



NESTLÉ S.A.

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For the attention of:
Joakim Bergman
Paul Gilding
Nusa Urbancic

Vevey, February 6, 2018

Dear Madam, Dear Gentlemen,

I am writing regarding the Changing Markets Foundation report “Busting the Myth of Science-Based Formula”, published on 1st February, to provide our perspectives on the main points raised.

We welcome constructive external views regarding our operations and please be assured that we always investigate points of concern raised. We regret that, on this occasion, we did not get the opportunity to assess the report in advance of publication, or to provide context to the authors. After a thorough review, we believe it raises some important points that we address below, although we unfortunately also noted a number of inaccuracies, which could have been rectified through dialogue.

At the onset, let me reiterate our commitment to the responsible marketing of breastmilk substitutes. We support and promote the World Health Organization’s (WHO) recommendation of six months exclusive breastfeeding, followed by the introduction of adequate nutritious complementary foods along with sustained breastfeeding up to two years of age and beyond. For infants who cannot be breastfed, infant formula is the only suitable breast-milk substitute (BMS) as recognised by the WHO.

We welcome the recognition in the report of the important role that infant formula plays in providing adequate nutrition for children when breastfeeding is not possible.

Nestlé has a global commitment to support breastfeeding and protect it by continuing to implement an industry-leading policy to market breast-milk substitutes responsibly. We comply with the WHO Code as implemented by national governments everywhere in the world, as a minimum. As the Code has only been fully implemented by 39 countries globally, we voluntarily apply our own stringent policy when it is stricter than the national code in the 152 countries considered as higher-risk in terms of infant mortality and malnutrition.

External independent scrutiny of our practices is important to us. We are proud to have been the first BMS manufacturer included in the FTSE4Good Index and to have consistently met its rigorous criteria for the responsible marketing of BMS since 2011. Although we recognize the need for continuous improvement, as noted in the report we also ranked first in the Access to Nutrition Index’s most recent pilot sub-ranking of global BMS marketing policies and practices.

We can confirm that eight independent external audits and 57 country internal audits of our infant nutrition activities took place in the last two years alone. We report transparently and publicly on the results of these audits and take corrective actions where necessary.



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In answer to the specific points you raise in the report, regarding the role that infant formula plays in providing adequate nutrition to infants, we believe that breastfeeding by a mother to her infant cannot be copied or emulated by any manufactured product. Whenever breastfeeding is not possible, however, our mission is to continuously innovate and offer the next best alternative.

With respect to the statements that we make on our products, specifically those examples mentioned in the US, Hong Kong, Switzerland and Spain, these are compliant with regulatory requirements in these countries. We do not use any statements on our infant formula products or in our other communications that idealize our products or imply that they are superior to or equivalent to breastmilk. Modern infant formulas are compositionally closer to human milk. As such, we permit communication stating that our infant formula ingredients are “inspired by breastmilk” or contain components comparable with components of breastmilk, for example proteins or HMOs, where these are scientifically proven as equivalent. This does not breach the WHO Code as implemented by national governments or our own stringent policy when it is stricter than the national code, as outlined above.

We agree that formula manufacturers have a responsibility to provide products that are safe and as nutritionally complete as possible, and to ensure their composition is strictly informed by the best available science. Our extensive investment in scientific research has led to products that are safe, science-based, and offer the best alternative to those who cannot or choose not to breastfeed. Six hundred Nestlé researchers, in partnership with academic organizations are dedicated to the continuous improvement of our products to ensure healthy growth and nutrition for infants.

Regarding the ingredients that we use in our products, CODEX and local regulations determine the essential ingredients needed in infant formula. All of our products include these essential requirements. We comply with the regulations of every country in which we operate, which may differ from country to country. The composition of infant formula varies and is influenced by local regulation, and guidance from local or regional scientific bodies. In parallel, as science progresses, we constantly adapt our range of products by adding ingredients and bringing compositional changes as permitted by local laws and regulations to provide choice to healthcare professionals and parents.

Please also note that contrary to what is stated in the report, we do not use sucrose in any of our products for infants (0-6 months) and we are voluntarily eliminating sucrose from all follow-on formula products (6-12 months), which will be completed before the end of 2018 for this age range. As of today, it is present in less than ten percent of our recipes for this age range. Vanilla flavouring is safe and permitted for infants above 6 months of age, according to CODEX. It is present in a very limited number of products for this age range and it is not used in our infant formula products in South Africa contrary to what is stated in your report.

For the sake of clarity, we would also like to point out that the report incorrectly identifies Wyeth formula as part of Nestlé in South Africa. The Wyeth business is owned and operated by Aspen in the Southern Africa Region.

Finally, regarding the points you make about the pricing of our products, this is determined by many factors, including among others, import duties, local taxes, costs of production, distribution, packaging, overhead costs, and the margin expectation of our trade partners. All of these may change from country to country, hence prices may vary significantly.



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We trust the explanations above address the key points of the report. We would like to engage with you in a dialogue to discuss this matter further as we have always found this is the most constructive way to move forward.

Sincerely,

A handwritten signature in blue ink, appearing to read "Christian Frutiger".

Christian Frutiger,
Global Head of Public Affairs
Nestlé S.A.