



Danone Trading ELN B.V.

**Independent audit of Danone's marketing practices in Senegal
against the Danone Policy on the Marketing of Breastmilk
Substitutes**

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Independent Statement by Bureau Veritas

Introduction

Bureau Veritas has been commissioned by Danone Trading ELN B.V. (Danone) to provide an independent audit of Danone's Breast Milk Substitutes (BMS) businesses in Senegal (the Country Business Unit or CBU). The key objective of the work was to assess the Affiliate's compliance with the BMS Policy for the Marketing of Breast-Milk-Substitutes ('BMS Policy'), the corresponding internal Corporate guideline: the BMS Directive, and any applicable local regulation.

In Senegal, the Government has partially implemented the WHO Code and related requirements mainly through Interdepartmental Analysis / Order 5969, July 25, 1994, laying down the conditions for the marketing of breast-milk substitutes.

Products covered by the Danone BMS Policy are BMS intended for infants aged between 0-12 months (Covered Products).

This audit follows similar work previously conducted by Bureau Veritas for Danone in other global operations.

Scope of Work and Methodology

The audit was conducted in Senegal between 23-27 September 2019, using one verifier from Bureau Veritas UK Ltd (Bureau Veritas) and a local verifier from Bureau Veritas Senegal who also acted as a translator. The Bureau Veritas UK team has extensive experience of undertaking WHO Code assessment related work.

During the audit, Bureau Veritas undertook the following activities:

- Visited the CBU head-office in Dakar, interviewed 10 employees and conducted a review of sample documentation and records relating to compliance with the Danone BMS Policy;
- Interviewed 1 employee from a pharma-distributor of the CBU;
- Interviewed 14 Health Care Professionals (HCPs) including paediatricians, midwives and nurses. In all of these meetings Danone was not disclosed as the client prior to the interview in order to avoid bias during interviews, nor was the CBU informed of who was interviewed;
- Visually assessed compliance with the Policy in 7 healthcare organisations and 45 retail locations including modern trade and pharmacies. Bureau Veritas independently selected the locations that were visited;
- Conducted one anonymous call to the Nutricia careline. There is no number on the products for Senegal, so the Cote d'Ivoire number was used.

Any findings identified during the audit have been categorised as per the following:

Non-conformance:

- Any failure to follow a written requirement specified within the Danone BMS Policy
- A failure to achieve local legal or statutory 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 Danone BMS Policy and local directives, could be improved to further strengthen the CBU's practices.

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

Non-conformance:

1. Promotion of covered products to the General Public

Article 3.3 of the BMS Policy states that 'Danone does not use point of sale, advertising, sampling or any other promotional devices to induce sales of Covered Products directly to the consumer at retail level.' During the marketplace assessment, Bureau Veritas identified seven instances of special display containing covered products. In addition, a growing up milk GUM brand advertising sign using the same bear logo that also appears on the covered products brand was found to be placed outside one store entrance. The identified cases of promotion have been grouped into a single non-conformance against Article 3.3 of the BMS Policy.

2. Communication to Partners

The Scope section of the BMS Policy requires that: 'Danone ensures Partners understand and are made aware of the importance of abiding by this BMS Policy during all collaborations with, or on behalf of, Danone.' It was found that Distributor Partners receive information on the WHO code, but are not provided with the latest version of the BMS Policy and the BMS Policy is not directly referenced in the training presentation. This constitutes a non-conformance against the Scope section of the BMS Policy.

3. Employee Contracts

The BMS Policy Article 15.2 requires the following to be included in employment contracts, 'Undertaking induction and regular training on the BMS Policy; reporting to management any unethical or inappropriate activities in relation to the Marketing of BMS'. From the sample of employee declarations and employment contracts reviewed, these do not appear to include the mentioned provisions and is therefore a non-conformance against said requirement.

4. Contracting of Health Workers

Bureau Veritas reviewed a sample of contracts and noted that they were directly with HCPs and not through their affiliated HCO. No consent was documented. This is not in line with the BMS Policy article 5.6.

Opportunity for improvement (OFI):

No opportunities for improvement were identified.

Areas of good practice:

1. No non-compliant Danone branded materials were observed at any HCOs
2. Danone Senegal staff have an overall good awareness of the requirements of the WHO Code and the BMS

Policy

3. During the call to the Careline, the response from the operator was fully compliant with the BMS Policy

Limitations

Visual inspections of healthcare facilities and retail outlets and external stakeholder interviews were limited to the city of Dakar. Some of the statements made by external stakeholders are anecdotal and evidence may not be available to support their claims. Whilst our audit protocol is designed to provide an objective independent assessment, it remains that in some cases the audit of such statements is dependent solely on the credibility of the party presenting the evidence.

This statement is not intended to provide a definitive opinion as to whether or not the CBU complies with the Danone BMS Policy, nor does this statement constitute a guarantee or assurance by Bureau Veritas that infringements against the Danone 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 Policy for the implementation of the WHO Code.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 180 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 audit team members do not have any involvement in any other projects with Danone outside those of an independent audit 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.



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Bureau Veritas UK Ltd

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