

Nestlé SA

Switzerland



	Weight	Score	
		2018	2016
BMS 1: Corporate Profile	50%	56%	55%
BMS 2: In-country assessment	50%	33%	17%
Total	100%	45%	36%
Impact on the Global Index score		-0.8	-0.96

BMS 1: Corporate Profile analysis

Application of policy

Product type	Product made	Policy scope	Geographic coverage	Stance on local regulations
Infant formula: 0-6 months	✓	✓	Higher-risk countries	If local regulations are absent or weaker than own policy in higher-risk countries, the company follows its own policy. It also commits to complying with all local regulations in all markets.
Complementary foods: 0-6 months	✓	✓	Higher-risk countries	
Follow-on formula: 6-12 months	✓	✓	Higher-risk countries	
Growing-up milks: 12-24 months	✓	✗	Out of scope	Out of scope

Initial Corporate Profile score

Section	Article	Topic	2018	Score 2016
1	Intro	Overarching commitments	100%	100%
2	4	Information & education	78%	92%
3	5	The general public and mothers	100%	100%
4	6	Healthcare systems	100%	100%
5	7	Healthcare workers	92%	100%
6	8	Persons employed by manufacturers and distributors	92%	100%
7	9	Labeling	90%	71%
8	10	Quality	100%	100%
9	11	Implementation	100%	93%
10		Lobbying (policy and objectives)	100%	75%
11		Disclosure	81%	82%
Initial Corporate Profile score			94%	92%

About the company¹

Baby food global market share (2016)	20-30%
Percentage of baby food revenues out of total F&B revenues (2016)	10-20%
Key global brands	Gerber, Nan, S-26, illumé, Cerelac, Nido, Lactogen, Dancow, Progress Gold

¹ Source: Derived from Euromonitor International: Packaged Food, 2017 Edition

Analysis

Overarching commitments

In September 2017, Nestlé published its updated policy. The company's policy continues to explicitly acknowledge the importance of The International Code of Marketing of Breast-milk Substitutes (The Code) and subsequent World Health Assembly (WHA) resolutions. It also states clear support for exclusive breastfeeding for the first six months and for continued breastfeeding for two years or more, and for the introduction of CF foods from the age of six months.

Policy commitments on marketing

Of the six BMS manufacturers assessed, Nestlé's policy is the most closely aligned with the Articles of The Code. In addition to its global 'The Nestlé Policy and Procedures for the Implementation of the WHO International Code of Marketing of Breast-milk Substitutes', the company has implemented consistent local management systems in all higher-risk countries which include a policy and procedures manual. The basic requirements of this policy are unified, and, in addition, in each country where Nestlé operates, takes into account local regulations.

The products covered by Nestlé's policy are limited, extending only to products for children up to 12 months of age in higher-risk countries. In low-risk countries, Nestlé follow national legislation for all products covered. Nestlé should extend its own policy to products for children up to 36 months of age² and apply that policy globally, rather than only in higher-risk countries. This would more clearly demonstrate the company's support for the WHO recommendation that infants continue to be breastfed up to two years of age or beyond while also being fed with appropriate CF from six months of age.

Nestlé is one of two companies assessed to commit to following its own policy in countries where local regulations are weaker than its policy (where it is legal to do so). The wording of Nestlé's policy commitments is the most closely aligned to The Code and relevant WHA resolutions, scoring 100% for policy commitments in six sections. Nestlé policy commitments related to the general public and mothers (Article 5), health care workers (Article 6), health care systems (Article 7), persons employed by manufacturers and distributors (Article 8), quality (Article 10) and monitoring and implementation (Article 11) (due to new commitment to collaborate with governments in their efforts to monitor the application of the Code), are fully in line with the Articles of The Code.

Although most of Nestlé's policy commitments strongly mirror the Articles of The Code, the company could strengthen them in the following areas to fully align with The Code:

- Broaden and specify standards related to providing information to healthcare workers, parents and other caregivers that powdered infant formula may contain pathogenic micro-organisms. This standard should also be expanded to labels, which should include an explicit warning that the product may contain pathogenic micro-organisms.

Management systems

Nestlé has a comprehensive global management system and clear procedures applied globally. For each market it has procedure manuals adjusted to take local regulations into account. In its new updated policy, the company publishes more information about its management systems, namely about procedures it uses to ensure compliance with its policy and describes in greater detail its governance structure and its approach to stakeholder engagement.

Overall, Nestlé provided strong evidence of how it upholds its commitments related to all Articles included in its policy. While its commitments and practices remain unchanged since the 2016 Index, and the company provided many but not all necessary examples of its instructions to staff, some of these could not be assessed. On the other hand, the company provided more evidence about its management systems to ensure that its labeling commitments are applied effectively, which positively contributed to the company's score and consequently improved Nestlé's overall performance.

Policy commitments on lobbying

Since the last BMS assessment, Nestlé has adopted a new 'Nestlé Policy on Transparent Interactions with Public Authorities' which lays down conditions of engagement with governments and policymakers. Due to this policy update, Nestlé is the only company that scores fully on indicators related to lobbying.

Disclosure

Nestlé discloses the most of the six companies assessed. It publishes many documents related to BMS marketing, e.g. its Global Policy which now also includes commitments related to lobbying and information about its management systems, auditors' reports and position papers on BMS. The areas in which Nestlé could improve its disclosure score would be to publish its instructions to staff, a full global list of its memberships of BMS-related associations and describe in greater detail its lobbying activities.

² This age threshold is to align with the clarified definition in the WHA resolution 69.9, now covering products up to 36 months of age.

Final Corporate Profile score

Product type weighting	35%	25%	20%	20%
Product type	IF	CF	FOF	GUM
Initial score	94%	94%	94%	0%
Score with geographic penalty (-25%)	70%	70%	70%	0%
Score with regulatory penalty (0% - no penalty)	70%	70%	70%	0%
Final Corporate Profile score	56%			

Research: The research was undertaken by ATNF between August-September 2017, based on documents available in the public domain or provided by the company by the end of October. Any documents published since are not reflected in the score. Nestlé engaged actively in the research process.

Methodology used: The 2018 ATNI Global Index BMS Marketing Corporate Profile methodology was the basis for assessment, developed with extensive input from the ATNI Expert Group, and available at www.accessstonutrition.org.

Product scope: In line with the WHO definitions set out in The Code and its statement of July 2013, the 2018 Global Index scores are based on whether companies restrict marketing of their BMS products in line with the recommendations of The Code and relevant WHA resolutions. These include complementary foods and beverages identified as being suitable for infants up to six months of age, any type of milk-based formula or follow-on formula (also called follow-up formula) or growing-up milk (also called toddler milk) identified as being suitable for infants and young children up to 24 months of age. ATNF also calculated, for BMS 1, what each company's score would have been had their compliance with WHA 69.9 also been included, i.e. including formulas marketed as suitable for infants up to 36 months age and complementary foods for young children from 6-36 months of age. Companies' scores in the next Global Index will be based on these scores.

Initial Corporate Profile score: This score is based on an initial analysis of the company's policy, management systems and disclosure, as set out in the ATNI 2018 BMS Marketing methodology. It reflects the extent to which its policies are aligned with The Code and subsequent WHA resolutions (up to but not including WHA 69.9), its policy commitments on lobbying, the scope and strength of its

management systems, and extent of its disclosure (but not yet taking into account the product scope).

Weighted scores: The initial Corporate Profile score is adjusted according to: i) which types of countries the policy applies to (the score is reduced by 25% if the policy applies only in higher-risk countries for a particular product type); ii) where local regulations are weaker than its policy, whether the company complies with local regulations or its own policy (the score is reduced by a further 15% if it does not commit to following its own policy in these circumstances). The scores under each product type show the level of compliance each company achieves for that product type. If the company does not apply its policy to any product category it scores zero. This is also the case if it does not disclose its policy.

Final Corporate Profile score: This is the final score weighted according to whether the company's policy applies to each type of BMS product being assessed for the 2018 Global Index. That is, using the scores after the relevant penalties have been applied: [(IF score * IF weighting) + (CF score * CF weighting) + (FOF score * FOF weighting) + (GUM score * GUM weighting)]. If a company derives less than 5% of its baby food revenues from CF, it is not scored for that product type. The 25% weighting for CFs is re-allocated to IF, i.e. its score for IF is multiplied by a weighting of 60%.

Adjustment to Global Index score: For those companies included in the 2018 Global Index, the total possible adjustment relating to the Corporate Profile is 0.75, 50% of the maximum possible adjustment of 1.5. The final Corporate Profile score represents the level of compliance with the ATNI methodology; the adjustment is based on the level of non-compliance. Therefore, the calculation for the adjustment is: $0.75 \times (100\% - \text{final CP score})$.

Preliminary analysis of compliance with WHA 69.9

For the assessment of compliance with WHA 69.9 in the next Global Index, the BMS 1 Corporate Profile will comprise two parts. In the first part – the BMS module will retain the same structure as the current methodology but indicators that relate to the new recommendations will be adjusted to reflect them. Then a second module will be added – the CF module – to assess companies' marketing of CF for infants and young children between 6-36 months of age. This module will only be applied to companies that derive more than 5% of their total baby food sales from CF for children 6-36 months. The new module will also assess companies' policies and management systems that relate to CF for infants and young children between 6-36 months of age. All sections will carry equal weight, i.e. 16.67% each. The final BMS 1 score will combine the scores for each module: the BMS module will carry 95% of the weight and the CF 6-36 module will carry 5% of the weight. This reflects the fact that whereas The Code is designed to protect breastfeeding and deter inappropriate marketing of BMS products that might discourage breastfeeding, WHA 69.9 is not designed to deter marketing of CF 6-36 in general but rather to ensure that they are not marketed in such a way as to discourage

breastfeeding or raise brand awareness for BMS products made by the same company via cross-marketing. Moreover, it is intended to prevent conflicts of interest in health facilities all throughout health systems.

Initial assessment of the company's application of WHA 69.9

For the 2018 Global Index, the BMS 1 assessment does not include analysis of companies' compliance with the provisions of WHA 69.9. However, analysis has been conducted to determine companies' progress in implementing this resolution. Nestlé has not yet implemented the provisions of WHA 69.9 in its policy, thus it scores zero on all indicators introduced with the new resolution. The company should adopt a policy which reflects the recommendations introduced by WHA 69.9.

Nestlé analysis

Score Including WHA 69.9	86%
BMS score (95% weight)	90%
CF score (5% weight)	0%

BMS 2: In-country assessments in Thailand and Nigeria

	Thailand	Nigeria	Total
Total number of BMS products assessed	39	4	43
Infant formula	11	2	13
Complementary foods	0	0	0
Follow-on formula	10	1	11
Growing-up milks	18	1	19
Total incidences of non-compliance identified	902	4	906
Infant formula	24	2	26
Complementary foods	0	0	0
Follow-on formula	83	1	84
Growing-up milks	791	1	792
Formula, age not specified	4	0	4
Ratio of incidences of non-compliance by products assessed	23.1	1.0	
Level of compliance	Low	High	
Aggregate score (Thailand and Nigeria)			33%
Adjustment to Global Index score (out of 0.75)			-0.50

Note that the final adjustment to the Global Index score based on the in-country assessments is calculated as follows:
 $0.75 \times (100\% - \text{aggregate in-country score})$.

Key to levels of compliance

Complete: No incidences of non-compliance found

High: Fewer than or equal to 1 incidence of non-compliance by number of products assessed

Medium: Between 1.1 and 2 incidences of non-compliance by number of products assessed

Low: More than 2.1 incidences of non-compliance by number of products assessed.

Product brands

Thailand	Lactogen, Bear Brand, BEBE, Carnation, Nan, S26, CERELAC
Nigeria	Lactogen, Nan

Article 4: Information and educational materials, including donations of equipment

- Overall, five incidences of non-compliance with Article 4 were found in total in Thailand
- Three products were referenced on informational or educational materials produced by Nestlé in the sampled healthcare facilities and stores in Thailand.
- Two observations of branded equipment were made in healthcare facilities in Thailand.

Article 5: Advertising and promotion to the general public and mothers

- Overall, 856 incidences of non-compliance with Article 5 were observed in total, the second highest number for any company. Only RB/MJN with 964 in Thailand had more. (Note that data based on recall is not included in the score).
- In Thailand, traditional media monitoring identified six adverts with six products referenced on the observed materials, including radio, TV, newspapers and magazines. On the company's own media, 21 unique adverts or promotions were found. All were for growing-up milk which fall outside the scope of Thai regulations in force at the time of the study and the new Milk Act. They also fall outside the scope of Nestlé's policy but within the scope of The Code.
- Just over 3% of the women interviewed in Thailand recalled seeing an advertisement on different types of media for what they believed to be a Nestlé product.

- In Nigeria, only two women interviewed recalled seeing an advertisement on any form of media for what they believed to be a Nestlé product; those ads were on TV.
- Traditional media monitoring in Nigeria did not identify any advertisements for Nestlé products, nor were any advertisements for Nestlé products found on new media.
- In Thailand, 829 point-of-sale promotions were identified of which 789 (95.8%) were observed on online retailers which Nestlé confirmed to ATNF it had a commercial relationship with, i.e. all online retailers on which point-of-sale promotions were found, except those found on Orami. The vast majority of these promotions were for growing-up milk. By contrast, no promotions for Nestlé products were identified in the assessment in Nigeria.

Article 6: Healthcare systems (promotion within)

- Two incidences of non-compliance were observed, both in Thailand. Two promotional materials had Nestlé brand names or logos.
- In Thailand, one report was made of a healthcare worker recommending that a mother use a Nestlé product. In addition, one report was made by a healthcare worker in Thailand that a Nestlé representative had contacted them to provide product samples to mothers.
- In Nigeria, two of the mothers interviewed reported receiving a free sample of a BMS product from Nestlé. In addition, seven reports were made by mothers that a healthcare worker had suggested they use a Nestlé BMS product.

Article 9: Labeling

- All of Nestlé's 43 products assessed in both countries had labels or inserts that were not compliant with The Code. For example, many carried a health or nutrition claim and none included a warning that the product might contain pathogenic micro-organisms. Others included a photograph, drawing or other graphic representation that idealized or promoted the use of breast-milk substitutes and some lacked instructions in the appropriate language.

In-country assessment: Summary of methodology & scoring

Research: The research was undertaken by Westat, a U.S.-based health and social science research company, under contract to ATNF, working with a local partner in each country.

Methodology used: The methodology is based on the first edition of the NetCode protocol: Research Protocol for Periodic Surveys to Assess the Level of Compliance with The Code and Relevant National Measures. Full details of the methodology are available in the Westat reports for each country.

Data collection methods:

- Interviews with pregnant women and mothers of infants in healthcare facilities.
- Interviews with healthcare workers in healthcare facilities.
- Identification of informational and educational materials produced by BMS manufacturers in healthcare facilities and retail stores.
- Identification of promotional materials produced by BMS manufacturers in health facilities
- Identification of adverts and point-of-sale promotions by BMS manufacturers in retail stores and on online retail sites.
- Analysis of product labels and inserts of all available BMS products on the local market, in a large and small size where available.
- Media monitoring, including various forms of traditional and new media.

Definitions used:

Westat's studies included the following types of products, following the definitions used in The Code and WHA 69.9

- BMS products include: infant formula (for infants less than six months of age); follow-on formula – sometimes called follow-up formula – (for infants 6-12 months of age); growing-up milk (for children 12-36 months of age); CF when recommended for infants less than six months of age and bottles and teats.
- CF marketed as suitable for young children from 6-36 months of age.

While Westat analyzed and presents data including CF 6-36 months, ATNF has only based companies' BMS 2 results on their scores relating to compliance with The Code and all resolutions up to but not including WHA 69.9, i.e. excluding results relating to CF 6-36 months and formulas marketed as suitable from 24 to 36 months of age.

- Definitions of non-compliance with The Code's recommendations: 2015 NetCode Protocol, WHO and other authoritative sources (such as the Helen Keller Institute) and local regulations in each country. Full list of definitions available as an Annex to the Westat reports.

Location: Bangkok, Thailand, and Lagos, Nigeria.

Sampling:

- Healthcare facilities: Selected with probability proportionate to size from a sample frame of eligible facilities.
- Women and healthcare workers: selected on a probability basis within each healthcare facility.
- Retailers: Three traditional retail stores near healthcare facilities selected on a purposive basis and major online retailers in each country identified with advice from local partners.
- Advertising: Various traditional media were monitored, such as television and print by a specialist agency in each country. Additional monitoring of online media undertaken by local partners.
- 330 women and 99 healthcare workers were interviewed in Thailand, and 315 women and 98 healthcare workers in Nigeria.
- Products: BMS and CF products were first identified through searches on online retailers and visits to 'brick and mortar' retailers. As many products as possible were purchased, in a large and small size pack where available. Not all products shown on online retail sites were in fact available for sale.

Fact-checking with companies:

Once data collection was completed, each company was asked to confirm that the products assessed were products intended for each market (i.e. parallel imports were excluded). They were also asked to confirm which online retailers they have commercial relationships with. Point-of-sale promotions on online retail websites were only included where the companies confirmed they have commercial relationships. If companies did not respond to ATNF request, the results from these online retailers were included within the assessment.

Scoring: For an explanation of how the scores were calculated, see the [ATNF BMS Marketing methodology](#).



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Note

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country-specific regulations related to marketing of these products. Westat is responsible for the analysis of the data related to compliance with the BMS marketing standards and for preparation of summary reports that have been incorporated by ATNF into the scoring of company performance for the Access to Nutrition Index.

Westat disclaimer

Westat, with its local subcontractors in Thailand and Nigeria, was responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country-specific regulations related to marketing of these products. Westat is responsible for the analysis of the data related to compliance with the BMS marketing standards and for preparation of summary reports that have been incorporated by Access to Nutrition Foundation (ATNF) into the scoring of company performance for the 2018 Access to Nutrition Global Index. Westat and its local subcontractor engaged with healthcare facilities, mothers of infants who attended those facilities, healthcare workers at the facilities, and retailers as part of the data collection and analysis process.

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