

## Questions for Meeting on Monday 22 November 2004

### A Infant Formula Marketing

#### 1. Baby Milk Turnover

- How important is babymilk to Nestle in terms of sales and/or profits?
- What is the split between developed/developing countries?
- Does this include both special and standard formula?

#### 2. Baby Milk History

- What is your view of the history leading to the boycotts etc?
- Does Nestle accept that infant formula was improperly marketed before 1981?
- Has Nestle ever made a statement of regret for this?
- Infant deaths estimated as being between 1 million (UNICEF) and 1.5 million (Baby Feeding Law Group) each year have been linked to unclean water being used where breast feeding does not occur. How do you respond to such estimates?

#### 3. The WHO Code

- Does the Code apply globally, or just to developing countries? (Please give reasons for your view).
- Is the Code a voluntary standard of best practice, or does it have legal force? (Please give reasons for your view)
- Does it need to be incorporated by local governments into their own legislation before it comes into force?
- What happens if individual governments implement legal requirements different from the Code?
- What is Nestle's position in regarding infant formula and HIV/AIDs?
- Are the infant formula producers showing a narrow legalistic 'compliance' attitude to the Code, but ignoring broader ethical issues? In particular what should they do when marketing formula in developing countries with inadequate healthcare systems?

#### 4. Monitoring Code Compliance

- How does Nestle monitor compliance with the Code?
- Is there a register of the breaches of the Code that have been notified to CEO Peter Brabeck?
- When was the last significant breach of the Code by Nestle?
- How does the company define 'material breach'?
- How was the breach in Pakistan in the mid 1990s dealt with and what changes occurred to avoid a repetition?

#### 5. Alleged Code Violations

- How do you account for the contrast between assertions that breaches are now minimal and the allegations in the Baby Milk Action Report *Breaking the Rules* that there are still manifold breaches of the International Code around the world?

**B Other Ethical Issues**

**6. Ethiopia**

Many people were shocked to read in the financial press in 2001 that Nestle was suing the government of Ethiopia, one of the poorest countries in the world, for damages of \$6m relating to nationalisation in the 1970s. In December 2002 Nestle CEO Peter Brabeck announced that the dispute had been settled for a total sum of \$1.5, which would be distributed to humanitarian organisations for famine relief in Ethiopia.

- How did this dispute come about?
- Is it true that Nestle turned down an offer from Ethiopia of \$1.5m to settle the claim in 1999 but has now done so?
- Is it true that Nestle only decided to do so when the matter was publicised in December 2002?
- Have the settlement proceeds been donated by Nestle to Ethiopian charities?

**7. Coffee Prices**

The low level of coffee prices is causing great economic distress to coffee farmers.

- As one of the world's largest coffee users, what is Nestle doing about this?
- Why has Nestle not become involved in fair traded coffee?
- Are they aware that Kraft, the other big instant coffee producer is moving towards fair traded coffee?
- Describe Nestlé's coffee initiatives. Why are they more effective than Fairtrade coffee, e.g. volumes, relative prices etc.

**8. Slavery on Cocoa Plantations**

There are serious and substantiated allegations that some cocoa is produced in West Africa using slave labour, often children.

- Is Nestle aware of this?
- Does it do anything to ensure that the cocoa it uses is not produced in this way?
- Is it taking any initiatives to prevent the use of slave labour?

**9. Obesity**

In the United States the food industry seems to be increasingly targeted by law suits alleging health damage through obesity. Such lawsuits seem modelled on those filed earlier against the tobacco industry.

- What is Nestlé's view of this?
- What is Nestle doing about snack advertisements targeted at children?
- What is Nestle doing to promote healthier eating?

**10. GM Food**

What is Nestlé's stance on this?

**11. Water Misuse**

Coca-Cola has developed a detailed programme to manage water usage. What about Nestlé? More facts about Brazilian claims?