

Nestlé's public relations machine exposed

Nestlé spends a fortune trying to divert criticism of its baby food marketing, but does it tell the truth?

Nestlé has a serious image problem because of its on-going aggressive marketing of baby foods. Instead of making 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. But Nestlé makes demonstrably untrue claims which have resulted in further damaging publicity, such as the cover shown right.

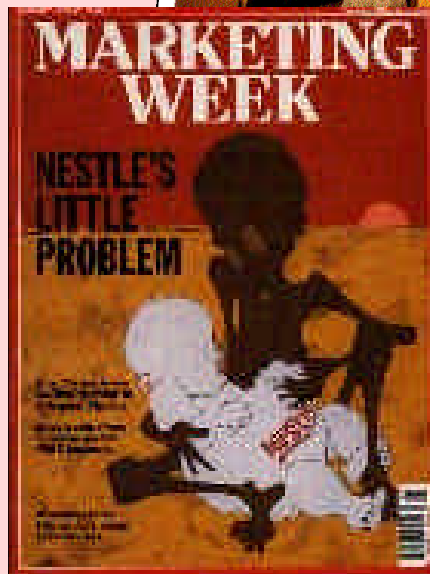
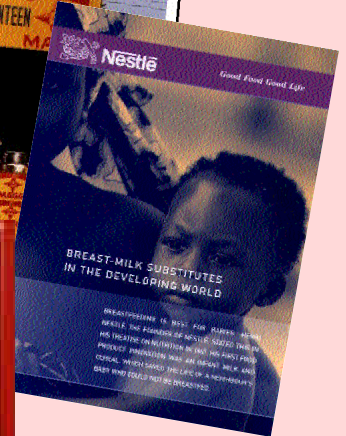
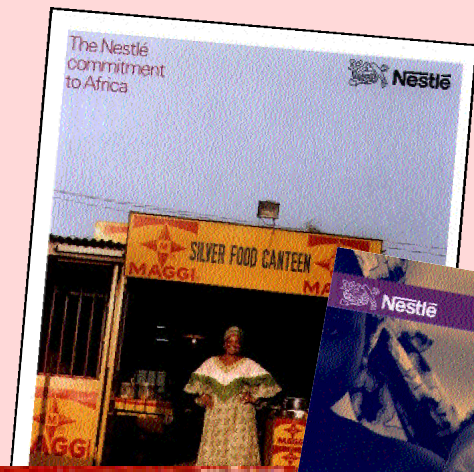
Nestlé's Chief Executive Officer, Peter Brabeck-Letmathé, launched another offensive in April 2005 with his *Commitment to Africa* report pictured here.

Health campaigners have succeeded in keeping Nestlé's baby food marketing malpractice 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. And national groups have launched boycotts against Nestlé in 20 countries because of its unethical and irresponsible marketing of breastmilk substitutes.

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's (WHO) *International Code of Marketing of Breastmilk Substitutes* and subsequent, relevant World Health Assembly Resolutions worldwide. Nestlé also takes the lead in attempting to undermine implementation of these measures by governments.

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."



The introduction of the *International Code* in 1981 should have ended the malpractice, but companies continue to violate it today. An increasing number of governments have introduced legislation implementing the provisions of the

International Code and Resolutions. Nestlé pushes for unenforceable voluntary codes in place of laws. It even took legal action against the Indian Government in an attempt to have the law there revoked after the company was taken to court for not putting warning notices in Hindi on labels.

Part of Nestlé's PR strategy sometimes includes claiming health campaigners are trying to ban the sale of breastmilk substitutes. This is totally untrue. The aim is to ensure breastmilk substitutes are marketed appropriately.

Other bogus Nestlé's claims are exposed inside. Our position on Nestlé arises from the evidence of malpractice. We are seeking to protect infant health and mothers' rights. Nestlé's claims do not stand up to scrutiny. When the UK Advertising Standards Authority (ASA) conducted a two-year investigation into claims Nestlé made in an anti-boycott advertisement, it found they could not be substantiated. Nestlé was warned by the ASA not to repeat the claims. Yet it continues to make similar claims in public relations materials which are not subject to the same regulations as advertisements.



Nestlé's bogus arguments exposed

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 monitoring exercises, Nestlé was found to be the source of more violations than any other company. This is why it is singled out for boycott action.

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, but had to drop nearly all charges as experts tramped into court to provide substantiation. Nestlé 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.

Today Nestlé admits to malpractice in the 1960s and 1970s, though it hasn't apologised to the families who lost infants during this period or offered any form of compensation.

In 1999 the UK Advertising Standards Authority ruled against Nestlé's claim in an anti-boycott advertisement that it did not distribute free supplies of infant formula. Today Nestlé claims it used to do so, but stopped in the 1990s.

Malpractice it denies today, will likely be admitted in a few years time. But Nestlé will say: "That was a long time ago. We have changed."

Nestlé says: So-called violations are not for infant formula, but complementary foods that are 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.

A favoured tactic is promotion through the health care system. This makes it seem as if Nestlé has the endorsement of health workers.



The tissue box left is in the style of Nestlé's *Nan* formula labels and was distributed to health workers in Thailand.

Companies are permitted to provide 'scientific and factual' information to health workers, but the materials Nestlé produces on its formulas are misleading and promotional. For example, a leaflet on *Lactogen 1* claimed the formula is good for 'brain, body and bones' and was dominated by bright pictures rather than scientific information.

In Botswana Nestlé has distributed a pamphlet for *Pelargon* infant formula which claims that with the formula 'diarrhoea and its side-effects are counteracted'. This is highly misleading as it implies the formula can be used to treat diarrhoea, but infants fed on *Pelargon* are at greater risk of becoming ill and possibly dying as a result of diarrhoea than breastfed infants.

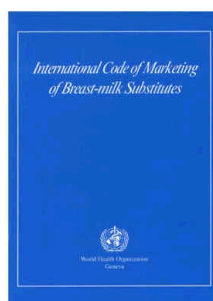
Nestlé says: Isolated violations may occur because Nestlé is a big company. Campaigners do not provide information to allow investigations.

The facts: Nestlé's own internal instructions permit violations of the *International Code* and Resolutions. The analysis right shows some of the ways they fall short. UNICEF raised some of these issues with Nestlé's Chief Executive Officer, Peter Brabeck-Letmathé in a letter in November 1997 - yet he still hasn't brought Nestlé's policies into line.

Monitoring demonstrates violations are 'systematic'. This description was used first not by IBFAN, but by the Inter-agency Group on Breastfeeding Monitoring (IGBM) 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."

IBFAN groups report violations to government enforcement authorities as an on-going activity. Many of the violations in the *Breaking the Rules* report had been raised with national Nestlé offices before it was published. Why then does Nestlé claim it was unaware of them? Nevertheless, IBFAN 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. What of Mr. Brabeck's promise that he personally investigates any hint of a violation?

Nestlé Instructions and the *International Code* and Resolutions

Where do they differ?

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

ICDC's legal expert has compared the Nestlé Instructions (on implementing the Code) to the provisions of the *International Code* and Resolutions, and has found a dozen examples of how the company misrepresents them to justify continued promotion (the full analysis is available at www.ibfan.org).

The flawed Nestlé Instructions are used by the auditors Nestlé commissions to verify its activities (such as *Bureau Veritas*) rather than the Code and Resolutions. Independent monitoring finds violations of Nestlé weak Instructions.



Seeking direct contact with mothers of infants upto 3 years of age is prohibited. Nestlé falsely claims it can contact pregnant women and new mothers if it doesn't mention formula in the first instance.

International Code and 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.

Time for a tribunal

Nestlé's claims do not stand up to scrutiny and it dislikes having its case challenged.

Debates

The company used to refuse to speak in public meetings if IBFAN members were present. This changed in 2001 thanks to pressure from the boycott and Nestlé has taken part in a number of debates with Baby Milk Action in the UK. Nestlé boasts about its openness to face its critics in a new leaflet, but fails to mention two things.

Firstly, it continues in its attempts to speak without Baby Milk Action being present.

Secondly, it does not acknowledge that it has lost every debate as its claims do not stand up to the documentary evidence of its own promotional materials.

European Parliament

The European Parliament held a public hearing into Nestlé malpractice in November 2000. The IBFAN group from Pakistan, the Network for Consumer Protection, presented evidence of malpractice. UNICEF's Legal Officer was present to respond to any questions regarding interpretation of the marketing requirements. Nestlé was invited to present evidence on its marketing policies and practices, but it objected to the presence of IBFAN and UNICEF and refused to attend. Instead it sent someone who had been paid to

conduct an audit of Nestlé's activities in Pakistan. The auditor was unable to respond when UNICEF pointed out that Nestlé's Instructions used for the audit are not the same as the Code and Resolutions.

Nestlé rejects public tribunal

Boycott coordinators have put a plan to Nestlé for ending the boycott. The first point requires Nestlé to accept the World Health Assembly position that the Code and Resolutions are minimum requirements for all countries. Nestlé refuses to do so.

Campaigners cannot re-negotiate the marketing requirements with Nestlé - it is the responsibility of the World Health Assembly to review progress and address new issues and questions of interpretation. However, campaigners are calling for Nestlé to attend a public tribunal, where Nestlé and health experts can present evidence to an independent panel.

The purpose of the tribunal is to evaluate who is telling the truth. Nestlé has rejected this proposal.

Individuals and organisations are encouraged to write to Nestlé asking it to agree to the public tribunal. Write to:

Peter Brabeck-Letmathé
Chief Executive
Nestlé S.A.
Vevey, Switzerland

A history of PR disasters

Nestlé's Chief Executive Officer, Peter Brabeck-Letmathé, (right) 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 Director General of UNICEF. Stunned journalists then ran headlines such as 'Mr. Nestlé gets angry' (Independent on Sunday, 9th May 1999).

A more costly example is when 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.



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