

26 January 2007

Daniel Vasella
Chairman and Chief Executive
Novartis International
AG CH-4002 Basel
Switzerland

By fax: +41 61 324 80 01.



Baby Milk Action is a non-profit organisation which aims to save lives and protect infant and young child health through independent controls on babyfood marketing.

We are a member of the International Baby Food Action Network (IBFAN), a network of over 200 citizens groups in more than 100 countries.

www.babymilkaction.org

www.ibfan.org

Dear Mr. Vassella,

Gerber commitment to FTSE to abide by the World Health Assembly marketing requirements for baby foods and bottle and teats

Baby Milk Action understands that Novartis has been admitted to the FTSE4Good listing following undertakings that your Gerber subsidiary will meet the criteria for the marketing of baby foods, feeding bottles and teats.

It is very welcome if Gerber will bring its policies and practices into line with the criteria, which reference the *International Code of Marketing of Breastmilk Substitutes* and subsequent, relevant Resolutions of the World Health Assembly as minimum requirements for all countries.

As we have discussed with FTSE, our welcome of this news has to be tempered with the apparent lack of changes in Gerber marketing to date.

Failure to comply with the criteria

Checking the website www.gerber.com we see that there have been no changes to the site since Novartis was admitted to the FTSE4Good listing, despite this happening over 4 months ago. Feeding bottles and teats continue to be advertised on the site in breach of the Code's provisions. This is done in a very aggressive way with idealizing claims suggesting that Gerber bottles and teats are equivalent to breastfeeding. All such advertising has to be removed before we can say that Gerber's undertaking to comply with the marketing requirements have substance.

It is also necessary for Gerber baby food information and labelling to reflect the World Health Assembly 1994 position that complementary feeding should be fostered from about 6 months of age, reiterated in 2001 when the Assembly stressed the importance of exclusive breastfeeding until 6 months of age.

In addition, we have documented how Gerber has targeted mothers directly, encouraging them to sign up to a Gerber baby club in China. This is a breach of Article 5.5 of the *International Code*.

We ask that Gerber indicate to Baby Milk Action that it accepts these activities are in breach of the Code and Resolutions and will stop them with immediate effect.

Opposition to implementation of marketing regulations in the Philippines

We are concerned that Gerber, as a member of the Pharmaceutical and Health Care Association of the Philippines (PHAP), is party to a legal action against the Ministry of Health in the Philippines. PHAP is attempting to strike down the Implementing Rules and Regulations (IRR) which give force to the Code and Resolutions in the country.

We ask that Gerber make a clear public statement in the Philippines and internationally that it does not support the legal action and wishes to see the regulations implemented. Failing to do so will suggest that Gerber's claimed acceptance of the Code and Resolutions as minimum standards is false.

Are Gerber's commitments to FTSE4Good of value?

We very much hope Gerber will be setting an example to the rest of the industry and will meet the commitments it has given to achieve a FTSE4Good listing.

We have already publicly welcomed your stated commitment to change practices and hope we will be able to report changes are indeed being made to practices.

If the above action is taken we will be able to conclude that Gerber is indeed delivering on its commitment. If it is not, we will have to advocate that Novartis be excluded from the FTSE4Good listing at the next review for taking no visible action.

For the sake of infant health and the well-being of their families, it is our wish that Gerber does deliver on its commitment.

We look forward to hearing from you.

Yours sincerely,

Mike Brady
Campaigns and Networking Coordinator
Baby Milk Action

CC: FTSE.