

Danone

Independent Green Book / Blue Book Audit Statement Cambodia (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 Cambodia, 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 Phnom Penh between 1 and 5 December 2014. Bureau Veritas developed an audit protocol to address the requirements of DNELN'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 Cambodia include infant formula and follow-on formula designed to satisfy the nutritional requirements of healthy normal infants from birth up to the age of 12 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 CBU's 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
 - ten health workers to conduct interviews to assess DNELN's compliance with the Green Book

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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, Humanitarian Aid, Products for Professional Evaluation, Clinical Studies, 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.

No non-conformities with the Green Book were identified during the CBU audit.

No non-conformities with the Blue Book were identified during the CBU audit.

Marketplace Audit Summary

Non-conformities with the Green Book were identified in five out of the ten retail outlets visited during the audit.

In one retail outlet visited, a poster developed by the CBU promoting the new 1500g tin format of a Covered Product was observed on the shelf containing DNELN's Covered Product. This poster represents a non-conformance with Article 9.4 of the Green Book which prohibits the use of point of sale materials for Covered Products.

In four retail outlets visited, special displays of Covered Products were observed. A summary of the issues identified were:

- a) Covered Products were displayed on a company branded shelf display, framed by branded promotional point of sale materials such as shelf talkers, header board and wobblers (promotional tags that hang from the shelf).
- b) Point of sale material/header board contained an image of a female in a white coat, which could be perceived by consumers as a health worker endorsement of the products displayed (including Covered Products).
- c) Covered Products were observed in a company branded end of aisle gondola display, framed by branded promotional point of sale materials such as shelf talkers.

These observations represent a non-conformance with Article 9.4 of the Green Book which prohibits the use of special displays for Covered Products in retail outlets.

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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 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.



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