

HCS COMPLIANCE POLICY



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HCS COMPLIANCE POLICY

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1. Objective and Scope

At Danone, we bring health through food to as many people as possible. To achieve our mission, everything we do must respect our ethical standards and the laws of all countries where we operate.

Our interactions with the healthcare community are critical for Danone, our stakeholders, our consumers and patients. The purpose of this Policy is to ensure that any interactions with the Health Care Systems ("HCS") are conducted in an ethical, open, transparent and responsible manner and are compliant with applicable laws and regulations.

A Health Care Professional ("HCP") is an individual who practices in the medical, dental, pharmacy, midwifery, dietetic, nutritional or nursing professions or any other person who, during his or her professional activities, may prescribe, purchase, supply, recommend or administer a nutritional product or provide health care services. For the avoidance of doubt, the definition of HCP includes any official or employee of a government agency or other organization (whether in the public or private sector) that may prescribe, purchase, supply or administer nutritional products or provide health care services. For the purpose of this Policy, Key Opinion Leaders ("KOLs") are considered to be HCPs.

Patients, pregnant women, mothers of infants or in general anyone who seeks the assistance of an HCP ("Patients") trusts their HCP and relies on their advice for personal decisions that may impact their or their children's health.

We respect this trust and the corresponding HCP's fiduciary duties. With this Policy, we want to make sure that our interaction with HCPs is consistent with these fiduciary duties and avoids improper inducement of the HCPs to make illegitimate decisions.

The Policy applies irrespective of whether or not the HCP is a public official or works in the private sector. It also covers interactions with Health Care Organizations ("HCO") or Patient Organizations ("PO") as long the interaction involves HCPs providing advice to, or taking decisions about, Patients.

This Policy is operationalized by mandatory guidance contained in the HCS Compliance Directive. This Policy and HCS Compliance Directive represent a company-wide minimum standard that can be overridden by stricter local laws or other global or local polices where applicable.

2. Roles and Responsibilities

This Policy and HCS Compliance Directive are binding on every Danoner, irrespective of rank or position, who interacts within the Health Care System, no matter how often the interaction occurs or which geographic area or division is concerned. The principles and guidance contained in this Policy and the HCS Compliance Directive must be contractually extended to third parties used in interacting with the Health Care System.

In addition, the roles and responsibilities under Danone's Compliance Framework Policy apply, which means in particular:

- The **Executive Vice Presidents ("EVP")** are accountable and responsible for compliance with this policy for their respective areas. They must ensure through their **Vice Presidents ("VP")**, **Regional Vice Presidents ("RVP")** and **General Managers' ("GM")** proper discharge of duties under this Policy within their relevant areas, regions and Clusters.

The **VPs, RVPs** and **GMs**

- are accountable and responsible for compliance with this policy within their areas, regions or clusters, including effectiveness of all procedures and approvals processes as designed by the Cluster Compliance Committee ("CCC").
 - are entrusted with the review and approval functions laid out under the HCS Compliance Directive or any local approval processes as a result of this Directive, ensuring clear segregation of duties.
 - Set the right tone at the top and act in strict compliance with such tone at all times.
- For Clusters and WBUs, the **CCC** or the **WBU Compliance Officer or WBU CODI** are entrusted with the compliance implementation and approval process laid out under this Policy and the HCS Compliance Directive. This includes, but is not limited to:
 - appointing the HCS Compliance Manager.
 - setting limits, thresholds, definitions and approval of local HCS processes and responses to legal requirements,
 - continual review of effectiveness and compliance with local laws, adaptation from time to time to local risk assessment,
 - The **HCS Compliance Managers ("HCMs")** at Cluster and WBU level
 - provide all functions in their respective area, region or cluster with advice on, and support for, the application of this Policy and the HCS Compliance Directive.
 - are entrusted with the review and approval functions laid out under the HCS Compliance Directive.

As a general rule the Cluster CO will act as the HCM.

- The **WBU General Counsel ("GC")** guarantees the independence of the HCMs in their respective WBUs, approves their appointment and ensures any exceptions to this Policy and the HCS Compliance Directive are approved. The WBU GC can review locally approved documentation and processes at any time
- For **Corporate Head Office** or '**Special Entities**' such as those not reporting within the WBU structure the **Danone Ethics Line Committee ("DELIC")** are entrusted with the implementation and approval process as laid out under this Policy and the HCS Compliance Directive
- The **Corporate Compliance HCS Director** provides general direction and guidance relating to the application of this Policy. In addition, they are able to access locally approved documentation at any time to fulfil their responsibility for auditing against this Policy and the HCS Compliance Directive.

3. Principles of Conduct

3.1. General Principles of Interaction with HCPs

HCPs are key stakeholders for Danone, providing us with professional medical expertise that we cannot obtain elsewhere. We interact with HCPs in the following ways, among others:

- Informing HCPs about our products and services
- Discussing scientific information related to our products and services
- Engaging HCPs to speak at symposia, congresses, or other scientific or professional meetings organized by Danone or by third parties ("Events"). Events may include activities that involve either hospitality and/or travel of HCPs.
- Supporting HCPs to attend Events whether organized by Danone or not.
- Engaging HCPs as principal investigators to conduct or to participate in clinical trials on our behalf.

Any interactions that we have with HCPs must be conducted for legitimate professional purposes and be in line with our Code of Business Conduct, Integrity Policy, other compliance policies, and the principles set out in this document.

Unethical interaction with HCPs, HCOs and POs, including attempts to improperly induce these parties or their representatives to promote or recommend products or services to consumers (or to improperly reward them for such conduct), is prohibited and subject to zero-tolerance.

3.2. Conferences or events

We do not influence or reward an HCP's decision, advice or professional or business conduct in general, in consideration of an invitation to a conference or Event or by paying for travel.

We may invite HCPs to Danone-hosted conferences, Danone-hosted Events or inspections of Danone production sites if the relevant expenditures have (a) a clear legitimate purpose with medical and educational content, (b) are made in good faith, and (c) directly related to the demonstration, or explanation of Danone products, the execution or performance of a contract, or a symposium, congress, or other scientific or professional meeting.

We may fund HCP travel to third party-hosted conferences or conferences unrelated to the promotion of Danone products where permitted by applicable local laws and for legitimate professional purposes.

Where necessary or adequate under local laws, we seek informed approval from the HCP's employers or competent medical boards.

3.3. Contracting with HCPs

We may contract HCPs, through their affiliated HCO, for the provision of legitimate, professional services (such as speeches, editorial work, market research, medical consultancy or input to clinical studies.) against a fee at fair market value. The required services must not exceed those reasonably necessary to achieve the legitimate business need.

In contracting an HCP, we use selection criteria that we can explain in good faith and that ensure the appropriate service quality for our needs.

We do not influence or reward an HCP's decision, advice or professional or business conduct in general, in consideration of the award of a contract.

3.4. Sponsorship

Sponsorship is the financial or in-kind support of an activity of an institution in the HCS, in consideration of a marketing or promotion opportunity for sponsoring Danone's products or services.

Sponsorship must be in line with our values and the principles set out in our Code of Business Conduct and our policies, and must be permissible under all applicable laws and regulations. Sponsorship is never dependent on, or a reward for, the current, future or past purchase, prescription or recommendation of Danone's product(s).

We do not sponsor individuals and the General Manager (GM) must pre-approve all Sponsorship for the CBU or WBU.

3.5. Grants and donations

Grants and donations are financial or in-kind contributions to an institution in the HCS to support research, advancement of science and education. They are acts of social responsibility to reach pre-defined, non-monetary goals.

Grants and Donations are one of the many methods through which Danone supports the communities in which we work. Grants and Donations reflect Danone's social responsibility. They are neither a marketing tool nor are they meant to otherwise grow Danone's business.

We do not make Grants or Donations to organizations chosen by a customer, an HCP or a GO nor do we seek their recommendations. We do not influence or reward an HCP's decision, advice or professional or business conduct by making a grant or donation.

We donate products (other than samples or products for professional evaluation) only within the framework of humanitarian aid based on a written request from a certified aid agency or a government body.

All Grants and Donations must be approved by the GM of the CBU or WBU before a contribution is made.

3.6. Samples or PPE

We do not influence or reward an HCP's decision, advice or professional or business conduct in general, in consideration of samples of Danone products, or products for professional evaluation (PPE) supplied to the HCP or a third party at his request or recommendation.

The number of PPE and samples supplied should be commensurate with the agreed upon specific purpose of the sample usage or professional evaluation. Samples and PPE should represent only an incidental part of any CBU's overall supply volumes. They should be marked "not for sale" (or a local equivalent).

Products covered by the Danone Policy for the Marketing of Breast-Milk Substitutes ("BMS Policy") must not be used as samples.

3.7. Gifts and hospitality

We may give HCPs gifts of low value (e.g. flowers or candy boxes, or inexpensive items for clinical or personal usage commonly known as "gimmicks"). A Gift can only be given as part of normal business relationships at infrequent instances including socially acceptable occasions (such as a national holiday, a wide-spread religious or cultural festival where it is customary to give gifts or a personal jubilee) and providing they are legally permitted, legitimate, reasonable and proportionate. Hospitality is part of normal business interaction provided it is infrequent and moderate in value.

We do not influence or reward an HCP's decision, advice or professional or business conduct in general, in consideration of a gift or hospitality.

Gifts in cash or cash equivalents are prohibited and must never be given to HCPs, their family or friends.

3.8. Product detailing and marketing of services

We may disseminate useful, scientifically-based educational information directly to HCPs. In so doing, we only provide truthful, accurate and not misleading information that is based on substantial scientific

evidence or substantial clinical experience, along with a fair balance between the risks and benefits of the promoted products or services. We follow labeling standards approved by the competent local regulator.

Products must not make or imply any medicinal claims.

Product marketing of breast-milk substitutes is subject to restrictions under the BMS Policy.

3.9. Proper use of third parties

Third parties used in the course of HCP interactions, such as providers of conference venues etc., or foundations which receive a grant or donation, must be approved and administered in compliance with Danone's Third-Party Vetting rules.

3.10. Documentation, books and records, controls

We do not administer transactions in the absence of relevant written contracts that set out in reasonable detail the deliverables we are entitled to or, in case of social contributions, the milestones that allow us to track proper usage of the funds.

The receipt of deliverables that we are entitled to under the contracts needs to be documented in writing, and unless the nature of the contract necessitates advance payment (such as a sponsorship or grant agreement), we release payment only upon receipt of documentary proof of return services or goods received.

All transactional documents, including written contracts that are used as booking vouchers reflect the transactions truthfully, completely and accurately.

For all contracts mentioned in this Policy, we use standard agreements approved by the WBU or Cluster GC. All approvals and requests under this Policy must equally be made on relevant standard forms approved by the HCM. All standard templates must be filled out completely, truthfully and accurately.

This Policy shall be periodically reviewed by the Corporate HCS Compliance Director and its implementation shall be reviewed at risk-based intervals by Internal Audit and the Corporate HCS Compliance Team

4. Raising a concern

At Danone we want to know immediately about any breach or potential breach of business principles, any unlawful behavior, financial malpractice and any activity which poses or could pose a danger to the environment, the company or to anyone working for our company.

We always encourage Danoners to discuss any concerns directly with the relevant point of contact in the company (such as an N+1 or N+2, HR Manager, Finance Manager or Compliance Officer).

However, should Danoners or Third Parties prefer to report a concern confidentially through another channel we also have a dedicated reporting tool available called Danone Ethics Line, www.danoneethicsline.com. This tool can be used anonymously, if needed.

Anyone who reports a genuine good faith concern must not be retaliated against.

5. Non-compliance with the Policy

Non-compliance with the HCS Compliance Policy and Directive (or other Compliance Policies) will not be tolerated and may result in disciplinary action. The disciplinary action will vary according to the severity of the non-compliance but could include the cancellation of the employee's bonus, postponement of promotion, suspension without pay, termination of employment or being reported to the authorities.