



## B Lab Statement on Danone Nutricia S.R.L.'s B Corp Certification

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for companies operating in or selling to the prison industry, including companies utilising prison labour:

B Lab and its independent Standards Advisory Council have determined that companies operating in the prison industry are ineligible for B Corp certification. In addition, companies in the U.S. and Canada who sell to prisons, including companies that use prison labour, are placed under an indefinite certification moratorium and are not eligible for B Corp Certification.

B Lab and its independent Standards Advisory Council have determined that, outside of the U.S. and Canada, companies selling to the prison industry, including companies using prison labour, are eligible for B Corp Certification if they have not engaged in specific prohibited practices in the last five years AND are meeting additional industry specific practice requirements.

For more information on the specific requirements, please refer to B Lab's statement on companies operating in or selling to the prison industry [here](#).

As a Certified B Corp that supplies to prisons, Danone Nutricia S.R.L. is required to disclose a summary of how it complies with these industry requirements.

**Company's Comment:** *"Danone's mission is to bring Health through food to as many people as possible. Our mission dictates that we supply healthy and nutritious food to as many as possible. In practice, this will mean day to day consumers, including patients facing health challenges, whatever their condition, their location or their situation. These patients may be patients at home, in hospitals, in penitentiary centres or any facility where patients may need medical nutrition. As a reminder, Danone does not operate or utilise prison labour in any country."*

### Summary of Company

Danone Nutricia S.R.L. is a company that manufactures and markets different nutritional products, most of which are medical nutrition treatments for patients, of all ages and conditions, who suffer from different pathologies (cancer, or digestive, neurological, infectious problems, etc.).

Danone Nutricia S.R.L. supplies products to doctors of penitentiary centers, on an ad hoc and on-demand (prescription) basis, in limited quantity. Those products are recommended or prescribed by healthcare professionals to incarcerated patients with special dietary requirements to support their medical treatment (chemotherapy, radiation...) or their specific medical condition (disease-related malnutrition, frailty...). In Spain, these products are included in the provision of services in the National Health System portfolio. These products are included in the official Nomenclator of the Ministry of Health, which is what gives them the authorization to be used by medical prescription in different patient groups. When a product is part of the provision to the National Health System, and reimbursed by Social Security, the company is obligated to supply this product wherever a doctor prescribes it. Danone, therefore, has an indirect business relationship with prisons .

According to the [COMMISSION DIRECTIVE 1999/21/EC of 25 March 1999](#)<sup>1</sup> on dietary foods for special medical purposes, these products are categorised as Foods for special medical purposes (FSMPs)<sup>2</sup>, which are *“those foods that have been specially prepared or formulated for the dietary management of patients under medical supervision. These foods are intended to fully or partially satisfy the dietary needs of the patients whose ability to ingest, digest, absorb, metabolise or excrete normal foods or certain nutrients or metabolites therefore is limited, deficient or impaired, or who require other clinically determined nutrients, whose dietary management cannot be accomplished by dietary modification alone normal, with other foods intended for special nutrition, or through both”*. Additionally, due to the medical nature of this sector, these products must comply with the highly regulated framework derived from the European Union<sup>3</sup>.

In 2021, Danone Nutricia S.R.L. supplied products to doctors in 4 different penitentiary centres in Spain, representing around 0.02% of its total revenues.

The type of products supplied to penitentiary centers in Spain in 2021 are listed below:

<b>Detention centers - Products</b>
<b>CENTRO PENITENCIARIO DE ALBACETE</b>
Fortimel compact 200 ml
<b>CENTRO PENITENCIARIO MÁLAGA</b>
Fortimel compact 200 ml
Fortisip Compact 125 ml
<b>CTRO PENITENCIARIO CÓRDOBA-ALCOLEA</b>
Fortimel compact 200 ml
Fortimel complete 200 ml

Fortimel Energy 200 ml
<b>CTRO. PENITENCIARIO DE BURGOS.</b>
Fortimel advanced 200 ml

## Danone Nutricia S.R.L. Disclosure on Prohibited Practices

*Companies selling to the prison industry that have engaged in the following practices in the last five years, as demonstrated through company disclosures or through material, justified, and unresolved stakeholder concerns, are currently ineligible for B Corp Certification:*

- *Companies that contribute to the construction of new prisons or supply products and/or services designed to restrain or subdue people who are incarcerated, inflict harm or potentially used to inflict harm on people in prisons or other individuals, etc. are currently ineligible for B Corp Certification.*
- *Companies engaged in any form of lobbying or policy advocacy that directly or indirectly support mass, or increasing rates of, incarceration or prevent reform attempts to reduce incarceration. This includes membership, Board involvement, or funding of industry associations that engage in such lobbying activities.*
- *Companies with material, justified, and unresolved complaints about product quality, product price and/or work conditions for people in prisons.*

Danone Nutricia S.R.L. does not contribute to the construction of new prisons or supply products and/or services designed to restrain or subdue people who are incarcerated, inflict harm or potentially used to inflict harm on people in prisons or other individuals.

The company does not engage in any form of lobbying or policy advocacy that directly or indirectly supports mass, or increasing rates of incarceration or prevent reform attempts to reduce incarceration. The company does not have any material, justified, and unresolved complaints about product quality, product price and/or work conditions for people in prisons.

## Required Best Practices - Applicable to companies Selling to the Prison Industry

*In order to be eligible, companies selling to the prison industry, including companies using prison labour, must be able to demonstrate that they have the following practices in place and disclose them on their B Corp Profile:*

1. *A transparent mechanism to measure the impact of its products, services, policies and/or activities on reducing recidivism and outcomes for people in prisons and proof of positive*

*impact deemed rigorous as a result of, for example, third party assessment and/or existing primary research.*

Research and scientific articles demonstrate the positive outcomes of Danone Nutricia S.R.L. products on patient's health. All information about its products is shared publicly and transparently on [Nutricia.com](https://www.nutricia.com). For all the products supplied to healthcare professionals in prisons in Spain, research and scientific articles are easily and publicly available.

- 2. A public stance against mass, or increasing rates of, incarceration and other material issues related to the prison industry, approved by the highest level of governance (e.g., Board of Directors) within the company, and a commitment to making efforts towards collective action and/or engagement with stakeholders, focused on improving how people who are incarcerated are viewed and treated before, during and after incarceration.*

In alignment with the requirements and principles stated in B Lab's position statement for companies that work with prison suppliers, such as the National Health System, Danone Nutricia S.R.L. has the following philosophy in regard to mass incarceration, collective action, and government affairs. The philosophy statement reads as follows:

*Danone's mission is to bring Health through food to as many people as possible. Our mission dictates that we supply healthy and nutritious food to a large variety of people, such as patients facing health challenges in penitentiary centers. Danone has commitments to health, communities and people, and the planet; those commitments are in accordance with its stakeholders' governance model adopted in 2020.*

*Supplying medical products to Health Systems around the world, Danone also has a strict compliance policy applying to relations with Health Care professionals. None of these policies and commitments promote in any way mass incarceration or endorse other material issues in the prison industry.*

Danone Nutricia S.R.L. and Danone (at the international level) are actively engaged in stakeholder engagement and collective action to improve the health of their consumers, particularly through their Specialized Nutrition product category. Improving the lives of people who are incarcerated is not a specific focus of their business or products, as their products are specifically designed to improve the health of all patients and consumers, without any category distinction. The company approaches stakeholder mapping and consultation at global level and local level.

- 3. Public disclosure detailing the company's approach to government affairs, inclusive of lobbying/advocacy and political activities. This should include disclosure of the material issues that the company lobbies/advocates for, their trade associations, and the controls they have in place in regards to political contributions, lobbying/advocacy on the company's behalf, revolving door policy, political contributions and donations.*

Danone has a public [Advocacy Policy](#) that was last updated in 2020 which outlines, amongst others, the company's approach to lobbying and advocacy, the internal and external stakeholders involved in any lobbying or advocacy processes, and the material issues on which the company engages. Danone also discloses the list of trade associations of which it is a member at international or regional level in the policy's appendices. The company has controls in place for employees that play an active role in trade associations such as minimum required levels of seniority to participate in discussions and extensive trainings on compliance and anti-competitive activities. The company does not tolerate any governance conflict of interest within its different trade associations activities. Any action undertaken in the context of advocacy activities must comply with [Danone's Code of Business Conduct](#), [Danone's Code of Conduct for Business Partners](#), [Danone's Integrity Policy](#), [Danone's Health Care Systems \(HCS\) Compliance Policy](#) and other relevant internal policies such as Danone's Competition Policy and Danone's Data Privacy Policy.

Danone follows the principles of the [AA1000 Stakeholder Engagement Standard](#) to structure its stakeholder engagement. This methodology is known and shared with all Danone's regional and local Public Affairs offices. On advocacy expenses, Danone's contributions and spendings for lobbyists or lobbying organisations, trade associations and other tax-exempt groups are managed at the different levels of the company (both locally by the subsidiaries and at worldwide business unit level). Danone does not use any corporate funds or assets to make political contributions or independent expenditures on behalf of candidates or parties. The company has a Danone Ethics Line [www.danoneethicsline.com](http://www.danoneethicsline.com) for anyone wishing to make anonymous complaints. In the EU, Danone has signed the [EU Transparency Register](#) for external reporting on their advocacy practices. The company does not lobby or advocate for any policies or issues related to the prison industry, nor is it a member of any trade association directly or indirectly associated with the prison industry in Spain.

4. *Policies and practices to address the concerns of mass, or increasing rates of, incarceration and the prison industry in other aspects of its operations, including its charitable efforts, fair chance hiring practices, customer screenings, affected stakeholders incorporated in governance structure, etc.*

As part of the company's commitment to fair hiring chances, Danone Nutricia S.R.L. does not ask candidates for incarceration records during the recruitment phase.

## **Required Best Practices - Companies Selling to the Prison Industry**

5. *The company can prove that its products/services reduce recidivism and/or produce positive outcomes for people during and/or after incarceration. For example,*
  - a. *The company delivers training/skills building services proven to increase rates of employment after incarceration, or*

- b. The company supplies products or services that meet the basic needs that can be proven to increase the health and wellbeing of people who are incarcerated while in prisons (e.g. food, clothing, healthcare, entertainment, maintenance, etc. that are better options than otherwise available).*

The products that Danone Nutricia S.R.L. supplies to prisons in Spain are recommended or prescribed by healthcare professionals to incarcerated patients who have special dietary requirements to support their medical treatment (chemotherapy, radiation...) or their specific medical condition (disease-related malnutrition, frailty...). The company has provided links to research and scientific articles demonstrating the positive outcomes of its products on patient health. All information about its products is shared publicly and transparently on [Nutricia.com](https://www.nutricia.com) in the Products section. In the case of Fortimel Compact Protein for example, the company has referenced scientific research stating that up to 70% of cancer patients experience taste and smell alterations which can contribute to weight loss and malnutrition, increasing the risk of poor clinical outcomes of the chemotherapy or radiation treatment. Sensory-adapted oral nutritional supplements, such as the Fortimel Compact Protein Sensational flavor range, have been designed and validated with cancer patients experiencing taste and smell alterations, and thus support the patients in their treatment journey.

- 6. For companies that charge people who are incarcerated and/or individuals acting on their behalf for products/services, the company can prove that its products/services are affordable for people in prison.*
  - a. For example, a basic version of the products or services (meeting basic quality and safety standards) are offered at a price proportional to the income available to people who are incarcerated.*

As the products that Danone Nutricia S.R.L. provided to patients at prisons in Spain are paid for under the National Health Care System, the patient is not charged for the prescribed medical products.

- 7. The company maintains a transparent quality assurance system that includes direct and private feedback from affected people and where possible, takes action based on the feedback.*

Danone Nutricia S.R.L. has a direct care line displayed on its main webpage and on product packs to support consumers and patients, provide information and collect feedback through phone or e-mail. The company tracks and monitors feedback through this care line from all patients and consumers.

Careline information:

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