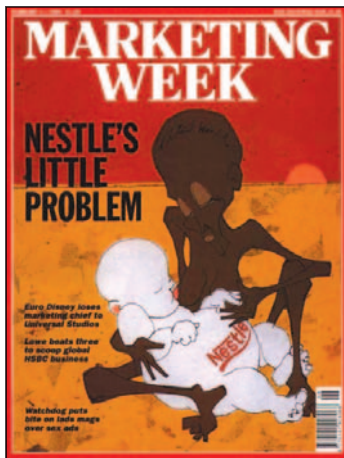


NESTLÉ SPENDS A FORTUNE TRYING TO DIVERT CRITICISM OF ITS BABY FOOD MARKETING, BUT DOES IT TELL THE TRUTH?

THE NESTLÉ PUBLIC RELATIONS MACHINE EXPOSED

NESTLÉ HAS A SERIOUS IMAGE PROBLEM because of its aggressive marketing of baby foods. Instead of making the changes required to bring its practices fully into line with international marketing standards, Nestlé invests heavily in Public Relations (PR) initiatives intended to divert criticism. Over the years Nestlé has made demonstrably untrue claims which have generated damaging publicity, such as the *Marketing Week* exposé in 1999 (below).



Nestlé's baby food marketing malpractice remains in the public eye. In a global internet vote for the world's most irresponsible company, coinciding with the World Economic Forum in January 2005, Nestlé received 29% of the vote, more than double the second-placed company. National groups have launched boycotts against Nestlé in 20 countries because of its baby food marketing. Other campaigns have exposed Nestlé's exploitation of farmers, its union busting, its promotion of risky technologies (GM, nano-technology, food irradiation), its illegal extraction of water and impact on the environment, its fraudulent labelling and its promotion of unhealthy foods for children.¹

NESTLÉ IS SINGLED OUT for boycott action because independent monitoring conducted by the International Baby Food Action Network (IBFAN) finds it to be the largest single source of violations of the World Health Organisation and UNICEF's *International Code of Marketing of Breast-milk Substitutes* and subsequent, relevant World Health Assembly Resolutions. As the biggest food company in the world, with a \$67 billion turnover and thousands of brands, Nestlé dominates the baby food market and takes the lead in attempting to undermine implementation of these measures by governments.

NESTLÉ VIOLATES CHILD RIGHTS The *Convention on the Rights of the Child* recognises the fundamental role that breastfeeding plays in fulfilling the right of every child to the highest attainable standard of health. **Breastfeeding could prevent 13% of all under-5 deaths and is far more effective than other preventive interventions such as water sanitation and immunisation.**² When Nestlé undermines breastfeeding it inevitably violates child rights. According to UNICEF: *"Marketing practices that undermine breastfeeding are potentially hazardous wherever they are pursued: in the developing world, WHO estimates that some 1.5 million children die each year because they are not adequately breastfed. These facts are not in dispute."*

SINCE THE INTRODUCTION OF THE INTERNATIONAL CODE IN 1981 over 70 governments have introduced legislation implementing it. Where these controls are independently monitored and enforced breastfeeding rates are rising. Meanwhile, Nestlé lobbies for unenforceable, voluntary codes, knowing



that this will allow business to carry on as normal. In India where the law is very strong, Nestlé was taken to court for not putting warning notices in Hindi on labels. It took legal action against the Government in an attempt to have the law revoked.

NESTLÉ OFTEN CLAIMS that health campaigners want to ban the sale of breastmilk substitutes. This is untrue. The aim is simply to ensure that breastmilk substitutes are marketed appropriately. Our position on Nestlé is based on evidence of systematic malpractice. The UK Advertising Standards Authority (ASA) conducted a two-year investigation into Nestlé's claims in an anti-boycott advert that it markets its products ethically. Nestlé was warned by the ASA not to repeat the claims. The claims it makes in public relations materials are not subject to the same regulations as advertisements.

The latest PR offensive is *The Nestlé Commitment to Africa* report (above) in which Nestlé claims that it monitors its practices scrupulously and takes corrective action immediately on the tiny number of shortfalls that occur. On the following pages we show how false these claims are.

NESTLÉ'S BOGUS ARGUMENTS

NESTLÉ SAYS: THE PROBLEMS WITH THE MARKETING OF BREASTMILK SUBSTITUTES WERE RESOLVED LONG AGO.

THE FACTS: IBFAN's latest monitoring report, *Breaking the Rules, Stretching the Rules 2004*, documents violations of the *International Code* and Resolutions gathered in 69 countries. **As in past, Nestlé was found to be the source of more violations than any other company.**

Nestlé's strategy is to admit to malpractice only years in the past, even though it denied it at the time. When the exposé *The Baby Killer* was published in 1975, Nestlé denied any wrong-doing. It even sued campaigners in Switzerland who translated it into German. It had to drop nearly all charges as experts tramped into court to provide substantiation. It only won against the title in German, which was, 'Nestlé



kills babies,' on the grounds it wasn't committing deliberate murder. The Judge awarded token fines and warned Nestlé to change its marketing.

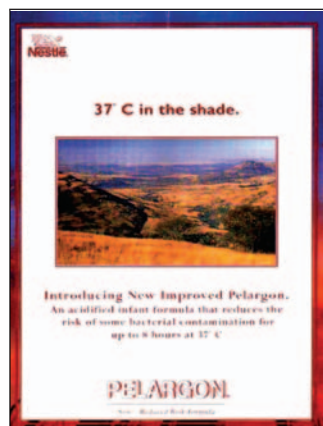
Today Nestlé admits to malpractice in the 1960s and 1970s. Though it has never apologised to the families who lost infants during this period or offered any form of compensation. Malpractice it denies today will no doubt be admitted in the future and Nestlé will say, "that was a long time ago, we have changed now."

NESTLÉ SAYS: SO-CALLED VIOLATIONS ARE NOT FOR INFANT FORMULA, BUT FOR COMPLEMENTARY FOODS NOT COVERED BY THE CODE.

THE FACTS: IBFAN's *Breaking the Rules* monitoring report separately details violations relating to formulas and those relating to complementary foods. Nestlé's favoured tactic is to promote through the health care system, implying the endorsement of health workers. The *International Code* allows companies to provide 'scientific and factual' information to health workers, but not misleading and promotional material such as this tissue box below, in the style of Nestlé's *Nan* formula labels that was distributed to health workers in **Thailand**.

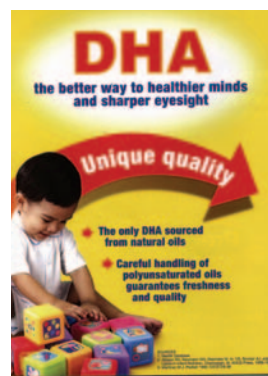


The pamphlet below promoting *Pelargon* infant formula was distributed in **Botswana**. It claims that with *Pelargon* 'diarrhoea and its side-effects are counteracted'. This is highly misleading. As with all formulas, infants fed on *Pelargon* are at greater risk



of becoming ill and possibly dying as a result of diarrhoea than breastfed infants.

By limiting the scope to infant formula Nestlé's incorrect instructions permit aggressive promotion such as the brochure for health workers in the **Philippines** (below). This claims that *Nestogen* follow-on formula provides a "better way to healthier minds and sharper eyesight" and a "healthy digestive system."



SEEKING DIRECT CONTACT WITH MOTHERS OF INFANTS UP TO 3 YEARS OF AGE IS PROHIBITED.

Nestlé falsely claims it can contact pregnant and nursing mothers if it doesn't mention formula in the first instance. The advertisement below from **South Africa** calls mothers to attend sessions on baby feeding in local supermarkets.



NESTLÉ SAYS: ISOLATED VIOLATIONS MAY OCCUR BECAUSE NESTLÉ IS A BIG COMPANY. CAMPAIGNERS DO NOT PROVIDE INFORMATION TO ALLOW INVESTIGATIONS.

THE FACTS: Nestlé's own internal instructions permit violations of the *International Code* and Resolutions. The analysis on Page 3 shows some of the ways they fall short. UNICEF wrote to Nestlé's CEO, Peter Brabeck-Letmathé in November 1997 pointing out some of these differences.

Monitoring demonstrates violations are 'systematic'. This description was used first not by IBFAN, but by the *Inter-agency Group on Breastfeeding Monitoring* (representing 27 academic institutions, churches and non-profit organisations) in its 1997 report, *Cracking the Code*. Then, as today, Nestlé denied any wrong-doing.

IBFAN conducts monitoring to determine if companies are fulfilling their obligations, not to provide a service to Nestlé. *The International Code* (Article 11.3) is quite clear:

"Independently of any other measures taken for implementation of this Code, manufacturers and distributors of products within the scope of this Code should regard themselves as responsible for monitoring their marketing practices according to the principles and aim of this Code, and for taking steps to ensure that their conduct at every level conforms to them."

Is Nestlé claiming it is unaware of its own practices? IBFAN groups report violations to government enforcement authorities as an on-going activity and has provided a detailed list of where the company's promotions had been found to Nestlé head office when asked to do so. Nestlé did not respond to indicate it was taking any action but persists in refuting the report on its website. What of Mr. Brabeck's promise that he personally investigates any hint of a violation?

NESTLÉ INSTRUCTIONS AND THE INTERNATIONAL CODE & RESOLUTIONS

WHERE DO THEY DIFFER?



The International Code Documentation Centre (ICDC) trains policy makers on implementing the *International Code* and Resolutions on courses supported by WHO and UNICEF.

ICDC's legal expert compared Nestlé's 1996 Instructions (on Code implementation) to the provisions of the *International Code* and Resolutions, and found a dozen examples of how the company misrepresents them to justify continued promotion (the full analysis is available at www.ibfan.org). Enquiries of whether or not there are 'new' instructions received no response. The flawed Nestlé Instructions are used by the auditors that Nestlé commissions (such as Bureau Veritas) to verify its activities rather than the *International Code* and Resolutions. Independent monitoring finds violations even of the weak Nestlé instructions.

INTERNATIONAL CODE & RESOLUTIONS

- 1 Applies to all countries as a minimum standard.
- 2 Applies to all breastmilk substitutes, including other milk products, foods and beverages marketed to replace breastmilk.
- 3 No idealising pictures or text in any educational materials.
- 4 No promotion to the public or in the health care system, direct or indirect.
- 5 Educational material with corporate logos may only be produced in response to a request by government and must be approved. No product names allowed.
- 6 No donation of free formula or other breastmilk substitutes to any part of health care system.
- 7 There should be no display of brand names, or other names or logos closely associated with breastmilk substitutes, in the health care system.
- 8 Promotion of breastfeeding is the responsibility of health workers who may not accept financial or material inducements as this may give rise to conflict of interests.
- 9 Samples only allowed if necessary for professional evaluation and research.
- 10 Sponsorship contributions to health workers must be disclosed.
- 11 Labels must follow preset standards. WHO does not vet or approve labels.
- 12 It is for governments to implement national measures. Independently of these, companies are required to ensure compliance with the International Code at every level of their business.

NESTLÉ INSTRUCTIONS

- 1 Apply to a list of developing countries of Nestlé's own invention.
- 2 Apply only to infant formula and to those follow-up formula with the same brand name.
- 3 Allow for baby pictures "to enhance educational value of information".
- 4 Allow for company "*Mother Books*" and "*Posters*" with corporate logo to be distributed or displayed by health workers.
- 5 Allow educational materials with corporate logos for use by health workers in teaching mothers about formula.
- 6 Allow for free formula if requested in writing by health workers.
- 7 Allow for wristbands, feeding bottles, health cards etc. with corporate logo.
- 8 Allow for "*general*" videos, brochures, posters, breastfeeding booklets, growth charts, etc. No brands but corporate logo allowed.
- 9 Allow samples to introduce new formulas, new formulations and samples for new doctors.
- 10 On a case by case basis, financial support is allowed (does not mention disclosure).
- 11 Nestlé claims its labels were developed in consultation with WHO.
- 12 Nestlé Market Managers should "*encourage*" introduction of national codes [voluntary unenforceable codes rather than laws].

SMALL VICTORIES In 1994 the World Health Assembly stated that complementary feeding should be '*fostered from about 6 months*'. It took 9 years of letter writing, media work, demonstrations and further World Health Assembly Resolutions before Nestlé said it would change the labels of its complementary foods to comply. 19 years after the Code, following a television exposé, Nestlé said it would endeavour to label products in the correct language.

NESTLÉ'S REAL COMMITMENT TO AFRICA EXPOSED

NESTLÉ IS IN AFRICA FOR A SIMPLE REASON: TO MAKE A PROFIT. When Zimbabwe was introducing legislation implementing the *International Code* and Resolutions in 1999, Nestlé threatened to close down its factories, putting its own staff out of work and causing an enormous negative economic impact on its suppliers. Zimbabwe's Health Minister called this 'an idle threat.' So it proved when the law was introduced and the factories stayed open.

Two years later Nestlé demonstrated its concern for Ethiopians who were facing famine during a drought. It demanded US\$6

million from the government as compensation for a business nationalized 27 years before. The parent company was not even owned by Nestlé at that time. Following international protests Nestlé settled for a lesser amount and donated this to the International Red Cross for use in Ethiopia. Nestlé's UK Chief Executive, Alastair Sykes, has since attempted to divert criticism of the company's baby food marketing activities by citing its donations to famine relief efforts in Ethiopia! The recipient of Nestlé's donation, the International Red Cross, is quoted in the Nestlé Commitment for Africa report in support of its activities.

HIV/AIDS: NESTLÉ EXPLOITS CONCERN OVER THE RISKS OF TRANSMISSION OF HIV THROUGH BREASTFEEDING to promote its products and to oppose legislation in Africa. The World Health Assembly position is set out in its *Global Strategy for Infant and Young Child Feeding*. Risks of HIV transmission have to be considered alongside risk of sickness and death from unsafe artificial feeding and exclusive breastfeeding is recommended in unsafe conditions.² Mothers have the right to make their decision free from commercial pressure. Yet in 2001 Nestlé set up a *Nutrition*

Institute with the expressed goal of promoting infant formula for use in cases of HIV infection. The Institute is offering training courses, gifts, lunches and promises of academic credits for health workers. It has irresponsibly promoted its *Pelargon* infant formula used in HIV interventions in many African countries (see Botswana example on page 2) and alongside other companies has argued against advertising restrictions in South Africa, claiming advertising provides information. Advertising is a sales tactic and not an educational tool and UNICEF has stated that HIV makes marketing regulations more important not less important.³

PR DISASTERS: NESTLÉ'S CHIEF EXECUTIVE OFFICER, PETER BRABECK-LETMATHÉ, CLAIMS THAT HE PERSONALLY INVESTIGATES any hint of a violation of the baby food marketing requirements. As the man personally responsible he often over-reacts to criticism of the company, causing Nestlé more problems.

For example, when the UK Advertising Standards Authority effectively branded Nestlé 'a liar' (as the marketing press put it) for claiming to market baby milk ethically, Mr. Brabeck held a press conference in London and lambasted company critics,

including the Executive Director of UNICEF. Stunned journalists then ran headlines such as 'Mr. Nestlé gets angry' (*Independent on Sunday*, 9th May 1999).

In 1999 Mr. Brabeck wrote to critics and policy makers around the world with a hard-bound book containing letters which he claimed were "official government verification that Nestlé abides by the Code". Those who read through the 54 letters found many were no such thing. The company had to apologise as some of the authors complained their letters had been misrepresented and used without permission.

1 For an overview see Corporate Watch: <http://www.corporatewatch.org.uk/?lid=237>

2 Jones et al. *How many child deaths can we prevent this year?* The Lancet Vol 362 July 5, 2003 65-71 Child survival 11

3 Liff et al. *Early exclusive breastfeeding reduces the risk of postnatal HIV1 transmission and increases HIV-free survival.* AIDS 2005, 19:699-708

4 UNICEF statement to the European Parliament Development and Co-operation Committee - Special meeting on standard setting by European enterprises in developing countries. Nov 2000

PLEASE JOIN BABY MILK ACTION TO HELP OUR WORK CONTINUE



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