

## Bureau Veritas audit opinion

“Based on a total of five weeks of observation and interview within South Africa, Mozambique, and Nigeria, we found no systematic shortfalls in terms of Nestlé’s implementation of its *Instruction on the Marketing of Breast-milk Substitutes*.

Three breaches of the *Instructions* were identified during the audit, two of which were directly attributable to Nestlé’s conduct. These were not directly related to any marketing activity, but to the implementation of Nestlé’s internal procedures. The third breach related to the activities of a pharmacist that had breached the *Instructions* through the special display of infant formula.

Despite evidence of the three breaches of the *Instructions* being identified, it is considered that those breaches by Nestlé are not systematic and it is our opinion that Nestlé South Africa, Nigeria, and Mozambique are not systematically or deliberately violating the *Nestlé Instruction* or in-country legislation (where applicable).

This includes:

- (a)** No use of baby pictures on its infant formula packs (4.2).
- (b)** Materials intended for pregnant women and mothers related to maternal and child health such as educational posters, educational charts, height measurement charts etc., did not contain illustrations of infant formula or mention the names of individual infant formula brands (4.3).
- (c)** No information relating to infant formula was communicated directly to mothers or the general public either through public media

or by personal contact between Company representatives and the public (5.1).

- (d)** No free samples of infant formula given to mothers (5.2).
- (e)** No contact with mothers or pregnant women other than in cases of consumer complaint (5.5, 6.4, 6.5).
- (f)** No free or low price donations of infant formula were made to institutions outside of the specific requirements of the *Instructions* except in one minor incident detailed below (6.6, 6.7).
- (g)** Equipment and materials in addition to those referred to in Article 4.3, donated to a health care system complied with the *Instructions* (6.8).
- (h)** Culturally appropriate educational material provided to the health care profession complied with the *Instructions* (7.1).
- (i)** Company personnel were emphasising the importance of breast milk to health professionals (7.2).
- (j)** No financial or material incentives to health professionals for the purpose of promoting infant formula were reported/observed (7.3).
- (k)** No samples were provided to health professionals outside of the remit of Article 7.4.

**(l)** No bonuses or incentives based on infant formula sales were paid to sales staff, medical delegates and other marketing personnel (8.1).

**(m)** Company personnel whose responsibilities include the provision of information about infant formula to the health profession did not perform educational functions in relation to pregnant women or mothers (8.2).

**(n)** Individual country requirements with regard to labelling were adhered to (9.1).

**(o)** Labels of products purchased by traders from Nestlé and distributed in-country for that market complied with the labelling requirements (9.2).

**(p)** Nestlé sweetened condensed milk and powdered milk products purchased by traders direct from Nestlé for use in country complied with the *Instructions* (9.3).

**(q)** Product labels contained the necessary information (9.4).

**(r)** Efforts were made by Nestlé to encourage governments to develop national codes where they did not exist (11.1).

**(s)** Internal monitoring of Code compliance was carried out by Nestlé except in Mozambique (see below) (11.3).

**(t)** The *Instructions* appeared to be communicated to all Company personnel employed by companies of the Nestlé Group engaged in the marketing of infant formula (11.5).

*“We are pleased that the **Bureau Veritas** audit corroborates the findings of a similar audit that the Federation commissioned in Nigeria in 2003.”  
International Federation of Red Cross and Red Crescent Societies*

Breaches of the *Instructions* were observed in Mozambique, these were as follows:

**(a)** *A pharmacy was observed as having a special window display of infant formula. This pharmacy had a direct relationship with Nestlé and was in breach of the Instructions under Article 5.3.*

**(b)** *Internal monitoring of the implementation of the Instructions was not carried out in Mozambique: this is a breach under Article 11.3.*

**(c)** *Some marketing personnel in Mozambique had not received formal communication on the Instructions, this is considered a breach under Article 11.5.*

#### **Audit of Nestlé S.A., Vevey, Switzerland**

*The audit of Nestlé S.A. covered senior personnel within Nutrition, Sales and Marketing, Public Affairs, Internal Audit, Consumer Services and Investor Relations.*

*The development, modification, monitoring and communication of the Nestlé Instructions to each country is the responsibility of the Nutrition Division and the Public Affairs Department based at Nestlé S.A. in Vevey. The practical implementation of and compliance with the Instructions and reporting of in-country violations is the responsibility of each country.*

*Nestlé S.A. acts as the central information hub where policies and procedures (including the Nestlé Instructions) are developed and communicated to the wider*

*business. Templates for Infant Formula product information, nutritional content and labelling requirements are developed by Nestlé S.A. and communicated to the end market for adaptation to national standards and requirements. Where adaptations to labels are made in country, these are reviewed and signed off by Nestlé S.A. as well as in-country personnel.*

#### **Bureau Veritas findings**

*The Nestlé Instructions appeared to be well embedded throughout Nestlé S.A. There was a consistently high level of awareness and commitment to the Code and all personnel interviewed had received training on the Instructions. Personnel had clear responsibilities with regard to the implementation of the Instructions and there appeared to be strict control and a firewall between the Sales Team and the Nutrition Division (all staff involved in direct relations with health care professionals and infant formula matters sit within the Nutrition Division).*

*There appeared to be good controls in place for monitoring compliance with the Instructions through Internal Audits, which are carried out by Nestlé Group Audit on a rolling programme of audits. Regardless of the audit subject, all audits contain specific criteria relating to the implementation of the Instructions.*

Nestlé has already taken appropriate steps to correct the three violations identified in the *Bureau Veritas* audit, as it does with any allegations of non compliance which can be verified.

**“The International Federation of Red Cross and Red Crescent Societies notes the findings of the *Bureau Veritas* audit, which highlights Nestlé’s efforts to ensure that its infant food marketing practices in Africa are in conformity with the WHO *International Code of Marketing of Breast-milk Substitutes*. We are pleased that the *Bureau Veritas* audit corroborates the findings of a similar audit that the Federation commissioned in Nigeria in 2003. Nestlé is a major corporate supporter of our African Health Initiatives, the positive results of such audits provide assurance for our continued collaboration in addressing some of the pressing health and community care problems in Africa. All strategic corporate partnerships are monitored on an on-going basis.”**  
***International Federation of Red Cross and Red Crescent Societies***