

Mr Mike Brady Campaigns and Networking Coordinator Baby Milk Action 34 Trumpington Street Cambridge CB2 1QY United Kingdom

Vevey, 14 October 2014 PA/MCM

Dear Mr Brady,

Thank you for your letter dated 2nd September 2014 and for seeking clarifications on our <u>commitment to market</u> <u>breastmilk substitutes responsibly</u>. Please find below answers to the points mentioned in your correspondence.

Nestlé's support to IBFAN's focal point in Cameroon to promote breastfeeding

We are pleased with the fruitful multi-sector collaboration to promote breastfeeding formally established through the convention signed between the President of Cameroon Link (IBFAN's focal point), Mr. James Achanyi-Fontem, and Nestlé-Cameroon on 18 June 2013. This convention aims to promote maternal and child health. The agreed upon activities include the printing of pamphlets and the strengthening of local capacity to monitor the WHO Code and the local legislation on the marketing of breastmilk substitutes. This convention was approved by the Ministry of Health. The content of "A GUIDE TO BREASTFEEDING", including the use of the logos from each party, was jointly produced, reviewed and agreed upon by the Ministry of Health of Cameroon, IBFAN/Cameroon Link and Nestlé. An acknowledgement letter was jointly signed by Cameroon-Link and Nestlé on 28 August 2013 to confirm this. Further to the above referenced documents, the following are evidence to this partnership: 1) Approval to Nestlé Cameroon from the Minister of Public Health for the distribution of breastfeeding leaflet by Cameroon Link and, 2) video interview of the Executive Director of Cameroon Link on the reason for partnering with Nestlé.

We hope that this positive experience in Cameroon can serve as an example on how the public sector and the private sector can productively and transparently work together and be replicated in numerous countries to help scaling up good nutrition in the first 1,000 days of life.

Baby Milk Action erroneous claim regarding Nestlé's support to Food Banks Canada

We ask BMA to withdraw its allegations concerning Nestlé Canada's support of Food Banks Canada from all websites where it has been published (posting date September 16, 2014, referenced INFACT Canada). Contrary to your allegation, Food Banks Canada, and its network of food banks in Canada, <u>has never received infant formula</u> <u>products from Nestlé</u> in compliance with Nestlé's Policy. Nestlé has been a long-time supporter of Food Banks Canada through financial donations, providing Food Banks Canada the opportunity to direct the funds where they are needed most.

Nestlé's position on the WHO Code and its subsequent resolutions

Already in 1982, Nestlé was the first breastmilk substitute manufacturer to support to the recommendations made to the Member States of the World Health Organization (WHO) in the WHO International Code of Marketing of Breast-milk Substitutes (hereafter the "WHO Code"), including its Article 11.3, as we still do today. We are proud to be the recognized industry leader in the responsible marketing of breastmilk substitutes. You can find reference to our support to the WHO Code in three key public documents: The <u>Nestlé Corporate Business Principles</u>, <u>Nestlé Policy and Instructions for the Implementation of the WHO Code</u> and in the <u>Nestlé CHARTER on Infant Formula</u>.

We adhere to all national government measures implementing the WHO Code globally. In addition, since many 'higher risk' countries (in terms of infant mortality and malnutrition) have not fully implemented the Code, in 152 higher risk countries, we follow our own stringent policy drawn from the WHO Code when it is stricter than the national regulations. This is necessary since only 37 out of 199 member states had passed laws reflecting all its recommendations and subsequent resolutions as of 2011, according to the World Health Organization.

Nestlé invests substantial resources to monitor and ensure the compliance of its marketing practices with the aim and principles of the WHO Code. In 2013, our practices were audited in more than 30 countries, including 3 independent country audits by Bureau Veritas. Rigorous, independent auditing of our practices in two different countries is also performed by PricewaterhouseCoopers every 18 months as part of the FTSE4Good Index inclusion process and we report progress to the FTSE4Good BMS Expert Committee every semester. As you know, Nestlé is the only breastmilk substitute manufacturer to have consistently met the 104 clearly defined Breast-milk Substitutes (BMS) criteria of the FTSE4Good Index since 2011. We invite you to consult our <u>compliance record</u> transparently available on our website and read the advancements we have made in the implementation of the WHO Code in our <u>Comments on the Verification Report of the 2012 FTSE4Good BMS Marketing Assessment</u>.

All information regarding our inclusion in the <u>FTSE4Good</u> responsible investment index is clearly stated under the <u>What is FTSE4Good</u> section of our website. We invite you to consult it, review all the improvements we have made as a result of the independent third party verification process and read how FTSE4Good can serve as an important platform for raising not only our standards, but those of the industry.

Labelling approval by government authorities

We reiterate that all our labels are duly approved by government authorities in every country where it is required by the law. In countries where there is no legal obligation for government approval of labels, we abide by our stringent marketing standards, notably outlined in our Nestlé Policy and Instructions for the Implementation of the WHO Code.

We would like to thank IBFAN for publishing the erratum acknowledging that our product label is compliant with local laws in the Philippines in its Breaking the Rules report 2014 (p. 25 of the Nestlé Chapter).

The "Natural Start" logo was duly approved in April 2012 by the FDA in Thailand. We will discontinue the use of the "Natural Start" logo on our infant formula products by mid-2015.

Response to IBFAN's Breaking the Rules Report 2014

As we have <u>publicly disclosed</u> on our website, we investigated all the allegations in the Report. We found a combined 24 instances of noncompliance with our Nestlé Policy and Instructions for the Implementation of the WHO Code across both of our businesses over a period of three years. We were aware of most of these instances prior to the release of this report. We had already ceased eight of the activities and are currently addressing the remaining issues. The six others were carried out by independent companies with which we do not have a relationship and we have requested that they cease these activities.

As we have done in the past and in line with our commitment to transparency, we will publish the findings of our investigations into the allegations made in IBFAN's report in the <u>'Reporting on WHO code compliance' section of our website</u>.

Scientific support to health care professionals

In its Article 6.2, the WHO Code does not preclude the dissemination of information to health professionals, as we have written to you in our response to your letter dated 26th June 2013. Health care professionals play a key role in providing parents with objective health and nutrition advice for infants and young children. This is why we <u>implement nutrition education programmes to promote good nutrition practices</u>, including the promotion of breastfeeding, as part of our commitment to Creating Shared Value. Health care professionals have frequently told us they highly appreciate this service, particularly at a time when access to training is not always available to them.

Constructive engagement with IBFAN

We reiterate our willingness to engage constructively with IBFAN and all other interested stakeholders. For example, we were pleased to see IBFAN praising Nestlé's action in its Breaking the Rules 2014 Report (ref. p. 21 of the Nestlé chapter) by acknowledging our responsiveness to cancel an event in South Africa that was non-compliant with our Policy, only two days before it was to take place, as a result of ICDC for bringing this to our attention. We hope that this kind of proactive communication with IBFAN can continue in the future so that instances of non-compliance can be addressed quickly.

We hence remain ready to discuss IBFAN's four-point plan at your earliest convenience, in the hope that we can make fruitful progress together. We believe this engagement would be a fantastic opportunity to make a positive contribution to the lives of mothers and children and ensure that every child has the best start in life.

Sincerely,

Marie Chantal Messier, RD Public Affairs Manager Nestlé S.A.

Attachment: A Guide To Breastfeeding

CC. UN Global Compact Office FTSE4Good