



**Responsible Marketing
of Breast-Milk Substitutes
2019 Report**



RB's Commitment

RB plays a significant role in the BMS industry - marketing our Breast-Milk Substitutes (“BMS”) products ethically and responsibly at all times, and secondly, if a mother is not able to, or chooses not to breastfeed her infant, to provide the highest quality and most nutritious products possible, developed through investment in science-led research and development programmes.

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.

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 (“BMS Marketing Policy”), which established our mandatory marketing practices on BMS, in support of the aims and principles of the WHO Code.

Industry has a key responsibility to implement, enforce and monitor appropriate policies and procedures to ensure marketing practices do not undermine a mother’s choice, and that families have access to the right information to make informed choices regarding the best feeding options for their infants.



BMS Progress Reporting - 2019

Monitoring compliance

We acknowledge the responsibility that RB has for monitoring its marketing practices, and reporting thereon. One of the many monitoring processes implemented, are procedures to register, investigate and follow-up on all allegations of non-compliance with the BMS Marketing Policy and/or applicable local legislation.

We take allegations of non-compliance very seriously and are committed to following up on all reports of alleged non-compliance, irrespective of who has reported or how the report is submitted. It is imperative that all allegations of non-compliance are supported by evidence and documentation which includes:

- ◀ Names or location of incidence
- ◀ Dates
- ◀ Photographic evidence
- ◀ Other supporting material and/or evidence

Transparency and public reporting

We commit to being transparent in our marketing practices, engaging within the BMS industry and continually improving our practices along with those of the industry.

We are also committed to the preparation and publication of a report on the substantiated instances of non-compliance and resulting corrective actions implemented. In April 2019, RB published our first BMS Progress Report covering all reports of alleged non-compliances for the 2018 fiscal year. We are pleased to present a similar report, covering the 2019 fiscal year.

BMS Progress Reporting - 2019

Reporting on compliance: 1 January to 31 December 2019

We have captured all alleged non-compliances reported by NGO's, industry associations, BMS manufacturers and other individuals to our local business units. Allegations of non-compliance can be reported in a variety of ways, including email, via RB websites, industry associations and RB's Speak-Up line: www.rbspeakup.com.

We take allegations of non-compliance very seriously and commit to register, investigate and respond to all reports of alleged non-compliance, irrespective of who has reported or how the complaint was submitted. We review the facts and supporting materials for each report and investigate promptly to determine if the report represents a non-compliance versus RB's BMS Marketing Policy and/or applicable legislation in the local jurisdiction.

In total, for the year 2019, RB received 101 complaints of alleged non-compliance with the BMS Marketing Policy and/or applicable local legislation, from seven different countries, spanning two regions - Asia Pacific and Latin America. Of the 101 complaints of non-compliance received, 77 were substantiated:

	2019	2018
Total alleged non-compliances	101	61
Allegations not substantiated	24	14
Insufficient information provided by complainant	--	2
Substantiated allegations of non-compliance	77	45

Total substantiated allegations attributable to RB in 2019 was 6 (2018: 11)

We have provided further information and analysis below on the substantiated allegations of non-compliance only.

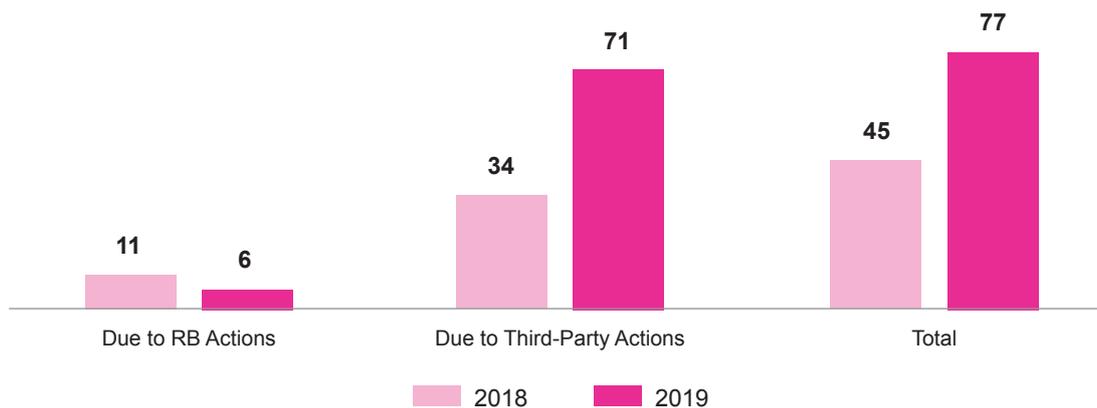
Corrective actions are outlined on page 7.

Analysis of substantiated allegations 2019 vs 2018

The substantiated allegations are reviewed and classified dependent on who was responsible for the non-compliance. There are two possibilities:

1. Attributed to actions by employees of RB, or
2. Attributed to actions by third-parties (for example retailers). These third-parties are independent and external to RB.

For 2019, the total number of substantiated complaints increased from 45 to 77, driven by an increase of 108% in complaints attributable to third-parties. The substantiated complaints attributable to **RB decreased by 45%**. Please see an analysis below:



Whilst the total substantiated allegations has increased in 2019 versus 2018, there was no evidence of systematic violations of either the BMS Marketing Policy or local regulations. Further details are provided below on the categorisation, regional analysis and corrective actions on the substantiated allegations of non-compliances.

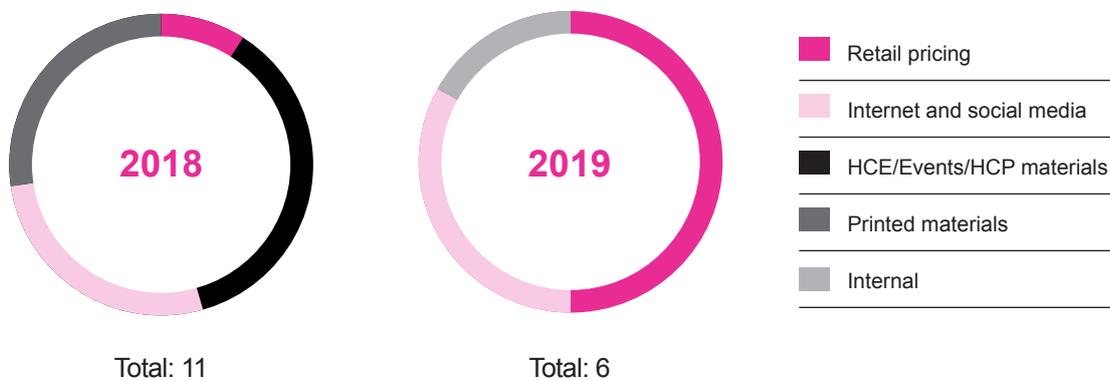
Categorisation of substantiated allegations of non-compliance due to RB actions

The substantiated allegations of non-compliance are reviewed and categorised according to the type of entity and/or what materials/information were involved.

The substantiated allegations of non-compliance attributable to RB actions decreased significantly as a percentage of the total substantiated allegations from 24% in 2018 to 8% in 2019.

In 2018, 36% of non-compliance were attributable to RB actions in Health Care Entities (HCEs) and with Health Care Professionals (HCPs) versus 0% in 2019. In 2019, the largest category (50%) of RB attributable actions were in retail (traditional and on-line) versus 9% in 2018. The 6 (2018: 11) substantiated RB attributable actions originated in 4 different countries (2018: 6), and are shown below by category:

Analysis of substantiated allegations of non-compliance due to RB actions

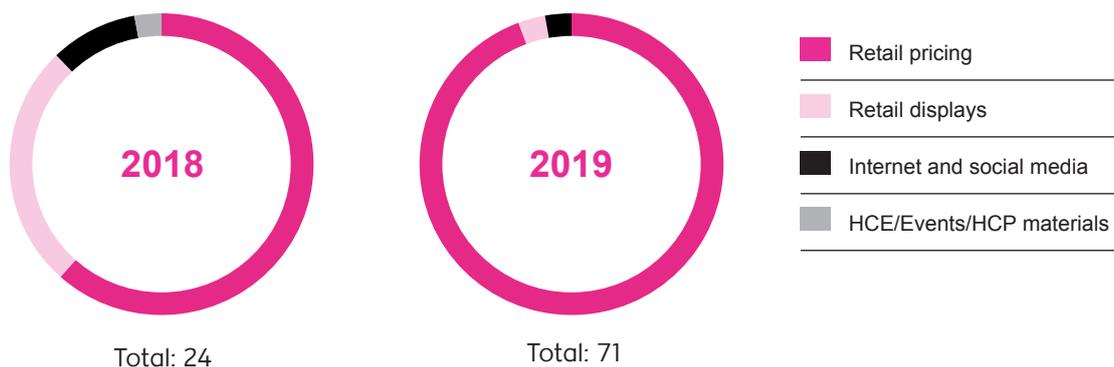


Categorisation of substantiated allegations of non-compliance due to third-party actions

The substantiated allegations of non-compliance are categorised according to the type of entity and/or what materials/information were involved. For retail non-compliances we have further analysed between pricing and display non-compliances. In both 2018 and 2019, the majority of third-party non-compliances were attributable to traditional and on-line retailers – pricing and display (2019: 97%, 2018: 90%).

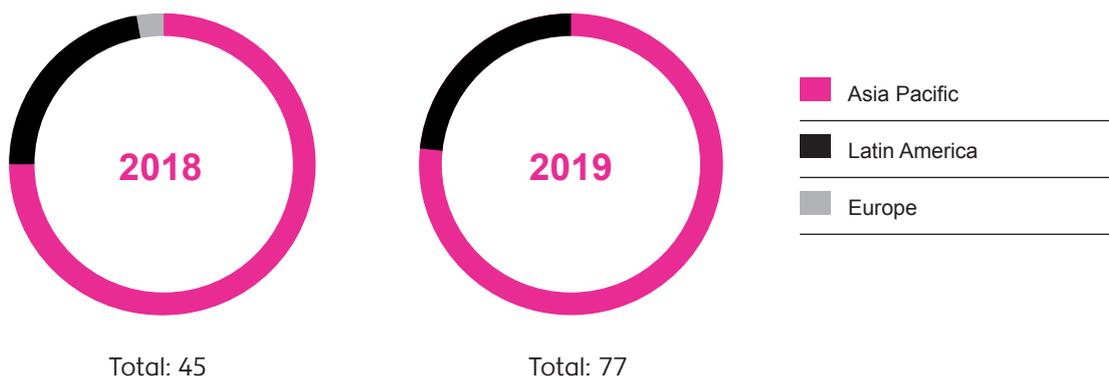
The 71 (2018: 34) substantiated third-party allegations originated in five different countries (2018: 8), and are shown below by category:

Analysis of substantiated non-compliances due to third-party actions



Regional analysis of substantiated complaints of non-compliance, attributable to RB and third-parties

The majority of substantiated complaints of non-compliance for both 2018 and 2019 originate in Asia Pacific, as can be seen below:



BMS Progress Reporting - 2019

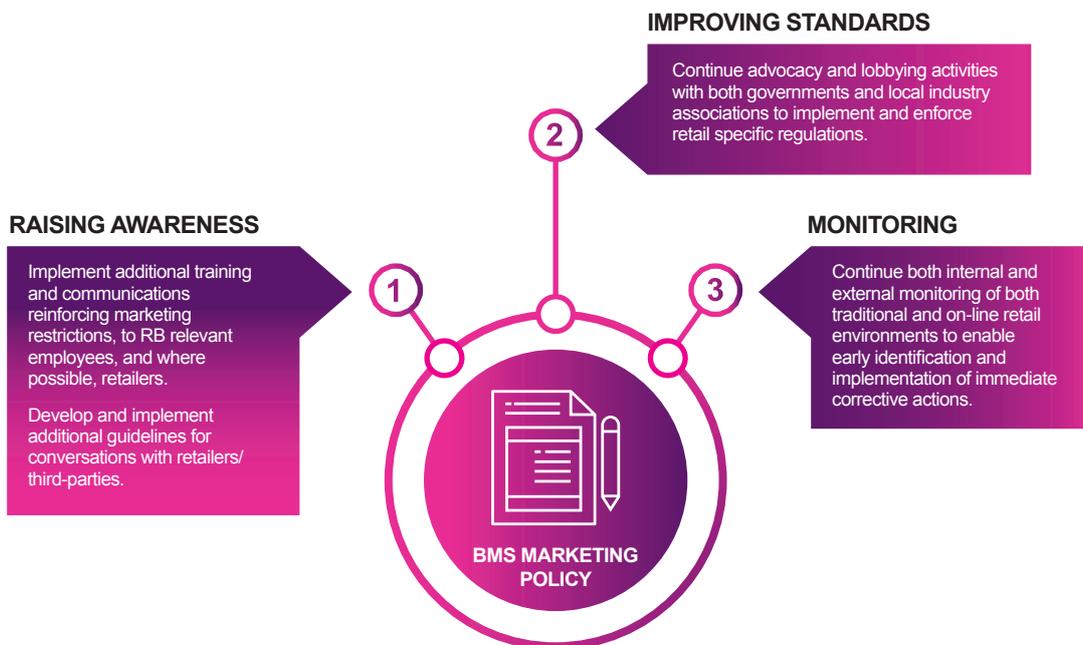
Corrective actions

The following corrective actions have been undertaken:

1. Outlined issue to the commercial teams
2. Removed materials/messages/communications identified as being non-compliant from internet/social media and updated materials and internal processes accordingly
3. Communicated with the retailer requesting that the discounting/promotional activity be discontinued, and
4. Ensured the promotional activity was not reimbursed by RB.

Corrective actions for 2020 relating to retail specific non-compliances

This is a very difficult area to control, particularly due to the number of both traditional and on-line retailers and their geographic spread. Given the extent of retailer specific non-compliances, we have grouped our actions for 2020 into three key areas as follows:



Conclusion

There has been a substantial decrease in the number of substantiated non-compliances attributable to RB actions from 11 in 2018 to 6 in 2019. This is a direct result of training and other activities to raise awareness, that have been undertaken since the BMS Marketing Policy was introduced in April 2018.

In contrast, substantiated non-compliances attributable to third-party actions has increased significantly, from 45 in 2018 to 77 in 2019, and this is primarily from retailers based in the Asia Pacific region. We believe this is a direct result of better governance and visibility, and a greater awareness of our BMS Marketing Policy in certain jurisdictions.

We continue to encourage all stakeholders (including consumers) to report any instances of alleged non-compliance with RB's BMS Marketing Policy or local regulations, as this type of monitoring is key for RB to be able to identify areas of non-compliance, implement appropriate corrective action and improve our BMS marketing practices.

RB remains committed to work closely with industry groups, trade associations, business partners and other key stakeholders to raise awareness and improve our own practices and standards wherever we operate. We will continue to ensure our marketing practices are both ethical and responsible, through additional education, training, guidance and communications – both to our own employees, authorised third-parties acting under the direction of RB's and wherever possible, independent third-parties.