

DANONE
FINAL ASSESSMENT OF BMS CALL TO ACTION SIGNATORIES

**WORKING TOGETHER TO PROTECT, PROMOTE AND SUPPORT BREASTFEEDING
AND IMPACT AT SCALE INFANT NUTRITION AND HEALTH: DANONE'S RESPONSE
TO THE BMS CALL TO ACTION**

4 DECEMBER 2020

Danone shares with the UN and civil society signatories of the BMS Call to Action a clear objective to improve infant and maternal nutrition and health. On this important agenda, there is far more that we agree on, than will ever divide us.

This year, on 26 June, Danone became an “*Entreprise à Mission*”, adopting a legal framework putting purpose at the heart of our company, and a strengthened governance to oversee progress towards our social, societal and environmental objectives aligned with the United Nations’ Sustainable Development Goals. Among them, we aim to impact people’s health locally, with a portfolio of healthier products, with brands encouraging better nutritional choices and by promoting better dietary habits. An independent committee made of external qualified experts will review and challenge the company’s roadmap and progress towards these objectives. This step is fully consistent with Danone’s ambition to become certified B Corporation by 2025, showing our long-term commitment to sustainable business and to high standards of societal and environmental performance.

2020 is a year in which the world is facing an extraordinary and unprecedented global health crisis which is directly threatening young children. The triple burden of malnutrition (undernutrition, micronutrient deficiency and obesity) threatens the survival, growth and development of millions of children and hampers the development of economies and nations. Breastfeeding is a cornerstone of optimal nutrition for infants: today around 41 per cent of infants under six months in the world are exclusively breastfed¹ and this percentage needs to further increase.

There are multiple factors influencing local breastfeeding rates: cultural beliefs and social pressure, knowledge gaps, lack of support of breastfeeding as a public policy investment priority, inadequate parental policies and breastfeeding support in the workplace, poor counselling and support to mothers and families. Increasing breastfeeding rates worldwide requires a two-fold approach. Firstly, breastfeeding mothers should be respected in their feeding decisions and protected from any unethical argument or marketing practices. Secondly, all stakeholders should take a leadership role to protect, promote and support breastfeeding.

Danone believes that the time is right to move beyond any differences of the past. At the heart of our response to the BMS Call to Action is our strong wish to join forces with the leaders in UN and civil society to build a new level of involvement and partnership, to impact at scale the nutritional status and health of infants and young children, and increase breastfeeding rates across the world.

¹ Global Breastfeeding Collective UNICEF and WHO in 2019, <https://apps.who.int/iris/bitstream/handle/10665/326049/WHO-NMH-NHD-19.22-eng.pdf?ua=1>

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Danone has long supported the aims and principles of the WHO Code, and the Code has shaped the evolution of our own policies and practices. We remain committed to playing the *“important and constructive role”* the Code envisages for manufacturers, both in relation to infant feeding, and in the promotion of the aims of the Code.²

I. Danone commitments towards the BMS Call to Action

Danone is committed to pursuing full compliance with the International Code of Marketing of Breast-milk Substitutes globally by 2030. We are today setting out the next steps we are able to take unilaterally, as well as those we would need to take as part of an industry-wide move to support the adoption and implementation of national legislation fully aligned with the Code. We are also setting out a proposal for a more collaborative approach between national governments, civil society, UN, WHO and private companies, to help us get to greater compliance together, faster.

A concrete plan with clear delineated steps towards full compliance will be published alongside this response.

Signatories' assessment

Ask 1: Publicly commit your company to full compliance with the International Code of Marketing of Breast-milk Substitutes and subsequent resolutions (the Code) globally (including covering of breast-milk substitutes up to 36 months of age), and disclose a concrete plan for achieving this goal by 2030 at the latest, with delineation of clear incremental steps.

The company does not make all the requested commitments.-While Danone states its willingness to pursue full compliance with the Code globally by 2030 and sets out some steps it is willing to take, it does not commit to achieving full compliance. The company commits to publishing a plan with a clear delineation of the steps it is willing to take towards full Code compliance. The company submitted the plan by the deadline set by the signatories of December 31st 2020; the evaluation of that plan will be published separately.

Danone was the first, and is so far the only, company to have a global policy restricting marketing of BMS that covers both consumers and healthcare professionals (HCPs) universally, for products marketed as suitable for infants between birth and six months of age, and 0-12 months in countries designated as high risk by FTSE4Good. To ensure the highest standards, we are committed to upholding our policy, in all jurisdictions where regulations are absent or less stringent than our policy, and have put in place robust internal compliance processes.

- **Danone is fully aligned with the Call to Action's aspiration for a level playing field and that restrictions on the marketing of products for 0-12 months should become the new global regulatory standard. We commit to play an active role campaigning for change and, wherever a level playing field can be established,**

² Introduction (Page 7), International Code of Marketing of Breast-milk Substitutes, WHO, 1981
https://www.who.int/nutrition/publications/code_english.pdf

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we will extend our policy to all products from 0-12 months. We sincerely believe this to be the only way to secure a positive impact on breastfeeding rates from such a move. Our experiences around the world have evidenced that unilateral restrictions from one company lead only to a shift of consumers towards less ethical players and has no corresponding positive impact on breastfeeding. We would welcome further dialogue to progress this common agenda and are committed to supporting the adoption, implementation and enforcement of national legislation to meet the needs of each market.

Signatories' assessment

Ask 2: As a first step towards full Code compliance, by the end of 2020, for a company that has a BMS marketing policy in place, ensure that your current policy and practices (including promotion to consumers and healthcare providers) are Code-aligned and for products marketed as suitable for infants between birth and 12 months of age, extend them to all countries, and commit to upholding your policy in all jurisdictions even where regulations are absent or less stringent than your policy. In countries where national law is more stringent than your policy, adherence to national law always takes precedence.

The company does not make all of the requested commitment. The company's current published policy is global for formulas marketed as suitable for infants between 0-6 months of age and applies to BMS products marketed as suitable for infants between 6-12 months of age only in higher risk countries. Further, the policy applies in all jurisdictions where laws and regulations are less stringent than its policy or absent. To fully meet this ask, the company would need to extend this policy to all countries.

We await the results of ATNI's forthcoming 2021 BMS Marketing Index to determine whether the company's current policy and practices for these products fully align with the Code and all subsequent relevant WHA resolutions. The results of the 2018 Global Index indicated that they did not do so.

- We offer to work together with the UN, WHO, governments, civil society organizations, and pediatric societies to develop a new evidence-based, shared policy agenda, focused on increasing breastfeeding rates and improving nutritional health of infants and mothers. Danone will willingly and actively collaborate on the design and implementation of new advocacy initiatives, in every country where we operate, that will contribute to creating the right environment for Code compliance. We are ready to take a lead, catalyzing industry engagement and dialogue with regional policymakers. We have experience of this kind of advocacy, for example working with European consumer organizations, food companies, retailers, scientists and politicians to promote Nutri-score labelling as an EU regulatory standard.³

³ Joint letter to the European Commission on Nutri-score : https://www.beuc.eu/publications/beuc-x-2020-029_joint_letter_to_the_european_commission_re_mandatory_nutri-score.pdf

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Signatories' assessment

Ask 3: Commit to support the adoption and implementation of national legislation fully aligned with the Code in order to create a level playing field for all companies.

Danone states that it will willingly and actively collaborate on the design and implementation of new advocacy initiatives, in every country where they operate, that will contribute to creating the right environment for Code compliance. To fully meet this request, the company would need to add that it will support the adoption and implementation of national legislation fully aligned with the Code.

- **In line with the Call to Action, Danone agrees to provide information on our policies and practices to the Access to Nutrition Initiative (ATNI).** We strongly believe that external monitoring raises the compliance and integrity of marketing practices of individual companies, and ultimately, the entire industry. Danone recognizes ATNI as an independent actor responsible for monitoring companies' progress towards their plans for achieving Code compliance. We already work closely and share extensive information with ATNI, and we are proud to have ranked number 1 in the 2018 ATNI assessment of the BMS sub-category. Danone's policies and practices are also independently audited by FTSE4Good and we have commissioned an independent third party (Bureau Veritas) to audit our BMS marketing practices in at least three markets every year. Our recent B-Corp certifications achieved by several Danone entities, including some of our Specialized Nutrition businesses around the world, have also driven additional public disclosures at global and local level. We recognize that ATNI is currently adapting their criteria to the Code, and Danone expects to continue to lead the industry in their assessments. We fully support the BMS Call to Action's encouragement of other manufacturers to follow suit.

Signatories' assessment

Ask 4: Agree to provide information on your company's policies and practices to the Access to Nutrition Initiative (ATNI) as requested, recognizing ATNI as an independent actor responsible for monitoring companies' progress toward their plans for achieving Code compliance.

The company makes the requested commitment.

Danone is included in ATNI's forthcoming 2021 BMS Marketing Index.

II. Danone's concrete steps forward

There are several additional measures Danone is ready to take unilaterally now, as part of our journey towards full Code compliance.

- 1. Firstly, Danone commits to increase product packaging differentiation to avoid cross-promotion.** The weight of science and the latest Codex developments recognize an important distinction between BMS products and supplementary nutritional products after 12 months, and we believe 0-12 months is the right priority for imminent regulation. However, we have listened carefully to concerns about marketing

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which may be perceived to blur the boundaries of products for different age categories. We are therefore committing today to clearly differentiate our products for different age categories. We will revise our packaging designs to help parents and caregivers better distinguish between BMS (as defined by local law or by our BMS policy, where this goes beyond local legislation) and other product categories. Starting in 2021, Danone will review and develop new packaging principles, and we will make progressive moves towards full implementation globally at the latest by 2025.

Signatories' assessment

The signatories welcome Danone's commitment to increase product packaging differentiation to avoid cross-promotion, which would respond to Recommendation 5 of WHA 69.9.

- 2. Secondly, Danone is committed to ensuring that our engagement with HCPs is based on science, facts and transparency and takes into account their unique roles and responsibilities in promoting breastfeeding practices, addressing nutritional needs for children with specific health conditions and improving infant nutrition.** The WHO Code recognizes the value of "*scientific and factual*" dialogue between manufacturers and HCPs.⁴ Dialogue with HCPs is also key to ensuring that every product and service we develop is based on a factual understanding, and addresses the evolving needs of care givers, patients and consumers. Danone already takes great care to follow strong ethical principles and processes in all our interactions, and we are proud to have pioneered the setting of new standards and practices in this area. Danone's 2017 Healthcare System engagement policy sets clear ethical and transparency standards for all our interactions with HCPs across the world.⁵

To go even further, Danone will develop a new certification program for our own Health Care Nutrition advisors who engage with HCPs. The program will seek to reinforce a strict focus on the sharing of scientific and nutritional knowledge in a manner consistent with full adherence to the aims and principles of the Code. We commit to co-designing the program with selected medical societies and civil society partners in 2021, to begin implementation in 2022. We will integrate the certification within Danone training platforms. All our Health Care Nutrition advisors working in infant and maternal nutrition will be certified starting in 2022-2023 and newcomers will be certified within the first year. By establishing and applying a new gold standard, with, we hope, the confidence of civil society partners, selected medical societies and HCPs, this upskilling program could subsequently be shared with other food companies. Our aim is to help raise the bar across the whole industry to protect, promote and increase breastfeeding.

From 2021, Danone will launch a new educational platform for HCPs to support up-to-date learning on scientific and factual content related to infant and maternal nutrition. This non-commercial platform, co-built and co-managed with

⁴ Article 7.2., International Code of Marketing of Breast-milk Substitutes, WHO, 1981
https://www.who.int/nutrition/publications/code_english.pdf: "Information provided by manufacturers and distributors to health professionals regarding products within the scope of this Code should be restricted to scientific and factual matters, and such information should not imply or create a belief that bottle-feeding is equivalent or superior to breast-feeding."

⁵ Link : https://www.danone.com/content/dam/danone-corp/danone-com/about-us-impact/policies-and-commitments/en/2017/2017_11_13_HCSCCompliancePolicy.pdf

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KOLs, aims to provide scientific and factual information and to contribute to advancing insight in the field of nutrition. It will be an open education platform to foster and disseminate nutrition research to a global audience, providing access to nutritional data and latest scientific and medical insight.

3. **Third, we confirm our commitment to continue to uphold the highest applicable standards in relation to the marketing and promotion of BMS.** We comply with the WHO Code as implemented by national governments everywhere in the world and uphold our policy in all jurisdictions, even where regulations are absent or less stringent than our policy. In countries where national legislation is more stringent than our policy, we ensure compliance with national requirements. As our BMS policy foresees that we do not advertise or promote infant formula for children aged 0-6 months anywhere in the world, even if permitted by local laws, we often go beyond national regulation. This means, for example, we do not advertise and promote infant formula in the US despite the absence of restrictions imposed by regulation.

III. Danone's call for a new level of public-private engagement

A common agenda to advance the aims and principles of the Code

Achieving the wider aims of the Code as well as meaningful impact on child nutrition will require more than a unilateral move. We must therefore focus on the objectives and commitments we have in common, build on the dialogue initiated by the Bill and Melinda Gates Foundation beyond the Call to Action, and work together to establish the right environment for universal compliance. We call for the creation of a coalition to support the adoption, implementation and enforcement of national legislation to meet the needs of each country, working together with governments, civil society organizations, industry and regional policy makers under the leadership of WHO. Together we can create the right environment for Code compliance.

An agenda to impact at scale breastfeeding and infant nutrition

Danone calls for a new level of public-private engagement between UN and civil society leaders and BMS manufacturers to step up collective action, both to protect, promote and support breastfeeding, and to positively impact the nutritional status of mothers and infants. By working together, we believe that there is an opportunity to accelerate progress towards the 2030 Agenda for Sustainable Development, in particular child survival, growth and development.

We all know that what infants eat and drink in the first 1000 days influences their lifelong health and can impact food preferences in later life. Many different elements need to be tackled to improve the nutritional status in this critical period. We have outlined this in our 2016 commitment to health and nutrition in the first 1000 Days.⁶

⁶Link:https://www.danone.com/content/dam/danone-corp/publications/Danone_s_Commitment_to_Health_and_Nutrition_in_the_First_1000_Days.pdf

Danone now aims to take our work in this area to the next level, working through new partnerships to protect, promote and support breastfeeding and to positively impact the

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nutritional status of mothers and infants. By engaging with multi-sector partners we can make the greatest impact on:

- Raising awareness amongst national governments, families of infants and young children, healthcare organizations and the general population about the benefits of breastfeeding and the need for a nutritious and age appropriate diet to support the healthy growth and development of infants and young children, including campaigns against non-suitable or inappropriate food to ensure the right nutrition of infants in the first 1000 days;
- Advocating for and supporting maternity protection and workplace policies that enable women and families to support breastfeeding;
- Helping to educate health workers to provide skilled breastfeeding counselling and support mothers and families during breastfeeding;
- Supporting the implementation of breastfeeding initiatives in every country;
- Developing nutritional solutions meeting local health needs and addressing wasting and stunting as well as severe and acute malnutrition.

To back these initiatives, Danone will invest and co-fund a significant part of our Ecosystem Fund, through our local companies, in activities that are agreed with UN and civil society partners, and that are assessed against published performance indicators on increased breastfeeding rates and improved health status. We will also provide our partners with access to our nutritional studies on local eating habits, social behaviors and scientific data on breast milk.

Danone believes that in the 21st Century it must be possible for a business to be a force for good in the world. This is our clear aspiration in becoming an *entreprise à mission* and pursuing B-Corp certification. Our response to the BMS Call to Action embodies our clear commitment to infant and maternal nutrition and health, support for breastfeeding and increasing Code compliance. Danone stand ready to engage with the UN and civil society organizations, and to work together to achieve our common goals. If we work together, we can and will achieve significantly more than any one of us can alone.

Veronique Penchienati-Bosetta



Executive Vice President, Danone Specialized Nutrition