

# ***Independent assessment report of Danone’s marketing practices in Vietnam against the Danone Policy for the Marketing of Breastmilk Substitutes (BMS)***



## **Introduction**

Bureau Veritas UK Limited ('Bureau Veritas UK') has been engaged by Danone Specialized Nutrition ('Danone') to provide an independent assessment of alignment of its business in Vietnam, operating as Danone Vietnam (the 'CBU'), with the Danone Policy for the Marketing of Breast-Milk-Substitutes (the 'BMS Policy'), the corresponding internal Corporate guideline, the BMS Directive, and any applicable local regulation ('reference documents').

In the Socialist Republic of Vietnam, the Government has implemented the WHO Code and related requirements through DECREE 100/2014/ND-CP on the trading in and use of nutritious products for infants, that regulate the marketing of Breast Milk Substitutes (the 'Local Code').

Products covered by the BMS Policy and the Local Code are BMS intended for infants aged between 0 and 24 months ('Covered Products').

## **Scope of Work and Methodology**

The assessment activities were conducted remotely between April-July 2023 using one Lead Auditor from the Bureau Veritas UK and one auditor from Bureau Veritas Vietnam. The Bureau Veritas UK Lead Auditor conducted the head office interviews via videoconference calls, and the Bureau Veritas Vietnam Auditor and the Bureau Veritas UK Lead Auditor conducted the marketplace audit both in country and remotely.

During the audit, Bureau Veritas undertook the following activities:

- Interviewed 10 Danone and 1 distributor personnel responsible for BMS sales, marketing, and compliance using video conferencing applications;
- Reviewed requested documentation and records relating to BMS marketing practices on a sample basis via file-sharing and screen-sharing applications. Topics covered included:
  - local procedures and alignment with the BMS Policy and other reference documents;
  - compliance monitoring, consumer and medical marketing materials and events, labels, internal and regulatory approvals, distribution of product for professional evaluation and training;
- Reviewed 3 independent e-commerce sites selling Covered Products and reviewed 1 independent parent forum;
- Visually assessed 12 retail locations selling Covered Products in Ho Chi Minh, Vietnam. Bureau Veritas independently selected the locations that were visited;

**Independent assessment report of Danone’s marketing practices in Vietnam against the Danone Policy for the Marketing of Breastmilk Substitutes (BMS)**



- Performed visual inspections at 5 Health Care Facility sites in Ho Chi Minh, Vietnam;
- Conducted a review of the private and public content of 1 online parent forum / club and related social media pages managed by the CBU and their Sole Distributor.

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 BMS Policy
- A failure to achieve Local Code requirements as per our interpretation
- A purposeful failure of the company to correct non-conformances

**Opportunity for improvement ('OFI'):**

- A process/activity/document that, while currently conforming to the BMS Policy and the Local Code, could be improved to further strengthen the CBUs practices.

The following is a summary of key findings which includes non-conformances and opportunities for improvement.

**Non-conformances:**

*1. Promotion to the General Public*

A sample of the point-of-sale materials in retail locations issued by the distributor were reviewed as part of the audit. Bureau Veritas identified that a number of end-of-aisle placements had promotional top boards related to non-Covered Products, but also included Covered Products in the displays. Such placement of the Covered Products is considered a promotional device and is therefore a non-conformance against Article 3.1 and 3.3 of the BMS Policy and Article 11 of the Local Code.

*2. Promotion to the General Public - ecommerce*

In two out of three websites sampled in the ecommerce review, Bureau Veritas identified instances of discounted pricing and bonus points for Covered Products which is not permitted according to Article 3.1 and 3.3 of the BMS Policy and Article 11 of the Local Code. There was no evidence to suggest that these promotions were placed at the request of the CBU.

# Independent assessment report of Danone's marketing practices in Vietnam against the Danone Policy for the Marketing of Breastmilk Substitutes (BMS)



## Opportunities for improvement:

### 1. Monitoring (Assessments, Audits and Verifications)

The CBU conducted a 'self-assessment' in 2022 and therefore meets the BMS Policy requirement set out in Article 16.2 to undertake 'regular self-assessments versus pre-established criteria'. However, given the increased risks due to the sole distributor model and the CBU organizational transition, the CBU could consider formalising the internal audit approach and increasing the frequency and breadth of the BMS Policy self-assessments undertaken in future.

### 2. Employee / distributor training and awareness

BMS Policy Article 11.1 requires that 'All Danone Employees and Partners (Distributors) 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'.

During the audit it was observed that not all CBU representatives knew where to access the BMS Policy and there was a lack of awareness around placement of point-of-sale materials relating to Covered Products. The CBU should consider improving training materials, including where to access the BMS Policy and local procedures and understanding of product placement good practice.

There were a number of areas identified where the compliant practices are well managed and these instances have been summarised in an internal report to Danone.

## Limitations

### 2020-23 – Amended Assessment Approach

Since the COVID-19 pandemic outbreak in 2020, we have transitioned to an amended hybrid delivery approach where the Bureau Veritas UK team leading the audit does not travel to the country of assessment, but a Bureau Veritas in-country auditor conducts visits to retail outlets to visually assess alignment with the Policy in Dominican Republic and also carries out a telephone survey of HCPs instead of face-to-face interviews due to continued restrictions in place at most Health Care Organisations. This amended delivery approach has the limitation that interviews with stakeholders may not provide the same level of detail or information when conducted remotely. These are in addition to the limitations of conducting this type of engagement where travel to the country of assessment does take place.

# ***Independent assessment report of Danone's marketing practices in Vietnam against the Danone Policy for the Marketing of Breastmilk Substitutes (BMS)***



Visual inspections of retail outlets were limited to the city of Ho Chi Minh. Whilst our methodology is designed to provide an objective independent assessment, it remains that some of the statements made by stakeholders are anecdotal and evidence may not be available to support their claims.

This statement is not intended to provide a definitive opinion as to whether the CBU complies with the BMS Policy. Neither the assessment conducted by Bureau Veritas nor this statement constitutes a guarantee or assurance by Bureau Veritas that infringements against the BMS Policy and local legislation have not taken place.

It is also not within Bureau Veritas' scope of work to provide an opinion or assessment over the appropriateness of the BMS Policy.

## **Statement of independence, impartiality, and competence**

Bureau Veritas is an independent professional services company that specializes in quality, environmental, health, safety, and social accountability with over 190 years history in providing independent assurance services.

Bureau Veritas has implemented a Code of Ethics across its business which ensures that all our staff maintains high standards in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

Our assessment team members do not have any involvement in any other projects with Danone outside those of an independent assessment scope and we do not consider there to be a conflict between the other services provided by Bureau Veritas and that of our assurance team.

The core team of Bureau Veritas UK has extensive experience of undertaking WHO Code assessment related work. Our team completing the work for Danone has extensive knowledge of conducting assurance over environmental, social, health, safety and ethical information and systems, and through its combined experience in this field, an excellent understanding of good practice in corporate responsibility, assurance and the WHO Code.



**BUREAU  
VERITAS**

**Bureau Veritas UK Ltd**

**London**

**18<sup>th</sup> September 2023**

Bureau Veritas UK Ltd, 5th Floor, 66 Prescott Street, London E1 8HG | 0845 600 1828 | [www.bureauveritas.co.uk](http://www.bureauveritas.co.uk)

Registered in England 1758622 | Bureau Veritas Registered Office: Suite 206 Fort Dunlop, Fort Parkway, Birmingham B24