

# Responsible Marketing of Breast-Milk Substitutes Policy





## Introduction

H&H Group (The Group) is guided by our Mission to make people healthier and happier. We aim to do whatever we can to ensure children have the best possible nutritional start in life. Our founder and Chairman, Fei Luo, established Biostime, the first brand within the Group, in 1999 with a dream to develop a probiotic product to support children's immune systems for this exact reason.

Since establishment, we have grown to become a group of brands aiming to inspire wellness in people of all stages in life. Many of our brands have a focus on Baby Nutrition and Care (BNC) including Biostime which is a category leader. We understand that we have gained trust with new parents and established families, which means it is our responsibility to communicate and promote best practices for this early stage of life.

We support and advocate for breast-feeding, recognizing that it provides the best exclusive nutrition for babies in the first six months of life, followed by the introduction of adequate nutritious Complementary Foods, along with sustained breastfeeding up to two years of age and beyond.

Where mothers are unable or choose not to breastfeed, we believe substitutes that are developed with high quality

formulations, prepared properly and used correctly, have an important role to play. With this in mind, we support research and the use of premium ingredients to develop products that aim to help give parents that extra nutritional support for their children should they need it.

The Group acknowledges the importance of, and supports the WHO International Code of Marketing of Breast-Milk Substitutes (WHO Code or Code) and commits to the principles within it. We also comply with local regulations, agreements and codes surrounding the marketing of breast-milk substitutes such as the Marketing in Australia of Infant Formulas (MAIF) Agreement in Australia and the advertising Law of the People's Republic of China. Where regulation is less stringent than the Policy, we will endeavor to meet the Policy. Where regulation is more stringent than this Policy we will meet the regulation.



## How we comply with the WHO Code

*References to the WHO code are written in this font at the beginning of each section to aid transparency and easily locate our approach to each article in the Code.*

### **Protection of breastfeeding**

We understand and believe that breastfeeding is an unequalled way of providing ideal food for the healthiest growth and development of infants. We support and promote the practice of breastfeeding, and of reviving the practice where it is in decline as a way to improve the health and nutrition of infants and young children. As an example of our promotion of breastfeeding, during 2018 we ran a 'Breast-milk is better' campaign in China, our largest market, for six months to help deliver this message.

The Group does not claim, suggest or imply in Marketing activities, materials, informational and/or educational materials, or elsewhere that any Covered Products are equivalent or superior to breast-milk.

The Group does not market Complementary Foods as Breast-Milk Substitutes. Marketing activities, Marketing Materials, Informational and/or educational materials for Covered Products are not presented in such a way as to discourage parents from breastfeeding or feeding breast-milk to their infants.

## Article 1 – Aim of the Code

### Purpose

This is The Group's Responsible Marketing of Breast-Milk Substitutes Policy, which aims to provide guidance on how the Group conducts marketing activity with regard to Breast-milk Substitutes.

As a Group we are seeking to address and enact the WHO Code internally as it supports the Group's sustainability plan and goals around The Story of Good Health and Human Rights and Fairness. As such, the WHO Code forms the basis of this policy.

## Article 2 – Scope of the Code

### Scope and Covered Products

Products covered by this policy are noted as follows: Infant Formula developed to meet the nutritional needs of infants up to the age of six months, as well as information concerning its use.

All products listed above are within the scope of this policy and are further referred to as "Covered Products" throughout this document.

This Policy applies to all employees of entities partially or fully owned by the H&H Group and Partners involved in the marketing, distribution, selling, education and/or governance of our Covered Products.

These persons will be defined as "representatives" of the Group throughout this policy.

This Policy applies to any marketing of Covered Products conducted by the any Representatives.

Some of the provisions of this Policy are not applicable in China at this stage. For these terms, the Group's China region has formulated the specifications under its supplementary Code of Conduct for the promotion and sale of breast-milk substitutes in China.

Any articles under which the provisions may differ for China regulation (and is covered under the aforementioned Code of Conduct) is denoted below by an asterisk (\*) alongside the article heading.





### Article 3 – Definitions

**Breast-milk Substitute** - any food being marketed or otherwise presented as a partial or total replacement for breast-milk, whether or not suitable for that purpose.

**Complementary Food** - any food whether manufactured or locally prepared, suitable as a complement to breast milk or to infant formula, when either become insufficient to satisfy the nutritional requirements of the infant. Such food is also commonly called “weaning food” or breast-milk supplement”.

**Container** - any form of packaging of products for sale as a normal retail unit, including wrappers.

**Covered Products** - Infant Formula developed to meet the nutritional needs of infants up to the age of six months, as well as information concerning its use.

**Distributor** - any legal entity in the public or private sector, other than those that are a part of the Group engaged in the business (whether directly or indirectly) of marketing at the wholesale or retail level a product within the scope of this Code.

**Group** - Health and Happiness International Holdings Ltd (1112:Hong Kong) and all wholly-owned subsidiaries.

**Health Care System** - governmental, nongovernmental or private institutions or organisations engaged, directly or indirectly, in health care for mothers, infants and pregnant women; and nurseries or child-care institutions. It also includes health workers in private practice. For the purposes of this Code, the health care system does not include pharmacies or other established sales outlets.

**Infant Formula** - a breast-milk substitute formulated industrially in accordance with applicable standards, to satisfy the normal nutritional requirements of infants up to six months of age, and adapted to their physiological characteristics.

**Label** - means any written or graphic material printed, marked, embossed or impressed upon or attached to the packaging of a product.

**Low-price** - refers to the price for Covered Products when sold below the Cost of Goods Sold (COGS)

**Manufacturer** - a corporation or other entity in the public or private sector engaged in the business or function (whether directly or through an agent or through an entity controlled by or under contract with it) of manufacturing a Covered Product.

**Marketing** - product promotion, distribution, selling, advertising, product public relations, and information services.

**Marketing Personnel** - any persons whose functions involve the marketing of a product or products coming within the scope of this Code.

**Partners** - any retailers in which we have a formal contractual agreement.

**Samples** - single or small quantities of a product provided without cost.

**Supplies** - quantities of a product provided for use over an extended period, free or at a low price, for social purposes, including those provided to families in need.

## Article 4 - Information and education\*

- 4.1 The Group actively supports Governments having the responsibility to ensure that families and those involved in the field of infant and young child nutrition are provided with objective, accurate and consistent information on infant and young child feeding.
- 4.2 Informational and educational materials in any form dealing with the feeding of infants and intended to reach pregnant women and mothers of infants and young children, should include the following wording.

Breast-milk is best for babies. Professional advice should be followed before using an infant formula. Introducing partial bottle feeding could negatively affect breast feeding. Good maternal nutrition is important for breast feeding and reversing a decision not to breast feed may be difficult. Infant formula should always be used as directed. Proper use of an infant formula is important to the health of the infant. Social and financial implications should be considered when selecting a method of feeding. [Brand name] exists to help support parents in making the best choices; and we acknowledge breastfeeding is best for babies as it provides the optimal balance of nutrition and protection. Always consult your health care professional for advice about feeding your child. Formulated by our health experts and research team for premium quality formulations. Always read the label. Use only as directed.

Such materials should not use any pictures or text that includes covered products which idealise their use.

- 4.3 No donations of informational or educational equipment or materials intended for pregnant women and mothers are made and distributed by The Group. Should situations arise in the future, The Group fully intend to comply with the following: Such equipment or materials will only be made at the request and with the written approval of the appropriate government authority or institution within the guidelines given by governments for this purpose. Such equipment or materials may bear The Group's name or logo but should never refer to a proprietary product that is a Covered Product and should be distributed only through the health care system.

## Article 5 - The general public and mothers\*

- 5.1 The Group does not advertise or promote Covered Products to the general public or directly to mothers.
- 5.2 No samples of Covered Products are distributed to the general public, pregnant women, mothers, or members of their families.
- 5.3 The Group does not undertake point of sale advertising, sampling or other activities to induce sales of Covered Products at the retail level. The Group acknowledges that this provision should not restrict the establishment of pricing policies and practices intended to provide products at lower prices on a long-term basis.
- 5.4 The Group does not distribute to pregnant women, or parents of infants and young children, any gifts of articles or utensils which may promote the use of breast-milk substitutes or bottle-feeding. The Group does not consider products under the Dodie brand to be articles or utensils that promote breast-milk substitutes, however for the avoidance of doubt any gifts of articles of this nature should contain the following disclaimer:  
*Important notice: Breast-milk is best for babies. Consult your doctor or health worker for advice if you are considering a substitute for breast-milk.*
- 5.5 Marketing personnel from The Group, in their business capacity, should not seek direct or indirect contact with pregnant women or with mothers of infants and young children in regard to Covered Products.



## Article 6 - Health care systems

- 6.1 The Group acknowledges that health authorities in Member States should take measures to encourage and protect breastfeeding and promote the principles of the WHO Code and should give appropriate information and advice to health workers in regard to their responsibilities, including the information specified in Article 4.2.
- 6.2 The Group do not use any faculty of the health care system for the purpose of promoting Covered Products. This Code does not preclude the dissemination of information from The Group to health professionals as provided in 7.2 of this policy.
- 6.3 The Group does not use health care system facilities for the display of Covered Products, placards or posters concerning such products, or for the distribution of material referencing the Covered Products that are provided by The Group other than that specified in 4.3 of this policy.
- 6.4 The Group does not provide its own or pay for “professional service representatives”, “mothercraft nurses” or similar personnel for use by Health care systems.
- 6.5 Feeding with Covered Products should be demonstrated only by health workers, or other community workers if necessary and shall only be demonstrated to mothers or family members who need such information. In case mothers request feeding demonstration from Group Representatives in relation to Covered Products, they should be referred to the medical profession or other healthcare workers.
- 6.6 Covered Products may not be donated nor Low-price sales to healthcare facilities for any reason. Where national rulings allow, The Group may respond to written requests for free or low-price supplies of Covered Products for Special Medical Purposes, to serve social purposes or for usage in emergency or humanitarian situations. Such supplies should only be used or distributed for infants who have to be fed on breast-milk substitutes. Such donations or low-price sales should not be used as a sales inducement.
- 6.7 Where The Group provides donated supplies of Covered Products that are distributed outside an institution, The Group acknowledges that institutions or organisations should take steps to ensure that supplies can be continued as long as the infants concerned need them. The Group bears this responsibility in mind.
- 6.8 Equipment and materials, donated to a health care system may bear the Group’s name or logo, but should not refer to any proprietary product that is a Covered Product.

## Article 7 - Health workers

- 7.1 Representatives of The Group will support healthcare workers to fulfil their responsibility to encourage and protect breastfeeding.
- 7.2 Information provided to health professionals by Representatives regarding Covered Products should be restricted to properly referenced scientific and factual matters, such information should not imply or create a belief that bottle-feeding is equivalent or superior to breastfeeding and should include the information in 4.2 of this Policy along with the following:  
  
Not for public distribution. ONLY FOR HEALTHCARE PROFESSIONAL EDUCATION.
- 7.3 No inducements whatsoever should be used to promote Covered Products by Representatives to health workers or members of their families.
- 7.4 The Group does not provide samples of Covered Products or of equipment or utensils for their preparation or use, to health care professionals except when necessary for the purpose of professional evaluation or research at an institutional level. Where product is provided for aforementioned purposes the product should bear a Label with the following wording:  
  
*For Professional Evaluation Only and Not for Sale*
- 7.5 In order to facilitate continuing professional development and training, and subject to relevant laws and regulations, The Group can contribute on behalf of a Health Worker for fellowships, study tours, attendance at professional conferences and symposia and similar informational and educational programmes. It must be the scientific strength of the programme content only that attracts delegates. The Group ensures a transparent process is followed and documented with regards to such contributions and that they are communicated to the organisation to which the Health Worker is affiliated upon written consent of the Health Worker.

## Article 8 - Persons employed by manufacturers and distributors\*

- 8.1 No Bonuses or incentives aimed at encouraging increased volume of sales of Covered Products are paid, by The Group, to sales staff, medical delegates, and other marketing personnel. This does not prevent the payment of bonuses based on overall sales of products marketed by The Group.
- 8.2 Representatives employed in the marketing of Covered Products should not, as part of their job responsibilities, perform educational functions in relation to pregnant women or parents of infants and young children. This does not prevent such personnel from being used for other functions by the health care system.

## Article 9 – Labelling

- 9.1 All labels of Covered products are designed to provide the necessary information about the appropriate use of the product, in accordance with applicable standards and with local laws and regulation, and so as not to discourage breastfeeding.

- 9.2 All Covered Products should ensure at a minimum that each container has a clear, noticeable, and easily readable and understandable message printed on it, or a label which cannot readily become separated from it, in appropriate language as defined by local regulators, which includes all the following points:
  - (a) the words “Important Notice” or the equivalent;
  - (b) a statement of the superiority of breastfeeding;
  - (c) a statement that the product should be used only on the advice of a healthcare worker;
  - (d) instructions for appropriate preparation and warning against the hazards of inappropriate preparation. Neither the container nor the label should have pictures of infants, nor should they have other pictures or text which may idealise the use of covered products. Inserts giving additional information about the product and its proper use, subject to the above conditions, may be included in the package or retail unit.

The following is the suggested wording:

**Important notice:** Breast-milk is best for babies. Before you decide to use this product, consult your doctor or health worker for advice.

**Warning:** Follow instructions exactly. Prepare bottles and teats as directed. Do not change proportions of powder except on medical advice. Incorrect preparation can make your baby very ill. Infants over 6 months should be offered foods in addition to infant formula products.

- 9.3 Where Covered Products include food products marketed for infant feeding, and such products do not meet all the requirements of an infant formula, but can be modified to do so, such products should carry on the label a warning that the unmodified product should not be the sole source of nourishment of an infant.
- 9.4 Labels of Covered Products must include a clear age indication and should also state the following points:
  - (a) the ingredients used;
  - (b) the composition/analysis of the product;
  - (c) the storage conditions required;
  - and (d) the batch number and the date before which the product is to be consumed, taking into account the climatic and storage conditions of the country concerned.



## Article 10 – Quality

- 10.1 The quality of products is an essential element for the protection of the health of babies, all products by The Group should be manufactured in line with our Group Quality Charter and under strict hygienic and quality management procedures.
- 10.2 Covered Products, when sold or otherwise distributed, meet applicable local laws and regulations in relation to quality and hygiene standards.

## Article 11 – Implementation and Monitoring

- 11.1 The Group will implement training and development of this Policy and the potential impacts of not abiding by this Policy to all Representatives as follows.

### Responsibility for implementation of this Policy

The ultimate responsibility for the implementation of this Policy rests with H&H Group CEO, Ms Laetitia Garnier, with oversight by Board of Directors.

The responsibility for the management, implementation and monitoring of the Policy is delegated to the regional leaders and management teams.

Each market in which Covered Products are actively sold will have a nominated representative who will collectively form the BNC Council. The BNC Council will complete the compliance questionnaire and meet every six months to report on training and compliance with the Policy.

### Creating awareness of the Policy and its commitments

1. All H&H team members involved in the marketing, communication, distribution, selling, education and governance of Covered Products receive annual training either online or in-person. Training includes the Policy itself, how to comply with the Policy, responsibilities of team members and leaders as well as channels for raising concerns or breaches.
2. Training is incorporated into new team member onboarding which is local to each region.
3. Employment contracts for Representative roles will require compliance with this Policy.
4. Existing advertising review systems in each market assist the marketing employees and act as a safeguard for compliance with the Policy.
5. Templates and presentations have been developed (for internal and external use) which articulate our commitment to the WHO Code and our obligations under our related internal

policies. These documents are available to all employees on Group sharing platforms and shared cloud drive.

6. The following articles are accessible to all H&H Group team members on shared cloud storage and act as education materials and guidelines in these matters:
  - WHO Code
  - Regulations for the Management of Advertising Materials
  - Marketing in Australia of Infant Formulas (MAIF) Agreement in Australia, of which H&H Group is a signatory
  - Advertising Law of the People Republic of China

- 11.2 Verifications that the Policy has been implemented aim to ensure that H&H is meeting its commitments in responsibly marketing breast-milk substitutes and abiding by relevant laws and regulations in different regions in which we sell or market Covered Products.

Assessing the implementation of the Policy also assists H&H Group to identify deficiencies in our practices and develop corrections and/or put in place further internal controls or systems.

To ensure monitoring and compliance of this Policy the Group will report and audit the practices and promotion of Breast-milk Substitutes via the following management approach.

### Monitoring methods include:

1. Regulatory and Legal team advertising review process – prior to submission of all marketing and communications on the BNC products to meet both local regulation and compliance with the Policy
2. Completion of online survey biannually, which is a market-based self-assessment of compliance with the Policy.
3. Biannual BNC Council meeting to report internally on compliance with the Policy.
4. Team member, consumer, distributor and retailer feedback via H&H website responsible marketing non-compliance form, which is reviewed by BNC Council local representative upon submission and register of submissions reviewed by BNC Council every six months.

H&H does not currently have external auditing in place for monitoring or reporting of non-compliance of the Policy.



### Reporting:

1. BNC Council to submit a six-month report to the Group Director of Risk within two weeks from the Council meeting.
2. Biannual reviews submitted to the H&H Group Board report on progress of BMS Policy changes, alignment (between Global and China policies) and identification and instances of non-compliance.
3. Transparency of processes and compliance with the Policy is reported annually in the Group Sustainability Report.

11.3 Team members who become aware of misconduct or incorrect promotion of breast-milk substitutes as laid out in this Policy can access the following channels to report or correct the potential or confirmed non-compliance.

1. H&H Responsible Marketing Non-Compliance Form available at [hh.global](https://www.hugobonnie.com/hh/global)
2. [HH Speak Up](#)

Cases of deliberate non-compliance are brought to the attention of the relevant Regional Executive and collective BNC Council who would decide upon action taken and assign responsibility to either local Legal or People and Culture teams and report incident directly to the Board of Directors.

Disciplinary action will be in accordance with the relevant regions disciplinary procedure.