

Independent Verification of Compliance with the Danone Policy (2018) and Procedure for the Implementation of The WHO International Code of Marketing of Breastmilk Substitutes (BMS)



Introduction

Bureau Veritas UK Limited ('Bureau Veritas UK') has been engaged by Danone Early Life Nutrition ('Danone') to provide an independent assessment of alignment of its business in Cote d'Ivoire, DANONE NUTRICIA COTE D'IVOIRE (DNCI) (the 'CBU'), with the Danone Policy for the Marketing of Breast-Milk-Substitutes (the 'BMS Policy'), the corresponding internal Corporate guideline, the BMS Directive, and any applicable local regulation ('reference documents').

In Cote d'Ivoire, the Government has implemented the WHO Code and related requirements mainly through DECREE No. 2013-416 of 6 June 2013 regulating the marketing of breastmilk substitutes that governs the marketing control on food for infants and young children in Cote d'Ivoire (the Local Code).

Products covered by the BMS Policy and the Local Code are BMS intended for Infants aged between 0-24 months ('Covered Products').

Scope of Work and Methodology

The assessment activities were conducted during the period November and December 2021 - with one auditor from the Bureau Veritas UK Assurance Services team undertaking activities remotely and one local auditor from Bureau Veritas Cote d'Ivoire undertaking activities in-country ('the assessment team').

During the audit, Bureau Veritas undertook the following activities:

- Interviews using video conferencing applications with 18 CBU and 2 distributor personnel and responsible for BMS sales, marketing, and compliance;
- Reviewed requested documentation and records relating to BMS marketing practices on a sample basis via file-sharing and screen-sharing applications. Topics covered included:
 - local procedures and alignment with the BMS Policy and other reference documents;
 - compliance monitoring, consumer and medical marketing materials and events, labels, internal and regulatory approvals, distribution of product for professional evaluation and training;
- Sample review of 4 local e-commerce sites selling Covered Products, and social media webpages managed by the CBU;
- Visual assessment of 58 retail locations selling Covered Products in Abidjan, Cote d'Ivoire. Bureau Veritas independently selected the locations that were visited;
- A Health Care Professional (HCP) survey with 4 respondents took place.

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Non-conformance:

- Any failure to follow a written requirement specified within the BMS Policy
- A failure to achieve Local Code 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 BMS Policy and the Local Code, could be improved to further strengthen the CBU's practices.

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

Non-conformances:

1. *Point of sale promotion to the general public and mothers*

During the marketplace audit of e-commerce sites, it was found that 1 of the 4 sites sampled, featured covered product being offered at a discount as a 'Black Friday' (Nov 26th) promotion and at later date carried promotional vouchers on the same page as covered product being sold by a supermarket chain. This is inconsistent with the requirements of Clause 3.1 & 3.3 of section General Public and Mothers of Danone's Policy for the Marketing of Breast-Milk Substitutes forbid the promotion of covered product which state 'Danone does not advertise or promote Covered Products to the general public' and '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.'

Bureau Veritas notes that there was no evidence to suggest that this promotion was at the request of or with the consent of Danone.

2. *Employee training*

During the country Head Office interviews with regulatory affairs and human resources insufficient documentary evidence (historic records) was found that training had been carried out for all of the current employees. This is inconsistent with requirements of Clause 11. Employees and Partners Training of Danone's Policy for the Marketing of Breast-Milk Substitutes which states 'All Danone Employees and Partners responsible for the Marketing of Covered Products receive training, which includes the aims and principles of the WHO Code and the Danone commitments to responsible Marketing as outlined in this BMS Policy' and clause 15.3 of the same which states 'All Danone Employees involved in the Marketing, distribution, selling, education and/or governance of Covered Product receive relevant and regular training'.

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Opportunities for improvement:

1. Customer Relationship Management (CRM) record

Bureau Veritas recommends that the standard report template of the Global tool used by Danone and the CRM includes both caller question and the CRM agent's response as a rule.

2. Management of the allegation management log

Bureau Veritas recommend developing a more formal and systemized document control and re-issue process for the allegation management log.

3. Clarity of training requirements

Bureau Veritas recommend that a training matrix should be considered to precisely indicate what employee and partners roles require awareness, general, special or no training in the requirements of the Danone's BMS policy and Cote D'Ivoire local code requirements for the governance of Covered Product.

There were a number of areas identified where the compliant practices are well managed and these instances have been summarized in an internal report to Danone.

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Limitations

2021 – Amended Delivery Approach

Due to the COVID-19 pandemic outbreak and associated travel restrictions, the delivery approach in 2021 was amended and the Bureau Veritas UK team leading this assessment was unable to travel to Cote d'Ivoire.

The in-country auditor coordinated and conducted visits to retail outlets to visually assess alignment with the Policy in Abidjan. Interviews with the CBU personnel and review of relevant documentation were conducted remotely via video conferencing and electronic file-sharing. Face-to-face interviews with HCPs could not be conducted due to the health risks associated with visiting Health Care Organisations (HCOs) during the pandemic. Instead, a remote survey of HCPs was conducted via telephone. A detailed methodology of the assessment conducted is provided in the Scope of Work and Methodology section of this statement.

The amended delivery approach in 2021 has several limitations, such as document review and interviews with stakeholders may not provide the same level of detail or information when conducted remotely.

These are in addition to the limitations of conducting this type of engagement where travel to the country of assessment is possible.

Visual inspections of retail outlets were limited to the city of Abidjan. Whilst our methodology is designed to provide an objective independent assessment, it remains that some of the statements made by stakeholders are anecdotal and evidence may not be available to support their claims.

This statement is not intended to provide a definitive opinion as to whether the CBU complies with the BMS Policy. Neither the assessment conducted by Bureau Veritas nor this statement constitutes a guarantee or assurance by Bureau Veritas that infringements against the 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 BMS Policy.

Statement of independence, impartiality, and competence

Bureau Veritas is an independent professional services company that specializes in quality, environmental, health, safety, and social accountability with over 190 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 verification team members do not have any involvement in any other projects with Danone outside those of an independent assessment 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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