
DANONE POLICY FOR THE MARKETING OF BREAST-MILK SUBSTITUTES



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01

INTRODUCTION

At Danone we are committed to our dual project for business success and social progress and to lead the alimentation revolution. Our mission is “To Bring Health through Food to as Many People as Possible” and we do this by supporting people to adopt healthier choices and lifestyles, and by caring about the health and wellness of Danone and our Employees, of our communities and our planet, of current and future generations.

Danone has always advocated the importance of safe and adequate nutrition for infants by supporting and encouraging breast-feeding as the best start in life. Danone aims to provide support for each stage of an infant’s development. This includes nutritional guidance through education and services as well as high quality and nutritious age appropriate foods.

As a leader in the early life nutrition industry, we have a key role to play in both promoting and initiating change, including the area of responsible and ethical Marketing practices towards mothers, caregivers and Health Workers.

Danone acknowledges the importance of, and commits to the principles of, the International Code of Marketing of Breast-Milk Substitutes adopted on 21st May 1981 (the “**WHO Code**”) and the subsequent relevant resolutions of the World Health Assembly (“**WHA**”).

To aid in transparency, throughout this BMS Policy, references to the relevant WHO Code articles are shown down the right-hand side alongside the corresponding clauses in the Policy.

Purpose

This is Danone's Policy for the Marketing of Breast-Milk Substitutes. The WHO Code forms the basis for this BMS Policy.

The intention of this BMS Policy IS NOT to interpret or replace the WHO Code, but to provide instructions and guidance when undertaking Marketing activities on Breast-Milk Substitutes.

WHO CODE ARTICLE 1

This BMS Policy supports Danone's mission "to bring health through food to as many people as possible". It does this by ensuring Danone contributes to the provision of safe and adequate nutrition for infants, by protecting and promoting breast-feeding, and by ensuring the proper use of Breast-Milk Substitutes, when these are necessary, on the basis of adequate information and through appropriate Marketing and distribution practices.

As a company, it is important that we are consistent, clear and transparent as to the standards of behaviour we expect from our Employees and Partners in the performance of their duties. This BMS Policy was developed for this purpose. It details areas where Employees and Partners need to make responsible and ethical decisions related to the Marketing of foods for infants. This BMS Policy clarifies the minimum standards of behaviour that are expected of Danone Employees and Partners.

For interaction with HCOs and Health Workers (such as, without limitation, event support, contracting HCPs, donations to HCOs etc) please refer to the Danone Health Care Systems Policy for additional requirements and processes applicable to all of the Danone businesses.

The Marketing of Breast-Milk Substitutes is subject to relevant local laws and regulations or government-issued codes; this BMS Policy is not a substitute for such laws and regulations. Where local laws and regulations for implementing the WHO Code are more stringent than the BMS Policy, Danone follows the national measures in addition to the BMS Policy.

Scope

WHO CODE ARTICLE 2

This BMS Policy applies to Employees of all Danone Entities and to Partners involved in the Marketing, distribution, selling, education and/or governance of Covered Products. Danone ensures Partners understand and are made aware of the importance of abiding by this BMS Policy during all collaborations with, or on behalf of, Danone.

This BMS Policy applies worldwide to the Marketing of Covered Products.

Covered Products

Covered Products include:

- Infant Formula (formulated to meet the normal nutritional requirements of infants up to the age of six months) and information concerning its use.
- Any other food or beverage that is presented to be a partial or total replacement for breast-milk, for infants up to six months of age, whether or not suitable for that purpose, and information concerning their use.
- Delivery products (such as bottles and teats) and information concerning their use.

For countries defined as Higher Risk Countries (see Appendix 1) Covered Products are extended to include:

- Follow-On Formula (intended for infants from six to twelve months of age) and information concerning its use.
- Complementary (weaning) foods and drinks for the use by infants under six months of age.

All products listed above are further referred to as “Covered Products” throughout this document.

This BMS Policy does not apply to Excluded Products:

Excluded Products are all products, other than Covered Products, produced or sold by Danone, including products intended for use by infants with special medical conditions. These infants have limited, impaired or disturbed capacity to take, digest, absorb, metabolise or excrete breast-milk or certain nutrients contained therein or metabolites, or other medically-determined nutrient requirements, whose dietary management cannot be achieved only by modification of the normal diet alone. These products are specially formulated to be compositionally distinct from Infant Formula intended for healthy infants.

Definitions

WHO CODE ARTICLE 3

Definitions can be found in Appendix 2.

WHO Code

The WHO Code is a set of recommendations relating to the Marketing of Breast-Milk Substitutes, feeding bottles and teats.

The 34th session of the WHA, as the managerial body of the World Health Organisation, adopted the WHO Code as a minimum requirement to protect and promote appropriate infant and young child feeding. It was created in response to poor infant feeding practices that negatively affected the growth, health and development of children, and which were a major cause of mortality in infants and young children. The WHO Code is meant to represent the collective will of governments to ensure the protection and promotion of optimal feeding for infants and young children.

The aim of the WHO Code is to contribute to the provision of safe and adequate nutrition for infants, through:

- a) the protection and promotion of breast-feeding; and
- b) ensuring the proper use of Breast-Milk Substitutes, when these are necessary, on the basis of adequate information and through appropriate Marketing and distribution practices.

The WHO Code recognises the importance of breast-feeding as the best form of nutrition for the healthy growth and development of infants. The WHO Code acknowledges that when mothers do not breast-feed, or only partially do so, there is a legitimate market for Infant Formula. Infant Formula should be available when needed, but should not be marketed or distributed in ways that may interfere with the protection and promotion of breast-feeding.

To whom is the WHO-Code addressed?

- Governments and Health Authorities
- Organisations of the United Nations

- Non-Governmental Organisations (NGOs)
- Experts in various related disciplines
- Consumer groups, and
- Industry (especially manufacturers, retailers, and Distributors of Breast-Milk Substitutes, infant feeding bottles and teats)

All parties should cooperate to promote the aims of the WHO Code and its implementation. The WHO Code calls on governments to take action appropriate to their social and legislative framework, and their overall development objectives, to give effect to the principles and aim of the WHO-Code, including the enactment of legislation, regulation or other suitable measures.

Danone Commitments

Pursuant to this BMS Policy, Danone commits to the following guiding principles:

- We acknowledge the importance of, and commit to the principles of, the WHO Code and subsequent relevant WHA resolutions.
- We support the WHO's global public health recommendation calling for exclusive breast-feeding for the first six months of life, followed by the introduction of safe and appropriate Complementary Foods thereafter ¹.
- We encourage continued breast-feeding for up to two years and beyond, alongside the introduction of safe and appropriate Complementary Foods after six months of age ¹.
- We are committed to ensuring that the practice of breast-feeding is not undermined through Marketing Material on any of our products.
- We will not advertise or promote Infant Formula or delivery products (such as bottles and teats) in any country where we do business.
- We will not advertise or promote Follow-on Formula, in Higher Risk Countries.
- We will not advertise or promote Complementary Food and drinks for use by infants under the age of six months in Higher Risk Countries.
- We support and advocate responsible Marketing practices that promote good health and safe nutrition for all infants and young children.
- We work with Partners, trade associations, industry groups and multiple stakeholders to promote responsible and ethical Marketing practices.
- We work with retail customers and Partners, acting on behalf of Danone involved in bringing our products to the market to establish awareness and emphasise the importance of abiding by relevant laws, the WHO Code and this BMS Policy.
- We comply with all applicable local laws and regulations in the countries where we do business.
- We respect the role of national governments to develop health policies that are appropriate to their social and legislative frameworks and overall development objectives.
- We monitor our Marketing practices according to the principles and aims of the WHO Code, independent of any other measures taken by governments to implement the WHO Code, and take steps to confirm that our conduct at every level conforms to our Policy in this regard.
- We support governments in their efforts to implement the WHO Code and cooperate with governments to monitor the application of the WHO Code.
- We commit to ensure that quality is a top priority, with the appropriate leadership and resources to create and deliver a quality and food safety environment that meets strict hygienic and quality control standards, such as international guidelines developed by the Codex Alimentarius Commission and other relevant local laws and regulations.

¹ We acknowledge national health and dietary recommendations that may recommend the introduction of safe and appropriate Complementary Foods after 4 months of age. Countries that are considered Low Risk may market Complementary Foods in line with such dietary guidelines; however, such products are always positioned as a complement to breast-milk and are never promoted to the detriment of breast-feeding.

02 HOW WE COMPLY WITH THE WHO CODE

1. Protection of Breast-feeding

1.1 Danone does not claim or suggest in Marketing activities, Marketing Materials, Informational and/or Educational Materials, or elsewhere that Covered Products are equivalent or superior to breast-milk.

1.2 Danone does not market Complementary Foods as Breast-Milk Substitutes.

1.3 Marketing activities, Marketing Materials, Informational and/or Educational Materials for Covered Products are not presented in such a way as to discourage parents from breast-feeding or feeding breast-milk to their infants.

2. Information and Education

WHO CODE ARTICLE 4.1

2.1 Danone supports governments in ensuring that objective and consistent information is provided on infant feeding for use by families and those involved in the field of infant nutrition.

WHO CODE ARTICLE 4.2

2.2 Informational and/or Educational Materials, whether written, audio, or visual, dealing with the feeding of infants and intended to reach pregnant women and mothers of infants, should include the following:

2.2.1 Infant feeding in general

“Breast-feeding is the best form of nutrition for babies and provides many benefits to babies and mothers. It is important that, in preparation for and during breast-feeding, you eat a healthy, balanced diet. Combined breast and bottle-feeding in the first weeks of life may reduce the supply of your own breast-milk, and reversing the decision not to breast-feed is difficult. Always consult your Healthcare Professional for advice about feeding your baby. If you use infant formula, you should follow manufacturer’s instructions for use carefully.”

2.2.2 The use of Infant Formula

In addition to 2.2.1 the following should also be included “The social and financial implications of using infant formula should be considered. Improper use of an infant formula or inappropriate foods or feeding methods may present a health hazard. If you use infant formula, you should follow the manufacturer’s instructions for use carefully – failure to follow the instructions may make your baby ill.”

Such materials do not use pictures or text elements which idealise the use of Covered Products.

WHO CODE ARTICLE 4.3

2.3 Provision of Informational and/or Educational Materials, intended for pregnant women and mothers, distributed by Danone for use in a HCO should be provided only at the request and with the written approval of the appropriate authority or institution or within guidelines issued by governments for this purpose. Such material may bear the Company’s name or logo, but should not refer to Covered Product brand names or include visual representations of packaging of Covered Products and should be distributed only through the HCO.

3. General Public and Mothers

WHO CODE ARTICLE 5.1

3.1 Danone does not advertise or promote Covered Products to the general public.

WHO CODE ARTICLE 5.2

3.2 Samples of Covered Products are not distributed to pregnant women, mothers, or members of their families.

WHO CODE ARTICLE 5.3

3.3 Danone does not use point of sale, advertising, sampling or any other promotional devices to induce sales of Covered Products directly to the consumer at retail level.

Such practices include but are not limited to:

- special displays
- discount coupons
- premiums
- special sales
- loss-leaders
- tie-in sales

This provision does not restrict the establishment of pricing policies and practices intended to provide products at lower prices on a long-term basis.

WHO CODE ARTICLE 5.4

3.4 Danone does not distribute any gifts, articles or utensils to pregnant women, or mothers of infants, that may promote the use of Covered Products.

WHO CODE ARTICLE 5.5

3.5 Company personnel involved in the Marketing of infant foods do not solicit direct or indirect contact with pregnant women, or mothers of infants and young children, for the purpose of Marketing or promoting Covered Products. This is not intended to prevent trained staff from responding to questions from consumers about Covered Products and other foods intended for infants via, for instance, telephone helplines, websites and social media.

3.6 All Labels and Informational and/or Educational Materials regarding Covered Products and intended for the general public are science-based, balanced, and accurate, in accordance with this BMS Policy and relevant applicable local laws and regulations.

3.7 Danone has an internal review process to ensure that all Marketing activities, Marketing Materials, Informational and/or Educational Materials regarding Covered Products are supported by sound science and comply with this BMS Policy and all applicable laws and regulations prior to dissemination.

3.8 In Higher Risk Countries, Complementary Foods and drinks are not advertised or promoted, for use by infants under six months of age.

4. Health Care Organisations

WHO CODE ARTICLE 6.2

4.1 HCOs are not used for the purpose of promoting Covered Products. This does not limit Danone Employees and Partners from disseminating information to HCPs as provided in Clause 5.2 of this BMS Policy.

WHO CODE ARTICLE 6.3

4.2 HCOs should not be used for the display of Covered Product, including placards or posters concerning such products, or for the distribution of Covered Product related material other than that specified in Clause 2.3 of this BMS Policy.

WHO CODE ARTICLE 6.4

4.3 Danone does not provide or pay for "professional service representatives", "mothercraft nurses" or similar personnel, for use by HCOs.

WHO CODE ARTICLE 6.5

4.4. Company personnel do not take part in the Covered Products' (manufactured or home prepared) feeding demonstrations organised for mothers or family members. Such demonstrations should only be conducted by Health Workers, if necessary; and only to the mothers or family members who need to use Covered Product.

WHO CODE ARTICLE 6.8

4.5 If allowed under local laws and regulations and consistent with Company Policies, Danone may donate practice-related equipment or materials to HCOs for use by Health Workers in addition to those referenced in Clause 2.3 of this BMS Policy. These items do not carry Covered Product (or Danone services) brand names or logos, but may carry the Company's name or logo.

4.6 All supplies of Covered Products, other than Donations, to HCOs are provided in quantities determined to be reasonable and on the basis of an unsolicited written request of a HCO, in accordance with a transparent and established procurement process. These products are only intended for primary use at the requesting HCO by infants who, pursuant to medical advice, must be fed with Covered Products during their stay at the facility.

4.7 Supplies of Covered Products to HCOs are not provided as an incentive to Health Workers, nor are they accompanied by other incentives, to purchase or use a particular brand of Covered Products or to purchase or use other products offered by Danone, whether or not those other products are covered under the scope of this BMS Policy.

4.8 Danone keeps full records of requests detailing supplies of Covered Products to HCOs.

5. Health Workers

WHO CODE ARTICLE 7.1

5.1 Danone seeks to ensure Health Workers are familiar with all their responsibilities under the WHO-Code.

WHO CODE ARTICLE 7.2

5.2 Danone may provide Health Workers with information on Covered Products and bottle feeding, including specific product information, as long as it is scientific, factual and properly referenced. Such material should not imply or create the belief that Covered Product is equivalent or superior to breast-feeding. These materials must include the information specified in Clause 2.2 of this BMS Policy and bear the following statement "For Health Worker use only - not for distribution to the general public".

WHO CODE ARTICLE 7.3

5.3 No gifts, benefit-in-kind, financial, material or other inducements/advantages are offered to Health Workers or their families as an inducement for the supply, recommendation or sale of Covered Products or for the purpose of promoting Covered Products.

5.4 If allowed under local laws and regulations, and consistent with Company Policies, an inexpensive gift unrelated to the Health Worker's practice can be given on an infrequent basis in acknowledgment of significant national, cultural or religious events, provided such items do not display Covered Products' (or Danone services') brand names or logos.

WHO CODE ARTICLE 7.5

5.5 In order to facilitate continuing professional development and training, and subject to relevant laws and regulations, Danone can make a contribution on behalf of a Health Worker for fellowships, study tours, attendance at professional conferences and symposia and similar informational and educational programmes. Danone ensures a transparent process is followed and documented with

regards to such contributions and that they are communicated to the organisation to which the Health Worker is affiliated.

5.6 If allowed under local laws and regulations, Danone may contract HCPs, through their affiliated HCO, for the provision of legitimate, professional services (such as speeches, market research, medical consultancy, input to clinical studies etc.) against a fee at fair market value. In contracting a HCP through their affiliated HCO, we use selection criteria that we can explain in good faith and that ensure the appropriate service quality for our needs. We do not influence or reward a HCP's decision, advice or professional or business conduct in general, in consideration of the award of a contract.

6. Product for Professional Evaluation

6.1 Danone may only provide PPE of Covered Product to HCP.

WHO CODE ARTICLE 7.4

6.2 PPE of Covered Product and or equipment/utensils for Covered Product preparation is only provided specifically for the purpose of professional evaluation or research at an institutional level.

6.3 PPE may only be supplied to a HCP for:

- The introduction of a new product or new product packaging/labelling
- The introduction of a new formulation/recipe of an existing product, or
- The introduction of our range of products to a new or recently qualified HCP.

6.4 In such cases a maximum of two units of Covered Products may be given to the HCP, provided a written receipt (confirmation) is completed by the HCP and provided to Danone. The receipt should clearly state the HCP certification that:

- The PPE is solely for the purposes of professional evaluation,
- The HCP understands and is aware of the obligations set forth under the relevant local laws and regulations and the WHO Code, and
- The PPE is not being provided as an incentive to purchase, resell or recommend a particular brand of Covered Product.

6.5 The PPE should bear a Label stating that it is "For Professional Evaluation Only" and "Not for Sale".

7. Events for Health Workers

7.1 Educational events are events such as symposia, congresses or other scientific or professional meetings organised by Danone or by third parties. These events provide either educational or professional training to Health Workers or a forum to exchange scientific information related to our products and the Health Workers area of professional expertise. It must be the scientific strength of the programme content only that attracts delegates.

7.2 Danone does not organise or support events for Health Workers (including supporting individuals to attend such events) unless the following requirements are met:

- The event complies with the hospitality requirements in this BMS Policy as described in Clause 7.5 of this BMS Policy.
- Any initiation is made in writing to the business address of the HCP.
- There is documented proof of attendance of all invited Health Workers.
- Support of the Health Worker is limited to the payment of and/or reimbursement of reasonable travel, meals, accommodation and registration fees.
- No payments are made directly or indirectly (by daily allowances) to compensate the Health Worker for time spent in attending the Event.
- Any event support provided to individual Health Worker must not be conditional upon an obligation to prescribe, recommend, sell or promote any Covered Products or reward of such activities.
- Such support is permitted under local laws and regulations.

7.3 Danone does not pay any costs associated with individuals accompanying invited Health Worker, unless such individuals independently qualify for payment of such costs.

7.4 All events are held with a clear legitimate purpose with medical and educational content. Danone avoids using extravagant venues.

7.5 Hospitality is limited to refreshments and/or meals incidental to the main purpose of the event and is only provided to participants of the event, and not their guests. All hospitality offered or given must be legally permitted, legitimate, reasonable, and proportionate. We do not influence or reward a Health Worker's decision, advice, professional or business conduct in general, by means of our hospitality.

7.6 No stand-alone entertainment or other leisure or social activities are provided or paid for by Danone. At events, entertainment of modest nature, which is secondary to refreshments and/or meals, is allowed. Danone does not organise any entertainment that could be perceived as an incentive for the Health Worker to attend the event for reasons other than professional and scientific.

8. Grants

8.1 Danone may provide Grants to support genuine independent scientific research, advancement of science and education, or patient and public education in relation to the Covered Products. However, support of these programmes and activities by Danone must not be viewed as a price concession, a reward to favoured Health Workers or as an inducement to recommend, prescribe or purchase products or services of Danone. Therefore, Danone maintains appropriate documentation in respect of all Grants made in relation to Covered Products.

8.2 Grants must comply with all relevant aspects of codes of conduct of Health Workers and their institutions.

8.3 Grants are not tied in any way to past, present or potential future use or recommendations of Covered Products.

8.4 Grants can only be made to organisations or entities entitled to receive them under applicable laws and regulations and should not be made to individual Health Workers.

9. Clinical Studies

9.1 The use of Covered Products in clinical studies is permitted as they play a vital role in demonstrating the safety and efficacy of Covered Products and are important for promoting the health of those infants who do not receive breast-milk exclusively.

9.2 Danone may provide clinical study investigators with quantities of Covered Products for the purpose of clinical evaluation to be distributed to participating mothers during the period of the clinical study. In that case, quantities of distributed Covered Products should strictly correspond to Study protocol and declared number of infants.

9.3 Studies are conducted according to the International Council for Harmonisation (ICH) Good Clinical Practice guidelines, the Declaration of Helsinki, and all other applicable local and international laws and regulations.

9.4 Danone takes every reasonable and practical measure not to interfere with the commitment by mothers to breast-feed while participating in its clinical studies.

9.5 All activities should be conducted openly and transparently and without any improper influence on clinical study participants, results or outcomes or in any way to influence the provision, supply, dispensing or promotion of any Danone products.

WHO CODE ARTICLE 6.6

10. Donations

10.1 Danone may provide Donations of Covered Products to reflect its social responsibility commitments, including in emergency and disaster situations through government channels or

internationally recognised aid agencies and only in response to a specific written request (clearly detailing the medical and social grounds for the request) from the government or appropriate aid agency. Danone delivers Donations of Covered Products to the requesting government or aid agency for distribution amongst infants who, pursuant to medical advice, have to be fed with Covered Products and for whom breastfeeding is not feasible. Danone does not deliver Donations of Covered Products directly to parents.

10.2 Requests may be made from orphanages or other social welfare institutions for Donations of Covered Products for infants who have to be fed with Covered Products and for whom breastfeeding is not feasible. Danone will only respond to written requests with a signature from the appropriate official within the institution. Each request will be assessed on a case by case basis and (a) the product supplied must match the amount of product specified, and (b) be in accordance with any local laws and regulations.

10.3 The Label or packaging of Covered Products distributed as Donations must clearly indicate that the product is a “donation – not for sale” for use by the receiving institution or organisation, and only for infants who need to be fed with Covered Products and for whom breastfeeding is not feasible. As a donor, we are conscious of our responsibility for the continuous supply of such product(s).

11. Employees and Partners

11.1 All Danone Employees and Partners responsible for the Marketing of Covered Products receive training, which includes the aims and principles of the WHO Code and the Danone commitments to responsible Marketing as outlined in this BMS Policy.

WHO CODE ARTICLE 8.1

11.2 Bonus or incentive calculations for Danone Employees do not include volume or value targets or quotas set specifically for Covered Products. This does not prevent the payment of bonuses based on overall sales of products marketed by Danone.

WHO CODE ARTICLE 8.2

11.3 Danone Employees (such as healthcare nutrition representatives) and Partners, involved in the Marketing of Covered Products should not perform educational functions to pregnant women or mothers of infants and young children in HCOs. This should not prevent such personnel from providing education and support in cooperation with the HCO at the request, and with the written approval, of the appropriate authority.

12. Labelling

WHO CODE ARTICLE 9.1

12.1 Labels of Covered Products should not discourage breast-feeding in any way and are designed to provide all necessary information about their safe and appropriate use in accordance with applicable standards, local laws and regulations (including Codex Alimentarius Standards, where applicable).

WHO CODE ARTICLE 9.2

12.2 Unless otherwise required by law, Labels for Covered Products must contain a clear, conspicuous, and easily readable and understandable message printed on it, or on a Label which cannot be separated from it, in the appropriate language(s) which includes all the following points:

- The words “Important Notice” or their equivalent;
- A statement of the superiority of breast-feeding;
- A statement that the product should be used on the advice of a Health Worker as to the need for its use and the proper method of use;
- Instructions for appropriate preparation, use and storage of the Covered Products, and information about the possible health hazards of inappropriate preparation.

Such Labels should not have pictures of infants, nor should they have other pictures or text which may idealise the use of Infant Formula. The terms "humanised", "maternalised" or similar terms should not be used.

WHO CODE ARTICLE 9.3

12.3 Foods marketed for infant feeding that do not meet all the requirements of an Infant Formula, but which can be modified to do so, should carry on the Label a warning that the unmodified product should not be the sole source of nourishment of an infant.

WHO CODE ARTICLE 9.4

12.3 Labels of Covered Products must include a clear age indication and should also state the following points: (a) the ingredients used; (b) the composition/analysis of the product; (c) the storage conditions required; and (d) the batch number and the date before which the product is to be consumed, taking into account the climatic and storage conditions of the country concerned.

WHA Resolution 63.23

12.5 Labels of Covered Product must not make any health or nutrition claims except where specific claims are permitted under local laws and regulations or relevant Codex Alimentarius standards, as applicable.

13. Quality of Covered Products

WHO CODE ARTICLE 10.1

13.1 To ensure the protection and health of infants, Danone manufactures all Covered Products under strict hygienic and quality management procedures.

WHO CODE ARTICLE 10.2

13.2 Covered Products, when sold or otherwise distributed, meet all applicable quality and hygiene standards (for example Codex Alimentarius Standards), local laws and regulations. If Danone's global quality standards are stricter than local regulations, then Danone global quality standards are followed.

03

HOW WE ENSURE GOOD GOVERNANCE

To ensure good governance of this BMS Policy, Danone has set forth internal processes and guidelines for consistent application and implementation by all Danone Entities and its Partners, doing business within the scope of the BMS Policy, and specifically focuses on the following six key areas:

- Responsibilities for implementation
- Responsibilities of Danone employees
- Monitoring
- Reporting
- Allegations, Investigations & Sanctions
- Advocacy

14. Responsibilities for implementation

The ultimate responsibility for the implementation of this BMS Policy lies with the Chief Executive Officer (“**CEO**”) of Danone S.A.

The responsibility for the management, implementation and monitoring compliance with this Policy is delegated by the CEO of Danone S.A. to the Executive Vice President (EVP) of Specialized Nutrition (“**SN**”) which includes the Early Life Nutrition (“**ELN**”) Division – who is a member of the Danone Executive Committee (“**COMEX**”), and who delegates day-to-day responsibility for implementation and monitoring of this BMS Policy in the CBUs to the GMs.

The Early Life Product Compliance Committee (“**EL PCC**”) is responsible for the global monitoring and reporting of the implementation of the BMS Policy. The membership of the EL PCC includes (but is not limited to) the following persons:

- General Counsel SN (Chair)
- Vice Presidents Growth of Early Life Nutrition
- Vice President Corporate Affairs of Early Life Nutrition
- One Regional Vice President of Early Life Nutrition
- Other senior members of ELN leadership as deemed necessary, and
- Representative of other Worldwide Business Units (WBU) with an Early Life business.

Danone reserves the right to change membership of the EL PCC from time to time, but such membership will always respect the importance of the responsibilities assigned to it.

The General Counsel SN is responsible for the global implementation and monitoring of the procedures outlined in this BMS Policy.

Whilst this BMS Policy is defined at ELN WBU level, country specific legislation, guidelines or practices, when stricter, must also be respected. Therefore, the GM of each Country Business Unit (“**CBU**”) is responsible for the local implementation and monitoring of the procedures of this Policy in her/his geography/ies, including ensuring that appropriate procedures and approval processes are in place.

In each Cluster, the General Secretary makes a recommendation to the General Counsel SN for the appointment of the BMS Compliance Manager(s) (“**BMS-CM**”). The BMS-CM is always a member of the General Secretary organisation. The General Counsel SN approves the list of BMS-CMs and any changes thereto. The BMS-CM may, when appropriate, be the Healthcare Systems Compliance Manager (“**HCM**”) or someone else within the General Secretary organisation.

The BMS-CM is responsible for advising on, and supporting of, the application of this BMS Policy in her/his geography through the adoption of appropriate procedures, country manual, provision of trainings, monitoring and internal reporting of any non-compliance.

15. Responsibilities of Danone Employees

15.1 Purpose and scope

A process is in place to ensure that Danone Employees responsible for the Marketing, distribution, selling, education and/or governance of Covered Products, understand the aims and principles of our BMS Policy, and their individual responsibilities in adhering to it.

15.2 Employment Contracts

The Employment Contract or letter of appointment (or local equivalent) of Danone Employees responsible for the Marketing, distribution, selling, education and/or governance of Covered Products, includes the following commitments:

- Respecting local laws and regulations in relation to the Marketing of Breast-Milk Substitutes;
- Complying with all provisions of the BMS Policy;
- Undertaking induction and regular training on the BMS Policy;
- Reporting to management any unethical or inappropriate activities in relation to the Marketing of BMS.

The responsibility for ensuring the Employment Contracts of all Employees involved in the Marketing, distribution, selling, education and/or governance of Covered Products, include the commitments noted above, resides with the Human Resources Department of the CBU.

The Human Resources Department of the CBU will report annually to the Vice President of Human Resources on the number of Employment Contracts concluded in the previous year, which include the commitment statement noted above.

15.3 Training

All Danone Employees involved in the Marketing, distribution, selling, education and/or governance of Covered Product receive relevant and regular training, which includes:

- The aims and principles of the WHO Code;
- The Danone commitments to responsible Marketing as outlined in the BMS Policy;
- Local laws and regulations concerning the Marketing of Breast-Milk Substitutes.

Training is conducted initially on commencement of employment, and at regular intervals thereafter.

The responsibility for ensuring that training is conducted and that training records are maintained, resides with the Human Resources Department of the CBU. All relevant training completions will be tracked and monitored by Danone.

The Human Resources Department of the CBU will report annually to the Vice President of Human Resources on training completion of the previous year.

15.4 Communication

A comprehensive communication programme is in place to ensure all Danone Employees are aware of the BMS Policy.

The Danone Commitments to the Marketing of Breast-Milk Substitutes are clearly displayed in all Danone offices that have an early life business.

16. Monitoring (Assessments, Audits and Verifications)

16.1 Purpose

A process is in place to ensure that the BMS Policy, and the procedures outlined in this document, have been effectively implemented. Assessment and verifications conducted are aimed at ensuring that Danone:

- fulfils its commitments to market BMS responsibly at all times.
- monitors compliance with its BMS Policy, local laws and regulations;
- ensures that its Marketing practices are in conformance with the BMS Policy;
- identifies deficiencies in our internal control processes and systems; and
- recommends corrective actions for the deficiencies identified.

Any non-conformance identified with the BMS Policy, is duly reported, assessed, and brought to the attention of the EL PCC, and followed up by corrective actions and improvements.

16.2 Assessments

An assessment is undertaken by a business unit on its own activities. Each business unit that is involved in the early life business undertakes regular self-assessments versus pre-established criteria.

16.3 Verifications, Audits and/or Reviews

Verifications, audits and/or reviews are undertaken by an independent third party (external) or an internal Danone function that does not report to the CBU management in question, to guarantee impartiality. Verifications, audits and/or reviews can be performed by either internal or external resources.

Internal: As part of the established Internal Audit protocol of Danone, internal verifications will be conducted on business units operating within the scope of the BMS Policy. Each BMS-CM is responsible for an annual self-assessment of BMS practices within its business unit.

External: Suitably qualified, independent third party experts, are engaged to undertake external verifications, business reviews and/or audits of no less than three business units per year.

An external verification plan recommendation, which includes location, timing and extent of work to be conducted, is proposed each year by the General Counsel SN. The plan is approved by the EL PCC.

Reporting: For each external verification and/or review undertaken, a full report is prepared and discussed with the business unit. Included in the reporting is a summary of management recommendations to address any shortcomings and/or deficiencies in internal controls and processes.

17. Reporting

17.1 Purpose

A process is in place to:

- a) Ensure that accurate and complete data on compliance with the Danone Policy is generated and maintained at both the ELN Divisional level and Danone S.A. level;
- b) Ensure that Danone is fully transparent in relation to compliance with the BMS Policy including concrete corrective actions in cases of substantiated non-compliance.

17.2 Internal Reporting

The BMS-CM coordinates the implementation and monitoring compliance of the BMS Policy, at a local CBU level and is responsible for maintaining the following:

- Policy related complaints, breaches and allegations (number, source and type);
- Result of Allegation Review (findings);
- All communications received and issued; and
- Corrective actions taken.

Each BMS-CM sends her/his quarterly report to the General Counsel SN.

17.3 Reporting on the Implementation of the Policy – ELN Level:

On a bi-annual basis, the General Counsel SN reports to the EL PCC on:

1. Progress report and status update on CBU self-assessment activities;
2. Progress report and status update on internal verifications and reviews conducted on any ELN businesses;
3. Verification plan recommendation, including location, timing and extent of work to be conducted by external, independent third party auditors;
4. Progress reports and status update on external verifications and reviews conducted;
5. Review and approval of final external audit reports, prior to publication;
6. A summary of all alleged non-compliance activities (both internal & external) including nature, status and corrective actions proposed and/or taken;
7. Summary of training completions and any other relevant Human Resource updates, as collated by the Human Resources function.

It is the responsibility of the General Counsel SN to maintain a complete and accurate record of the EL PCC meeting.

On a yearly basis, a summary report is prepared by the General Counsel SN, on all matters related to management and compliance with the BMS Policy (the “**BMS Annual Summary Report**”), and this report is presented to the EL PCC within 8 weeks from the end of the fiscal year.

Upon the report’s approval by the EL PCC, the General Counsel SN then submits the report to the Executive Vice President (“**EVP**”) of Specialized Nutrition.

17.4 Reporting on the Implementation of the Policy – Danone S.A. Level:

Upon the approval of the BMS Annual Summary Report by the EVP of Specialized Nutrition, the General Counsel SN then submits the report to the General Counsel of Danone S.A.

On an annual basis, the head of the Product Compliance Board (“PCB”) presents the findings of the BMS Annual Summary Report to the COMEX.

17.5 External Reporting

On an annual basis, Danone will publish a report on the management and compliance relating to the BMS Policy, such report will include:

- Summary of external audits and verifications conducted during the last year;
- Summary of alleged non-compliance activities – reported from all sources.

18. Allegations, Investigations & Sanctions

18.1 Purpose

A clear process is in place to define the handling of allegations of non-compliance with the BMS Policy and/or local laws and regulations related to the Marketing of BMS.

18.2 Procedure

Allegations of non-compliance with the BMS Policy may be received through any communication means, including, but not limited to email, Danone websites, telephone or letter.

All complaints of non-compliance shall be immediately reported to the BMS-CM of the CBU.

All review actions shall be documented and the outcome recorded regardless of whether the allegation is substantiated or not. The investigation of the alleged non-compliance shall be conducted by the BMS-CM and a formal response be given to the complainant within 4 weeks. If allegations are substantiated, appropriate remediation shall be taken.

Non-compliance will be reported to the General Counsel SN on a quarterly base.

18.3 Non-Retaliation Principle

Danone does not tolerate retaliation against, or unfair treatment of, any person (including Employees) who makes in good faith, a report regarding a violation or possible violation of applicable law, or the BMS Policy or who participates in any investigation conducted internally or by a government enforcement agency.

18.4 Internal Tracking and Registration

Any alleged non-compliance with the BMS Policy shall be recorded shortly upon receipt in a specific database detailing:

- City and Country;
- Date;
- Nature of alleged non-compliance (full description) including pictures/photos if appropriate;
- Complainant’s details.

On completion of the allegation review, the database will be updated with the matter details, corrective actions taken and a copy of the response to the complainant. All remediation will be tracked, and no allegation may be reported as complete, without confirmation that the corrective action has been fully implemented.

18.5 Employee Reporting including Whistle-blowing system

A process is in place to enable Employees and third parties to report alleged incidents of non-compliance with the BMS Policy, in a confidential and anonymous manner. The Danone Ethics Line allows Employees to report outside their normal management reporting line potential non-compliance with company policy in a way that protects them from possible negative consequences of such reporting.

Any Employee who notices or believes there has been a breach of the BMS Policy, has a responsibility to report it as soon as possible. Reporting can be via the following means:

- Informing within the CBU, the hierarchical or functional manager, the internal controller (or the local internal auditor, if applicable), BMS-CM, a representative of the Human Resources Department or, the Legal Department.

- Directly notifying Danone Management. In such case, the employee can use the internal Whistle-blowing system (Danone Ethics Line) through internet, (www.danoneethicsline.com).

18.6 Sanctions for Non-Compliance with the BMS Policy

In the event of non-compliance with the BMS Policy such non-compliance will be brought to the EL PCC. Appropriate disciplinary action will be taken, depending on the severity and regularity of the non-compliance activity. Disciplinary actions can range from a written warning to cancellation of the Employee's bonus, termination of the employment agreement/relationship or reporting to authorities.

19. Advocacy

To succeed in Danone's ambition of fostering the alimentation revolution, we need to engage and work in partnership with a wide range of stakeholders, including governments, regulators and legislators, civil society and others in the business environment such as peer companies. We acknowledge and support the WHO Code and subsequent relevant WHA resolutions. The Early Life Nutrition Division complies with Danone's Global Advocacy Policy and ensures that any lobbying related to the implementation of the WHO Code adheres to these respective principles. In detail, this means:

- Danone seeks regular and consistent relations with external stakeholders in order to share its perspective.
- Engagement and advocacy activities, either direct, or via industry associations, must be transparent and fact based.
- Danone seeks to ensure that the trade associations and industry Policy groups, to which they belong, operate to the same high standards with membership of such organisations being disclosed. In the event that Danone disagrees with the decision of a trade association or other companies' positions, Danone will make all parties aware of this disagreement. Danone will endeavour to amend such decisions or positions and ensure that the company is not associated with any position with which we do not agree.
- Danone is transparent with regard to its positions and communicates them to stakeholders involved.
- Lobbying and advocacy activities are carried out according to the local regulations, where existing.
- Any third party or agent undertaking lobbying activity relating to the application of the WHO Code on behalf of Danone must adhere to this BMS Policy.

04 APPENDICES

Appendix 1: Higher Risk Countries

Afghanistan	Dominican Republic	Mali	Serbia
Albania	Ecuador	Marshall Islands	Seychelles
Algeria	Egypt	Mauritania	Sierra Leone
Angola	El Salvador	Mauritius	Solomon Islands
Antigua and Barbuda	Equatorial Guinea	Mexico	Somalia
Argentina	Eritrea	Micronesia (Federated States of)	South Africa
Armenia	Ethiopia	Mongolia	South Sudan
Azerbaijan	Fiji	Montenegro	Sri Lanka
Bahamas	Gabon	Morocco	Sudan
Bahrain	Gambia	Mozambique	Suriname
Bangladesh	Georgia	Myanmar	Swaziland
Barbados	Ghana	Namibia	Syrian Arab Republic
Belarus	Grenada	Nauru	Tajikistan
Belize	Guatemala	Nepal	Thailand
Benin	Guinea	Nicaragua	The former Yugoslav Republic of Macedonia
Bhutan	Guinea-Bissau	Niger	Timor-Leste
Bolivia	Guyana	Nigeria	Togo
Bosnia and Herzegovina	Haiti	Niui	Tonga
Botswana	Honduras	Occupied Palestinian Territory	Trinidad and Tobago
Brazil	India	Oman	Tunisia
Bulgaria	Indonesia	Pakistan	Turkey
Burkina Faso	Iran (Islamic Republic of)	Palau	Turkmenistan
Burundi	Iraq	Panama	Tuvalu
Cambodia	Jamaica	Papua New Guinea	Uganda
Cameroon	Jordan	Paraguay	Ukraine
Cape Verde	Kazakhstan	Peru	United Arab Emirates
Central African Republic	Kenya	Philippines	United Republic of Tanzania
Chad	Kiribati	Qatar	Uruguay
China	Kuwait	Republic of Moldova	Uzbekistan
Colombia	Kyrgyzstan	Romania	Vanuatu
Comoros	Lao People's Democratic Republic	Russian Federation	Venezuela (Bolivarian Republic of)
Congo	Lebanon	Rwanda	Vietnam
Cook Islands	Lesotho	Saint Kitts and Nevis	Yemen
Costa Rica	Liberia	Saint Lucia	Zambia
Côte d'Ivoire	Libyan Arab Jamahiriya	Saint Vincent and the Grenadines	Zimbabwe
Democratic People's Republic of Korea	Madagascar	Samoa	Senegal
Democratic Republic of the Congo	Malawi	Sao Tome and Principe	
Djibouti	Malaysia	Saudi Arabia	
Dominica	Maldives	Senegal	

Source : FTSE-Russell 2017

Appendix 2: Definitions

BMS-CM means BMS Compliance Manager in charge of Breast-Milk Substitutes related topics relevant to his or her CBU or the ELN Division (depending on his or her area or responsibility). The HCM, if appropriate, may also be the BMS-CM.

BMS Policy means Danone's Policy for the Marketing of Breast-Milk Substitutes.

Breast-milk Substitute means any food being marketed or otherwise presented as a partial or total replacement for breast-milk, whether or not suitable for that purpose.

Complementary Food means any food suitable as a complement to breast-milk or to Infant Formula or Follow-on Formula when either becomes insufficient to satisfy the nutritional requirements of the infant. Complementary Foods are not considered to be Breast-Milk Substitutes if they are not marketed as such but are intended to and are marketed to complement, rather than replace, breast-milk or Infant Formula.

CBU means Country Business Unit.

CEO means Chief Executive Officer.

Cluster means a grouping of CBUs within a particular pre-defined geography.

COMEX means Danone Executive Committee.

Company Policies means all relevant corporate and local policies of Danone Entities.

Covered Product means:

Worldwide:

- Infant Formula (formulated to meet the normal nutritional requirements of infants up to the age of six months) and information concerning their use;
- Any other food or beverage that is presented to be a partial or total replacement for breast-milk, for infants up to six months of age, whether or not suitable for that purpose, and information concerning their use;
- Delivery products (such as bottles and teats) and information concerning their use.

Additionally, for Higher Risk Countries:

- Follow-on Formula (intended for infants from six to twelve months of age) and information concerning their use;
- Complementary (weaning) Foods and drinks for use by infants under six months of age.

Donation mean financial or in-kind contribution to reflect Danone's social responsibility and help institutions in areas other than research, science or education.

Distributor means a legal entity external to Danone, in the public or private sector, who is warehousing, distributing/reselling Danone's products to their own customers (sub-distributors, retailers, pharmacies, hospitals). Distributors may provide a wide range of services including importing, promoting/Marketing Covered Products, medical sales, key account management, and participation in tenders on Danone's behalf.

EL PCC means Early Life Product Compliance Committee.

ELN means Early Life Nutrition.

EVP means Executive Vice President.

Employee means any person employed under a permanent or temporary contract or at-will employment with a Danone Entity. For purposes of this BMS Policy, Employee does not include individuals providing services as a consultant or independent contractor or individuals who are employed by another entity, such as agency workers.

Entity means an entity over which Danone has operational control.

Excluded Products are those products produced by Danone and intended for use by infants with special medical conditions. These infants have limited, impaired or disturbed capacity to take, digest, absorb, metabolise or excrete breast-milk or certain nutrients contained therein or metabolites, or other medically-determined nutrient requirements, whose dietary management

cannot be achieved only by modification of the normal diet alone. These products are specially formulated to be compositionally distinct from Infant Formula intended for healthy infants.

Follow-on Formula means, for the purpose of this BMS Policy, a formula product intended for, and marketed for, infants from six to twelve months of age.

General Counsel SN means the General Counsel Specialized Nutrition, who may delegate the whole or part of her/his responsibilities under the BMS Policy to appropriate individual(s) within the SN Legal & Compliance organisation.

GM means a General Manager (of a CBU).

Grants are financial or in-kind contributions to an institution in the HCS to support scientific research, advancement of science and education, or patient or public education in relation to Covered Products.

HCM means an HCS Compliance Manager in charge of Healthcare Systems (including Breast-Milk Substitutes) related topics relevant to his or her CBU, Cluster or the ELN Division (depending on his or her area or responsibility).

Health Care Organisation (HCO) means any legal person (i) that is a health care, medical or scientific association or organisation (irrespective of the legal or organisational form) such as a hospital, clinic, foundation, university or other teaching institution or learned society (except for Patient Organisations) or (ii) through which one or more Health Worker/s provide services. This could include, for the purposes of this document, for example midwife associations. Pharmacies are not included in the definition of HCO for the purpose of this Policy.

Healthcare Professional (HCP) means any individual who practices a medical, dental, pharmaceutical, midwifery, dietetic, nutritional or nursing profession or any other person who, in the course of his or her professional activities may prescribe, or purchase, supply, recommend or administer on behalf of a patient, a nutritional product, or provide health care services.

Health Worker means a person providing health services in a HCO, whether professional or non-professional, including but not limited to, HCPs, voluntary, unpaid workers.

Higher Risk Countries means those countries that meet either of the following criteria:

- More than 10 per 1000 (under 5 years of age) mortality rate;
- More than 2% acute malnutrition (moderate and severe wasting) in children under the age of 5 years.

A list of Higher Risk Countries is included in Appendix 1.

Health Care System (HCS) means the Health Care System that includes HCPs, HCOs and POs.

Infant Formula means a Breast-Milk Substitute formulated industrially in accordance with applicable standards, laws and regulations (including Codex Alimentarius Standards, where applicable), to satisfy the normal nutritional requirements of infants up to six months of age, and adapted to their physiological characteristics. Infant Formula may also be prepared at home in which case it is described as "home-prepared".

Informational and/or Educational Material means any material, whether written, aural, or visual, that provides information about such topics as nutrition, health care, or growth and development of infants, but that is not intended to promote a specific brand of a product.

Label means any written or graphic material printed, marked, embossed or impressed upon or attached to the packaging of a product.

Marketing means product promotion, distribution, selling, advertising, product public relations, and information services.

Marketing Material means any material, whether written, aural, or visual, related to the sale or purchase of a specific brand of product including, but not limited to, point-of-sale advertising, special displays, Labels, television, radio, internet, social media and print advertisements.

Partners means any party acting on behalf of Danone, or in collaboration with Danone, regarding Covered Products with whom Danone has a contractual relationship, including but not limited to Distributors, agencies and HCOs.

PCB means Product Compliance Board.

PO means “**Patient Organisation**” which is a not-for-profit organisation (including the umbrella organisations to which they belong) mainly composed of patients and/or caregivers, that represent and/or support the needs or interests of patients and/or caregivers.

Product for Professional Evaluation (PPE) means Covered Product provided to a HCP for the purposes of professional evaluation or research at an institutional level. PPE is not considered as a Sample.

Sample means single or small quantities of a product provided at no cost to the Health Care Professional and is not intended for sale.

SN means Specialized Nutrition, which includes both the ELN and Advanced Medical Nutrition (AMN) division.

WHA means World Health Assembly.

WHO Code means International Code of Marketing of Breast Milk Substitutes of the World Health Organisation.