

Mr. Kevin Watkins CEO, Save the Children UK

Mr Ömer Güven CEO, Save the Children Switzerland

Vevey, 23 February 2018

Dear Kevin and Ömer,

We acknowledge the receipt of your letter dated 14 February 2018 to our CEO and thank you for giving us an opportunity to review the "DON'T PUSH IT "report and comment on it before it is published. We share your concerns about the current rates of breastfeeding and nutrition status of children at large.

We believe breastmilk is the best nutritional choice for an infant and that breastfeeding plays a fundamental role in a baby's growth and development during the first 1000 days. Nestlé's purpose is to enhance quality of life and contribute to a healthier future. Supporting the first 1000 days of life, including breastfeeding is fundamental to this purpose. In 2015, Nestlé adopted its Maternity Protection Policy, which offers new mothers up to six months maternity leave and access to 302 breastfeeding rooms across our work facilities worldwide. In addition, we collaborated with several public and private organisations in opening over 2500 breastfeeding rooms in India and China.

We agree that current breastfeeding rates are still not sufficient. As the Save the Children report states, there are numerous socio-economic factors influencing the usage of infant formula around the world that are not due the actions of manufacturers alone. These factors include, rising incomes, urbanisation, increased female participation in the labour force, and inadequate policies and legislation to encourage and empower mothers to breastfeed at home or while returning to work. Nestlé respects the sovereignty of governments and abides by the laws of the countries where we operate. We comply with The World Health Organisation (WHO) Code of Marketing of Breastmilk Substitutes as implemented by the governments.

Our policy follows the FTSE4Good Index criteria on the marketing of Breastmilk Substitutes (BMS), whose immediate focus is on areas where there is the greatest risk to infants and young children. 152 countries are being prioritized as 'higher risk,' due to the fact that they have the highest rates of child malnutrition and child mortality. If these countries have adopted policies and regulations more stringent than The Code, Nestlé complies with the applicable national policies.

Nestlé was the first manufacturer of breastmilk substitutes to apply the strict 104 BMS criteria of the FTSE4Good Index in 2011. Danone followed in 2016. We encourage more companies to do the same and appreciate that the inclusion of more key industry players in FTSE4Good is also recognised as being fundamental in the "DON'T PUSH IT" report. Once the inclusion of major players is achieved, the industry will have been transformed, creating a new base line for discussions.

We analysed the recommendations of the "DON'T PUSH IT" report and would like to inform you that several of those recommendations are already in place.

- Our policy applies to the entire Nestlé Group and compliance with the Policy is mandatory for all Nestlé employees and third parties acting under Nestlé's authorisation.
- Code compliance is incorporated into our governance structures. A compliance report is presented annually to our Board of Directors.
- We have a Global Code Compliance Committee comprising two Executive Board members, one of whom is the chair.
- Employees and distributors with whom we have contractual relationships are trained by our Compliance Managers on a regular basis on Code compliance.

For us to take immediate action and address any verified incidences of non-compliance, we would appreciate if you could share with us the in-country assessment reports, which you refer to in the "DON'T PUSH IT" report. We investigate all concerns related to marketing practices of our breastmilk substitutes and promptly address any instances of non-compliance reported to us. We are confident we have robust systems in place and transparently report on our progress in our annual report and corporate website.

We would like to engage with you in a dialogue to discuss these matters further, as we have always found this the most constructive way to move forward. Attached hereto is a statement, which addresses in more detail concerns raised in the "DON'T PUSH IT" report and which we would like you to post on your website.

Yours sincerely,

Christian Frutiger,

Global Head of Public Affairs

Nestlé S.A.