

Danone

Independent Green Book / Blue Book Audit Statement Australia (2014)



Introduction

Bureau Veritas has been commissioned by Danone to provide an independent audit of the compliance of its Danone Nutricia Early Life Nutrition (DNELN) operations in Australia, with Danone's Green Book (version 3, April 2013), Danone's Blue Book (version 3, April 2013) and any local legislative requirements for the marketing of breast milk substitutes (BMS). The Green Book is Danone's Policy for the Marketing of Foods for Infants and Young Children. The Blue Book is Danone's Management System Manual for the Marketing of Foods for Infants and Young Children.

Scope of Work and Methodology

The audit was conducted in Sydney between 3 and 7 February 2014. Bureau Veritas developed an audit protocol to address the requirements of Danone's Policy and its Internal Management System and any local legislative requirements for the marketing of BMS. Products which are covered by the scope of the Green Book in Australia include infant formula designed to satisfy the nutritional requirements of healthy normal infants from birth up to the age of 6 months (known as 'Covered Products').

Bureau Veritas undertook the following activities to assess DNELN's compliance with its Policy and relevant local legislation:

- Country Business Unit (CBU) Audit:
 - interviewed key DNELN's local management at the CBU head office with roles and responsibilities for the sale and marketing of BMS and reviewed supporting documentation and records
 - conducted five 'mystery shopper' calls to the CBUs consumer hotline (the Careline) to test the understanding and implementation of the Green Book
- Marketplace audit: Bureau Veritas independently determined, scheduled and visited:
 - ten retail outlets to visually assess how DNELN products are sold to assess compliance with the Green Book
 - seven health workers to conduct interviews to assess DNELN's compliance with the Green Book

Danone
Independent Green Book / Blue Book Audit Statement
Australia (2014)



CBU Audit Summary

The CBU demonstrated compliance with, and the implementation of a management system for the following articles of the Green Book – Information and Education, Labeling, Healthcare Facilities, Health Workers, Humanitarian Aid, Clinical Studies, Retail Trade and Distributors, Events for Health Workers and Educational Grants. An internal validation process, implemented by the CBU ensures that materials such as labels, informational and educational materials and medical marketing materials are reviewed and approved for compliance with the Green Book in terms of content, use of logos and breastfeeding support messages, prior to distribution. All employees receive training on the requirements of the Green Book, and bonus and incentive calculations for employees are not based on individual or collective sales targets for Covered Products.

Three non-conformities with the Green Book were identified during the CBU audit:

- Two of the five ‘mystery shopper’ calls made to the Careline yielded responses from CBU which are not considered to be fully compliant with the spirit of the Green Book. In response to a scenario where the mother is concerned about not producing enough breastmilk and enquires about introducing formula into the baby’s diet, the Careline advises the caller that breastmilk is valuable for baby even if small amounts are able to be given alongside the formula and advises on how to mix feed. However the Careline advisor does not provide information on how to encourage the production of more breastmilk.
- In response to a separate scenario where the caller is returning to work after maternity leave and is enquiring about the use of a DNELN or a competitor Covered Product, the Careline advises the caller that breastfeeding is best for the baby, however provides information on the CBU’s brand of Covered Product. No information is provided on how to continue to breastfeed whilst at work.

We consider that these two findings are not fully compliant with the spirit of the Green Book, which is Danone’s commitment to support exclusive breastfeeding for the first 6 months and continued breastfeeding thereafter. In both instances, whilst the Careline representative does state the importance of breast-milk, advice is provided on how to mix feed, including the use of Covered Product, rather than on how to continue breastfeeding/encourage the production of more breast milk.

- One member of the consumer relationship management (CRM) team had not attended specific training on the Green Book. This represents a non-conformance with Article 12.1 of the Green Book which requires that all employees responsible for the Marketing of Covered Products receive training on the aims and principles of the WHO Code.

Danone
Independent Green Book / Blue Book Audit Statement
Australia (2014)



One non-conformity with the Blue Book was identified during the CBU audit:

- The employment contract utilised by the CBU, includes a reference to compliance with the 'Business Conduct Policy and 'International Code of Ethics', however there was no specific reference to compliance with the Green Book. This represents a non-conformance with Article 3.1.2 of the Blue Book.

Marketplace Audit Summary

No non-conformities with the requirements of the Green Book were identified during visual inspections of the retail outlets visited by Bureau Veritas. In all retail outlets visited, DNELN'S Covered Products were observed to be displayed and sold in compliance with the Green Book, and no use of promotional devices such as special displays, discounting, sampling, free gifts or point of sale promotional materials were observed.

The health workers interviewed confirmed that medical representatives of DNELN have not solicited contact with the general public to promote its Covered Products or provided feeding demonstrations to mothers of infants. They also confirmed that representatives of DNELN had not provided gifts or samples to the general public which promote the use of Covered Products. Bureau Veritas did not observe any non-compliant DNELN materials, or witness any non-compliant activities being conducted by DNELN in the healthcare facilities visited during the audit.

Detailed findings and recommendations from the audit have been provided to DNELN as part of an Internal Management Report.

Disclaimer

DNELN was not disclosed as the client to external stakeholders in order to avoid bias during the audit, nor was DNELN informed in advance of who would be interviewed. Some of the statements made by external stakeholders are anecdotal and evidence may not be available to support their claims. Whilst the audit protocol is designed to provide an objective independent assessment, it remains that in some cases the verification of such statements is dependent solely on the credibility of the party presenting the evidence. Where Bureau Veritas did not find objective evidence to support statements made by external stakeholders this is clearly expressed in this statement.

Neither the audit conducted by Bureau Veritas nor this statement constitutes a guarantee by Bureau Veritas that violations against the Green Book or relevant local legislation have not taken place.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in quality, health, safety, social and environmental management advice and compliance with more than 180 years of history in providing independent assurance services. Bureau Veritas has implemented a Code of Ethics across its

Danone
Independent Green Book / Blue Book Audit Statement
Australia (2014)



businesses which ensure that all its staff maintains high standards in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest. In our opinion this audit does not raise any conflicts of interest.



Statement issued by Bureau Veritas UK

May 2015