

# ***Independent assessment against the Nestlé Policy and Procedures for the Implementation of the WHO International Code of Marketing of Breastmilk Substitutes***



## **Introduction**

Bureau Veritas UK Limited ("Bureau Veritas UK") has been engaged by Nestlé S.A. ("Nestlé") to provide an independent assessment of Nestlé's Nutrition Business in Mozambique (the "Market") on compliance with the Nestlé Policy and Procedures for the Implementation of the WHO International Code of Marketing of Breastmilk Substitutes ("BMS") – September 2017 ("the Policy") and the local legislation implementing the WHO Code in Mozambique.

In Mozambique, the Government has implemented aspects of the WHO Code through the Diploma Ministerial 129-2007 de 3 de Outubro - Código dos Substitutos do Leite Materno ("the Local Code").

Products covered by the Policy and the Local Code are BMS and complementary foods intended for infants aged between 0-36 months ("Covered Products").

## **Scope of Work and Methodology**

The assessment activities were conducted during the period 1<sup>st</sup> – 8<sup>th</sup> November 2021 with one auditor from the Bureau Veritas UK undertaking activities remotely and one local auditor from Bureau Veritas Mozambique undertaking activities in-country.

During the audit, Bureau Veritas undertook the following activities:

- Conducted interviews using video conferencing applications with 15 personnel from the Market responsible for BMS sales, marketing, and compliance, 4 personnel from one distributor, and 2 personnel from a third-party agency;
- Reviewed requested documentation and records relating to BMS marketing practices on a sample basis via file-sharing and screen-sharing applications. Topics covered included:
  - local procedures and alignment with the Policy and other reference documents;
  - compliance monitoring, consumer and medical marketing materials, interactions and communication with healthcare professionals and consumers, distribution of product for professional evaluation, sales practices, Covered Product labels, internal and regulatory approvals, training, individual objectives and incentives, etc.;
- Undertook sample review of local e-commerce sites selling Covered Products, and social media webpages managed by the Market;
- Conducted visual assessment of 45 retail locations selling Covered Products in Maputo, Mozambique. Bureau Veritas independently selected the locations that were visited;
- Completed a HCP survey with 11 respondents; and
- Placed two anonymous inquiries to the consumer helpline.

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## Non-conformance:

- Any failure to follow a written requirement specified within the Policy
- A failure to achieve Local Code requirements as per our interpretation
- A purposeful failure of the company to correct non-conformances

## Opportunity for improvement ('OFI'):

- A process/activity/document that, while currently conforming to the Policy and the Local Code, could be improved to further strengthen the Market's practices.

The following is a summary of key findings which includes non-conformances and opportunities for improvement.

### Non-conformances:

#### 1. *Mandatory Statements on Covered Product Labels*

Article 9(1) and Article 10(1) of the Local Code set out the mandatory statements for labelling of infant formula and follow-on-formulas, respectively. Bureau Veritas reviewed a sample of four labels for Covered Products and observed that these did not include all the mandatory statements exactly as stipulated in the Local Code.

Bureau Veritas notes that the labels reviewed complied with the Policy requirements and had received the prerequisite regulatory approvals.

#### 2. *HCP Scientific Events*

Article 5(1) of the Local Code states that manufacturers are prohibited from offering or giving "any present, contribution, or benefit to healthcare workers...including, but not limited to, financing of meetings, seminars..." During 2021, the Market conducted a scientific event for HCPs in four different parts of Mozambique. As the events were organized and funded by the Market, Bureau Veritas considers this activity to constitute the financing of a meeting / seminar and therefore not permitted under the Local Code.

Bureau Veritas notes that the material presented at the events had received prerequisite regulatory approval in line with article 28 of the local code, and that the nature of the event complied with Policy requirements.

#### 3. *E-commerce Promotion of Covered Products*

Article 5.3 of the WHO Code (as contained alongside article 5.3 of the Policy in Annex A) states, "...there should be no point-of-sale advertising, giving of samples, or any other promotion device to induce sales directly to the consumer at the retail level, such as special displays, discount coupons, premiums, special sales, loss-leaders and tie-in sales, for products within the scope of this Code."

Bureau Veritas assessed 45 physical points of sale and 3 e-commerce sites and identified discounted Covered Products on one e-commerce platform.

Bureau Veritas notes that the seller in question had been regularly notified by the distributor regarding any observed non-conformances under the requirements of the Policy and the Local Code.



**Opportunities for improvement:**

*1. Communication to third parties*

Bureau Veritas reviewed a sample of contracts with third parties such as distributors and agencies. Distributor contracts included a separate signed appendix with reference to the WHO Code, the Local Code and the Policy forming part of the contract. The agency contract only referenced the WHO Code and the Policy, but not the Local Code. Whilst the practice aligns with the Policy intention to include "WHO Code compliance clauses in... formal agreements with third parties involved in BMS marketing or sales activities...", the Market should consider using the abovementioned appendix with express reference to the Local Code for all third parties, as the Local Code goes beyond the WHO Code and Policy in several respects. For additional clarity, said appendix may be amended to also include reference to the specific scope of the Local Code (0-3 yrs.) and to list the specific Covered Products.

*2. Consumer Services script*

The consumer services function is managed at regional level and responds to inbound calls and queries only, which can be received through various channels. There is currently no scripts or FAQs document available for reference when responding to questions regarding Covered Products. Bureau Veritas notes that our anonymous inquiries to consumer helpline services were responded to in a compliant manner, particularly with respect to Article 5 on interaction with the general public and mothers. Moreover, periodic training on the local code had been delivered to the consumer services function.

Nonetheless, for consistency, Bureau Veritas recommends developing a script setting out responses to any query regarding Covered Products that are in line with the Local Code, particularly as the consumer services function is serving multiple Markets.

*3. Interaction with HCPs and document trails*

The Market organizes demonstration activities for small groups of HCPs either at the place of work or virtually in response to verbal requests from Health Care Institutions ("HCIs"). Such activities are in line with Article 7.2 of the Policy in terms of sharing "objective information on scientific and factual matters pertaining to formula and its correct use" and are interpreted to be permitted under the Local Code.

It is suggested that the Market retain written or signed documentation for any such requests from HCIs for document trail purposes. The Market may create a template to be used in these cases, such as a standard consent form including the mandatory statements cross referenced in Article 7.2 of the Policy. Similarly, any notification to HCIs regarding invitations for HCPs to Nestlé organized events should also be documented in writing rather than communicated verbally.

There were a number of areas identified where Bureau Veritas identified well managed compliance practices and these instances have been summarised in an internal report to Nestlé.

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## Limitations

### Amended Delivery Approach

Due to the COVID-19 pandemic outbreak and associated travel restrictions, the delivery approach in 2020 and 2021 were amended and the Bureau Veritas UK team leading this assessment was unable to travel to Mozambique.

The in-country auditor coordinated and conducted visits to retail outlets to visually assess alignment with the Policy in Maputo. Interviews with the Market personnel and review of relevant documentation were conducted remotely via video conferencing and electronic file-sharing. Face-to-face interviews with HCPs could not be conducted due to the health risks associated with visiting HCIs during the pandemic. Instead, a remote survey of HCPs was conducted via telephone. A detailed methodology of the assessment conducted is provided in the Scope of Work and Methodology section of this statement.

The amended delivery approach in 2020 and 2021 has several limitations, such as document review and interviews with stakeholders may not provide the same level of detail or information when conducted remotely.

These are in addition to the limitations of conducting this type of engagement where travel to the country of assessment is possible.

Visual inspections of retail outlets were limited to the city of Maputo. Whilst our methodology is designed to provide an objective independent assessment, it remains that some of the statements made by stakeholders are anecdotal and evidence may not be available to support their claims.

This statement is not intended to provide a definitive opinion as to whether the Market complies with the Policy. Neither the assessment conducted by Bureau Veritas nor this statement constitutes a guarantee or assurance by Bureau Veritas that infringements against the Policy and local legislation have not taken place.

It is also not within Bureau Veritas' scope of work to provide an opinion or assessment over the appropriateness of the Policy.

### Statement of independence, impartiality, and competence

Bureau Veritas is an independent professional services company that specializes in quality, environmental, health, safety, and social accountability with over 190 years history in providing independent assurance services.

Bureau Veritas has implemented a Code of Ethics across its business 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.

Our assessment team members do not have any involvement in any other projects with Nestlé outside those of an independent assessment scope and we do not consider there to be a conflict between the other services provided by Bureau Veritas and that of our assessment team.

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The core team of Bureau Veritas UK has extensive experience of undertaking WHO Code assessment related work. Our team completing the work for Nestlé has extensive knowledge of conducting assurance over environmental, social, health, safety and ethical information and systems, and through its combined experience in this field, an excellent understanding of good practice in corporate responsibility, assurance and the WHO Code.



**Bureau Veritas UK Ltd**

**London, 4 Feb. 2022**