
Nestlé's investigations and responses to the allegations made in IBFAN's Report on the Monitoring of the Code in 11 Countries of Asia



Our commitment to compliance

We welcome IBFAN's focus on the responsible marketing of 'breastmilk substitutes' and its continuous efforts to bring incidences of non-compliance to the attention of manufacturers to improve industry standards through the publication of their report, which is a compilation of Code monitoring findings from 11 countries - *Bhutan, China, India, Indonesia, Republic of Korea, Maldives, Mongolia, Nepal, Philippines, Sri Lanka and Thailand*, in 2018. In order for non-compliance incidences to be addressed and corrective action taken without delay, we ask and encourage all stakeholders to raise their concerns directly with us as soon as they are identified.

At Nestlé, we are committed to a strong compliance culture, as reflected in the [Nestlé Corporate Business Principles](#) and [Code of business conduct](#).

We ensure our company acts in accordance with our principles through internal reporting, internal / external audits and external verification. Employees, suppliers and stakeholders are encouraged to report practices or actions that are illegal or believed to be inappropriate / non-compliant with the national regulations and our policies, and we investigate all complaints with impartiality. We cease any activities associated with confirmed incidences of non-compliance and appropriate response measures are implemented. We learn from each confirmed incidence of non-compliance and work diligently to rectify any wrongdoing.

Nestlé has always done its utmost to comply with the WHO Code and WHA resolutions as implemented by national governments everywhere in the world and strives to continuously improve. To ensure that we fulfil our public commitment to market breastmilk substitutes responsibly, we have put in place several compliance measures and mechanisms as outlined in our [Nestle Policy and Procedures for the Implementation of the WHO International Code of Marketing of Breastmilk Substitutes](#). In 152 countries that are considered to be higher risk,¹ we follow national regulations when these are stricter than our own policy and where national regulations are weaker or The Code has not been implemented, we follow our policy. This is supported by mechanisms including a network of WHO Code Ombudspersons in all markets, the "[Tell Us](#)" compliance reporting system that enables external stakeholders to raise any concerns they may have with Nestlé via the internet or by telephone and independent verifications performed by Bureau Veritas, [FTSE4Good](#) and [ATNI](#).

Different yardsticks used for Code Compliance monitoring

We support The WHO Code and subsequent WHA resolutions, which are recommendations for member states to translate into local legislation, regulations or other suitable measures based on their national context. This is why we apply WHO recommendations and WHA resolutions as implemented in law by member states.

As with all reported allegations, we have investigated all concerns pertaining to Nestlé Infant Nutrition and Wyeth Infant Nutrition businesses contained in the report. Our investigations and analysis of the allegations followed these four basic principles:

¹ Higher risk countries are countries where the health and nutrition of children are under greater risk. These countries are defined within the FTSE4Good criteria as those countries with more than ten per 1000 mortality rate under the age of five and more than 2% acute malnutrition (moderate and severe wasting) in children under five years of age.

1. Nestlé must follow the WHO Code and WHA resolutions as implemented by national governments everywhere in the world.
2. Nestlé must follow national regulations where these are stricter than our own policies and procedures.
3. The [Nestle Policy and Procedures for the Implementation of the WHO International Code of Marketing of Breastmilk Substitutes](#) must apply when it is stricter than the national regulations in 152 countries that are considered to be higher risk in terms of infant mortality and malnutrition.
4. As a minimum in these higher risk countries, ***Nestlé does not promote starter or follow-on formulas for children under 12 months of age. In these countries, we also do not market complementary foods for children under six months of age.***

Investigations and findings of reported breaches

Each allegation and investigation was carefully reviewed by an internal committee composed of members of Global Public Affairs, Nutrition Business Unit, and the Asia Zone Management, who assessed them in light of the 4 principles mentioned above in order to allow us to take remedial action where required. The responses to allegations are also reviewed and approved by the Global Code Compliance Committee comprising two Executive Board members, one of which is the Head of Group Governance and Compliance and the other, the Group WHO Code Ombudsman.

The allegations made related to branding or language on the labels, nutrient claims and eCommerce trade promotions. **Based on the 4 principles mentioned above, one of the reported allegations is confirmed:**

Country	Product	Instance of Non-Compliance	Corrective action
Bhutan	LACTOGEN 1	The important notice was not in national language on the labels of products sold in Bhutan. Root cause: due to small volumes sold in Bhutan, the products are imported from neighbouring countries. Labels however include graphics to illustrate the correct preparation and usage of the product.	As a solution, we will investigate add-on stickers with important notice and information in Dzongkha, to be placed on tins to be exported to Bhutan.

The rest of the allegations were not considered as non-compliant as they either refer to products outside the scope of national law and our policy or to labels approved by national authorities.

1. Branding on labels			
Country	Product	Allegation	Nestlé response
China	ILLUMA 1	Idealising language (illuminates human affinity)	Although the reference is to an old discontinued label, the label uses a registered trade mark and is registered with local authorities.
	Gerber Rice cereal	Promotional language (nutritional rice cereal)	Infant Cereals are out of the scope of the local legislation and Nestlé Policy and Procedures.
India	NAN Excella Pro 1	Idealising language (Excella Pro)	NAN Excella Pro is a registered trademark and is not idealising use of the product.
Indonesia	S26 Promil 1 and Procal 3	Idealizing language (Nutrissentials)	Both labels are registered and approved by Indonesian FDA and as such compliant with local legislation.

Maldives	NAN 2	Stylized birds	Stylized birds are part of our branding. The label is registered with the Maldivian Food & Drug authority.
Sri Lanka	NAN 1	Stylized birds	Stylized birds are part of our branding.
2. Nutrient claims			
Maldives	CERELAC	Nutrition claims on nutrients	The label is registered with the Maldivian Food & Drug authority.
Sri Lanka	NAN 1	Nutrition claims on nutrients	These claims are approved by local Ministry of Health.
Thailand	S26 SMA Gold 1	Nutrition claims on nutrients	Labels are approved by the Thai FDA and as such are deemed compliant.
3. eCommerce trade promotions			
Indonesia	S26 Promil (Stage 3 and 4 Growing up milk – GUM)	Promotion (iPhone giveaway)	Promotion activity refers to a product out of the scope of the local legislation and Nestlé Policy, as such considered as compliant.
Thailand	S26 Progress Gold 3 (Growing up milk – GUM)	Price promotion	The price promotion refers to a stage 3 product, which is out of scope of the local code and Nestlé Policy, as such considered as compliant.
Mongolia	NAN Optipro 3 (Growing up milk – GUM)	Promotion – free shipping	The local legislation implementing the WHO Code in Mongolia is silent on free shipping. Implementation guidelines of the Nestlé Policy and Procedures do not prohibit free shipping if these are standard terms applied to all purchases on the platform and are not specific to IF purchase.

The issue of stylized birds, which is part of our infant formula branding is always raised by IBFAN as non-compliant. The argument used is that ***“The image of a fat mother bird feeding its babies is idealising (as compared to the “skinny” birds in the Nestlé logo) – as it conveys ideas of nurturance, feeding, care and love”***. Apart from the fact that the stylized birds are part of our infant formula branding on labels approved by local authorities, IBFAN has not provided any scientific evidence demonstrating that mothers who can and do breastfeed stop breastfeeding or start using infant formula because of stylized birds.

Infant formula plays a very important role in the nourishment of infants when breastfeeding is not possible, not optimal or chosen, for medical and other reasons. For those infants who cannot be breastfed or fed on breastmilk as recommended, infant formula is the only suitable breastmilk substitute (BMS) recognised as appropriate by the World Health Organisation (WHO). NON-breastfed children have a right to nutritious food, which infant formula is. As UNICEF puts it in its interpretation of article 24 of the UN Convention on the Rights of the Child: ***“Children have the right to good quality health care – the best health care possible – to safe drinking water, nutritious food, a clean and safe environment, and information to help them stay healthy”***.

The different yardsticks used to monitoring compliance continue to create discord and we hope that with continuous engagement with various stakeholders, these monitoring mechanisms will be harmonized in future. We are determined to reducing and eliminating instances of non-compliance as much as humanly possible, and are willing to engage IBFAN and other actors on bringing this about.

Help mothers make the best nutrition choices for themselves and their children during the 1st 1000 days

Unquestionably, breastfeeding is the natural way to feed an infant and it is an important element in the infant feeding ecosystem. Though breastfeeding rates have steadily increased over the past few decades and most mothers initiate breastfeeding, only slightly more than a third of infants are exclusively breastfed up to the age of six months. Women returning to work is the leading cause for early cessation and numerous women state that they do not receive sufficient support to continue to breastfeed.

We believe women need a conducive environment to breastfeed, including maternity protection and paid leave, access to breastfeeding rooms (especially in the work place), counselling as well as access to fact-based information adapted to their individual context. ***Our Global Maternity Protection Policy*** at Nestlé gives female employees 14 weeks paid maternity leave, which can be extended up to six months, as well as providing flexible work arrangements, and hundreds of breastfeeding rooms in our facilities. The policy applies to all primary caregivers of a newborn, including male employees and those who adopt children.

The issue of malnutrition, in all its forms, including undernutrition (wasting, stunting, underweight), needs a collaborative effort. Securing healthy and prosperous futures for mothers and children around the world is an aspiration that unites all concerned stakeholders, including Nestlé. Achieving this, requires constructive engagement and collaboration by all parties. Working together, we can make a huge impact on the health of future generations. Coordinated action on key areas of focus could make a real difference, and Nestlé will continue to play a leading role to create positive change. Hence, we will continue to lead the industry towards higher responsible marketing standards and to work closely with governments, public institutions and civil society, to carry out the actions needed to benefit future generations. Our regular stakeholder convenings provide crucial opportunities for us to listen and to build a better understanding of our role in addressing critical societal issues. This interaction facilitates collective action and promotes trust and mutual respect.