



	Weight	Score	
		2018	2016
BMS 1: Corporate Profile	50%	60%	45%
BMS 2: In-country assessment	50%	33%	17%
<b>Total</b>	<b>100%</b>	<b>46%</b>	<b>31%</b>
Impact on the Global Index score		-0.8	-1.04

## BMS 1: Corporate Profile analysis

### Application of policy

Product type	Product made	Policy scope	Geographic coverage	Stance on local regulations
<b>Infant formula: 0-6 months</b>	✓	✓	All markets	If local regulations are absent or weaker than its own policy in higher-risk countries (and for infant formula in lower-risk countries), the company follows its own policy. It also commits to complying with all local regulations in all markets.
<b>Complementary foods: 0-6 months</b>	✓	✓	Higher-risk countries	
<b>Follow-on formula: 6-12 months</b>	✓	✓	Higher-risk countries	
<b>Growing-up milks: 12-24 months</b>	✓	✗	Out of scope	

### Initial Corporate Profile score

Section	Article	Topic	2018	Score 2016
1	Intro	Overarching commitments	88%	81%
2	4	Information & education	70%	42%
3	5	The general public and mothers	100%	92%
4	6	Healthcare systems	77%	57%
5	7	Healthcare workers	83%	50%
6	8	Persons employed by manufacturers and distributors	100%	75%
7	9	Labeling	73%	42%
8	10	Quality	100%	92%
9	11	Implementation	100%	82%
10		Lobbying (policy and objectives)	88%	88%
11		Disclosure	76%	40%
<b>Initial Corporate Profile score</b>			<b>87%</b>	<b>67%</b>

### About the company<sup>1</sup>

<b>Baby food global market share</b>	10-20%
<b>Percentage of baby food revenues out of total F&amp;B revenues (2016)</b>	20-30%
<b>Key global brands</b>	Nutricia, Blédina, SGM, Dumex, Milupa, Tema, Cow & Gate, Mellin, Gallia

<sup>1</sup> Source: Derived from Euromonitor International: Packaged Food, 2017 Edition



## Analysis

### Overarching commitments

In 2016, Danone significantly revised its policy to align it more fully to the language of the articles of The Code. Its updated policy explicitly acknowledges the importance of The International Code of Marketing of Breast-milk Substitutes (The Code) and subsequent relevant World Health Assembly (WHA) resolutions. Its policy also states its explicit support for exclusive breastfeeding for the first six months and continued breastfeeding for two years or more. In addition, the company articulates a clear commitment to the introduction of appropriate CF from the age of six months.

### Policy commitments on marketing

The company has also expanded the geographic scope of its policy – the policy now covers infant formula (0-6 months) in lower-risk countries. In addition, in each country where Danone operates, the policy takes into account local regulations. Moreover, if local regulations are weaker than the company's policy, Danone follows its own policy. This is considered industry-leading practice, as Danone is the only company that upholds its commitments relating to infant formula (0-6 months) in all markets. Similar to Nestlé, it commits to following its own policy if stronger than local legislation, but it goes further than Nestlé by making this commitment in lower risk markets for infant formula.

Not all products produced by the company are covered by its policy. Danone should extend its policy to cover products for children up to 36 months of age<sup>2</sup> and apply that policy for products beyond infant formula consistently globally, rather than only applying it only in higher-risk countries for those products. This would more clearly align to the company's support for the WHO recommendation that infants continue to be breastfed up to two years of age or beyond while also being fed with appropriate CF from six months of age.

Due to improved and strengthened policy wording, Danone's score on commitments related to Articles 4, 6, 7, 9, 10 and 11 has increased. Although now many of Danone's policy commitments strongly mirror the Articles of The Code, the company could strengthen them in the following areas to align fully with The Code:

- Broaden and specify standards related to providing information to healthcare workers, parents and other caregivers that powdered infant formula may contain pathogenic micro-organisms. This commitment should also be expanded to labels, which should include an explicit warning that the product may contain pathogenic micro-organisms.
- Commitments related to donations to healthcare systems. In fact, to comply with WHA 69.9, the company should rule out making such donations.

### Management systems

Overall, Danone demonstrated strong evidence of its approach to ensuring that it upholds its commitments related to all Articles included in its policy. It has a comprehensive global management system and clear procedures applied globally. As in 2016, through its policy and additional internal guidance documents, the company provides clear instructions to staff on how to interpret and apply the 'Green Book', and has good procedures, applied globally, to ensure proper implementation of the corporate guidelines.

Nevertheless, as the company is still in the process of updating its instructions to staff to align to the new policy, it has not achieved a comparable score with last Index in this area.

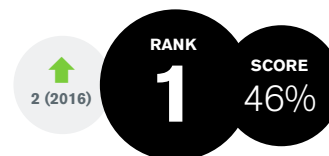
### Policy commitments on lobbying

Danone dedicates a section to lobbying in its Blue Book but does not disclose a separate policy to guide its lobbying on BMS issues. Danone commits not to undermine public policy frameworks, the work of the WHO or similar agencies nor national governments' efforts to develop and implement The Code and to seek to ensure that trade associations and industry policy groups to which it belongs operate to the same standards.

### Disclosure

Since 2016 Danone has strengthened its disclosure practices. It now publishes a position paper on BMS, provides a comprehensive list of associations of which it is a member and publishes on its website the results of third-party audits of compliance with its BMS policy. Danone could improve its transparency by disclosing more information about its lobbying activities and share reports on non-compliances with The Code raised or found, as it did previously.

<sup>2</sup> This age threshold is to align with the clarified definition in the WHA resolution 69.9, now covering products up to 36 months of age.



## Final Corporate Profile score

Product type weighting	35%	25%	20%	20%
Product type	IF	CF	FOF	GUM
Initial score	87%	87%	87%	0%
Score with geographic penalty (-25%)	87%	65%	65%	0%
Score with regulatory penalty (0% - no penalty)	87%	65%	65%	0%
<b>Final Corporate Profile score</b>	<b>60%</b>			

**Research:** The research was undertaken by ATNF between August-September 2017, based on documents available in the public domain or provided by the company by the end of October. Any documents published since are not reflected in the score. Danone engaged actively in the research process.

**Methodology used:** The 2018 ATNI Global Index BMS Marketing Corporate Profile methodology was the basis for assessment, developed with extensive input from the ATNI Expert Group, and available at [www.accessstonutrition.org](http://www.accessstonutrition.org).

**Product scope:** In line with the WHO definitions set out in The Code and its statement of July 2013, the 2018 Global Index scores are based on whether companies restrict marketing of their BMS products in line with the recommendations of The Code and relevant WHA resolutions. These include complementary foods and beverages identified as being suitable for infants up to six months of age, any type of milk-based formula or follow-on formula (also called follow-up formula) or growing-up milk (also called toddler milk) identified as being suitable for infants and young children up to 24 months of age. ATNF also calculated, for BMS 1, what each company's score would have been had their compliance with WHA 69.9 also been included, i.e. including formulas marketed as suitable for infants up to 36 months age and complementary foods for young children from 6-36 months of age. Companies' scores in the next Global Index will be based on these scores.

**Initial Corporate Profile score:** This score is based on an initial analysis of the company's policy, management systems and disclosure, as set out in the ATNI 2018 BMS Marketing methodology. It reflects the extent to which its policies are aligned with The Code and subsequent WHA resolutions (up to but not including WHA 69.9), its policy commitments on lobbying, the scope

and strength of its management systems, and extent of its disclosure (but not yet taking into account the product scope).

**Weighted scores:** The initial Corporate Profile score is adjusted according to: i) which types of countries the policy applies to (the score is reduced by 25% if the policy applies only in higher-risk countries for a particular product type); ii) where local regulations are weaker than its policy, whether the company complies with local regulations or its own policy (the score is reduced by a further 15% if it does not commit to following its own policy in these circumstances). The scores under each product type show the level of compliance each company achieves for that product type. If the company does not apply its policy to any product category it scores zero. This is also the case if it does not disclose its policy.

**Final Corporate Profile score:** This is the final score weighted according to whether the company's policy applies to each type of BMS product being assessed for the 2018 Global Index. That is, using the scores after the relevant penalties have been applied: (IF score \* IF weighting) + (CF score \* CF weighting) + (FOF score \* FOF weighting) + (GUM score \* GUM weighting). If a company derives less than 5% of its baby food revenues from CF, it is not scored for that product type. The 25% weighting for CFs is re-allocated to IF, i.e. its score for IF is multiplied by a weighting of 60%.

**Adjustment to Global Index score:** For those companies included in the 2018 Global Index, the total possible adjustment relating to the Corporate Profile is 0.75, 50% of the maximum possible adjustment of 1.5. The final Corporate Profile score represents the level of compliance with the ATNI methodology; the adjustment is based on the level of non-compliance. Therefore, the calculation for the adjustment is:  $0.75 \times (100\% - \text{final CP score})$ .

## Preliminary analysis of compliance with WHA 69.9

For the assessment of compliance with WHA 69.9, in the next Global Index the BMS 1 Corporate Profile will comprise two parts. Firstly, the BMS module will retain the same structure as the current methodology but indicators that relate to the new recommendations will be adjusted to reflect them. A second module will be added – the CF module – to assess companies' marketing of CF for infants and young children between 6-36 months of age. This module will only be applied to companies that derive more than 5% of their total baby food sales from CF for children 6-36 months. The new module will also assess companies' policies and management systems that relate to CF for infants and young children between 6-36 months of age. All sections will carry equal weight, i.e. 16.67% each. The final BMS 1 score will combine the scores for each module. The BMS module will carry 95% of the weight and the CF 6-36 module will carry 5% of the weight. This reflects the fact that whereas The Code is designed to protect breastfeeding and deter inappropriate marketing of BMS products that might discourage breastfeeding, WHA 69.9 is not designed to deter marketing of CF 6-36 in general but rather to ensure that they are not marketed in such a way as to discourage

breastfeeding or raise brand awareness for BMS products made by the same company via cross-marketing. Moreover, it is intended to prevent conflicts of interest in health facilities all throughout health systems.

**Initial assessment of the company's application of WHA 69.9**

For the 2018 Global Index, the BMS 1 assessment does not include analysis of companies' compliance with the provisions of WHA 69.9. However, analysis has been conducted to determine companies' progress in implementing this resolution. Danone has very few commitments in place which relate to the provisions of WHA 69.9 that apply to formulas and CFs. The company should adopt a policy which reflects the relevant adjustments introduced by WHA 69.9.

**Danone analysis**

Score Including WHA 69.9	80%
BMS score (95% weight)	84%
CF score (5% weight)	0%

## BMS 2: In-country assessments in Thailand and Nigeria

	Thailand	Nigeria	Total
<b>Total number of BMS products assessed</b>	<b>39</b>	<b>3</b>	<b>42</b>
Infant formula	14	1	15
Complementary foods	0	0	0
Follow-on formula	10	1	11
Growing-up milks	15	1	16
<b>Total incidences of non-compliance identified</b>	<b>612</b>	<b>3</b>	<b>615</b>
Infant formula	37	1	38
Complementary foods	0	0	0
Follow-on formula	17	1	18
Growing-up milks	527	1	528
Formula, age not specified	31	0	31
<b>Ratio of incidences of non-compliance by products assessed</b>	15.7	1.0	
<b>Level of compliance</b>	Low	High	
<b>Aggregate score (Thailand and Nigeria)</b>			33%
<b>Adjustment to Global Index score (out of 0.75)</b>			-0.50

Note that the final adjustment to the Global Index score based on the in-country assessments is calculated as follows:  
 $0.75 \times (100\% - \text{aggregate in-country score})$ .

### Key to levels of compliance

*Complete:* No incidences of non-compliance found

*High:* Fewer than or equal to 1 incidence of non-compliance by number of products assessed

*Medium:* Between 1.1 and 2 incidences of non-compliance by number of products assessed

*Low:* More than 2.1 incidences of non-compliance by number of products assessed.

## Product brands

<b>Thailand</b>	Dumex, Nutricia
<b>Nigeria</b>	Cow & Gate

### Article 4: Information and educational materials, including donations of equipment

- Overall, 25 incidences of non-compliance with Article 4 were found.
- In Nigeria, no observations were made of information and education materials but in Thailand one Danone growing-up milk product was referenced on an item of informational / educational material. Furthermore, 24 pieces of equipment were found displaying Danone brand names or logos.

### Article 5: Advertising and promotion to the general public and mothers

- A total of 541 incidences of non-compliance were observed in Thailand but none in Nigeria. (Note that data based on recall is not included in the score).
- This included 40 adverts or promotions for growing-up milks in traditional and new media, of which 34 were on the company's own media channels. In addition, 501 point-of-sale promotions on online retail sites which the company has commercial relationships with were found. Of those, 471 were for growing-up milks. Neither Danone's policy nor the Thai regulations extend to growing-up milks, however they are covered by The Code. Danone's policy and the local regulations preclude advertising or promoting infant formulas and follow-on formulas; 23 online promotions were found for infant formulas and seven were found for follow-on-formulas. None of the mothers reported being given samples of Danone products.

- Only 4 mothers interviewed in Thailand thought they recalled seeing an advertisement for what they believed to be Danone products, three on television and one on social media. Only one mother in Nigeria thought she might have seen an advert for a Danone product but she did not recall on which form of media.

### Article 6: Healthcare systems (promotion within)

- Seven incidences of non-compliance were observed in Thailand with regards to promotional materials with brand names or logos, but none in Nigeria.
- No workers in either country reported that they had received a gift from Danone or an offer to sponsor events or workshops or any other offer of support.
- Two reports were made by healthcare workers in Thailand that a Danone representative had contacted them to provide product samples to mothers but no mothers reported having been recommended to use a Danone product by a healthcare worker.

### Article 9: Labeling

- All of Danone's 42 products assessed in both countries had product labels or inserts that were not compliant with The Code. For example, many carried a health or nutrition claim and none included a warning that the product might contain pathogenic-micro-organisms.

## In-country assessment: Summary of methodology & scoring

**Research:** The research was undertaken by Westat, a U.S.-based health and social science research company, under contract to ATNF, working with a local partner in each country.

**Methodology used:** The methodology is based on the first edition of the NetCode protocol: Research Protocol for Periodic Surveys to Assess the Level of Compliance with The Code and Relevant National Measures. Full details of the methodology are available in the Westat reports for each country.

### Data collection methods:

- Interviews with pregnant women and mothers of infants in healthcare facilities.
- Interviews with healthcare workers in healthcare facilities.
- Identification of informational and educational materials produced by BMS manufacturers in health facilities and retail stores.
- Identification of promotional materials produced by BMS manufacturers in healthcare facilities
- Identification of adverts and point-of-sale promotions by BMS manufacturers in retail stores and on online retail sites.
- Analysis of product labels and inserts of all available BMS products on the local market, in a large and small size where available.
- Media monitoring, including various forms of traditional and new media.

### Definitions used:

Westat's studies included the following types of products, following the definitions used in The Code and WHA 69.9

- BMS products include: infant formula (for infants less than six months of age); follow-on formula – sometimes called follow-up formula – (for infants 6-12 months of age); growing-up milk (for children 12-36 months of age); CF when recommended for infants less than six months of age and bottles and teats.
- CF marketed as suitable for young children from 6-36 months of age.

While Westat analyzed and presents data including CF 6-36 months, ATNF has only based companies' BMS 2 results on their scores relating to compliance with The Code and all resolutions up to but not including WHA 69.9, i.e. excluding results relating to CF 6-36 months and formulas marketed as suitable from 24 to 36 months of age.

- Definitions of non-compliance with The Code's recommendations: 2015 NetCode Protocol, WHO and other authoritative sources (such as the Helen Keller Institute) and local regulations in each country. Full list of definitions available as an Annex to the Westat reports.

**Location:** Bangkok, Thailand, and Lagos, Nigeria.

### Sampling:

- Healthcare facilities: Selected with probability proportionate to size from a sample frame of eligible facilities.
- Women and healthcare workers: Selected on a probability basis within each health facility, as were healthcare workers.
- Retailers: Three traditional retail stores near healthcare facilities selected on a purposive basis and major online retailers in each country identified with advice from local partners.
- Advertising: Various traditional media were monitored, such as television and print by a specialist agency in each country. Additional monitoring of online media undertaken by local partners.
- 330 women and 99 healthcare workers were interviewed in Thailand, and 315 women and 98 healthcare workers in Nigeria.
- Products: BMS and CF products were first identified through searches on online retailers and visits to 'brick and mortar' retailers. As many products as possible were purchased, in a large and small size pack where available. Not all products shown on online retail sites were in fact available for sale.

### Fact-checking with companies:

Once data collection was completed, each company was asked to confirm that the products assessed were products intended for each market (i.e. parallel imports were excluded). They were also asked to confirm which online retailers they have commercial relationships with. Point-of-sale promotions on online retail websites were only included where the companies confirmed they have commercial relationships. If companies did not respond to ATNF's request, the results from these online retailers were included in the assessment.

**Scoring:** For an explanation of how the scores were arrived at, see the [ATNF BMS Marketing methodology](#).



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### Note

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country-specific regulations related to marketing of these products. Westat is responsible for the analysis of the data related to compliance with the BMS marketing standards and for preparation of summary reports that have been incorporated by ATNF into the scoring of company performance for the Access to Nutrition Index.

### Westat disclaimer

Westat, with its local subcontractors in Thailand and Nigeria, was responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country-specific regulations related to marketing of these products. Westat is responsible for the analysis of the data related to compliance with the BMS marketing standards and for preparation of summary reports that have been incorporated by Access to Nutrition Foundation (ATNF) into the scoring of company performance for the 2018 Access to Nutrition Global Index. Westat and its local subcontractor engaged with healthcare facilities, mothers of infants who attended those facilities, healthcare workers at the facilities, and retailers as part of the data collection and analysis process.

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