

	Weight	Score
BMS 1: Corporate Profile	50%	45%
BMS 2: In-country assessment	50%	17%
Total	10%	31%
Impact on the Global Index score		-1.04

## BMS 1: Corporate Profile analysis

### Application of policy

Product type	Product made?	Policy scope <sup>1</sup>	Which policy applies?	Geographic coverage? <sup>2</sup>	If local regulations are weaker than own policy in higher-risk countries, follows:*
Infant formula: 0-6 months	✓	✓	Company's policy + IFM RRC <sup>3</sup>	All countries	Own policy
Complementary foods: 0-6 months	✓	✓	Company's policy + IFM RRC	Higher-risk countries	Own policy
Follow-on formula: 6-12 months	✓	✓	Company's policy + IFM RRC	Higher-risk countries	Local regulations
Growing-up milks: 12-24 months	✓	✗	Out of policy scope	Out of policy scope	Local regulations

\* Danone commits to complying with local regulations in all countries.

### Initial Corporate Profile score

Section	Article	Topic	Score
1	Intro	Overarching commitments	81%
2	4	Information & education	42%
3	5	The general public and mothers	92%
4	6	Health care systems	57%
5	7	Health workers	50%
6	8	Persons employed by manufacturers and distributors	75%
7	9	Labeling	42%
8	10	Quality	92%
9	11	Implementation	82%
10		Lobbying (policy and objectives)	88%
11		Disclosure	40%
Initial Corporate Profile score			67%

For explanation see page 3.

### Final Corporate Profile score

Product type	Weight	Final score
Initial Corporate Profile score		67%
Infant formula (0-6 months)	35%	67%
Complementary foods (0-6 months)	25%	50%
Follow-on formula (6-12 months)	20%	43%
Growing-up milks (12-24 months)	20%	0%
Total weighted Corporate Profile score		45%

For explanation see page 3.

<sup>1</sup> The assessment does not include analysis of whether the company's policy extends to teats and bottles.

<sup>2</sup> Higher-risk countries are countries which have, 'more than ten per 1,000 under-five mortality rate' or 'more than 2% acute malnutrition (moderate and severe wasting) in under-fives' according to data from UNICEF.

<sup>3</sup> International Association of Infant Food Manufacturers: Rules of Responsible Conduct.

# Groupe Danone

## Analysis

### Overarching commitments

Danone's policy explicitly acknowledges the importance of The International Code of Marketing of Breast-milk Substitutes (The Code) and subsequent World Health Assembly (WHA) resolutions. While the policy states explicit support for exclusive breastfeeding for the first six months it does not state it support for continued breastfeeding for two years or more. However, it does explicitly state support for introduction of appropriate complementary foods from the age of six months.

### Policy commitments on marketing

Danone's standard policy applies worldwide. In higher-risk countries, additional provisions apply for some products. This policy, known as the 'Green Book', is more detailed than, and exceeds the minimal standards laid down in the IFM RRC rules to which the company also subscribes.

Not all products produced by the company are covered by its policy. Danone should extend its policy to cover products for children up to 24 months of age and apply that policy consistently globally, rather than only applying it in higher risk countries. This would more clearly demonstrate 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 complementary foods from six months of age. It should also commit to upholding its own policy in countries where regulation is weaker than that policy.

Overall, the alignment of Danone's policy with The Code is variable. The Green Book commitments related to the general public and mothers (Article 5), persons employed by manufacturers and distributors (Article 8) and quality (Article 10) are fully in line with The Code. Some policy commitments relating to Articles 4, 6, 7, 9 and 11 are also compliant with The Code, but Danone could strengthen its policy commitments by adjusting and expanding its policy in the following areas to align it more closely with The Code:

- Broaden commitments related to Article 4 (informational and educational materials) by fully covering all requirements listed in Article 4.2. Specifically, additional wording is required re. the benefits and superiority of breastfeeding in informational and educational materials. Further, the company does not clearly state that it will not provide these materials to mothers or pregnant women but only to health care workers.
- Implement commitments in line with Article 6.4 and WHA resolutions 39.28, 45.34 and 47.5 relating to donations.
- Formulate a statement that information supplied to health care workers will not imply or aim to create a belief that bottle-feeding is equivalent or superior to breastfeeding (Article 7.2) and make a commitment that the company will not provide utensils and equipment to health care workers, except for professional evaluation (Article 7.4).
- Broaden and specify standards related to providing information to health workers, parents and other care givers that powdered infant formula may contain pathogenic micro-organisms. This standard should be extended to labels which should also include an explicit warning that the product may contain pathogenic micro-organisms.<sup>4</sup>
- Expand labeling commitments to cover all requirements listed in Articles 9.2 and 9.3 of The Code by including a statement that the product should be used only on the advice of a health worker. Also make a commitment that containers and labels will not include the terms 'humanized', 'maternalized' or similar terms.
- Make a commitment to collaborate with governments in their efforts to monitor the application of The Code.

<sup>4</sup> This refers to WHA resolution 58.32 which requires that: i) labels of powdered infant formula include an explicit warning that the product may contain pathogenic microorganisms and must be prepared and used appropriately and; ii) that health workers, parents and other caregivers are provided with information that powdered infant formula may contain pathogenic micro-organisms and must be prepared for use appropriately. This is a topic of dispute with some of the companies; see the Global Index 2016 report chapter on BMS for further discussion.

### Management systems

The company provided evidence of a comprehensive and global management system used to implement its commitments. Through its 'Blue Book' 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. Overall, Danone's management systems are some of the strongest evaluated.

Danone also demonstrates best practise in publicly reporting any substantiated complaints relating to alleged non-compliance with The Code from different stakeholders, both within and outside the company.

### Policy commitments on lobbying

Danone dedicates a section on lobbying in its Blue Book, however, it does not disclose a separate policy to guide its lobbying on BMS issues. Among the assessed companies, Danone is one of only two that sets out its objectives with respect to lobbying and engagement related to marketing of BMS.

### Disclosure

The company discloses the Green Book and Blue Book, accountability mechanisms and a response to International Baby Food Action Network's (IBFAN) 'Breaking the Rules, Stretching the Rules'. Danone could improve its transparency by disclosing more documents. This should include auditors' reports, memberships in associations related to BMS, an annual declaration that it does not include sales of BMS products in sales employees' bonus calculation and more information about its lobbying activities. If these were public, Danone would score better on the disclosure section.

## Corporate Profile methodology &amp; scoring

**Research:** The research was undertaken by ATNF between June – August 2015, based on documents available in the public domain or provided by the company up to the end of July. Any documents published since then are not reflected in the score. Danone engaged actively in the research process.

**Methodology used:** The BMS 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 2016 Global Index assesses whether companies restrict marketing of certain 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.

**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 BMS methodology. It reflects the extent to which its policies are aligned with The Code and subsequent WHA resolutions, 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 by the 2016 Global Index.

**Adjustment to Global Index score:** For those companies included in the 2016 Global Index, the total possible adjustment relating to the Corporate Profile is 0.75, fifty percent 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:  $0.75 \times (100\% - \text{final CP score})$ .

## BMS 2: In-country assessments in Vietnam and Indonesia

	Vietnam	Indonesia	Total
<b>Total number of BMS products assessed</b>	<b>12</b>	<b>27</b>	<b>39</b>
Infant formula	4	14	18
Complementary foods	0	0	0
Follow-on formula	4	5	9
Growing-up milks	4	8	12
Formula, age not specified	0	0	0
<b>Total incidences of non-compliance identified</b>	<b>21</b>	<b>354</b>	<b>375</b>
Infant formula	4	32	36
Complementary foods	0	0	0
Follow-on formula	6	13	19
Growing-up milks	3	298	301
Formula, age not specified	8	11	19
<b>Ratio of incidences of non-compliance by products assessed</b>	<b>1.8</b>	<b>13.1</b>	
<b>Level of compliance</b>	Medium	Low	
<b>Aggregate score (Vietnam and Indonesia)</b>	<b>33%</b>	<b>0%</b>	<b>17%</b>
<b>Adjustment to Global Index score (out of 0.75)</b>			<b>-0.62</b>

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 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

## Products

<b>Vietnam</b>	Danone markets BMS products under the brand names Aptamil, Dumex and Gallia.
<b>Indonesia</b>	Danone markets BMS products under the brand names Bebelac, Bebelove, Nutribaby, Nutricia, Nutrilon, SGM and Vitalac.

### Article 4: Information and education for mothers and pregnant

- Overall, Danone had the worst level of compliance in both countries out of the six companies assessed in the 2016 Global Index.
- While no informational or educational materials produced by Danone about infant feeding were found in the sampled health facilities and stores in Vietnam, 12 items were found in Indonesia and these items were non-compliant with most of the requirements of Article 4. Most of these items (8) were related to growing-up milk, and three others did not specify a particular product.

### Article 5: Advertising and promotion to the general public including mother and pregnant women

- Overall, Danone was placed fifth out of the six companies assessed in the 2016 Global Index for its level of compliance in both countries on Article 5, with 330 observed incidences of non-compliance in total. (Note that data based on recall is not included in the score).
- In Vietnam, the formal media monitoring conducted during the study by Andi did not identify any advertising for covered products on the media monitored – radio, TV and print and selected online publications. However, two adverts were found on social media.
- No more than 1.2% of the women interviewed in Vietnam recalled seeing an advertisement on any single media source for what they believed to be a Danone product.
- By contrast, in Indonesia, over 68% of the women interviewed recalled seeing an advertisement on television for what they believed to be a

Danone product. This was the highest percentage recall among all companies. A much smaller number also recalled seeing such an advert through other advertising media.

- Media monitoring in Indonesia carried out by Nielsen and the local study team detected 109 advertisements for Danone products. The majority of the advertising was for growing-up milk, but there were numerous adverts for infant formula and some for follow-on formula.
- Nine point-of-sale promotions were identified in the 114 stores visited in Vietnam. By contrast, 210 promotions for Danone products were identified in the 111 stores visited in Indonesia. Almost all of these (195) were for growing-up milk, and eight of the remainder did not specify a single product.

### Article 6: Health care systems (promotion within)

- Overall, Danone was placed fifth out of the six companies assessed in the 2016 Global Index for its level of compliance in both countries on Article 6 (note that the recall-based figures are not included in the company's score).
- None of the 814 women interviewed in Vietnam recalled that a health care worker had recommended that they use a Danone product.
- None of the 114 health care workers interviewed recalled any visits by a Danone representative to talk to the women or distribute samples.
- Fourteen of the 856 women interviewed (0.02%) in Indonesia recalled that a health care worker had recommended that they use a Danone product.
- Three of the 111 health care workers (0.03%) interviewed recalled visits by a Danone representative to talk to the women or distribute samples.

**Article 9: Labeling**

- Overall, Danone was placed last out of the six companies assessed in the 2016 Global Index for its level of compliance in both countries, with a total of 33 of the 39 products assessed having non-compliant labels.
- In Vietnam, ten of the 12 products assessed had non-compliant labels.
- In Indonesia 23 of the 27 Danone products assessed had non-compliance labels.

## In-country assessment methodology &amp; scoring

**Research:** The research was undertaken under contract to ATNF by Westat, a US-based health and social science research company.

**Methodology used:** The Interagency Group on Breastfeeding Monitoring (IGBM) Protocol, entitled 'Estimating the Prevalence of Violations of The Code and National Measures' from 2007. Adapted to local context. Used with permission from UNICEF.<sup>5</sup>

**Data collection methods:**

- Interviews with pregnant women and mothers of infants in health facilities.
- Interviews with healthcare workers in health facilities.
- Identification of informational materials produced by BMS manufacturers available in health facilities and retail stores.
- Identification of sales promotions by BMS manufacturers in retail stores.
- Analysis of product labels and inserts of all available products on the local market.
- Media monitoring.

**Definitions used:**

Drawn from The Code and subsequent guidance issued by WHO in July 2013.<sup>6</sup>

- Covered 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 12-24 months of age); complementary foods when recommended for infants less than six months of age and bottles and teats.

- Non-compliance with The Code's recommendations: IGBM Protocol, WHO and other authoritative sources (such as the Helen Keller Institute). Available as an Annex to Westat reports.

**Location:** Urban Hanoi and urban Jakarta.

**Sampling:**

- Health facilities: selected with probability proportionate to size from a sample frame of eligible facilities.
- Women and health care workers: selected on a probability basis within each health facility, as were health care workers.
- Retailers: Three retail stores near health facilities selected on a purposive basis. All identified BMS products were selected for analysis of labels and inserts.
- Advertising: Two most widely used traditional media channels monitored, such as television and print, as well as online media, by a specialist agency in each country. Additional monitoring of online media undertaken by local partners (ISMS and Polling Center).
- Over 800 women and 125 health care workers were interviewed in each country, and over 110 retail stores were visited in each country.

**Scoring:** For an explanation of how the scores were arrived at, see the BMS chapter and Annex of the 2016 Global Index report.

About the company<sup>7</sup>

- Danone is the largest global dairy company.
- The company is the second largest BMS producer with 12.3% global market share in baby food in FY2014.
- In FY2014, Danone generated worldwide revenues of \$6.9bn from baby food products, accounting for 26% of its total revenues.
- Danone's market focus is Western Europe and Asia Pacific, especially China. The company is the leading BMS producer in Western and Eastern Europe.
- The products of Danone-owned company Nutricia claimed the biggest market share of any baby food brand in the world in FY2014 and its brand Dumex is the number one brand sold in Asia Pacific.

## Documents assessed in the Corporate Profile methodology

- Danone Management System Manual for the Marketing of Foods for Infants and Young Children - 'Blue Book'
- Danone Policy for the Marketing of Foods for Infants and Young Children - 'Green Book'
- Danone Business Conduct Policy
- Danone Policy on Advocacy (lobbying) and Membership Association list
- Danone's Response to IBFAN report 'Breaking the Rules, Stretching the Rules 2014'
- Danone's reports on alleged non-compliance with the WHO Code, 2013 and 2014
- Company website, <http://www.danone.com/en/>
- Danone Facebook, <https://www.facebook.com/groupe.danone>
- Danone Twitter, <https://twitter.com/danonegroup?lang=de>
- More than 25 documents submitted to ATNF under NDA, including 3 sets of 'Do's and Don'ts, and draft auditor reports for 2014
- IFM Rules of Responsible Conduct

<sup>5</sup> UNICEF's permission to use the IGBM protocol does not imply endorsement of the methodology used or the results of the survey.

<sup>6</sup> [http://www.who.int/nutrition/topics/WHO\\_brief\\_fufandcode\\_post\\_17July.pdf](http://www.who.int/nutrition/topics/WHO_brief_fufandcode_post_17July.pdf)

<sup>7</sup> Source: Euromonitor, a market research provider

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### Note

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breastmilk 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.

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