

## Introduction:

Synlait is a dairy processing company based in New Zealand. They manufacture 2 types of products - infant formula and follow on formula that both qualify as breast milk substitutes according to the World Health Organization. As a processor and manufacturer, their sales are to other businesses who brand and market their products. Synlait does not sell or market any breast milk substitutes directly to consumers or retailers, nor do they as a result control the marketing or branding of these products. They have operations in China and New Zealand and sales in China, Australia, New Zealand, Hong Kong and South Korea with approximately 80-90% of sales going to the Chinese market.

As determined by B Lab's independent Standards Advisory Council, companies involved in the marketing of breastmilk substitutes are eligible for B Corp Certification if they (1) have a formal policy endorsing the [WHO's International Code of Marketing of Breast-milk Substitutes](#), and subsequent WHA resolutions, (2) disclose how the company manages alignment to the code, and (3) is transparent about potential areas that do not align with the code. Companies who are listed in the Access to Nutrition Index are also required to meet minimum score requirements (TBD) on the breast milk substitute scorecard in order to be eligible for B Corp certification.

For more information on B Lab's position on the marketing of breastmilk substitutes, please refer to B Lab's statement on the breast milk substitute industry and B Corp Certification [here](#).

While Synlait sells its products in the business to business market and does not have any customer facing marketing themselves, they nonetheless have policies and practices in place relevant to the WHO Code. Synlait is a member of the Infant Nutrition Council (INC) which requires all members to comply with a [Code of Conduct](#). The Code of Conduct states that they will comply with the NZ INC Code of Practice for the Marketing of Infant formula in New Zealand and the MAIF Agreement in Australia which are both based on the WHO Code of Marketing of Breastmilk Substitutes. According to the NZ INC Code of Practice:

The INC Code of Practice supports the aim of the World Health Organization International Code of Marketing of Breast-milk Substitutes (WHO 1981) (WHO Code) which is:

“...to contribute to the provision of safe and adequate nutrition for infants, by the protection and promotion of breastfeeding and by ensuring the proper use of breast milk substitutes, when they are necessary, on the basis of adequate information and through appropriate marketing and distribution.”

The INC Code of Practice is based on the World Health Organization International Code of Marketing of Breast-milk Substitutes (WHO 1981) and is

the way in which many of the principles and aims of the WHO Code are implemented within the context of New Zealand's legal and economic environment. The INC Code of Practice is a voluntary self-regulatory code of conduct which applies to the manufacturers and importers of infant formula who are members of INC. It applies to the marketing of infant formula products suitable for infants up to the age of 12 months.

Synlait also has an internal policy designed to ensure that the company adheres to the WHO Code.

Synlait has not been assessed by the Access to Nutrition Index.

***Definitions / Scope of Products included in WHO Code and Synlait commitment:***

Synlait's commitment, via the INC Code of Conduct, regarding the marketing of breastmilk substitutes applies to a scope of products that differ from the complete scope of the WHO Code.

Article 2 of the WHO Code states "The Code applies to the marketing, and practices related thereto, of the following products: breast-milk substitutes, including infant formula; other milk products, foods and beverages, including bottle fed complementary foods, when marketed or otherwise represented to be suitable, with or without modification, for use as a partial or total replacement of breast milk; feeding bottles and teats. It also applies to their quality and availability, and information concerning their use." Breastmilk substitutes are defined as "Any food being marketed or otherwise presented as a partial or total replacement for breast milk, whether or not suitable for that purpose."

The INC Code of Practice, however, applies only to products (infant formula and follow on formula) that are targeted at infants <12 months of age in both the Australian and New Zealand markets.

Synlait also adheres to the INC Non-binding Guidelines for the Marketing of Toddler Milk Drinks to Consumers or Best practice guidelines for marketing of Toddler Milk products which applies to Stage 3 (12-36 months) products for sale in Australia and New Zealand.

The Animal Products Act Notice '*Labelling Requirements for Exports of Dairy Based Infant Formula Products and Formulated Supplementary Food for Young Children*' is also a mandatory Notice that New Zealand manufacturers of Stage 1 (0-6 months), Stage 2 (6-12 months) and Stage 3 (12-36 months) products must also meet. The export labelling requirements in this mandatory labelling Notice incorporates many aspects of the WHO Code requirements e.g. warning statements on unnecessary and improper use of infant formula.

***WHA Resolutions Subsequent to the WHO Code:***

As Synlait is not a business to customer company, they do not have their own external policy on the Marketing of Breastmilk Substitutes and therefore, the incorporation of WHA Resolutions does not apply.

**Other Areas of Potential Misalignment:**

As Synlait does not have its own consumer facing marketing practices and as it sells its breastmilk substitutes to other companies that brand and market the products separately, they do not control all marketing practices of their clients, for example, in countries that are not signatories to the WHO Code. Even though the INC Code of Conduct applies to manufacturers based in Australia and New Zealand, Synlait holds partner companies accountable to maintaining these same practices in markets outside of Australia and New Zealand where these countries are signatories to the WHO Code.

***Company Comments:***

Synlait only chooses to partner with ethical brand owners and strongly encourages them to meet the requirements of the WHO Code in their marketing practices outside of the product labelling requirements. Synlait does have control over how our brand partners label their products which must meet all applicable New Zealand standards, export requirements and in-market labelling standards. The WHO Code principles as per our internal labelling review and sign off procedures are built into this process which also involves customer review and sign off.

Our brand partners such as the a2 Milk Company also adhere to all country of sale labelling requirements, often these requirements are very strict and must include warning statements and statements around the importance of breastfeeding, consistent with the WHO Code.

**Management Practices of the Company:**

Synlait has an internal company wide policy covering their own potential communications related to the Code, that applies to 0-6 months infant formula and 6-12 months follow on formula. All applicable communications for external release are sent to their Regulatory team for review and approval. The policy also includes providing training to their clients as well.

They also train all new staff about what the WHO Code is and why it is important for staff to be aware of in this industry especially in Sales and Communication roles.

Synlait must also ensure that labels provide the information required to be provided by the Australia New Zealand Food Standards Code (FSC) Part 1.2 and Infant Formula Products

Standard 2.9.1 and also provide the necessary information about the appropriate use of infant formula and should not discourage breastfeeding (WHO Code Article 9.1).

Synlait also has an internal compliance process to approve and sign off on labelling requirements that comply with the WHO Code. All Synlait products currently comply with the requirements of WHO Code Article 9.1.

Synlait is checked against these export and in market labelling requirements in regular audits byASUREQuality (AQ), the agency responsible for auditing on behalf of the New Zealand dairy export regulator, the Ministry for Primary Industries (MPI). If any discrepancies against this Notice are identified, Synlait would be directed to make appropriate changes that would be dealt with through their corrective action and preventative action (CAPA) process in order to rectify any labelling non-compliance identified.