



[www.publiceye.ch](http://www.publiceye.ch)

**Nominated for the Public Eye Award 2006**

**in the category:**

**S O C I A L R I G H T S**

(Human and Labor Rights)

**Nominated by: IBFAN (Baby Milk Action),  
Cambridge, UK, und Polaris Institute, Ontario,  
Canada**

## **Nestlé S.A.**

Headquarters:	Vevey, Switzerland
Branch of trade:	Food, bottled water, pet food, cosmetics
Turnover / net profit 2004:	CHF 87 billion / CHF 6.7 billion
CEO:	Peter Brabeck-Lemathe
Owned by:	Publicly-traded corporation
Employees 2005:	247,000
WEF-Participant 2006:	yes

### **Summary**

*After winning the Public's Award in 2005, Nestlé is once again nominated for the aggressive marketing of baby food and other cases of irresponsible corporate behavior. The International Baby Food Action Network (IBFAN) accuses Nestlé of violating the World Health Organization's (WHO) International Code of Marketing of Breast-milk Substitutes. Criticism from the Polaris Institute includes the negative influence of Nestlé on coffee and cocoa prices, hostile conduct towards unions, and illegal pumping of spring water.*

### **Information on the case and characteristics of irresponsible corporate behavior**

Nestlé's aggressive marketing of substitutes for mother's milk encourages mothers and health-care workers to choose manufactured baby formula over healthier breast-feeding. The U.N. Committee on the Rights of the Child and UNICEF call on governments to implement the WHO's International Code of Marketing of Breast-milk Substitutes. However Nestlé accepts no independent monitoring and no compulsory measures that could lead to sanctions as defined in the Code. Instead, the corporation prefers voluntary agreements.

According to article 11.3 of the Marketing Code, companies are required to bring their activities into accordance with the Code, independent of measures taken by the government. Nestlé claims to be abiding by these instructions but has violated the Code more often than any other company. For this reason, the International Nestlé Boycott Committee (INBC) continues the call to boycott the corporation.

An IBFAN study entitled "Breaking the Rules, Stretching the Rules 2004" lists various instances where Nestlé has violated the Code. Among them: advertising for manufactured baby formula in public spaces and retail stores; giving away free samples and gifts in health-care establishments; and the use of misleading text and images.

A further violation according to IBFAN is Nestlé's attempt to take the wind out of the sails of critics by launching public-relations campaigns. For example, in the 2005 study "Nestlé's Commitment to Africa," the corporation claimed to abide by the WHO Code and presented a report carried out by auditors Bureau Veritas, that cleared Nestlé of any wrongdoing. According to IBFAN, the report was based on instructions from Nestlé that are less strict than the WHO guidelines.

The Polaris Institute identifies further cases of irresponsible corporate behavior:

- Nestlé refuses to pay fair prices to coffee and cocoa producers.
- Nestlé threatens to close plants when conflicts arise with unions.
- In Colombia, Nestlé acts against the presence of the SINALTRAINAL union in the workplace. Several union members have been murdered by paramilitaries.
- In the U.S. state of Wisconsin, a citizen's initiative prevented Nestlé from building a bottling plant for Perrier mineral water. As a result, Nestlé built a bottling plant for "Ice Mountain Water" near Lake Michigan. In 2003 Nestlé was forbidden to illegally pump spring water at the plant. As of August 2005 the case is pending in appeals court.

### **Consequences**

According to the WHO, 1.5 million babies die each year because they are not (exclusively) breast-fed. The risk of gastrointestinal infection is ten times higher for babies fed with manufactured baby formula than for breast-fed babies.

### **Current status and demands**

The International Nestlé Boycott Committee (INBC), whose secretariat directs Baby Milk Action, has three demands of Nestlé: 1. Nestlé must acknowledge in writing that it accepts the International Code of Marketing as well as the subsequent WHO resolutions as a minimum standard for every country. 2. Nestlé must put in writing that it will undertake all necessary actions so that its marketing of baby food conforms to the International Code of Marketing. 3. Together with INBC, Nestlé should prepare an implementation plan of these steps. If these demands are met and no further violations are detected over a period of 18 months, the INBC will be prepared to end the Nestlé boycott.

**Detailed nomination: [www.publiceye.ch/nominierungen](http://www.publiceye.ch/nominierungen)**

Further information and links:

- [www.ibfan.org](http://www.ibfan.org)

- [www.childinfo.org/eddb/brfeed/index.htm](http://www.childinfo.org/eddb/brfeed/index.htm)

- [www.polarisinstitute.org](http://www.polarisinstitute.org)

- [www.multiwatch.ch](http://www.multiwatch.ch)

- [www.evb.ch](http://www.evb.ch)

- EvB document No. V/2004, "AktENZEICHEN Babynahrung ungelöst"