



HEALTH • HYGIENE • HOME

**Responsible Marketing
of Breast-Milk Substitutes
2018 Report**

As a responsible company, RB is committed to market Breast-Milk Substitutes (“BMS”) products ethically. We also commit to being transparent in our marketing practices, engaging within the BMS industry and improving our practices along with those of the industry.

We aim to support consumers across all life stages, especially during the first 1000 days. We acknowledge the importance of the International Code of Marketing of Breast-Milk Substitutes, issued in 1981, commonly referred to as “The WHO Code”, and subsequent relevant World Health Assembly (“WHA”) resolutions, as implemented by governments.



A photograph of a woman and a baby on a wooden floor, overlaid with a pink tint. The woman is on the left, smiling and looking towards the baby. The baby is in the center, looking up at the camera with their hands raised. The woman's hands are also raised, with fingers spread. The background is a wooden floor with a herringbone pattern.

BMS Progress Reporting – 2018

RB supports and promotes the recommendations of the World Health Organisation (“WHO”) for exclusive breastfeeding in the first six months, and the introduction of safe, age-appropriate, nutritious complementary foods thereafter. We advocate continued breastfeeding up to two years of age and beyond.

In April 2018, RB introduced its first Policy and Procedures on the Marketing of Breast-Milk Substitutes (“Policy”), which established our mandatory marketing practices on BMS, in support of the aims and principles of the WHO Code. This publicly available Policy builds on our longstanding commitment to market our BMS portfolio of products both responsibly and ethically – so as to support a mother’s decision to continue to breastfeed her infant for as long as she chooses. For those mothers who cannot or choose not to breastfeed, we commit to providing the highest quality infant nutrition products, and to market these responsibly. The WHO recognises that BMS are the only safe and nutritious alternatives to breast milk.

We acknowledge that independent of any measures taken by local governments in implementing the WHO Code, RB has the responsibility for monitoring its own marketing practices. Among the monitoring processes implemented are procedures to register, investigate and follow up on all allegations of non-compliance with the Policy and applicable local legislation, irrespective of who has reported the allegation or how the allegation was submitted.

We have captured all alleged non-compliances as reported to our local business units by NGOs, industry associations, BMS manufacturers and other individuals over the 2018 year, and investigated and followed up on each reported item. As part of our commitment to transparency and engagement, we have committed to the preparation and publication of a report on the substantiated instances of non-compliance and resulting corrective actions implemented. The report below summarises the results of our follow-up.

Whilst our Policy was introduced 30 April 2018, the attached report covers all reports of non-compliance, from all sources, for the twelve-month period of 1 January to 31 December 2018, thus including a four-month period pre-applicability of the BMS Policy. The additional disclosure of non-compliances and corrective actions in this four-month period is further validation of our transparency, and going above and beyond the requirements outlined in the BMS Policy.

BMS Progress Reporting – 2018

Reporting on Compliance: 1 January to 31 December 2018

In total, RB received 61 complaints of alleged non-compliance with the BMS Policy and/or local legislation, from 15 different countries, spanning 3 continents – Europe, Asia and Latin America. The 61 alleged non-compliance complaints can be further analysed as follows:

Total alleged non-compliances	61
Allegations not substantiated	14
Insufficient information provided by complainant	2
Substantiated allegations of non-compliances	45
Substantiated allegations – as a result of RB actions	11
Substantiated allegations – as a result of third-party actions	34

We can confirm that we found no evidence of systematic violation of our Policy or local regulations.

We have provided further information, analysis and corrective actions below in relation to the substantiated allegations of non-compliance only.

Substantiated allegations of non-compliance – as a result of RB actions (11 in total):

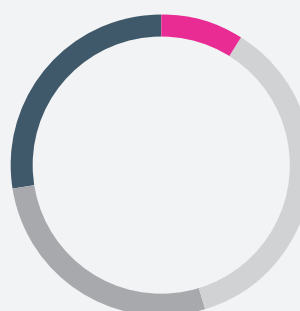
Non-compliance in Healthcare Entities (HCEs) includes materials specifically developed for Healthcare Professionals (HCPs) and represents the largest category – (36%) of substantiated allegations as a result of RB actions.

The 11 substantiated allegations were reported from 6 different countries.

In terms of corrective actions (on the 11 substantiated allegations), we have undertaken the following:

1. Raised awareness internally with the respective teams
2. Updated internal approval process and procedures to address the shortcoming
3. Removed materials/messages/communications identified as being non-compliant
4. Updated materials/messages/communications identified as being non-compliant.

Analysis of Substantiated RB Non-Compliances 2018



- Retailer
- HCE/Events/HCP Materials
- Internet & Social Media
- Printed materials

BMS Progress Reporting – 2018

Substantiated allegations of non-compliance – as a result of third-party actions (34 in total):

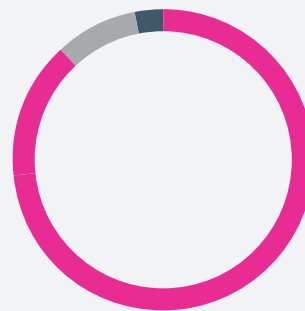
The majority of third-party substantiated non-compliances were attributable to retailers – both traditional and on-line (around 90%). A number of these retailers are operating independently. RB does not have a retail contract in place.

The 34 substantiated allegations were reported from 8 different countries.

In relation to the 34 substantiated non-compliances resulting from third parties, we have undertaken the following corrective actions:

1. In relation to the retailer non-conformities: analysed the activity reported, communicated with the retailer requesting that such activity be discontinued, and reminded them of their obligations (with RB and/or to respect relevant local laws and industry self-regulatory obligations)
2. In relation to the non-compliances from social media, we requested immediate removal of the materials/messages/communications
3. For the non-compliances at HCE/Events/HCP Materials, we issued guidance to the third-party organiser, and requested that going forward, these types of activities be discontinued.

Analysis of Substantiated Third Party Non-Compliances 2018



- Retailer
- Internet & Social Media
- HCE/Events/HCP Materials



BMS Progress Reporting – 2018

Specific retailing activities:

For traditional (physical) and online retailers where we do have a contractual relationship, the agreements in place contain clauses requiring compliance with relevant laws and regulations, industry self-regulatory obligations, and prohibit all promotional/discounting type activities of Covered Products.

We recognise that this is a difficult area to control, particularly due to the number of both traditional and online retailers acting independently. We have undertaken to implement the following additional actions to reinforce our position regarding any promotional/discounting activity on Covered Products:

- Continue to conduct additional training to all RB IFCN sales employees reinforcing the prohibition of discounting/promotional activities/special displays on Covered Products
- Improve third-party awareness via distribution of a communication to all contracted retailers, re-emphasising the prohibition of promotional activity on Covered Products
- Implement detailed retailing guidance that can be deployed by RB sales employees in their external market conversations – helping to raise awareness and reiterating the need to respect RB's Policy.

Conclusion:

Our procedures to register, investigate, follow up and publicly report on all allegations of non-compliance with the Policy, irrespective of who has reported or how the complaint was submitted, is a clear illustration of our commitment to continued transparency and engagement.

RB is committed to work with all stakeholders and to operate in a responsible manner in its BMS marketing practices. We recognise the need to focus on developing internal guidance and continued education and training, particularly to help bring the Policy to life with third parties.

We look forward to the opportunity to continue engaging with key stakeholders and other interested parties, and are committed to continuing to improve and promote responsible BMS marketing practices wherever we operate.