

## **Danone – Green Book Compliance Report 2012**

Danone is one of the world's leading food companies. Our mission is "to bring health through food to as many people as possible" and we do this by providing healthy and nutritious products to millions of consumers around the world. We believe our mission to be as relevant for poor consumers in developing countries, as it is for consumers in the most developed countries.

Danone is generally recognised for its global dairy and water products; however, following the acquisition of Numico in 2007, Danone is now also one of the world's leading producers of food for infants and young children, including breast milk substitutes. Danone Nutricia - Early Life Nutrition is the division responsible for managing this business.

### ***Danone Nutricia Early Life Nutrition***

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Danone Nutricia Early Life Nutrition's mission is to "stand by mums to nurture new lives".

As a result, it is not just what we do, but how we do it that is important. The manufacture and marketing of foods for infants and young children is both an important and sensitive issue for many stakeholders, including industry.

Danone acknowledges the importance of the International Code of Marketing of Breast milk Substitutes 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 and continued breast-feeding along with the introduction of safe and appropriate complementary foods thereafter.

As a leader of the infant nutrition industry, we have a key role to play in both promoting and initiating change, including, the area of responsible marketing practices.

We are truly committed to our mission, however we also recognise that we cannot achieve it alone and we will need to work alongside strong, credible and established partners both at a global level, and on the ground. We take the issue of responsible marketing very seriously and therefore welcome feedback from all stakeholders.

Following the acquisition of Numico in 2007, we reviewed our marketing practices and have taken significant measures to address specific issues in countries around the world.

## ***Danone's Green Book***

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In April 2013, Danone published its so-called "Green Book"<sup>1</sup>. This document is Danone's Policy with regards to the marketing of foods for infants and young children. It clarifies the standards of behavior that are expected of Danone employees in the performance of their duties. It details areas where employees need to make ethical decisions related to the marketing of foods for infants and young children.

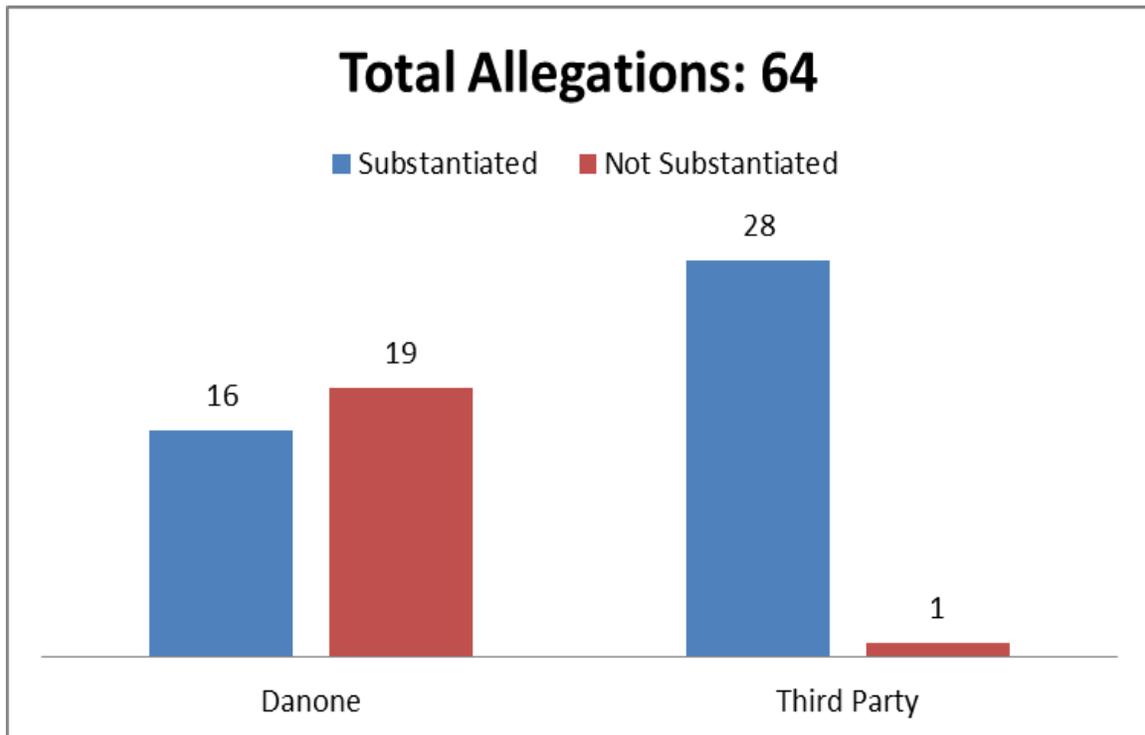
## ***Compliance with the Green Book***

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This report has been compiled in order that key stakeholders can better understand how Danone manages compliance with its own Policy. It is part of our efforts to ensure greater transparency and accountability for our actions and its details instances of non-compliance with the Green Book or local regulations.

In summary, during 2012;

- A total of 64 allegation were received;
- 35 allegations were identified as an infringement by Danone;
- 29 allegations were identified as an infringement by a third party (e.g. retailer);
- 20 allegations were found to be unsubstantiated.



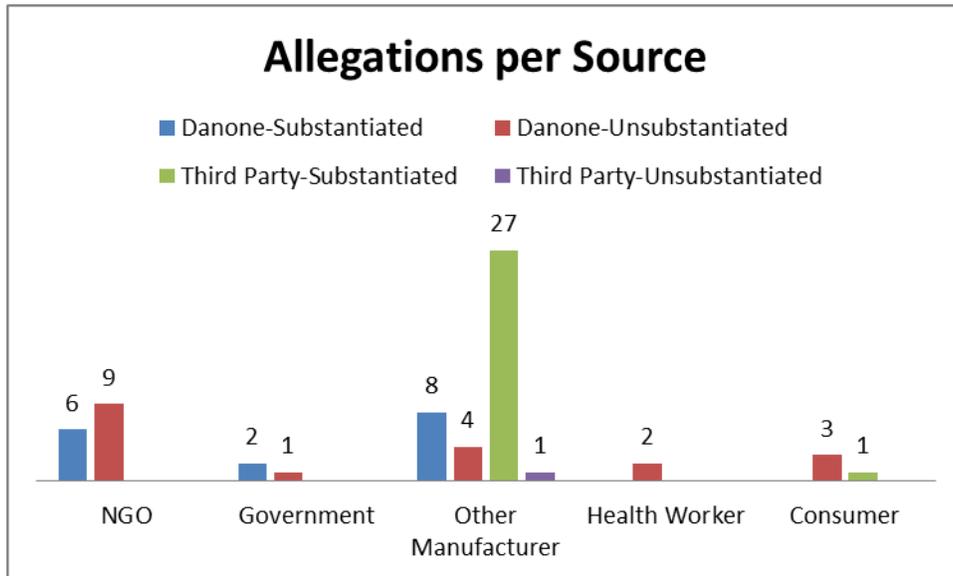
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<sup>1</sup> Danone's Green Book and the accompanying Blue Book can be downloaded on <http://www.danone.com/en/company/health-governance.html>

### Allegations per Source

Danone received allegations from the following sources:

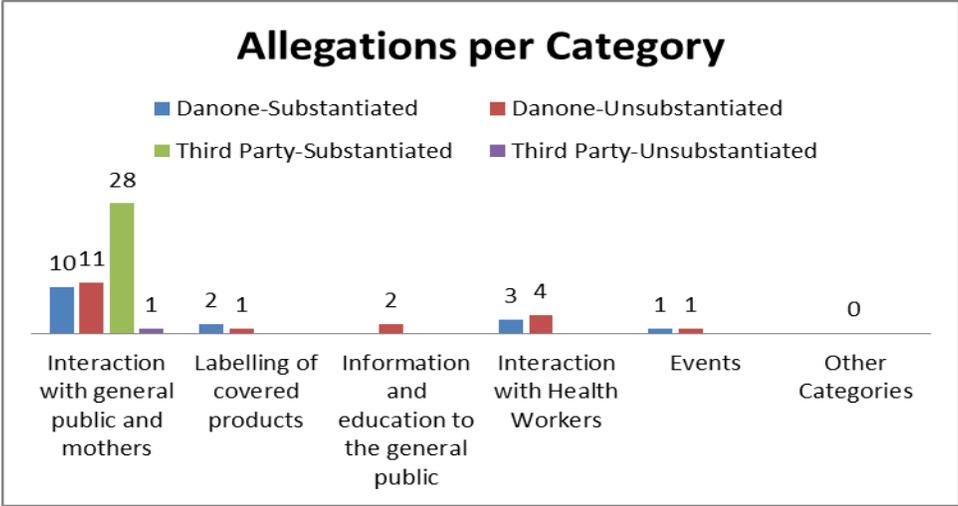
- NGO's
- Governmental bodies
- Other Manufacturers
- Health Workers
- Consumers



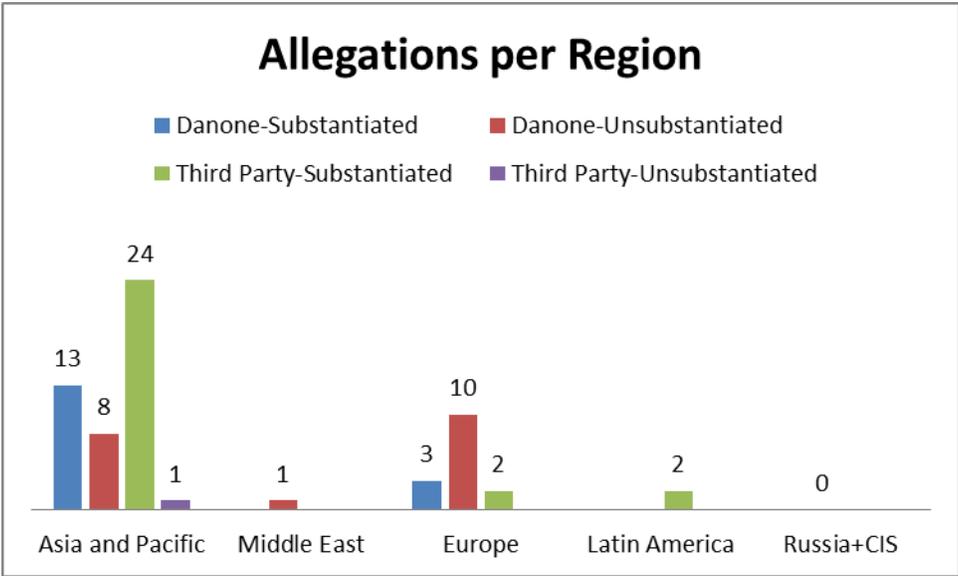
As can be concluded from the above chart, the majority of allegations were received from other manufacturers, either through industry associations or directly.

### Allegations per Category

The substantiated allegations can be divided according to category. The categories correspond to the chapters of Danone's Green Book (Version April 2013). As can be concluded from below chart, most allegations are related to activities by third parties. Danone takes its responsibility in continuous training and education of its retail partners and distributors.



Allegations per geographical region



Conclusion

Danone is a strong supporter of responsible marketing practises and is committed to continue to improve both its own practises and those of the industry. All substantiated allegations were followed by corrective actions, either internally or together with third parties. Danone continues its efforts to improve and we encourage all stakeholders and consumers to report any instances of alleged non-compliance with our Green Book or local regulations directly to us.

**Appendix 1 Allegations identified as an infringement of the Green Book or Local Regulations by Danone**

Date	Category	Allegation	Substantiated	Comments	Corrective Action	Source	Region
February 2012	Information and education to the general public	A brochure intended for the general public includes a picture of infant formula pack shot	NO	The brochure was in line with the Green Book because it was not intended for the general public but for internal use and business to business use.	n/a	NGO	Middle-East
March 2012	Interaction with general public and mothers	Seeking direct or indirect contact with mothers of infants related to breastmilk substitutes, asking product usage by the babies, promote products through home visits and provide samples of products within the scope of WHO code.	NO	The direct contact with general products was related to products for use by young children aged 12 months and above.	n/a	other manufacturer	Asia
March 2012	Interaction with general public and mothers	Product information that should not be given to the general public about infant and follow-on formula could be accessed through a search engine online	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	Information was accidentally accessible to the general public, should have been password protected. The problem was solved.	other manufacturer	Asia
March 2012	Information and education to the general public	Distribution of educational material to parents	NO	In line with the Green Book educational materials about infant formula can be distributed under conditions (no promotion of covered product, and a statement about superiority of breast-milk)	n/a	NGO	Europe
April 2012	Interaction with general public and mothers	Health claim and benefit claim on follow-on formula made additional visible by tag	YES	In line with the Green Book infant and follow-on formula should not be promoted in higher risk countries	The shelf display tag was removed.	other manufacturer	Asia
April 2012	Interaction with general public and mothers	Banner for advertising products for the use by young children from 12 months onwards was used in front of packs of follow-on formula on shelf in retail	NO	In line with the Green Book infant and follow-on formula should not be promoted in higher risk countries	The shelf display banner was removed.	other manufacturer	Asia
April 2012	Interaction with Health workers	Unsubstantiated claims used in materials for Health workers	YES	Infringement of local consumer regulations concerning misleading advertising	The brochure was replaced.	other manufacturer	Europe
May-12	Interaction with general public and mothers	Danone follow-on formula TV advertisement shown on TV	NO	The Green Book does not cover follow-on formula in low risk countries. Furthermore local legislation allows advertising follow-on formula	n/a	NGO	Europe
May 2012	Interaction with general public and mothers	Advertising of products intended for the use by young children above 12 months of age is not in line with 'BMS Law'	NO	Products intended for the use by young children above 12 months of age are not covered by the Green Book	n/a	consumer	Europe
May 2012	Labelling of covered products	The use of pictures of infants on the pack of follow-on formula makes it more appealing for parents	YES	In line with the Green book pictures of infants should not be used on artwork of infant and follow-on formula in higher risk countries	Picture planned to be replaced in Q2 2013.	NGO	Europe
June 2012	Interaction with general public and mothers	Distribution of educational material in hospital	NO	In line with the Green Book educational materials about infant formula can be distributed under conditions (no promotion of covered product, and a statement about superiority of breast-milk)	n/a	HCP	Europe

Date	Category	Allegation	Substantiated	Comments	Corrective Action	Source	Region
June 2012	Interaction with general public and mothers	Through CRM recruitment form company intends to obtain details of infants and young children	NO	No, In line with the Green Book only details from children from 12 months of age onwards were requested.	n/a	government	Asia
July 2012	Interaction with general public and mothers	Discounted prices for infant and follow-on formula in retail	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	An agreement with retailer to remove the discount was made.	other manufacturer	Asia
July 2012	Interaction with Health workers	Material given to Health Worker to support the seminars with Governmental office (DOH*) with branded material.	YES	In line with the Green Book small practice related items to be given to Health workers should not bear infant and follow-on formula brand name.	The materials were replaced	NGO	Asia
July 2012	Interaction with general public and mothers	Sending information about infant formula to pregnant women in baby club emails	NO	In line with the Green Book the materials were never included information about infant formula	n/a	consumer	Europe
August 2012	Interaction with general public and mothers	Special display and discount price for infant and follow-on formula in retail	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	An agreement with retailer to remove the discount was made.	other manufacturer	Asia
August 2012	Interaction with general public and mothers	Special display and discount price for infant and follow-on formula in retail	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	An agreement with retailer to remove the discount was made.	other manufacturer	Asia
August 2012	Interaction with Health workers	Presentations and materials distributed in a conference folder during a conference organised for Health workers by Danone focused on the 'superior qualities of ingredients in Danone infant and follow-on formula and similarities were drawn with human milk	NO	In line with the Green Book Danone did not suggest that infant and follow-on formula equivalent or superior to breast milk.	n/a	NGO	Asia
August 2012	Interaction with general public and mothers	Giving samples, leaflets and brochures to the general public in cities across the country	NO	In line with the Green Book Danone did not give samples of infant and follow-on formula to the general public.	n/a	NGO	Asia
August 2012	Interaction with general public and mothers	Advertising materials to mothers contain elements that are idealizing the use of infant and follow-on formula with sentences such as "Perfect nutrition for development", "perfect nutrition for development", "complete nutrition for perfect development", "for every age, birth to 1 year, 1 to 3 years", perfect development for the young child etc.	NO	In line with the Green Book the advertising materials did not contain elements that promote infant and follow-on formula brand name. Only the brand name of formula for the use by young children aged 12 months and above was used. In line with the Green Book the advertising material only bears claims referring to benefits of ingredients. No comparison or any reference to breast-milk was made. Misunderstanding could be caused by translational errors. The text should read: "Perfect development for your lovely child", "Good start of Baby development come from mom", "whole nutrients", and "Suitable development for your lovely healthy and happy child".	n/a	NGO	Asia

Date	Category	Allegation	Substantiated	Comments	Corrective Action	Source	Region
August 2012	Interaction with Health workers	Gift to Health workers on conference with brand name elements of infant and follow-on formula	YES	Although advertising materials to Health workers are in line with the Green Book when they are scientific and factual and the folder does not contain complete product brand names, this item was presented as a gift to Health workers and in line with the Green Book should not contain brand names.	Internal action: instalment of an internal approval process to avoid such possible claims	NGO	Asia
August 2012	Interaction with general public and mothers	Offering trade sales incentives (to mothers) in retail outlet for buying the product	YES	Although products for the use by young children aged 12 months and older are not covered by the Green Book, local legislation does not allow promotion for products for the use by young children under 2 years of age.	Adjustment of materials in order to advertise products for the use by young children above 2 years of age only	NGO	Asia
August 2012	Interaction with general public and mothers	Direct contact with mothers by company personnel	YES	This event did not include infant and follow-on formula information /demonstration, the educational event was organised under permission and supervisory by HCP, which is in line with the Green Book.	n/a	NGO	Asia
August 2012	Events	Incentive to attend event by the organisation of a Lucky Draw	YES	According to the Green Book incentives to Health workers to attend an event organised by the company should not be given.	1. Lucky draws will be no longer organised. 2. In new version Green Book Lucky draws are mentioned specifically	NGO	Asia
August 2012	Events	Danone girls dressed in brand colour	NO	The use of promotional materials related to not covered products is in line with the Green Book	n/a	NGO	Asia
August 2012	Interaction with general public and mothers	TV ad contains several claims that are not allowed ('unique blend'...)	NO	Local authorities confirmed no infringement of local legislation	n/a	other manufacturer	Europe
August 2012	Labelling of covered products	The word 'format 1,200 kg" on IF label in the same font size as the words 'format saving 1,200 kg) on FO Label, which implies promotion of IF	NO	No promotion was intended	n/a	other manufacturer	Europe
August 2012	Interaction with general public and mothers	Danone website does not clearly support breastfeeding	YES	In line with the Green Book all online communication materials should contain elements to emphasize the importance and superiority of breastmilk.	website was adapted to include the relevant information	government	Asia
August 2012	Interaction with general public and mothers	Disclaimer about breastfeeding on website is unfriendly for those women that cannot breastfeed	NO	In line with the Green Book in every material intended for the consumer a statement about the superiority of breast-milk is added.	n/a	consumer	Europe
August 2012	Interaction with general public and mothers	Infant formula on shelf are displayed with large Tag that states "New"	YES	In line with the Green Book infant formula should not be promoted in low risk countries	trade association was requested to educate retailer on local legislation	government	Asia
October 2012	interaction with Health workers	Advertisement in a health care journal	NO	In line with the Green Book infant formula can be advertised to Health workers under conditions (distribution of scientific and factual information).	n/a	NGO	Europe

Date	Category	Allegation	Substantiated	Comments	Corrective Action	Source	Region
October 2012	Interaction with general public and mothers	Activity on Facebook: Age indication on the VDO clip of the competition is from 6 months onwards, should be changed to elder child, not infant or young child.	YES	In line with the Green Book infants below 1 year of age should not be related to the company our brand name.	Age for entering competition changed to 1 to 3 years of age. Clips with younger infants from 6 months of age onwards removed	other manufacturer	Asia
October 2012	Interaction with Health workers	Advertisement in a health care journal	NO	In line with the Green Book infant formula can be advertised to Health workers under conditions (distribution of scientific and factual information).	n/a	NGO	Europe
October 2012	Interaction with Health workers	Danone's company logo and logo of P&L brand used in detailing flip chart for Health workers	NO	In line with the Green Book materials for health workers can be branded with company name or brand names of not covered products	n/a	HCP	Asia
December 2012	Labelling of covered products	Inclusion of picture of infant in label of infant formula	YES	In line with the Green Book infant formula should not be idealised.	Labels were replaced	other manufacturer	Europe

**Appendix 2 Allegations identified as an infringement of Danone's Green Book or Local Regulations by third parties**

Date	Category	Allegation	Substantiated	Comments	Corrective Action	Source	Region
January 2012	Interaction with general public and mothers	Infant and follow-on formula packs were tied promotion with other products at the selves display at Retail Outlet and Bakery Shop.	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion of infant and follow-on formula in higher risk countries is not in line with Danone's Green Book	other manufacturer	Asia
February 2012	Interaction with general public and mothers	Discount on infant and follow-on formula for 400g & 800g, the activities was found at Baby Shop	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	An agreement with retail outlet was made that such promotion will not take place anymore, because promotion of infant and follow-on formula in higher risk countries is not in line with Danone's Green Book.	other manufacturer	Asia
March 2012	Interaction with general public and mothers	Reduction of price of infant and follow-on formula in retail	NO	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries, but long term price reductions are allowed	n/a	other manufacturer	Asia
March 2012	Interaction with general public and mothers	Special display & merchandising (at the shelves display) of infant and follow-on formula more than GUM in retail outlets	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion of infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. Retail outlet changed promotion to growing up milks.	other manufacturer	Asia
March 2012	Interaction with general public and mothers	Special promotion: infant formula in end gondola in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion of infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. The special promotion was removed.	other manufacturer	Asia
March 2012	Interaction with general public and mothers	Special promotion: infant and follow-on formula in end gondola in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. The special promotion was removed.	other manufacturer	Asia
March 2012	Interaction with general public and mothers	Special promotion: infant formula in end gondola in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. The special promotion was removed.	other manufacturer	Asia

Date	Category	Allegation	Substantiated	Comments	Corrective Action	Source	Region
March 2012	Interaction with general public and mothers	Stick packs of infant formula as a gift in a Pharmacy	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. The special gift was removed from the package.	other manufacturer	Europe
April 2012	Interaction with general public and mothers	Special promotion (tie-in sales activity) of infant and follow-on formula in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion of infant and follow-on formula is not in line with Danone's Green Book.	other manufacturer	Asia
April 2012	Interaction with general public and mothers	Special display (floor display) of infant and follow-on formula in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion of infant and follow-on formula is not in line with Danone's Green Book.	other manufacturer	Asia
May 2012	Interaction with general public and mothers	Special promotion: follow-on formula 600 gr bundling with gift in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. The special promotion was removed	other manufacturer	Asia
May 2012	Interaction with general public and mothers	Special promotion: infant formula in end gondola in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. The special promotion was removed.	other manufacturer	Asia
July 2012	Interaction with general public and mothers	Infant and follow-on formula were placed at end gondola in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion of infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. An official letter was sent.	other manufacturer	Asia
July 2012	Interaction with general public and mothers	Promotion of infant and follow-on formula in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion of infant and follow-on formula is not in line with Danone's Green Book.	consumer	Latin America
July 2012	Interaction with general public and mothers	Special display of infant formula in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. The special display was removed.	other manufacturer	Asia
July 2012	Interaction with general public and mothers	Promotion of infant and follow-on formula with low prices in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion of infant and follow-on formula in higher risk countries is not in line with Danone's Green Book	other manufacturer	Latin America

Date	Category	Allegation	Substantiated	Comments	Corrective Action	Source	Region
July 2012	Interaction with general public and mothers	Special promotion: infant and follow-on formula in end gondola in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries	The retail outlet was educated that promotion infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. The special promotion was removed.	other manufacturer	Asia
July 2012	Interaction with general public and mothers	Infant formula packs on shelf are displayed with large tag that states "New".	YES	In line with the Green Book infant formula should not be promoted or advertised in low risk countries.	Government was requested to educate retailer on local legislation.	government	Asia
August 2012	Interaction with general public and mothers	Discount on infant and follow-on formula 400g in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries.	An agreement with retail outlet was made that such promotion will not take place anymore, because promotion of infant and follow-on formula in higher risk countries is not in line with Danone's Green Book.	other manufacturer	Asia
August 2012	Interaction with general public and mothers	Infant and follow-on formula packs are placed at end gondola in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries.	The retail outlet was educated that promotion of infant and follow-on formula is not in line with Danone's Green Book.	other manufacturer	Asia
August 2012	Interaction with general public and mothers	Special promotion (tie-in sales activity) of infant and follow-on formula in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries.	An agreement with retail outlet was made that such promotion will not take place anymore, because promotion of infant and follow-on formula in higher risk countries is not in line with Danone's Green Book.	other manufacturer	Asia
August 2012	Interaction with general public and mothers	Special promotion: infant and follow-on formula in end gondola in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries.	The retail outlet was educated that promotion infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. The special promotion was removed.	other manufacturer	Asia
August 2012	Interaction with general public and mothers	Danone website does not clearly support breastfeeding	YES	In Line with the Green Book all online (website) materials should contain elements to emphasize the importance and superiority of breastmilk.	The website was adapted to include the relevant information.	government	Asia
September 2012	Interaction with general public and mothers	Special display of infant and follow-on formula in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries.	The retail outlet was educated that promotion infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. The special display was removed.	other manufacturer	Asia

Date	Category	Allegation	Substantiated	Comments	Corrective Action	Source	Region
September 2012	Interaction with general public and mothers	Special display of infant and follow-on formula in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries.	The retail outlet was educated that promotion of infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. The special display was removed.	other manufacturer	Asia
September 2012	Interaction with general public and mothers	Promotion of infant formula in a retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries.	The retail outlet was educated that promotion infant and follow-on formula in higher risk countries is not in line with Danone's Green Book. The special promotion was removed.	other manufacturer	Europe
October 2012	Interaction with general public and mothers	Special display (end gondola) of infant and follow-on formula in retail outlet	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries.	The retail outlet was educated that promotion of infant and follow-on formula in higher risk countries is not in line with Danone's Green Book and requested to remove the special display.	other manufacturer	Asia
October 2012	Interaction with general public and mothers	Advertisement of infant formula on receipts of large retailer	YES	In line with the Green Book infant and follow-on formula should not be promoted or advertised in higher risk countries.	Retailer was educated by Danone on local legislation.	government	Asia
Xx	Interaction with general public and mothers	Infant formula displayed on end gondola	YES	In line with the Green Book infant formula should not be promoted or advertised in low risk countries.	The product was removed from end gondola.	government	Asia