

## TallGrass Natural Health Marketing of Breastmilk Substitutes Disclosure

TallGrass Natural Health is a distributor in Canada that sells products considered breastmilk substitutes that include infant formulas for 0 - 6 months and follow-on milks 6+ months. These products are sold under the brand Capricare which is part of the Dairy Goat Cooperative that is in New Zealand. TallGrass has operations and sales only within Canada. As the sales for these products only commenced in 2025, the percentage of annual revenue of overall turnover is yet to be determined. However, this is estimated to be more than 1% of the company's annual revenue.

As a distributor to retailers, TallGrass has created a Marketing of Breastmilk Substitute Policy. TallGrass's policy includes a commitment to the principles of the WHO Code:

*"We avoid any direct marketing that could pressure parents to choose formula. Clinical Trials have proven the benefits of our Whole Goat Milk formula relative to other product alternatives for infants with skin conditions which is top of mind for us in assessing this ethical balance. While not directly marketing, it's worth stating: we only distribute quality formula that meets Health Canada's standards for nutrition and safety. The WHO Code reminds us that formula should be of a high quality and suitable for the climate/storage conditions of each country. We ensure our goat milk formula is properly tested, and is stored and handled safely. Part of marketing responsibly is having a product that genuinely does what it claims. This commitment supports our marketing because we can confidently say any claims we do make (like "no artificial ingredients") are truthful and backed by the product's actual attributes. We maintain a strict no-gifts policy with healthcare professionals. Doctors, nurses, dietitians, lactation consultants. The WHO Code makes it clear: health workers must not be enticed or rewarded to promote breastmilk substitutes. We adhere to that fully. Any interaction we have with health professionals is above-board and focused on facts."*

As determined by B Lab's independent Standards Advisory Council, companies involved in the Marketing of breastmilk substitutes are eligible for B Corp Certification if they meet specific requirements for the industry, including disclosure of their practices. These requirements vary by type of company and industry, and apply specifically to distributors where revenue from the sale of breastmilk substitutes/complementary foods accounts for >1% of annual revenue.

Distributors of Breastmilk Substitutes are eligible to certify if they meet the immediate expectations of the BMS Call to Action (listed below) at a minimum at the time of certification, and achieve full Code compliance, with respect to the elements of the Code that apply to distributors, by 2030 in order to maintain the certification. The immediate expectations of the BMS Call to Action are as follows:

- Have a policy in place that at minimum meets the following criteria:

- i. Covers products designed for use 0-12 months after birth
- ii. Is applied globally
- iii. Is upheld in jurisdictions with less stringent or no regulations, and adheres to national law when those laws are more stringent than the policy.

All distributors with >1% of their revenues from the sale of breastmilk substitutes/complementary foods are required to disclose their marketing practices and areas of non-compliance with the Code.

For more information on B Lab's position on the marketing of breastmilk substitutes, please refer to B Lab's statement on the breast milk substitute industry and B Corp Certification [here](#).

### **TallGrass Policies and Practices on Marketing of Breastmilk Substitutes**

#### **Areas of Non-Alignment with the WHO Code**

TallGrass has identified and acknowledges the following areas where the company policy may not align with the WHO Code, or where there may be differing interpretations in how the WHO Code and WHA Resolutions should apply:

“We do not run TV or radio ads, nor do we engage in splashy social media marketing for our formula. We avoid any direct marketing that could pressure parents to choose formulas. Unfortunately, the Canadian Retail landscape does require some level of price promotion in order to achieve and maintain store listings. While this runs counter to WHO standards, in our judgement, the benefit of making our superior product available to consumers (relative to competing products) exceeds the negative impact of running promotions to sophisticated Canadian consumers”

The policy explicitly acknowledges the use of price promotions in the Canadian retail landscape, noting that such practices “run counter to WHO standards” but are justified by the company on commercial and access grounds.

Under the WHO Code and subsequent WHA resolutions, price promotions, discounts, and special sales are generally discouraged, as they may indirectly incentivize formula use and influence feeding decisions.

#### **Definition/Scope of Products Included in WHO Code and TallGrass’s Policy**

TallGrass’s policy regarding the marketing of breastmilk substitutes applies to a scope of products that differ from the complete scope of the WHO Code.

Article 2 of the WHO Code states “The Code applies to the marketing, and practices related thereto, of the following products: breastmilk substitutes, including infant formula; other milk products, food and beverages, including bottle fed complementary foods, when marketed or

otherwise represented to be suitable, with or without modification, for use as a partial or total replacement of breast milk; feeding bottles and teats. It also applies to their quality and availability, and to information concerning their use.” Breastmilk substitutes are defined as “Any food being marketed or otherwise presented as a partial or total replacement for breast milk, whether or not suitable for that purpose.”

TallGrass’s policy applies to (products included in scope of company policy):

- Breast-milk substitutes, including infant formula. This should be understood to include any milks (or products that could be used to replace milk) that are specifically marketed for feeding infants and young children up to the age of one year, including follow-up formula and growing-up milks;
- Other foods and beverages promoted to be suitable for feeding a baby during the first 6 months of life when exclusive breastfeeding is recommended.

TallGrass’ follows national regulations where they are stricter than its policy, in addition to its own policy.

TallGrass does not operate in any high-risk countries.

#### **WHA Resolutions Subsequent to the WHO Code:**

Since the adoption of the WHO Code, a number of World Health Assembly resolutions have either added to, revised, or clarified the content of the original WHO Code. TallGras’s policy does not reference or state support for the recommendations made in the guidance associated with [WHA69.9](#) (2016).

#### **Other Areas of Potential Misalignment:**

In addition to the above categories regarding the Scope of Product Definitions and WHA Resolutions, there are other components of TallGrass”s policy that stakeholders may or may not interpret as aligning (materially or immaterially) with the letter or intent of the WHO Code, including potential variances in language, level of detail, or exceptions.

Examples include:

- Although the policy avoids explicit claims that formula is equivalent or superior to breast milk, it references clinical trials and benefits of whole goat milk formula for infants with skin conditions when explaining ethical trade-offs around promotions. Some stakeholders may interpret this as approaching a functional or health-based differentiation, which WHA guidance cautions should not be used in a manner that could idealize or promote breastmilk substitutes to the general public.
- While the policy repeatedly affirms alignment with the WHO Code “and the spirit behind it,” it does not explicitly acknowledge or commit to later WHA resolutions, including WHA69.9 (2016). This omission may be interpreted as a governance and clarity gap, particularly by stakeholders who expect policies to reflect the evolving international interpretation of the Code.

### **Management Practices of the Company**

In accordance with TallGrass's policy on the marketing of breastmilk substitutes, TallGrass has the following management practices in place to manage compliance to their policy globally:

- TallGrass's marketing policy applies to all employees and third parties involved in marketing, sales, and promotion of its infant formula products within Canada. This broad scope establishes internal accountability and sets expectations for external partners acting on the Company's behalf.
- The Company has formalized restrictions prohibiting: Advertising via mass media channels (e.g., TV, radio, splashy social media), marketing activities within healthcare facilities, and distribution of free or low-cost formula to hospitals for promotional purposes. These restrictions are embedded into operational practice to reduce the risk of undue influence on parents and caregivers.
- TallGrass maintains a no-gifts and no-incentives policy for healthcare professionals. Interactions are limited to the provision of scientific, factual, and evidence-based information, with an explicit prohibition on commissions, sponsorships, or personal benefits tied to product recommendation.
- The Company requires that all informational and educational materials: Explicitly state the benefits and superiority of breastfeeding, include warnings on the risks and costs of improper formula use, and, avoid language or imagery that idealizes formula feeding. This indicates an internal review standard governing marketing content and labeling.
- As part of its management approach, TallGrass publicly commits to supporting stronger national legislation that would enforce the WHO Code in Canada. The Company states that it does not lobby against Code-aligned regulations and may participate in consultations or advocacy efforts that strengthen compliance.

### **Next Steps**

As stipulated by the requirements for B Corp Certification, TallGrass will remain eligible for B Corp Certification as long as they work towards and achieve full WHO Code compliance, with respect to the elements of the Code that apply to distributors, by 2030.

### **B Lab's Public Complaints Process**

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

1. Intentional misrepresentation of practices, policies, and/or claimed outcomes during the [certification process](#), or
2. Breach of the core values articulated in our [Declaration of Interdependence](#) within the B Corp Community.