



**Independent Verification of Nestlé's Compliance
With the World Health Organisation Code of
Breastmilk Substitutes (1981) and Subsequent
Resolutions in Jamaica**



Move Forward with Confidence





Independent Assurance Statement by Bureau Veritas

Introduction

Bureau Veritas has been commissioned by Nestlé S.A. to provide independent assurance of Nestlé Jamaica's compliance with the World Health Organisation (WHO) International Code of Marketing of Breast Milk Substitutes (1981) and subsequent World Health Assembly (WHA) resolutions (herein known as the WHO Code). This follows similar work previously conducted by Bureau Veritas for Nestlé SA in other global operations.

Scope of Work and Methodology

The assurance was conducted in Jamaica between 26 Sept and 7 Oct 2011 by two assessors from Bureau Veritas UK Limited. The team has extensive experience of undertaking WHO Code compliance related work.

Preceding the assurance activities in Jamaica, Bureau Veritas conducted the following activities:

- requested a list of Nestlé Nutrition employees based in the head office in Kingston, Jamaica and elsewhere in the Caribbean and details of healthcare facilities, healthcare professionals, and distributors based in Jamaica from Nestlé Jamaica;
- identified other external stakeholders and local NGOs concerned with the protection, promotion and support of breastfeeding; and
- independently determined a schedule of external stakeholder interviews and visual assessments to take place in Jamaica between 26 September and 7 October 2011.

During the assurance Bureau Veritas:

- selected 13 Nestlé Jamaica and Nestlé Caribbean staff for interview and review of their associated records, as part of its evaluation of Nestlé internal processes for managing compliance with the WHO Code in Jamaica;
 - undertook 48 interviews with a comprehensive range of key external stakeholders including Government, multilateral organisations, NGOs, distributors and healthcare professionals. In all but one of the meetings Nestlé was not disclosed as the client prior to the interview in order to avoid bias during interviews, neither was Nestlé Jamaica informed in advance of who would be interviewed;
 - selected and visited 25 healthcare facilities and 82 retail locations to visually assess compliance with the WHO Code, with particular reference to articles relating to the promotion of designated products and interactions with the general public and the healthcare system.
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Findings

The following is a summary of findings from interviews and document review undertaken with a range of key stakeholders.

Nestlé Jamaica

A WHO Code Management System was introduced in January 2011, and Nestlé Jamaica has made considerable progress in implementing a wide range of procedures across the business to manage its compliance with the WHO Code and the Nestlé Instructions. All employees interviewed demonstrated a thorough understanding of the WHO Code, and were able to articulate and demonstrate how compliance is achieved. Nestlé Jamaica has been actively lobbying for the Government to develop and implement a national policy on infant feeding since 2002, and participated in public consultation as part of the development of a draft policy.

No employee interviewed indicated that they were aware of any breaches of the WHO Code initiated by Nestlé Jamaica. This view was confirmed with the Ombudsman, however records were provided to Bureau Veritas detailing numerous breaches concerning Nestlé products which had been initiated by the retailer. Please refer to the observations under the Retail section of this statement.

Bureau Veritas identified some areas of improvement in relation to internal management procedures and documentation that have been provided to Nestlé Jamaica in a separate management report.

Distributors

Bureau Veritas interviewed one of Nestlé Jamaica's distributors. The interviewee demonstrated a thorough understanding of the WHO Code, and was able to signpost to various supporting corporate documentation articulating the requirements of the Code, including the Nestlé Charter, and the illustrative Do's and Don'ts. The distributor indicated that all sales representatives receive training as part of the orientation from Nestlé Jamaica and refresher training to re-enforce the key requirements of the WHO Code. Bureau Veritas was able to verify that no discounts on BMS are provided to the distributors or the retailers. The distributor demonstrated that no targets are set and no sales incentives provided to sales staff based on the sales volume of BMS.



Government

Bureau Veritas interviewed 8 senior representatives from two government authorities in Jamaica. One organisation confirmed that there is no formal national WHO Code monitoring programme in Jamaica, however they occasionally receive reports of violations from the competitor manufacturers. Recent violations include special offers, discounts, gifts to health centres, free samples of BMS, and educational materials with the BMS product logo on them. Branded educational materials and free BMS samples and gifts to health workers are considered to be the most common violations. The organisation was able to provide an opinion as to the general collective conduct of infant formula manufacturers in Jamaica; however they were unable to provide the identity of the manufacturers' concerned or specific records or documentation of the alleged violations.

During an interview with four representatives of the Nutrition Department at the Jamaican Ministry of Health, it was brought to Bureau Veritas' attention that the approval of the Ministry has not been sought by Nestlé Jamaica for the development and distribution of informational and educational to the general public in the governmental health facilities. The senior representative of the Ministry emphasised that this was a key concern for the authorities due to the lack of visibility and control there is currently over the materials in circulation in its facilities. The interviewee also explained that the Ministry had been in contact with one infant formula manufacturer regarding the issue of approving materials, however declined to disclose the identity of the manufacturer. Going forward, the Ministry of Health wants more control of the materials distributed in its facilities and wants items to be submitted for review prior to circulation to ensure materials are aligned with the WHO Code and local infant nutrition policies. The concerns of the Ministry of Health were raised and discussed at the closing meeting with the Senior Management team of Nestlé Jamaica. The team indicated that they had submitted some items to the Ministry in the past, but had received no timely feedback or communication, therefore had taken the decision to distribute educational materials in health facilities only upon request.

Multilateral organisations/NGOs

One NGO with an interest in child health was approached for an interview during the audit and Bureau Veritas interviewed 2 senior representatives of the organisation. The NGO indicated that BMS manufacturers in Jamaica are increasingly using more sophisticated marketing techniques to circumnavigate the restrictions placed upon them by the WHO Code in order to promote their BMS products. Nestlé was identified by the representatives as being the most active of the manufacturers for marketing its BMS products. Nestlé was also identified as being the most proactive in promoting breastfeeding, however the NGO indicated that this practice is used by Nestlé Jamaica to promote its BMS products as all materials carried the Nestlé corporate logo. The NGO provided Bureau Veritas with a number of materials produced by Nestlé Jamaica which promotes breastfeeding.



Bureau Veritas reviewed all the materials provided and considered each item to be compliant with the WHO Code.

Bureau Veritas also held a group interview with 4 senior members of a National Midwives Association. When asked what are the common violations of the WHO Code observed in the healthcare system in Jamaica, interviewees indicated that the distribution of samples of BMS to healthcare professionals is common. It was noted that manufacturers often distribute samples to clear older stock which is nearing expiry, an observation shared by some of the healthcare professionals interviewed during the audit. However, one member of the association explicitly stated that it is a policy of Nestlé Jamaica not to distribute samples of BMS covered by the WHO Code. In discussing the conduct of medical representatives of the manufacturers, interviewees indicated that all companies always mention the superiority of breastfeeding during detailing visits, and their products are never presented as being equal to, or better than breastmilk. Interviewees also confirmed that they have received offers of sponsorship from all manufacturers in Jamaica, and that they are required to submit a letter of request to all companies in order to obtain the sponsorship.

Healthcare facilities and professionals

Evidence through interviews with healthcare professionals and observations by Bureau Veritas within healthcare facilities indicate that Nestlé Jamaica is operating in compliance with the WHO Code. No examples of any promotional material relating to BMS products were observed in consulting rooms or in public waiting areas. Furthermore no samples of Nestlé BMS were observed during the audit.

Retail

Visual observations across a range of retail establishments in Jamaica indicate that there is no intentional promotion of any Nestlé BMS products through point of sale advertisements, coupon redemption schemes or any other promotional devices. However, volume based discounts offered to the consumer in the larger supermarkets and club stores are applied all products sold, including Nestlé BMS products. This pricing strategy which is initiated by the retailer was observed in 27% of the retail units visited by Bureau Veritas, and is considered to a violation of Article 5.3 of the WHO Code. Aware of this pricing strategy, Nestlé Jamaica communicated the requirements of the WHO Code to the trade, by writing to each of its direct customers earlier in 2011, instructing each retailer to discontinue the use of volume based discounts for Nestlé BMS products.



Bureau Veritas' opinion

From our assurance activities, evidence or observations, it is Bureau Veritas opinion that

- The presence of volume based discounting in the retail environment initiated by retailers constitutes a violation of Article 5.3 of the WHO Code. Nestlé Jamaica is aware of this practice and has been proactive in engaging with retailers to halt this process for its BMS products in Jamaica;
- No other evidence (other than that described above) came to our attention to indicate that Nestlé Jamaica is operating in contravention of the WHO Code in Jamaica.

Bureau Veritas' recommendations

Detailed findings and recommendations from our assurance activities have been provided to Nestlé S.A. as part of an internal Management Report.

As a priority, Bureau Veritas suggests that Nestlé S.A. should ensure that:

- Nestlé Jamaica reinforces the implementation of the recommendations made in the Internal Management Report concerning the application and adherence to the WHO Code;
- Nestlé Jamaica should continue to make efforts to approach the Ministry of Health to seek guidance on informational and educational materials for distribution in public healthcare facilities; and
- Ensure that Nestlé Jamaica reviews the effectiveness of past communication to the trade on the requirements of the WHO Code and consider how best ensure that its direct customers and other retailers discontinue the use of volume based discounting of its BMS products.

Limitations

- External stakeholder interviews and visual inspections of healthcare facilities and retail units were limited to six of the fourteen parishes in Jamaica (Kingston, Saint Elizabeth, Westmoreland, Manchester, Saint Ann and Saint James)

This limited assurance is not intended to provide a definitive opinion as to whether or not Nestlé Jamaica complies with the WHO Code in Jamaica. Consequently, neither the limited assurance conducted by Bureau Veritas nor this statement constitutes a guarantee or assurance by Bureau Veritas that infringements against the WHO Code have not taken place.



Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in quality, health, safety, social and environmental management advice and compliance with 180 years of history in providing independent assurance services.

Bureau Veritas has implemented a Code of Ethics across its businesses which ensures that all our staff maintains high standards in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest. This assurance assignment did not raise any conflicts of interest.



Bureau Veritas UK Ltd
London, October 2011
