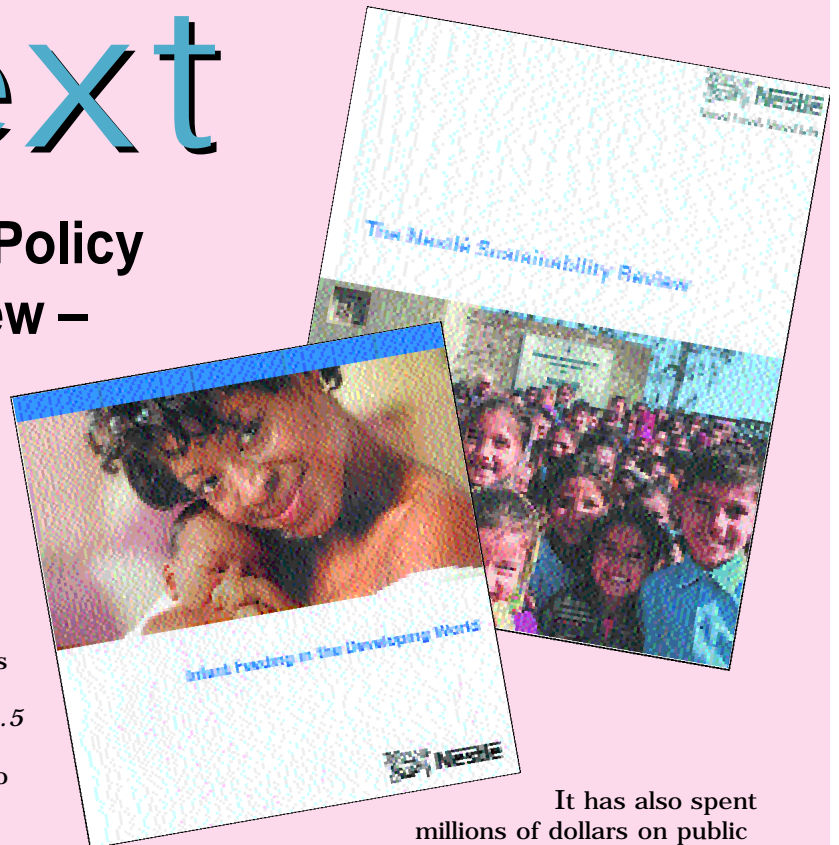


# Nice design – shame about the text

## Nestle's Infant Feeding Policy and Sustainability Review – another PR cover-up

**B**reastfeeding (along with appropriate complementary feeding) is an essential lifeline for millions of infants. Breastmilk is packed with living cells which fight infection. It also provides optimal nutrition and can help reduce family poverty - a major cause of malnutrition. Breastfeeding also benefits women's health. It has been shown to lower the risk of breast cancer.<sup>1</sup> *UNICEF and WHO estimate that 1.5 million infant lives could be saved each year through increased breastfeeding.* There can be no food more locally produced, more sustainable or more environmentally friendly than a mother's breastmilk - a naturally renewable resource which requires no packaging or transport, results in no wastage and is free.

**B**ut breastmilk has to compete in a rapidly growing market for breastmilk substitutes, now worth \$10.9 billion (*Euromonitor 2001*). *The International Code of Marketing of Breastmilk Substitutes* and its Resolutions and other policies which attempt to protect breastfeeding and ensure responsible marketing of breastmilk substitutes, challenge such growth and are opposed by companies. Nestlé controls approximately 40% of the baby food market, and as the world's largest food company (with over 11,000 brands of processed foods), it is able to exert a powerful influence on government policies and market trends. For over two decades Nestlé has been dogged by criticism of its baby food marketing and is the target of an international boycott campaign. Because of this Nestlé has curbed some of its more blatant malpractice, removing pictures of babies on infant formula tins and stopping some media advertising.



It has also spent millions of dollars on public relations strategies which include sponsorship, glossy brochures and attempts to link its name with and to influence the UN system. Nestlé's *Sustainability Review*, its *Infant Feeding in the Developing World*, and its *Infant Feeding Policy* are all examples which present Nestlé as a responsible company, even a leader in sustainable development and environmental protection - a company that is eager to listen to criticism and to act on it. But all these documents fail to stand up to scrutiny. In reality there has been no real change of policy nor any commitment to a marketing strategy that will match the public relations promises.

**W**orldwide independent monitoring consistently shows that Nestlé, more than any other company, systematically violates the *International Code* and its Resolutions, promoting its products in many ways which damage infant health. The few limited changes Nestlé has made do not counterbalance the harm caused by its marketing and its persistent undermining of legislation and trading standards which seek to protect infant health.





While *Infant Feeding in the Developing World* boasts of Nestlé's promotion of breastfeeding in China, the company violates the *International Code* with its brochures which idealise and promote Nan 1 and Nan 2 formulas and are made freely available to mothers: "Nan - Healthy Baby - Excel One Level Up In Future" "Nestlé Nan 1 - [is] the only formula low in phosphorus so that you can be far away from the annoyance of feeding problems." The leaflets claim that Nan uses a "unique technique to remove excess phosphorus in cow's milk, so that the phosphorus level is close to breastmilk."

Despite Nestlé's persistent reference to its compliance with the *International Code*, the company's policy and instructions, against which all staff behaviour are measured, are substantially weaker than the *International Code* and the subsequent relevant World Health Assembly Resolutions. During a Public Hearing at the European Parliament in November 2000 UNICEF's Legal Officer stressed how much more stringent the *International Code* is in approach, coverage and scope than Nestlé's policy and instructions. Nestlé boycotted the Hearing. **The following ten points show the questionable intentions of Nestlé's whole approach.**

**1** The *International Code* applies to **all nations, not just developing countries**. Nestlé's policy and instructions apply only to what it calls '*developing countries*' and so do not cover countries such as Poland, Hungary, Korea or Taiwan. For the smallest, most defenceless of consumers, such double standards make no sense at all.

**2** The *International Code* covers **all breastmilk substitutes**, including any products marketed in ways which undermine exclusive and sustained breastfeeding. Nestlé's policy and instructions apply only to '*infant formula*.'

**3** Nestlé's policy and instructions fail to **include the ten Resolutions** which have been passed at the World Health Assembly since 1981 and have the same status as the *International Code* itself. They are important because they clarify, update and strengthen the *International Code's* provisions in the light of research and current marketing practices. WHO has confirmed that the *International Code* and the Resolutions enjoy equal status and should be read together as one and the same document.

**4** Nestlé ignores the fact that the *International Code* was adopted as a **minimum requirement** to be implemented **in its entirety**. Where countries have laws stronger than the *International Code*, companies must abide by those stronger laws. However, where countries have weaker measures Article 11.3 of the *International Code* requires companies to ensure that their conduct at every level conforms to it, and to do so **independently** of any measures taken by Governments.

**5** Hundreds of violations of the *International Code* from 14 countries, were published in IBFAN's report, *Breaking the Rules 2001* and were brought to Nestlé CEO, Peter Brabeck's personal attention in 2001. **He has dismissed the vast majority as**

**invalid** and, so far, has done very little to end the practices which endanger infant health.

**6** Nestlé claims to be the first company to **implement** the Code. However it is the responsibility of governments to implement. Companies must **comply** with it. **Nestlé, more than any other company, undermines government efforts to implement the Code and Resolutions:** In **India**, for example, it not only lobbied against the law for many years, but when facing criminal charges over the language and text of its labelling, it issued a Writ Petition against the Indian Government attempting to have key sections of the law struck down, including some articles directly implementing the Code. The Writ Petition still stands and some see it as an attempt to delay the legal action taken against Nestlé which could see its Managing Director imprisoned. In **Zimbabwe**, before the Government brought in its strong law in 1998, Nestlé threatened to pull out all investment arguing that "*it would not be economically viable for the company to continue operating under such regulations.*"

**7** Nestlé's policy and instructions refer only to direct consumer advertising of infant formula. The *International Code* calls for a ban of **all promotion of all breastmilk substitutes** - either direct to mothers, to health workers or to the public. The aim is to protect health and ensure that parents receive independent, objective information about infant feeding. Under the *International Code*, health workers are responsible for advising parents on infant feeding.

**8** The *International Code* calls for all information about and on products to be restricted to **scientific and factual** matters with no idealising pictures or text, such as '*maternalised*' or '*humanised*'. One advertisement for *Nativa* infant formula, intended for health workers in **Cote d'Ivoire**, claimed that *Nativa* is even better than breastmilk: "*Nestlé: Meeting the need for certain micronutrients which the human organism cannot produce, but which are needed to orchestrate a gamut of physiological functions essential for optimal development.*" Mr Brabeck dismissed this violation.

**9** Nestlé's *Sustainability Review* states: "*Free infant formula donated over the past 12 months was only for social welfare cases.*" As long ago as 1994 WHA Resolution 47.5 stated that there should be **"no donations of free or subsidized supplies of**



**breast-milk substitutes...in any part of the health care system."** *Breaking the Rules 2001* found free or low cost supplies of infant formula in 10 of the 14 countries studied. On 1st May 2002 UNICEF staff found boxes and boxes of donated Nestlé's Bear Brand Prebio 2 follow-on formula in a Bangkok hospital. None of the staff seemed to be sure why the samples were donated, but the excuse was given that they might be for mothers infected with HIV. Less than 3% of mothers are known to be infected with HIV in Thailand. The mothers who are infected are provided with free formula which is purchased through the Ministry of Public Health in a bidding process and made available to all hospitals. There is therefore no need for hospitals to accept free supplies from companies.

**10** All over the world baby food companies aggressively promote expensive, packaged 'complementary foods' resulting in mothers using them as breastmilk substitutes, often feeding them through a bottle. In 1994 WHA Resolution 47.5 stated that complementary feeding should be fostered from 6 months of age, and in 2001 WHA Resolution 54.2 emphasised the importance of **exclusive breastfeeding for 6 months and the use of indigenous nutrient-rich foodstuffs**. At its AGM in April 2001 Nestlé promised to encourage exclusive breastfeeding for 6 months, but has since stepped up its promotion of *Cerelac* complementary food from 4 months in many countries. Full colour glossy advertisements with idealising pictures and text and offers of free samples appear regularly in Indian newspapers with blatant health claims about micronutrients. In 2001 and 2002 the Codex Alimentarius draft guidelines (Codex sets global food standards) proposed that **health claims should not be used on labels of foods for infants and young children**. The 2002 WHA Resolution (55.25) specified that the marketing of micronutrients should not undermine breastfeeding or optimal complementary feeding.

## Nestlé and HIV

Nestlé has been using the HIV/AIDS pandemic to push the use of its infant formula, *Pelargon* in Africa. It launched a Nutrition Institute in August 2001 and has been visiting policy makers in Southern Africa making unsubstantiated claims that *Pelargon's* high acidity will *kill germs* and that this makes it safe to use with



Despite Nestlé's promises, these adverts promoting foods at 4 months and using health claims, continue to appear in the *Sunday Times* (New Delhi) and in women's magazines in India. Nestlé is the only baby food company to do such high-profile advertising.

infected water. Nestlé has done much to distort mother's, health worker's and policy maker's perceptions, playing up the risk of HIV infection from breastfeeding and playing down the risks of artificial feeding. IBFAN believes that when partnerships are formed between NGOs and companies such as Nestlé which have a vested interest in mothers choosing artificial feeding in the context of HIV, women's rights to truly independent and objective information on this subject are undermined. The WHA Resolution passed in May 2001 (WHA 54.2) reaffirmed this right, stressing the need for independent research into HIV and stating that mothers should be protected from commercial influences.

## Schools: the new market place



As concern rises about obesity levels, Nestlé is increasingly using schools to market its products while claiming that this is evidence of corporate social responsibility. Marketing such as this can have a powerful influence on the next generation's understanding of what is and what is not a healthy diet and what is and is not sustainable development. It is extremely risky to entrust the vital role of nutrition education to companies that are actively promoting infant foods and sugary, fatty and salty foods in the market place, however sound the educational materials may appear initially. On the right is an example of Nestlé's chocolate and sweet promotion in Delhi schools. Milk samples were also distributed to very young children in Delhi nursery schools last October. Nestlé is providing 'nutrition' education materials to 2000 schools in Russia.

# Water: environmental concerns

Nestlé is the world's largest manufacturer of bottled water, with over 50 brands and 16% of a fast growing \$33.7 billion market. Nestlé faces criticism about its damage to the environment and local eco-systems in many countries.

The promotion of bottled water can undermine commitment to the provision of affordable piped water. Irresponsible promotion and labelling and brand names such as 'Pure Life' can falsely imply sterility, undermining breastfeeding and safety messages about boiling water for babies. Bottled water is not sterile and must be boiled before use. Mineral water is unprocessed and may have unsuitable levels of salts for use in infant feeding.

At its AGM in March 2002, Nestlé faced criticism from shareholders about the impact of its water business on the environment and concerns from Perrier workers about the use of plastic bottles (supplied by Coca-Cola). Nestlé responded with promises to sell 3-5 million bottles of Perrier in China!

In Brazil Nestlé has been accused of "pillaging" the 'circuito das Aguas', (a Brazilian geological marvel) and "destroying an ecosystem which took nature thousands of years to create."



*Nestlé - For Your World's No 1 Child* says this Nestlé bill-board in Taiwan, spotted in March 2002. No brand name, Nestlé may say, but what's the clear message? Nestlé's policy does not cover countries such as Taiwan.

# The Ombudsman and Audits

According to *The Nestlé Sustainability Review*, Nestlé is instituting an 'ombudsman' system. This could be a sign that it is recognising that it has a problem. However this will mean nothing unless the terms of reference are clear. An internal ombudsman - paid by the company - is totally different from an independent ombudsman paid by a government or other party. The allegations of malpractice reaching to senior management provided by former Nestlé Pakistan employee Syed Aamar Raza remain unanswered. Mr. Raza claims he was threatened by Nestlé in 1997 when he challenged the company to stop its malpractice. He resigned soon after witnessing the death of an infant as a result of unsafe bottle feeding. Unless the Ombudsman system is accompanied by a complete change of policy on Nestlé's part employees will continue to be placed under intense pressure to maximise sales, as Mr Raza was. To protect someone like Mr Raza an Ombudsman would need to have greater power than the CEO Mr Brabeck, who is now the driving force behind the company. Mr Brabeck continues to make unsubstantiated attacks on Mr. Raza's character.

Nestlé has refused to provide information about audits it refers to in the *Sustainability Review* and readers must accept on trust that only 4 problems were uncovered. EME, the Auditors called in to investigate in Pakistan in 2000 were specifically instructed not to look at the evidence of Syed Aamir Raza and were limited to interviewing doctors from a list provided by Nestlé. Baby Milk Action's offer to provide documentary evidence of malpractice, including the bribing of doctors, was not passed on to the auditors by Nestlé.

**In July 2001 Nestlé and all the baby food companies cited as violating the *International Code* in IBFAN's report, *Breaking the Rules 2001*, were excluded from the FTSE4 Good index for socially responsible investment.**

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