



Nestlé S.A.

Independent Assurance of Compliance with the Nestlé Policy and Instructions for Implementation of the WHO International Code of Marketing of Breastmilk Substitutes in Ethiopia (April 2017)

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 Nutrition's business in Ethiopia on compliance with the Nestlé Policy and Instructions for Implementation of the WHO International Code of Marketing of Breast-milk Substitutes (herein referred to as 'Nestlé Policy and Instructions') and the local legislation implementing the WHO Code in Ethiopia. In Ethiopia, the Government is implementing some aspects of the WHO Code through the "Infant Formula and Follow-up Formula Directive" and the "Food Advertising Directive" (hereafter referred to as "local directives"). The local directives may be interpreted as providing additional requirement.

This assurance follows similar work previously conducted by Bureau Veritas for Nestlé S.A. in other global operations.

Scope of Work and Methodology

The assurance was conducted in Ethiopia between the 10th and 21st April 2017, using two assurers from Bureau Veritas UK (Bureau Veritas) and a local auditor from Bureau Veritas Ethiopia who also acted as a translator. The core team of Bureau Veritas has extensive experience of undertaking WHO Code compliance related work.

During the assurance Bureau Veritas:

- interviewed 19 employees and conducted a review of Nestlé Nutrition Ethiopia's documentation and records relating to specific areas of compliance with the Nestlé Policy and Instructions;
- interviewed a total of 23 key external stakeholders (business partners, healthcare professionals(HCPs), Government representatives, NGOs and associations). In all meetings with HCPs, Nestlé was not disclosed as the client prior to the interview in order to avoid bias during interviews, neither was Nestlé Nutrition Ethiopia informed of who would be interviewed; and
- Visually assessed compliance with the Nestlé Policy and Instructions in 12 healthcare facilities and 76 retail locations. Bureau Veritas independently selected the locations that were visited.

Where non-compliance is identified with the Nestlé Policy and Instructions, the local directives or the local Nestlé Nutrition Policy and Procedures Manuals relating to specific areas of compliance with the Nestlé Policy and Instructions, these will be categorised as:

Non-conformance:

- Any failure to follow a specified requirement written within the Nestlé Policy and Instructions, the local directives or local Nestlé Nutrition Policy and Procedures Manuals.
- A failure to achieve legal or statutory requirements.
- A purposeful failure of the company to correct non-conformances.

Additionally, improvement opportunities are categorised as '**Opportunity for Improvement**' and represent a process/activity/document that, while currently conforming to the Nestlé Policy and Instructions and local directives, could further strengthen Nestlé Nutrition Ethiopia's practices.

During the assurance visit, two non-conformances and one Opportunity for Improvement were identified. The following is a summary of key findings from interviews, observations and document reviews undertaken.

Non-Conformances

Placing of Infant Formula products at Gondola end

There were two instances out of 76 visited retail locations of special display (gondola end/end of aisle) of Nestlé and Wyeth Infant formulas products observed by Bureau Veritas. This represents a minor non-conformance to Art. 5.3 of the Nestlé Policy and Instructions. However, there was no evidence that these displays were done upon request of Nestlé Nutrition in Ethiopia or its distributor (Mullege).

Traceability of Wyeth Medical detailing material

Article 7.2 of Nestlé Policy and Instructions for the material intended for Health workers states that medical detailing materials "should conspicuously mention that they are destined for health workers only and bear a date and a print-code for traceability purposes". Whilst the medical detailing materials used by the medical delegates are only used in electronic format and are not printed or left behind to the HCPs, Wyeth Medical e-detailing materials did not fulfil all of the above requirements

Opportunities for Improvement

Language on labels as per the local standard and directive

It was noted that the local labelling standard ES-3354, 2007 and the Infant Formula and Follow-up Formula Directive state that labels should be written "at least in Amharic or in Amharic and English" (article 9.6). During the review, it was observed that all current labels of both Wyeth and Nestlé products are in English and French, and not in Amharic. It was also noted that the local authority had provided interim approvals to the labels and were not currently enforcing the requirement of Amharic. Nestlé should get the clarification from regulators on this requirement and take into consideration the introduction of Amharic language on Infant Formula labels in order to align with local directive and possible further regulation development.

Retail and Health care facilities

- Bureau Veritas visited 12 healthcare facilities in the city of Addis Ababa and surrounding areas in Ethiopia and interviewed 20 HCPs.
- Bureau Veritas visited 76 retail outlets including modern trade, pharmacies, and traditional trade:
 - o No promotion materials related to covered infant formula products were seen in the market place;
 - o No samples of products covered by the scope of the Nestlé Policy and Instructions were observed on

display in the healthcare facility;

- No marketing materials, posters, pamphlets or brochures were observed at any of the facilities visited;
- There were no allegations of Nestlé Nutrition having direct contact with mothers in Ethiopia.

Bureau Veritas opinion

From the assurance activities, evidence and observations, it is Bureau Veritas' opinion that:

- Two minor non-conformances with the Nestlé Policy and Instructions were identified during the audit;
- One opportunity for improvement was identified.

Bureau Veritas next recommendations

Detailed findings and recommendations from our assurance activities have been provided to Nestlé S.A. and Nestle EAR Ltd Ethiopia Representative Office as part of an internal Management Report. As a priority, Bureau Veritas suggests that Nestlé Nutrition Ethiopia should implement any recommendations made in the Internal Management Report, and specifically:

- take immediate action to address all non-conformances identified;
- take immediate action to address improvement opportunities that could otherwise lead to potential non-compliance with its own Local Policy and Procedures and the local directives;
- update its internal policy and procedures documents to ensure that they accurately reflect the observations and recommendations made in the Management Report.

Limitations

Visual inspections of healthcare facilities and retail outlets and external stakeholder interviews were limited to the city of Addis Ababa.

This limited assurance is not intended to provide a definitive opinion as to whether or not Nestlé Nutrition Ethiopia complies with the Nestlé Policy and Instructions. Neither the limited assurance conducted by Bureau Veritas nor this statement constitutes a guarantee or assurance by Bureau Veritas that infringement against the Nestlé Policy and Instructions have not taken place.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 180 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.

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

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

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