investigate the causes of each incident and take corrective measures (preventing recurrence: preventing similar incidents from occurring in other products). Additionally, the labeling of the product (Aqua Light ORS) being sold in Mongolia was partially different from the organizational instructions.

CONCLUSION

In this audit, (1) non-conformity was found, but the response reported by the organization was judged to be appropriate and corrective action was accepted. In addition, (2) opportunities for improvement were found. We will confirm the status of correspondence at the next audit.

The compliance status regarding the “The Asahi Group’s Marketing Policy for BMS” and “The Asahi Group’s Implementation Procedures for the Marketing of BMS” established 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.

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