

## Abbott Laboratories

United States



	Weight	Score
BMS 1: Corporate Profile	50%	14%
BMS 2: In-country assessment	50%	0%
Total	100%	7%
Impact on the Global Index score		N/A

## BMS 1: Corporate Profile analysis

Application of policy

Product type	Product made?	Policy scope <sup>1</sup>	Which policy applies?	Geographic coverage? <sup>2</sup>	If local regulations are weaker than own policy in higher-risk countries, follows:*
Infant formula: 0-6 months	✓	✓	Abbott's Global Policy + IFM RRC <sup>3</sup>	Global	Local regulations
Complementary foods: 0-6 months	✓	✓	Abbott's Global Policy + IFM RRC	Higher-risk countries	Local regulations
Follow-on formula: 6-12 months	✓	✓	Abbott's Global Policy + IFM RRC	Higher-risk countries	Local regulations
Growing-up milks: 12-24 months	✓	✗	Out of policy scope	Out of policy scope	Local regulations

\* Abbott commits to complying with local regulations in all countries.

Initial Corporate Profile score

Section	Article	Topic	Score
1	Intro	Overarching commitments	58%
2	4	Information & education	9%
3	5	The general public and mothers	28%
4	6	Health care systems	28%
5	7	Health workers	34%
6	8	Persons employed by manufacturers and distributors	4%
7	9	Labeling	11%
8	10	Quality	54%
9	11	Implementation	35%
10		Lobbying (policy and objectives)	0%
11		Disclosure	13%
Initial Corporate Profile score			25%

For explanation see page 3.

Final Corporate Profile score

Product type	Weight	Final score
Initial Corporate Profile score		25%
Infant formula (0-6 months)	35%	21%
Complementary foods (0-6 months)	25%	16%
Follow-on formula (6-12 months)	20%	16%
Growing-up milks (12-24 months)	20%	0%
Total weighted Corporate Profile score		14%

For explanation see page 3.

<sup>1</sup> The assessment does not include analysis of whether the company's policy extends to teats and bottles.

<sup>2</sup> Higher-risk countries are those which have 'more than ten per 1,000 under-five mortality rate' or 'more than 2% acute malnutrition (moderate and severe wasting) in under-fives' according to data from UNICEF.

<sup>3</sup> International Association of Infant Food Manufacturers: Rules of Responsible Conduct.

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## Analysis

### Overarching commitments

Abbott's policy explicitly acknowledges the importance of The International Code of Marketing of Breast-milk Substitutes (The Code) but not subsequent World Health Assembly (WHA) resolutions. While the company's policy states explicit support for exclusive breastfeeding for the first six months it does not state its support for continued breastfeeding for two years or more. It does, however, explicitly state support for introduction of appropriate complementary foods from the age of six months.

### Policy commitments on marketing

Abbott has a 'global' policy that applies to all Abbott Nutrition employees, agents and distributors, but this policy is weak. It only applies globally to infant formula and the language of the policy does not fully mirror all the recommendations of all Articles of The Code. It therefore does not provide a basis for adherence to The Code for these products. For complementary foods intended for infants up to six months and follow-on formula, the company follows the IFM RRC, which are substantially weaker than The Code and apply only in higher-risk countries. The company's policy does not extend to growing-up milks. Moreover, each business unit develops its own policy, based on Abbott's global policy, but these policies are designed only to deliver compliance with national regulations, even where those regulations are weaker than The Code.

Abbott should adopt and publish a more comprehensive policy that extends to all products for children up to 24 months of age and apply the revised policy consistently globally. This would more clearly demonstrate the company's support for the WHO recommendation that infants are breastfed up to two years of age or beyond and given appropriate complementary foods from six months of age and not before. It should also commit to following this new policy where it is stricter than local regulations.

Abbott's global policy along with the IFM RRC cover some aspects of Articles 5, 7, 11 of The Code, but they do not include any commitments relating to marketing within health care systems (Article 6 of The Code) and commitments related to Articles 4 and 8 do not mirror any of the requirements of The Code. The wording relating to Article 9 applies only to infant formula and does not cover all of the requirements of that Article, particularly relating to sub-articles 9.2, 9.3 and 9.4. Abbott's policy commitments related to quality (Article 10) are fully in line with The Code.

Abbott could strengthen its policy commitments by adjusting and expanding its own global policy in the following areas so that it is better aligned with The Code:

- Strengthen the standards and requirements of the global policy so that country-specific policies are stronger and more consistent.
- Broaden its policy commitments relating to WHA resolutions, 39.28, 45.34, 47.5, 49.15, 55.25, 58.32, 61.20 and 63.23.
- Specify the detailed wording that must be included in all Informational and educational materials.
- Include commitments relating to marketing within health care systems and expand them as they relate to interactions with health care workers.
- Strengthen commitments related to information regarding products within the scope of The Code and samples of these products supplied to health care workers.
- Broaden policy commitments related to Article 8 to mirror requirements of The Code.
- Include all points covered by Articles 9.2, 9.3 and 9.4 of The Code on labeling.
- Make a commitment to collaborate with governments in their efforts to monitor the application of The Code.

### Management systems

The company provided evidence of the management systems it uses to implement its commitments related to BMS marketing. These systems were found to be limited in scope, as they do not provide for full implementation of all sub-Articles of The Code. They are also not as comprehensive as they could be, failing to score well on a numerous performance indicators in the methodology. They are also not applied consistently globally; instead, each country develops their own procedures to comply with local regulations but the quality of these procedures is inconsistent. Abbott also does not appear to have clearly documented instructions for staff in all markets on how to interpret and apply the RRC or its own policy, as many other companies do. It also does not commission independent audits to assess compliance with its policy. Abbott does train all employees in higher-risk countries on marketing infant formula (but those products only) in line with the requirements of the IFM RRC.

Abbott's management systems have some relatively strong elements. These include its company-wide whistleblowing system that extends to third parties and enables employees to anonymously and confidentially report a concern outside traditional reporting lines. The company also shows evidence of systems to investigate alleged non-compliances. In addition, the company assigns accountability and responsibility for implementing the BMS policy and procedures to the board and executive management, and has developed a global communication system related to BMS marketing issues for use by all staff.

### Policy commitments on lobbying

Abbott does not disclose a policy to guide its lobbying on BMS issues, nor does it score on any of the other indicators relating to this topic.

### Disclosure

Abbott discloses various policy commitments included in its document entitled 'Compliance with the IFM Rules of Responsible Conduct.' The company submitted other published documents as well as unpublished documents, which ATNF evaluated. The company therefore has significant scope to improve its transparency by publishing more information about how it implements its policy.

## Corporate Profile methodology & scoring

**Research:** The research was undertaken by ATNF between June – August 2015, based on documents available in the public domain or provided by the company up to the end of July. Any documents published since then are not reflected in the score. Abbott engaged actively in the research process.

**Methodology used:** The BMS Corporate Profile methodology was the basis for assessment, developed with extensive input from the ATNI Expert Group, and available at [www.accessstonutrition.org](http://www.accessstonutrition.org).

**Product scope:** In line with the WHO definitions set out in The Code and its statement of July 2013, the 2016 Global Index assesses whether companies restrict marketing of certain 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.

**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 BMS methodology. It reflects the extent to which its policies are aligned with The Code and subsequent WHA resolutions, 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 by the 2016 Global Index.

**Adjustment to Global Index score:** For those companies included in the 2016 Global Index, the total possible adjustment relating to the Corporate Profile is 0.75, fifty percent 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:  $0.75 \times (100\% - \text{final CP score})$ .

## BMS 2: In-country assessments in Vietnam and Indonesia

	Vietnam	Indonesia	Total
<b>Total number of BMS products assessed</b>	<b>13</b>	<b>8</b>	<b>21</b>
Infant formula	4	4	8
Complementary foods	0	0	0
Follow-on formula	4	1	5
Growing-up milks	5	3	8
Formula, age not specified	0	0	0
<b>Total incidences of non-compliance identified</b>	<b>27</b>	<b>42</b>	<b>69</b>
Infant formula	7	3	10
Complementary foods	0	0	0
Follow-on formula	9	0	9
Growing-up milks	11	39	50
Formula, age not specified	0	0	0
<b>Ratio of incidences of non-compliance by products assessed</b>	2.1	5.3	
<b>Level of compliance</b>	Low	Low	
<b>Aggregate score (Vietnam and Indonesia)</b>	0%	0%	0%
<b>Adjustment to Global Index score (out of 0.75)</b>			N/A

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 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

## Products

<b>Vietnam</b>	Abbott markets BMS products under the brand names Abbott Grow, Similac, Gain and Pediasure.
<b>Indonesia</b>	Abbott markets BMS products under the brand names Isomil, Pediasure and Similac.

### Article 4: Information and education for mothers and pregnant

- Overall, Abbott was placed second out of the six companies assessed for the 2016 Global Index for its level of compliance in both countries, with only one incidence of non-compliance found in total.
- No informational or educational materials produced by Abbott about infant feeding were found in the sampled health facilities and stores in Vietnam.
- One item was found in Indonesia; this item was non-compliant with most of the requirements of Article 4.

### Article 5: Advertising and promotion to the general public including mother and pregnant women

- Overall, Abbott was placed second out of the six companies assessed in the 2016 Global Index for its level of compliance in both countries on Article 5, with 60 observed incidences of non-compliance in total. (Note that data based on recall is not included in the score).
- In Vietnam, the formal media monitoring conducted during the study by Andi and the local study team identified 15 unique advertisements. All but one were from Abbott's website; the other advertisement was on television.
- Over 17% of the women interviewed in Vietnam recalled seeing an advertisement on television for what they believed to be an Abbott product. Over 8% recalled seeing such an advert on the internet, with smaller numbers recalling adverts on social media, shops/pharmacies and other sources.

- In Indonesia, by contrast, none of the 856 women interviewed recalled seeing an advertisement on any medium for what they believed to be an Abbott product.
- Media monitoring in Indonesia carried out by Nielsen and the local study team detected 20 advertisements for Abbott products. The vast majority (17) were on the internet and overall 17 of the 20 were for growing-up milk.
- Seven point-of-sale promotions were identified in the 114 stores visited in Vietnam. By contrast, 18 promotions for Abbott products were identified in the 111 stores visited in Indonesia. All of the promotions in Indonesia were for growing-up milk.

### Article 6: Health care systems (promotion within)

- Overall, Abbott was placed fourth out of the six companies assessed in the 2016 Global Index for its level of compliance in both countries on Article 6. (Note that these recall-based figures are not included in the company's score).
- Nine of the 814 women (0.1%) interviewed in Vietnam recalled that a health care worker had recommended that they use an Abbott product. Abbott was the most frequently mentioned company.
- Three of the 114 health care workers (0.02%) interviewed recalled visits by an Abbott representative to talk to the women or distribute samples.
- By contrast, in Indonesia none of the 856 women interviewed recalled that a health care worker had recommended that they use an Abbott product.
- None of the 111 health care workers interviewed recalled any visits by an Abbott representative to talk to the women or distribute samples.

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## Article 9: Labeling

- Overall, Abbott was placed third out of the six companies assessed in the 2016 Global Index for its level of compliance in both countries. A total of eight of its 21 products had non-compliant labels.
- A total of five instances of labeling non-compliance were recorded among the thirteen Abbott products in Vietnam.
- In Indonesia, only three instances were recorded among the eight Abbott products included in the pilot study.

## In-country assessment methodology & scoring

**Research:** The research was undertaken under contract to ATNF by Westat, a US-based health and social science research company.

**Methodology used:** The Interagency Group on Breastfeeding Monitoring (IGBM) Protocol, entitled 'Estimating the Prevalence of Violations of The Code and National Measures' from 2007. Adapted to local context. Used with permission from UNICEF.<sup>4</sup>

### Data collection methods:

- Interviews with pregnant women and mothers of infants in health facilities.
- Interviews with healthcare workers in health facilities.
- Identification of informational materials produced by BMS manufacturers available in health facilities and retail stores.
- Identification of sales promotions by BMS manufacturers in retail stores.
- Analysis of product labels and inserts of all available products on the local market.
- Media monitoring.

### Definitions used:

Drawn from The Code and subsequent guidance issued by WHO in July 2013.<sup>5</sup>

- Covered 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 12-24 months of age); complementary foods when recommended for infants less than six months of age and bottles and teats.

- Non-compliance with The Code's recommendations: IGBM Protocol, WHO and other authoritative sources (such as the Helen Keller Institute). Available as an Annex to Westat reports.

**Location:** Urban Hanoi and urban Jakarta.

### Sampling:

- Health facilities: selected with probability proportionate to size from a sample frame of eligible facilities.
- Women and health care workers: selected on a probability basis within each health facility, as were health care workers.
- Retailers: Three retail stores near health facilities selected on a purposive basis. All identified BMS products were selected for analysis of labels and inserts.
- Advertising: Two most widely used traditional media channels monitored, such as television and print, as well as online media, by a specialist agency in each country. Additional monitoring of online media undertaken by local partners (ISMS and Polling Center).
- Over 800 women and 125 health care workers were interviewed in each country, and over 110 retail stores were visited in each country.

**Scoring:** For an explanation of how the scores were arrived at, see the BMS chapter and Annex of the 2016 Global Index report.

## About the company<sup>6</sup>

- Abbott is the fourth largest baby food manufacturer in the world, with 7.1% market share in FY2014, and is the largest in the U.S.
- In FY2014, Abbott generated worldwide revenues of \$4 bn from baby food products.
- Standard milk formula (infant formula) and toddler milk formula (growing-up milks) account for more than 48% of packaged food sales in FY2014.
- Abbott's brand Similac is the fifth most sold baby food brand worldwide and is the leading brand of organic milk formula.
- The company's market focus is U.S. and China, followed by Vietnam and Hong Kong.

## Documents assessed in the Corporate Profile methodology

- Abbott Corporate Citizenship Report
- Abbott Code of Business Conduct
- Abbott Speak Up
- Abbott Corporate Political Participations
- Company website, <http://www.abbott.com>
- Company website Vietnam, <http://abbottnutrition.com.vn>
- Abbott Facebook, <https://www.facebook.com/Abbott>
- Abbott Twitter, <https://twitter.com/abbottglobal>
- More than 20 documents submitted to ATNF under NDA
- IFM Rules of Responsible Conduct

<sup>4</sup> UNICEF's permission to use the IGBM protocol does not imply endorsement of the methodology used or the results of the survey.

<sup>5</sup> [http://www.who.int/nutrition/topics/WHO\\_brief\\_fufandcode\\_post\\_17July.pdf](http://www.who.int/nutrition/topics/WHO_brief_fufandcode_post_17July.pdf)

<sup>6</sup> Source: Euromonitor, a market research provider

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### Note

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breastmilk 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.

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