

# DANONE BABY FORMULA

## Marketing Standards

2024 BFMS Policy

DANONE
ONE PLANET. ONE HEALTH

# Our Baby Formula Marketing Standards are built on three fundamentals and anchored in science and parents' reality.

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# OUR THREE FUNDAMENTALS



## Our Baby Formula Marketing Standards are built on three fundamentals:

### 1. POSITIVE HEALTH IMPACT

We are driven to positively impact maternal and infant health by promoting and protecting breastfeeding and supporting the healthcare ecosystem.

### 2. PARENT EMPOWERMENT

We empower parents and caregivers to make informed feeding decisions for their babies by fostering a supportive environment.

### 3. RESPONSIBLE ACTIONS

We uphold our global Standards, take action when needed and go the extra mile by supporting breastfeeding and offering our science-based Baby Formula with pride.

# With good care comes great responsibility

Becoming a parent is a significant milestone in life! A new beginning awaits, and there are countless decisions to be made about the baby's health and happiness.
Since launching our Dual social and economic project in 1972, Danone has fostered a culture in which entrepreneurship and social responsibility coexist rather than compete. We've made it our mission to bring health through food to as many people as possible, and we recognize the profound health impact of early life nutrition.

**Scope:** Our Baby Formula Marketing Standards are upheld worldwide, by all Danone employees and Partners involved in marketing, selling, educating, and overseeing the governance of the marketing of our Baby Formula. The Standards outline responsible actions regarding Baby Formula marketing and establish minimum Standards in a consistent, clear, and transparent way. In countries where local laws and regulations are stricter than these Standards, we follow the local requirements in addition to these Standards.

Our Baby Formula Marketing Standards not only represent our company's fundamentals but also acknowledge scientific insights and the importance of the World Health Organization's International Code of Marketing of Breast-Milk Substitutes (1981) and the subsequent relevant resolutions of the World Health Assembly which emphasizes the nutritional benefits of exclusive breastfeeding for the first six months of life, followed by continued breastfeeding up to two years and beyond, alongside the introduction of safe and appropriate Complementary Foods after six months of age.



At Danone, we provide Infant Formula, rooted in science, that meets stringent quality and safety standards. We never undermine breastfeeding, and we always encourage parents to consider breastfeeding as the ideal option for babies' health and nutrition. Yet we also believe no parent should feel guilty about formula-feeding their baby. To ensure this is reflected in everything we do, we have a few rules in place. These rules define how we responsibly implement the marketing around Baby Formula, whether it's about our products or baby nutrition in general.

## Summary of Danone Baby Formula Marketing Standards by country type and product categories:

| | | PRODUCT CATEGORY | AGE TARGET | LOW RISK COUNTRIES | HIGHER RISK COUNTRIES |
|---|---|---|---|---|---|
| BABY FORMULA | INFANT FORMULA | 1 Infant Formula for young infants | 0-6m | BFMS or national regulations, whatever is stricter | BFMS or national regulations, whatever is stricter |
| | | 2 Infant Formula for older infants (also known as Follow-On Formula) | 6-12m | National regulations | BFMS or national regulations, whatever is stricter |
| | YOUNG CHILD FORMULA | 3 Young Child Formula (also known as Growing-Up Milks) | 12-36m | National regulations | National regulations |

# Summary of our BFMS rules

### SUPPORT ALL FEEDING JOURNEYS

We honor the unique benefits of breastfeeding, and we promote and protect breastfeeding as the optimal form of nutrition for the first 6 months of life. We offer support to all parents and caregivers in navigating their babies' feeding journeys. We do not claim or suggest that our Infant Formula are better or equivalent to breastmilk.

### NO INFANT FORMULA PROMOTION TO THE GENERAL PUBLIC

Worldwide, we do not promote Infant Formula products for young infants (0-6 months) to the general public. This means we do not advertise, provide samples or delivery products (such as bottles and teats) nor conduct other forms of advertising or promotion activities related to Infant Formula (0-6 months) to consumers or at point of sale, whether in store, on TV, radio, print and/or outdoor media, branded public relation or in digital activities, internet, or social media.
In Higher Risk Countries, we take this one step further, and additionally do not advertise or promote Infant Formula for older Infants (Follow-On formula 6-12 months) or Complementary Food and drinks (for infants below 6 months).

### NO SAMPLES OR OTHER PROMOTION

No samples, gifts, coupons, or gadgets that promote the use of our Infant Formula products are provided to pregnant women, parents and their families or caregivers, either directly or indirectly.

### NO PRO ACTIVE MARKETING OF INFANT FORMULA

Danoners engaged in the marketing of Baby Formula do not proactively reach out to new or expectant parents for marketing purposes. However, when information or questions about our products for infants are asked, our teams can respond to parents and caregivers, who are free to reach out through our telephone helplines, websites, or social media as need be.

### SCIENCE-BASED INFORMATION

Any nutritional or health information we share with parents is always science-based and rooted in over 50 years of extensive breast milk research and development legacy. Our company name or logo may be present on this information however our Infant Formula products brands are never mentioned or shown.

### FACTUAL AND SCIENTIFIC

Information and education shared with Health Care Professionals is factual and scientific-based.

### ACCURATE PRODUCT REPRESENTATION

By using labels and product informational materials reflecting scientifically rooted information, we ensure a balanced and accurate representation. Our goal is never to mislead new or expecting parents. Before any marketing, informational, or educational materials related to our Baby Formula products are shared, they go through a rigorous internal review and validation process.

## Fundamental 1:

# POSITIVE HEALTH IMPACT



## We are driven to positively impact maternal and infant health. We do so by promoting and protecting breastfeeding as well as supporting the healthcare ecosystem.

**We are focused on creating a positive health impact on future generations. Our activities are rooted in the science of breastmilk and nutrition. We are convinced that breastfeeding must be protected and promoted. We strive to be a trusted partner and foster systemic changes for a healthier future for parents and babies today and generations to come. Because a healthy start to life sets the foundation for a lifetime of well-being.**

In the spirit of this fundamental, Danone respects that there is not one right approach to parenting, as personal circumstances and needs differ from one family to another. Supporting and promoting breastfeeding as the optimal feeding option for new-borns is crucial. Offering safe, high-quality, scientifically developed Baby Formula, as well as unbiased information and support is also essential so that all parents feel empowered in making confident feeding decisions for their babies.

# 1.1 We promote and protect breastfeeding as the optimal form of nutrition

**When it comes to feeding infants, breastfeeding is the optimal nutritional standard. Breastmilk indeed contains all the nutrients, antibodies and other substances necessary for a baby's healthy growth and development. It contributes to mother-baby bonding and benefits both in the long run.**

For the first six months of a baby's life, the WHO recommends exclusive breastfeeding, with which we agree. The WHO also acknowledges that when mothers do not breastfeed or only partially do so, there is a legitimate need for an Infant Formula. Formula should be available if needed. And we fully support these recommendations. We do not market Complementary Food as a Breast Milk Substitute.

# 1.2 Responsible engagement with Healthcare Professionals

**Healthcare Professionals are the experts to positively impact the health of babies and their parents. They are the ones on the front lines, guiding and supporting families from conception to birth and beyond. Therefore, establishing transparent communication lines and collaboration with Healthcare Professionals (HCPs) and Healthcare Organizations (HCOs), including pediatric or medical societies, is crucial to achieving our common goals.**

We support the meaningful work of the healthcare ecosystem by providing HCPs with up-to-date, factual evidence-based information and resources on baby nutrition. These resources are specifically designed to assist doctors, nurses, and other health workers to support parents in their feeding decisions. Above all, we give HCPs the space to work independently and do what they do best.

Below, we outline the principles that help us maintain that balance and shape our interactions with HCPs and HCOs.



## 1.2.1 Information for Healthcare Professionals

**We have over 50 years of research into breastmilk and breastfeeding. It's safe to say we have a lot of knowledge to share, and we do so freely, objectively, and gladly. This is why we provide education, support, and resources for HCOs and HCPs on baby nutrition.**

In keeping with our commitment to clear and responsible communication, we share factual, scientifically accurate information about Baby Formula with HCPs, always ensuring it doesn't imply that the products are equivalent or superior to breastfeeding. Our materials to HCPs consistently include the following statement, or similar wording, reflecting this responsible approach:
"IMPORTANT NOTICE: Breastfeeding is the best for babies and a healthy diet / maternal nutrition is important when breastfeeding. A decision not to breastfeed can be difficult to reverse. It is recommended that an Infant Formula is used on the advice of a doctor, midwife, health visitor, public health nurse, dietitian, pharmacist, or other professional responsible for maternal and childcare and the financial implications should be considered. All preparation and feeding instructions should be followed carefully as inappropriate preparation could lead to health hazards.
For Healthcare Professionals use only - not for distribution to the general public."

## 1.2.2 No promotion in Healthcare Organizations

**We do not use HCOs as platforms to promote, distribute or display our Infant Formula products. While we can provide HCPs with information on formula feeding, we always protect and promote breastfeeding as the optimal feeding option.**

No promotion of Infant Formula also means that we do not provide or pay for 'professional service representatives' or 'mothercraft nurses' or similar personnel to work in HCOs. As a company we do not offer feeding demonstrations for parents and caregivers in HCOs. At the request of HCOs and with approval of the appropriate authority, we can provide support for education on early life nutrition.
We only supply our Baby Formulas to healthcare organizations after an unsolicited written request. We keep record of these supplies which are only intended for babies who need them, as prescribed by their doctors, during their stay in the HCO.

## 1.2.3 Formulas for professional evaluation

**We do not actively provide HCPs with Samples of our Infant Formula. However, only if permitted by local laws and regulations, we may offer formulas for professional evaluation when**

- we are introducing a new Infant Formula product, formulation, or recipe, or changing the existing packaging or labelling.
- we are introducing our Baby Formula range to HCPs who are not yet acquainted with our products, or
- HCPs express interest in evaluating the efficacy and suitability of our Infant Formula products, as well as their patients' tolerance to them.

Any formula we distribute for professional evaluation to HCPs are strictly limited in quantity based on the needs of their patients without undermining breastfeeding. The product does not serve as a reward or incentive to purchase, resell, promote, or recommend Infant Formula. The product itself should be labelled "For Professional Evaluation Only" and "Not for Sale."

## 1.2.4 HCPs professional development standards

**To support HCPs in their professional development, Danone may finance activities like fellowships, study tours, conferences, or educational programmes. These contributions are always made in a transparent way. Each step is documented and communicated to the HCO to which the healthcare worker belongs.**

Depending on local regulations, Danone may also contract with HCPs for speeches, market research, or medical consultancy, paying them fairly and according to local market value. In doing so, we do not want to influence or reward the HCPs decisions, advice, or professional behaviour in any way.

If local laws and regulations permit, Danone may donate HCOs practice-related equipment, information, and/or educational materials upon written request. These items are solely meant to support healthcare organizations, and not to promote our products. That's why these items might have our company logo or name on them, but do not carry any product names or product logos.

In our interactions with HCPs, we do not offer HCPs or their families any gifts. However, we may occasionally offer an inexpensive gesture in honor of a historic national, cultural, or religious event. Any inexpensive items or gimmicks provided to HCPs or HCOs do not feature any product names or product logos.

Danone occasionally organizes or supports educational events, such as symposiums and scientific meetings. Events like these serve as a forum for exchanging scientific and medical knowledge. No extravagant venues, no participation of spouse or friends, no lavish meals – just a focused, content-driven programme. We value hospitality within reasonable limits, and never allow it to influence HCPs decisions, advice, or professional conduct, or compel them to prescribe, recommend, sell, or promote our Infant Formula products.

For this reason, we've put a few rules in place. For example, HCPs must be invited in writing at their workplaces address, and their attendance to educational events must be documented transparently. We can cover costs for HCPs travel, meals, accommodation, and registration fees, but do not pay for attendance. By following these rules, we ensure that HCPs only have professional and scientific reasons to attend the event.
As part of Danone's mission, we support research and education on the topic of maternal and infant nutrition. Grants are one way to provide that support.

We only provide grants to organizations and legal entities, never to an individual HCP. These grants are never related to the past, present, potential, or future use or recommendation of our products. All grants must conform to the relevant institutions' codes of conduct and be carefully documented by Danone. For more information on grants and, more generally, interactions with the healthcare system, please see our HCS Policy.



# 1.3 Donations

**As a company aiming to bring health through food to as many people as possible, and positively impact the health of mothers and babies, we are aware of our social responsibility.**

In emergency and disaster situations, Danone can donate Baby Formula, Complementary Foods or other products to government or aid organizations after careful assessment of written requests. These requests must state a clear medical or social reason and ensure that the donations are only meant for babies who need them, according to their HCP. Danone never donates Baby Formula or Complementary Foods or other products directly to babies or parents. Orphanages and other social welfare institutions can also request donations for infants who do not have access to breastfeeding. Danone responds only to written requests signed by an appropriate official representing the organization. A case-by-case assessment and a robust approval process ensure that we donate only the amount needed in accordance with local laws and regulations and specific emergency need.
The label or packaging of donated products must clearly state that the product is a “Donation– not for sale.”

## Fundamental 2:

# PARENT EMPOWERMENT



# We empower parents and caregivers to make informed feeding decisions for their babies by fostering a supportive environment.

**As part of our Danone Impact Journey, we aim to promote health through food and to contribute to thriving people & communities. We therefore commit to equally support parents who breastfeed and parents who cannot or choose not to breastfeed. It sometimes takes taboos to be challenged, but what's key to us is to make every parent feel heard, understood, and informed, without any guilt. We stand for high-quality products and service, with clear, factual, scientifically-based information provided to parents, caregivers and HCPs.**

The journey of parenthood is filled with joy, connection, and unconditional love. But it can also be challenging, overwhelming, and, at times, uncertain. From early pregnancy to toddlerhood, new and expectant parents have to make hundreds of big and small decisions that may impact their child's health, well-being, and happiness. We aim to empower parents and caregivers to navigate parenthood with confidence. Whatever their circumstances, we want to provide them with the resources they need to make informed nutritional decisions for their child. Whether that is by sharing scientifically-based information on the benefits of breastfeeding or providing education materials to them on other options. Because, in the end, that is what is going to help parents thrive.

## 2.1 Information empowers

**Knowledge is power, especially when it comes to parenting and nutrition. Parents need extensive, unbiased information to make informed decisions about what is best for them and their babies. To help parents navigate their baby's feeding journey, Danone offers a variety of resources, ranging from educational materials on baby nutrition to detailed product information and feeding guidelines.**

We've conducted extensive scientific research over the years, and we feel it is our responsibility to share what we know. This is why we publish and share articles, videos, lectures, and other materials on maternal and baby health and nutrition. Among the topics covered are breastfeeding and its benefits, as well as the importance of baby nutrition in the first 1000 days of life.
We do not use patronizing language, speak down to them, make them feel guilty, or use persuasive techniques to promote our products. All materials we proactively share with them are fact-based, do not contain any Infant Formula product branding, and are intended as informational resources.
We are proud of our products. Our Baby Formulas are developed with the utmost care and scientific knowledge based on 50 years of breastmilk research and following strict quality and safety standards. Through labelling and dedicated online platforms, we provide detailed and transparent information. This helps parents understand the nutritional composition, ingredients and allergens, and the preparation instructions for our formulas.
Accurate and comprehensive product information allows parents to make informed choices based on their baby's age and potential dietary limitations. HCPs are best placed to advise parents about feeding their babies. Hence our product information should not replace professional advice and does not steer parents away from breastfeeding as the optimal nutritional feeding option for infant nutrition.

# 2.2 Labelling of Infant Formula

**Our product labels are designed to provide parents with the information they need to make informed decisions. That's why we provide labelling information in a clear way, easily readable and in the language relevant to the parents. We make sure that the labels are properly attached to the container.**

Our Infant Formula labels clearly display the age suitability of the product, and include ingredients and allergens, nutritional content, and composition, batch number and/or expiry date (tailored to the climate and storage conditions of each country). The labels of Infant Formula also contain an "Important Notice" (or equivalent wording), which includes a statement highlighting the superiority of breastfeeding, and a recommendation to consult a health worker for personalised advice on their baby's needs and proper product usage. Clear instructions for preparation, use, and storage are provided to safeguard their baby's health, along with warnings about the risks of improper preparation.

To avoid idealising formula feeding, we consciously omit pictures of infants or idealising images or terms like "humanised" or "maternalised" from our labels.

We only make health or nutritional claims on our Baby Formula labels when they are permitted under local laws and regulations or relevant Codex Alimentarius standards and backed by scientific evidence. This practice is part of our commitment to provide parents with accurate and trustworthy information, ensuring they are not misled and enabling them to make the best feeding choices for their babies.



# 2.3 Services and support for parents and caregivers

**In addition to information, many parents also need practical, personalized, and hands-on support as they navigate parenthood and feeding. For this reason, we complement our educational materials with services that support parents directly.**

## 2.3.1 Digital tools

Nowadays, digital tools make guidance and support in baby care and feeding more accessible for parents around the world. We are continuously innovating in this space to help support parents. For example, our easy to use digital tools include growth and nutrition trackers, as well as AI-based breastfeeding position support. These tools can help parents understand their baby's feeding journey and recognize patterns.

While these tools are designed to reassure, empower, and support families, they do not replace medical advice or consultation with HCPs. Additionally, the tools we provide will never promote Infant Formula or discourage breastfeeding. These tools are simply intended to empower and support parents based on their personal decisions, capabilities, and individual circumstances.

## 2.3.2 Consumer Careline

Our careline is a phone or online service providing a direct line of communication for parents in need of support. Our trained professionals are available to answer questions and offer guidance. They can help with problems, questions, or concerns about breastfeeding, formula feeding, mixed feeding, infant nutrition, baby care, and any other challenges parents may encounter along their baby's journey.

Our careline professionals are knowledgeable, empathetic, and non-judgmental, ensuring all parents feel they can reach out for support. They are trained in a variety of professions, including nutritionists, dietitians, and lactation advisors.

Our careline professionals do not promote or pro actively share information on Infant Formula. They encourage breastfeeding and support parents in their feeding choices, whatever they may be. No unsolicited advice, no judgement, just care. That is the essence of the careline. For medical advice our careline professionals will advise parents and caregivers to see the relevant HCP.

# 2.4 High-quality products

**At Danone, we prioritize the quality and safety of our products above all else and lead the way in production, research, and innovation. To ensure the health and safety of infants, we manufacture our Baby Formula products under strict hygienic and quality management procedures. By doing so, we aim to ensure that our products are exempt from biological, chemical, and nutrient hazards.**

Our Danone Quality and Food Safety management system is built on and complies with recognized ISO and specific Food Safety Norms (e.g., FSSC 22000), Codex Alimentarius Standards (e.g., 72-1981, 156-1987), Codex Code of Hygienic Practice (CAC/RCP 21-1979, CAC/RCP 66-2008), local laws and regulations, and the latest scientific developments. This means our products are amongst the highest in quality and safety standards in the world. For reference, our quality food safety standards for finished formula products cover over 800 pesticides, along with 85 contaminants, of which only 25 are currently regulated by law. During production, over 500 checks per batch are performed to ensure our Baby Formula is safe, nutritious, and of the highest quality.





# 2.5 Clinical studies and other research programs

**Our research studies on Baby Formulas are about safety and effectiveness, and are essential in demonstrating the quality of our products, particularly for parents whose babies aren't exclusively breastfed. We understand the diverse needs of families and provide choices that help every parent feel confident in their feeding decisions for their baby.**

In our studies we take great care not to disrupt the breastfeeding journeys of participating parents. Our research is conducted with sensitivity to their diverse feeding decisions and should serve only as a testament to the quality and reliability of our products, reinforcing the trust parents and HCPs place in us.

When participating in clinical studies, our role is to provide our formulas precisely as needed, strictly according to the study's requirements, to be distributed to the participating parents. This approach ensures that the quantities provided align only with the specific needs of the infants involved, no more, no less.

We adhere to international standards and laws in conducting our studies. This commitment to following the International Council for Harmonisation (ICH) Good Clinical Practice guidelines, the Declaration of Helsinki and all applicable local and international laws, reflects our dedication to global best practices. By doing so, we uphold our responsibility to provide parents and HCPs with reliable, scientifically backed information, further solidifying our products' standing as trusted choices in infant nutrition.

## Fundamental 3:

# RESPONSIBLE ACTIONS



We uphold our global **Standards** internally and externally and take action when needed to stand by our responsibility to support breastfeeding and offer **Baby Formula**.

**We maintain responsible marketing standards on Baby Formulas and advocate for transparent practices. We strive for societal dialogue and adapt to different stakeholder needs while staying true to our values. We continue to lead, innovate, and improve industry practices to deliver a positive health impact.**

Promoting health through food, supporting healthcare, and helping parents through their baby's feeding options are serious responsibilities—and we don't take them lightly. At Danone, we understand that our actions and decisions have an impact on babies, mothers, parents, caregivers, families, and communities which is why we uphold our high global Standards. And these principles manifest themselves in many different areas, from raising internal awareness to taking accountability and ensuring good governance.

# 3.1 Raising awareness internally

**Committing to responsible marketing practices and contributing to the well-being of babies and families is about more than just following rules and regulations - it speaks to the core values that drive us as an organization.**

To achieve lasting results, we must instil a sense of purpose and responsibility in our employees, especially those working with Baby Formula. That starts with high awareness– Danone has a comprehensive programme in place to ensure all employees are aware of our Danone policies, including these Standards. But it's about more than that. It's about outlining employees' responsibilities, informing them on the aims and principles of these Standards, and ensuring they are 100% on board.

## 3.1.1 Employment documents

Upon joining, every Danoner who has a signed contract or document with a Danone entity and who is involved in marketing, selling, educating, and overseeing the governance of our Baby Formula products, signs up for specific compliance commitments on Baby Formula marketing. These employees must always respect these Standards as well as applicable laws and regulations. They are also asked to actively monitor and report any potential violations related to these Standards.

## 3.1.2 Employees incentive calculation

We ensure responsible actions in every aspect of our business, including how we reward our teams. Our employee bonuses are never tied to the sales of Infant Formula specifically, whether value targets or quotas. This does not prevent rewards based on overall company performance.

## 3.1.3 Onboarding and ongoing training

**Each Danoner involved in marketing, selling, educating and overseeing the governance of our Baby Formula products receives training, both during their onboarding and on a regular basis throughout their employment. These training sessions guarantee that employees not only know, but truly understand the responsible marketing and selling of Baby Formula.**

These training sessions include:

- The aims and principles of the WHO Code, including the protection and promotion of breastfeeding.
- Danone's responsible marketing commitments, outlined in these Standards.
- Applicable local laws and regulations related to Baby Formula that may be stricter or more specific than these Standards and which should first and foremost be complied with.

Danone closely monitors all training activities related to Baby Formula marketing. The Human Resource department or designated employee of each local business is responsible for maintaining updated training records.



# 3.2 Monitoring and reporting

**As part of our commitments, we must ensure compliance with both these Standards and any local laws or legislations that may be more strict. The only way to achieve this is to closely monitor our own activities (and those of our Partners, encourage people to speak up if they have concerns, and take swift action to rectify any issues.**

We value feedback on our Standards and the way they're implemented and are open to receiving this feedback in various ways (the Danone Ethics Line, internal or external audits, or other sources, such as the media, NGOs civil society organizations, governmental bodies, professional groups, Bureau Veritas, ATNI, FTSE and other individuals from within or outside Danone). Any allegation we receive is seriously reviewed and possible corrective actions are carefully documented through both external and internal reporting processes.

## 3.2.1 Internal monitoring

Continuously monitoring our internal processes is necessary to ensure the rules outlined in these Standards are respected and followed to the letter. This monitoring process includes regular audits, reviews, and evaluations of our operations to identify any gaps or areas for improvement, especially in terms of our commitment to the responsible marketing of Baby Formula. We swiftly and thoroughly address and resolve any violations or shortcomings detected by our internal monitoring system.

## 3.2.2 Internal and external audits

**To ensure impartiality in the assessment of our activities, we organize audits of our Baby Formula marketing practices. These audits can be conducted either by third parties, or by internal Danone functions not reporting to local business management.**

- **Internal**: As part of our Internal Audit protocol, internal verifications are conducted on a regular basis for business units operating in the area of Specialized Nutrition, including specific control mechanisms related to Baby Formula marketing. Additionally, an annual self-assessment is conducted within each local business unit and reviewed centrally, including follow up action plans.
- **External**: Every other year, we invite a reputable, independent third party to conduct audits of compliance with these Standards across business units. The General Counsel Specialized Nutrition proposes an external verification plan, including location, timing, and extent of the work, which is then approved by the SN PCC (Specialized Nutrition Unit Product Compliance Committee). The result of external audits, the report and action plans, is published on our website every other year. We are transparent about the feedback we receive and the actions we take to improve.

**These audits help us make sure that:**

- We live up to our commitment to the responsible marketing of Baby Formula.
- We keep a close eye on compliance with these Standards and local legislation and use these frameworks to shape our marketing practices.
- We can swiftly identify potential issues and formulate ways to resolve them.

## 3.2.3 Our whistle-blower procedure

**Most Danoners are used to both internal and external auditing and reporting processes. After all, we constantly monitor our performance and strive for improvement. If something's not right, we don't just encourage employees to speak up, we expect it. Compliance is a shared responsibility.**

Any alleged breaches in compliance with these Standards can be reported by informing the relevant people (the hierarchical or functional manager, the internal controller or auditor, BFMS-CM, HR, or legal representative) or by directly notifying Danone Management through the company's whistleblowing system (www.danoneethicsline.com).

We understand there may be instances where employees feel uncomfortable or unable to speak up when reporting compliance or enforcement issues. That's why Danone maintains a strict non-retaliation principle, which is designed to protect employees speaking up in good faith. Our employees, Partners and any third party can use the DEL (Danone Ethics Line) to report non-compliance anonymously and confidentially and without fear of negative consequences. Our Danone Ethics Line allows for reporting of concerns or non-compliances related to these Standards. To know more, consult our latest Danone Code of Business Conduct.

## 3.2.4 Reporting to senior management

**Any issues we detect through monitoring, auditing, or the whistle-blower system are taken seriously, analyzed, and resolved promptly as need be, and carefully documented in both internal and external reports.**

Every year within the first quarter, an internal summary report is prepared for the General Counsel Specialized Nutrition, which covers all aspects of compliance with these Standards. This report is presented to the SN PCC, the General Counsel of Danone, and the Board of Danone
Twice a year, the General Counsel Specialized Nutrition also updates the SN PCC on the highlights of our Baby Formula Marketing Standards practices, and in particular:

- Self-assessments and status updates of the different CBUs,
- progress reports on internal verifications and reviews within sn business,
- recommendations for a verification plan, specifying the location, timing, and extent of work to be carried out by external, independent auditors,
- progress reports and status updates and approvals of external verifications and reviews,
- a summary of the proposed and implemented corrective actions, and
- a summary of all completed training sessions.

## 3.2.5 Annual compliance report (external)

We publish a comprehensive external report every year, in which we outline how we comply with these Standards. This report is a summary of all audits and assessments of compliance with these Standards that have been conducted over the last year. It includes a list of any findings of non-compliance, as well as the steps we've taken to resolve them. This external report brings transparency, allowing consumers, investors, and regulatory bodies to review the results of all the audits we underwent that year.

# 3.3 It's all about good governance

**To make sure our actions align with our values - and our Standards - we've established robust governance structures and workflows. These structures promote integrity and responsible decision making at every level of the organization.**

## 3.3.1 BFMS Compliance Managers

**The BFMS-CM coordinates the implementation and monitors compliance with these Standards on a local CBU level. The BFMS-CM, part of the General Secretary Department, include:**

- Ensuring thorough awareness and understanding of these Standards by our employees who work on Baby Formula. This includes dedicated training on these Standards, organized in cooperation with our HR colleagues.
- Offering advice on how to apply these Standards in their CBU. To do so, they provide country manuals, train staff, and report internal non-compliances.
- Conducting an annual self-assessment related to the marketing of Baby Formula, within their business unit, and making sure follow up actions are taken.
- Reviewing and reporting quarterly any complaints, violations, or allegations of non-compliance with these Standards (see 3.3.2 Allegation Management).



## 3.3.2 Allegation management

**Having rules and policies in place is one thing. Correcting mistakes when they occur, and ensuring accountability is another. Accountability is essential to maintaining trust and transparency across our organization.**

Whether they are raised by Danoners or third parties, any allegation of non-compliance with these Standards will be thoroughly investigated by our BFMS-CM.

As soon as an allegation of non-compliance with these Standards reaches us, we document all the relevant information in a database. This includes the location, date, and nature of the alleged breach.

The BFMS-CM investigates the claim and document the course of all actions and outcomes. The database is then updated with all the relevant details, including actions taken to resolve the issue, and a copy of the formal response within four weeks, to the claimant. Allegations are not considered resolved until all corrective actions have been implemented. Every quarter a report is submitted to the General Counsel Specialized Nutrition.

Depending on the severity of the violation, sanctions to employees may range from warnings and bonus cuts to contract termination or legal action.

## 3.3.3 Accountability

**The ultimate accountability for the implementation of these Baby Formula Marketing Standards lies with Danone's CEO. But of course, our CEO cannot single-handedly ensure compliance throughout the organization - it must be monitored at every level. That's why the CEO delegates accountability to the Executive Vice President (EVP) of Specialized Nutrition (SN), who is also part of Danone's Executive Committee.**

The VP Specialized Nutrition General Counsel and Category Advocacy is responsible for the global implementation and monitoring of the procedures outlined in these Standards.
The SN PCC is responsible for the global monitoring and reporting of the implementation of these Standards.

This committee includes the Executive Vice President (EVP) of Specialized Nutrition, the VP Specialized Nutrition General Counsel and Category Advocacy, Specialized Nutrition's leads for Marketing, Quality and Food Safety, Medical and Nutritional Science Operations and Research & Innovation. The composition of the SN PCC membership may change occasionally.

The General Managers are responsible for the day-to-day implementation of these Standards in their CBU. The local General Secretary will also appoint the BFMS-CM from their team members.

By sharing the responsibility for compliance with our Standards across the organization, we make sure every department, team, and individual Danoner understands their role in maintaining our high Standards. Herein lies the foundation for the culture of accountability, transparency, and integrity we aim to foster at Danone.



# 3.4. Advocating for improved baby nutrition and parental support

**We want to support families and contribute to the healthy development of children, while respecting the rights of parents to make an informed choice about their feeding journey. We can use our scale for positive impact and are determined to help shape a proactive, constructive, and evidence-based dialogue on promoting breastfeeding, supporting parents and improving infant and maternal health at large around the world. This will always be a priority. We endorse the principles of openness, transparency, and integrity in all our advocacy activities.**

We believe in collective participation and dialogue. By coming together, we can drive meaningful change. That is why we interact with various stakeholders including governments and regulators, scientific societies, trade associations, experts, NGOs, civil society organizations such as parents' groups, and other businesses, both in and out of the food sector. It is indeed our conviction that policy-shaping no longer solely belongs to politics but includes a wide range of actors. Our dialogue with this multitude and variety of stakeholders helps us to build comprehensive positions and implement pertinent solutions with impact.

We strictly adhere to Danone's Policy on Advocacy, which is updated as and when required, ensuring that any advocacy efforts related to maternal, infant, and young children nutrition follow these guiding principles. All our engagement and advocacy activities, either direct or via industry associations, must be transparent and fact-based.

## 3.4.1 Working with our stakeholders

At Danone, we have the utmost respect for the role governments and legislators play in shaping health and well-being. To help them make informed decisions and policies that benefit all, we provide them with objective, scientifically-based and consistent information about infant and young child nutrition. We support the adoption, implementation and, most importantly, enforcement of national legislation to meet each market's needs with regards to baby and maternal health to create a level-playing field. We do not undermine public policy frameworks that serve this purpose.

## 3.4.2 Transparency first, always

In navigating our relationships with external stakeholders and our advocacy efforts, transparency is always at the forefront. We will always be clear about our positions and objectives, and we proactively publish many of our policies and external positions on our advocacy topics, as well as consultation inputs to authorities or policymakers, on Danone's website. In the spirit of transparency, we have also published a list of Danone's memberships of our Early Life Nutrition trade associations, organizations, multi-stakeholder coalitions and business platforms which can be found in Appendix 1 of the Danone Policy on Advocacy. This list is updated annually, and accurate to the best of our knowledge. To find out more consult the Danone Policy on Advocacy.




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# Appendix I: Higher Risk Countries

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

Source : FTSE-Russell 2017

# Appendix II: Definitions

| DEFINITIONS | |
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| **ATNI** | Access to Nutrition Initiative |
| **Baby Formula** | any formula for healthy Infants and young children. It includes both Infant Formula for young infants (up to the age of six months), Infant Formula for older infants (Follow-on Formula: six to twelve months of age) and formulas for young children (twelve to thirty-six months of age). I-FSMP are not considered a Baby Formula for the purpose of these Standards |
| **BFMS** | Danone's Baby Formula Marketing Standards |
| **BFMS-CM** | Baby Formula Marketing Standards Compliance Manager in charge of Baby Formula (including Breast-Milk Substitutes) related marketing compliance topics relevant to his or her CBU and/or ELN global business. |
| **Breast Milk Substitute** | any formula replacing breast milk. Globally Danone defines Infant Formula for young infants (0-6m) as BMS In so called Higher Risk markets also Infant Formula for older Infants (6-12m) are BMS. |
| **Complementary Food** | any food, other than formula, suitable as a complement to breast milk or to Infant Formula to fulfil the particular requirements of infants in good health while they are being weaned, and of young children in good health as a supplement to their diet and/or as a supplement to their diet and/or for their progressive adaptation to ordinary food |
| **CBU** | Country Business Unit |
| **CEO** | Chief Executive Officer |
| **DEL** | Danone Ethics Line |
| **Donation** | a financial or in-kind contribution to reflect Danone's social responsibility and help institutions in areas other than research, science, or education. |
| **Dual Project** | Danone's Dual social and economic project started in 1972, with the aim to inspire healthier and more sustainable eating and drinking practices, in line with our vision - Danone, One Planet. One Health - which reflects a strong belief that the health of people and the health of the planet are interconnected. We deliberately concentrate on high-growth and health-focused categories, and commit to operating in an efficient, sustainable and responsible manner. |
| **ELN** | Early Life Nutrition |
| **EVP** | Executive Vice President |
| **Follow-on Formula** | for the purpose of this Standards, a formula product intended for, and marketed for, healthy infants from six to twelve months of age, also known as an Infant Formula for older infants. |
| **Formula for Professional Evaluation (FPE)** | an Infant Formula provided to a HCP for the purposes of professional evaluation or research at an institutional level. FPE is not considered as a Sample. |
| **FTSE** | Financial Times Stock Exchange |
| **General Counsel SN** | the General Counsel and Category Advocacy for the Specialized Nutrition unit of Danone, who may delegate the whole or part of her/his responsibilities under the Standards to appropriate individual(s) within the SN Legal & Compliance organization. |
| **Health Care Organization (HCO)** | any legal entity (i) that is a health care, medical or scientific association or organization (irrespective of the legal or organizational form) such as a hospital, clinic, foundation, university, or other teaching institution or learned society (except for Patient Organizations) 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. |

# Appendix II: Definitions

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| **Healthcare Professional (HCP)** | any individual who practices a medical, dental, pharmaceutical, midwifery, dietetic, nutritional, or nursing profession or any other person who, during 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. |
| **Higher Risk Countries** | in line with the definition of Higher Risk Countries by FTSE4Good (Financial Times Stock Exchange for Good Indexes) those countries that meet either of the following criteria:<br>• More than 10 per 1000 (under 5 years of age) mortality rate.<br>• More than 2% acute malnutrition (moderate and severe wasting) in children under the age of 5 years.<br>• The list of Higher risk countries as defined by FTSE. is included in the Appendix 1 and may be amended from time to time, |
| **Infant Formula** | a product formulated for healthy infants up to the age of twelve months. Infant Formula for a young infant is a product for a healthy infant from birth onwards up to 6 months of age and solely satisfying the nutritional requirements of such infants until the introduction of appropriate complementary feeding. Infant Formula for an older infant is a product for a healthy infant from 6 months up to 12 months of age, when appropriate complementary feeding is introduced. It constitutes the principal liquid element in a progressively diversified diet of such infants. Also called Follow-On Formula. |
| **i-FSMP** | Infant Food for Special Medical Purposes (or similar legal wording like medical foods) are those products intended for use by infants diagnosed with a disease, disorder, or medical condition. These patients have limited, impaired or disturbed capacity to take, digest, absorb, metabolize breast milk or infant formula 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 must be used under medical supervision and are specially processed or formulated to be distinct from Infant Formula intended for healthy infants. |
| **Informational and/ or Educational Material** | 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** | any written or graphic material printed, marked, embossed, or impressed upon or attached to the packaging of a product. |
| **Marketing** | product promotion, distribution, selling, advertising, product public relations, and information services. |
| **Marketing material** | any material, whether written, aural, or visual, related to the sale, purchase or promotion of a specific brand or product including, but not limited to, point-of-sale advertising, special displays, labels, television, radio, internet, social media and print advertisements. |
| **NGO** | Non-Governmental Organization |
| **Parent** | in this document we might only use the word parents, but we always refer to those who be or act as a parent to a child, e.g., parents or caregivers. |
| **Partners** | any party acting on behalf of Danone, or in collaboration with Danone, regarding Infant Formula with whom Danone has a two way signed contractual relationship, including but not limited to Distributors, agencies, and HCOs. |
| **PO** | "Patient Organization" which is a not-for-profit organization (including the umbrella organizations 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. |

# Appendix II: Definitions

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| **Standards** | refers to the Danone Baby Formula Marketing Standards. |
| **Sample** | a single unit of a Danone product provide at no cost to a HCP, HCO, patient, or consumer and is not intended for sale. |
| **SN** | Specialized Nutrition, which includes both the Early Life Nutrition (ELN) and Advanced Medical Nutrition (AMN) activities. |
| **SN PCC** | Specialized Nutrition Product Compliance Committee |
| **WHO Code** | International Code of Marketing of Breast-Milk Substitutes of the World Health Organization (1981) |


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