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Nomination for the Public Eye Award 2005  
in the category:

## HUMAN RIGHTS

Nomination by Kampagne für Menschenrechte  
(Gewerkschaft Bau und Industrie, ATTAC,  
Arbeitsgruppe Schweiz – Kolumbien, Grua Suiza)  
and Baby Milk Action/Nestlé Boycott Committee  
and Berne Declaration

## Nestlé

Headquarters: Vevey (Switzerland), approximately 500 factories in over 100 countries  
Turnover/Net profit: 2003: Swiss Francs 88 billion (turnover) / Swiss Francs 6.2 billion (net profit)  
Branch of trade: largest food and beverages company  
No. of employees: 2003: 253,000  
CEO: Peter Brabeck  
Member to the WEF: YES (in January 2004)

### Outline

*Nestlé plays a leading role in the aggressive marketing of baby food and thus challenges breastfeeding. According to the World Health Organisation (WHO) 1.5 million babies die every year because they are not breastfed. Moreover, labour disputes are reported from Nestlé factories in numerous countries. Particularly gross are Nestlé's wrongdoings in Colombia, where it replaced the entire factory staff with cheaper workers and did not renew the collective contract of employment.*

### General Information on the Case

Aggressive marketing practices for infant formula: A report published in 2004 by the International Baby Food Action Network (IBFAN) found again that Nestlé is the leader in detrimental marketing practices for infant formula. It is in breach of the World Health Organisation (WHO) International Code of the Marketing of Breast-milk Substitutes and thus challenges breastfeeding. According to the WHO, 1.5 million babies die every year because they are not breastfed. In addition, due to poor hygiene and impure drinking water, the use of infant formula in poor countries negatively affects the babies' health and may even lead to their death.

Labour dispute in the factory CICOLAC S.A. in Valledupar (Colombia): In 2002, the collective contract of employment ended. Nestlé tried to negotiate a new, reduced and cheaper collective contract of employment. The trade union was opposed to this plan. An arbitration court decided in favour of Nestlé, in the absence of the trade union. However, the company was not satisfied with the decision. Soon afterwards, it offered a termination pay to the 182 workers if they were to leave their jobs voluntarily. Partially massive pressure was exerted on them until all agreed to the deal. In the following, the factory employed temporary workers under considerably worse terms. At the end of 2004, another labour dispute is expected to arise in the factory La Rosa S.A. in Colombia. Nestlé also wanted to change the collective contract of employment with the La Rosa S.A. staff.

The water affair: In developing countries, Nestlé launched the bottled water “Pure Life“. In view of the offer in bottled water, a public water supply affordable for poor people is jeopardized. In addition, in São Lourenço, Brazil, Nestlé’s excessive exploitation and demineralisation of water springs provoked protests.

### **Characteristics of irresponsible corporate behaviour**

In the labour dispute in Colombia, the management threatened the trade union members. Moreover, the company several times decided unilaterally without waiting for the result of the negotiations or the decision of the arbitration court. Nestlé also threatened to dismiss staff or even to close down the factory in order to put pressure on the staff.

Nestlé continues to target mothers with its irresponsible advertising. The company also distributes free samples in health facilities and sometimes pays a fee to get access to mothers in hospitals. In addition, Nestlé capitalises on concerns over the transmission of HIV through breastfeeding to defy restrictions on marketing practices.

### **Consequences**

Approximately 200 people lost their employment with CICOLAC (today “Dairy Partners Americas Manufacturing Colombia S.A.” (DPA)). The trade union and the workers were put under great stress, also because of threats by paramilitary troops. The current factory staff works for much lower wages, which are insufficient to cover the basic needs of a family. There is no collective contract of employment.

The World Health Organisation estimates that 1.5 million babies die every year because they are not breastfed (in particular in countries with poor hygiene conditions).

### **Current status and demands**

Nestlé should allow the current staff of the DPA Manufacturing Colombia to organise in trade unions and acknowledge the trade union Sinaltrainal as legitimate social partner. In addition, Nestlé should apply the collective contract of employment suggested by the arbitration court or negotiate a new collective contract of employment with workers' representatives. It should also pay subsistence securing wages.

Moreover, Nestlé should adopt the WHO International Code of the Marketing of Breast-milk Substitutes (factual information, no advertisement in public, no free samples etc) as well as recognise the subsequent resolutions and change its own marketing strategies in all countries.

**Link to the details of the nomination:** [www.evb/nominations.htm](http://www.evb/nominations.htm)

Further information and links:

Labour conflict: [www.sinaltrainal.org](http://www.sinaltrainal.org), [www.kolumbien-aktuell.ch](http://www.kolumbien-aktuell.ch), [www.colonialismus.ch](http://www.colonialismus.ch)

Baby food: [www.babymilkaction.org](http://www.babymilkaction.org), [www.ibfan.org](http://www.ibfan.org)