

Nestlé AGM 2013 - DRAFT

Mr Chairman, directors, shareholders, I am Lida Lhotska and I represent the Geneva Infant Feeding Association (GIFA) and the International Baby Food Action Network (IBFAN).

I have some brief comments to make about Nestlé's Creating Shared Value report. I and my IBFAN colleagues in 168 countries around the world are concerned about the accuracy of this report. I can speak from IBFAN's expertise in monitoring the marketing practices of the baby food industry against the international marketing requirements adopted by the World Health Assembly, a body composed of 194 member states. In the report, the Nestlé's board of directors has attempted to reassure shareholders and the wider public by stating that in 2011 it had to act on just 19 violations of these marketing requirements. This figure is misleading as the report does not state that in 2011 Nestlé executives rejected 97% of the violations reported by IBFAN in its latest Breaking the Rules monitoring report.

Similarly, in 2012, the Shared Value report claims that only 22 violations needed to be addressed. Yet, as my IBFAN colleague raised here last year, Nestlé continues to systematically violate the marketing requirements. For example, in 120 countries Nestlé claims on the labels of products that Nestlé formula protects babies. Yet, the research clearly shows that babies fed on formula are more likely to become sick than breastfed babies and, in conditions of poverty more likely to die. Last year, we also explained the Indian Government's position that Nestlé acts in violation of Indian legislation which prohibits targeting of health workers with sponsorship and training events, a practice used by Nestlé. Interestingly, Mr Chairman, you followed IBFAN's intervention last year by showing a film boasting of these very same practices, including in India, thus confirming the company's use of practices that violate Indian law. There is one conclusion to draw: Nestlé's total of violations in the Creating Shared Value reports is so low because the company rejects most of the violations reported and continues with them.

IBFAN and the Indian Government are not alone in their concerns. FTSE, responsible for the FTSE4Good ethical investment index referred to in the Creating Shared Value report, wrote to Nestlé Chief Executive, Mr. Bulcke, on 14 November 2011 about activities

detected in India that could be regarded as promotional, including supporting conference attendance.

IBFAN's findings about Nestlé's systematic violations have often been dismissed as claims made by an anti-industry NGO. It will thus interest this audience to learn about the report from Save the Children called *Superfood for Babies*, published in February this year. The report highlights the need to protect and promote breastfeeding and, exposes violations by various baby food companies, including by Nestlé in China and Pakistan. I have here the surveys that evidence these violations, which I hope the Chairman will accept here and thoroughly consider. The report also draws attention to Nestlé's leading role in trying to weaken the marketing requirements in the Philippines. Nestlé responded by saying: "It is unfortunate that specific companies are singled out for criticism, yet none are given credit where it is merited." I hope shareholders who are also consumers will agree with me that the public have a right to know that Nestlé is found to violate the marketing requirements.

As for the credits – they cannot be given for practices such as targeting parents and health workers with alleged 'pro-breastfeeding campaigns'. Nestlé is a producer of formula and has no role to play in such campaigns. . Nestlé's role is to market its products responsibly, according to the agreed international rules.

Mr. Chairman, I understand that Nestlé has received over 4000 emails and hundreds of Facebook comments from customers and members of the public about the Save the Children report and over 12,000 people have signed a petition launched by the NGO calling on Nestlé to abide by the international marketing requirements.

Despite the claims in the Creating Shared Value reports, people and organisations remain concerned about Nestlé's actions. Do you have any message for those calling on you to drop the strategy of denying the evidence? When will you take serious actions to stop the violations that undermine the health of children?