

Nestlé Philippines, Inc.

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14 November 2006

Mr Mike Brady,
34 Trumpington Street,
Cambridge,
Cams, CB2 1 QV,
UK.



YOUR REF:

OUR REF:

Baby Milk Action's internet postings: "Help the Philippines stand up to company bullying" and "Tell baby food companies not to oppose the Philippines government's moves to protect infants"

Dear Mr Brady,

We are writing to you to express our disappointment at reading the communication you have recently posted under the above-mentioned captions on your website "Campaign for Ethical Marketing-November 2006".

As you well know, Nestlé has supported, and in writing, the Philippines Health Ministry's revision of the rules on marketing of infant and follow-on formulas. Thus, your using allegations about Nestlé which are almost 10 years old, in an attempt to link Nestlé to "companies bullying" the government about the new rules, brings discredit to your efforts.

We are indeed surprised that you keep putting forward allegations that are completely outdated: the allegation about Nestlé threatening a TV station in the Philippines for having aired criticisms was brought up in 1997 (almost 10 years ago!), the one about Nestlé employing nurses to promote artificial feeding directly to mothers at home was brought up in 1998, and the allegation about direct marketing to mothers through the advertising firm OgilvyOne's marketing campaign was brought up in 1999, etc. Either the allegations are about practices or communication materials that we have discontinued years ago, and Nestlé informed you about such discontinuation, or they have been clarified as being inaccurate or untrue in previous exchanges of correspondence with you.

In the Philippines (as in every developing country), Nestlé complies with the provisions of the WHO Code or with those of the national regulations giving effect to the WHO Code, whatever is stricter. For instance the Philippines' Milk Code (promulgated under Executive Order 51) allows advertising of follow-on formulas. Nestlé Philippines nevertheless has never advertised follow-on formulas in the Philippines. Moreover, with a view to minimizing risks that mothers may confuse breastmilk substitutes with baby foods or dairy products for older babies, Nestlé has refrained from marketing infant formulas and follow-up formulas under brands used for its

other categories of products for babies. In actual fact Nestlé has been, and still is, the only infant food manufacturer in this country that implements such strictures.

Early this year, the Department of Health revised the Implementing Rules and Regulations (IRR) of the local Milk Code. The Supreme Court, upon a petition of the Pharmaceutical and Healthcare Association of the Philippines (PHAP), has however issued a Temporary Restraining Order suspending the application of the revised IRR.

The PHAP is a business association whose members include the country's leading pharmaceutical companies and medical service providers. Nestlé Philippines is not a member of the PHAP. As you yourself state it, "Nestlé is not a party to the court case".

Furthermore, over the last 20 months when the revision of the Implementing Rules & Regulations was debated at various levels in the Philippines, Nestlé Philippines has abundantly and consistently manifested its support for the Government's efforts to promote breastfeeding and strictly enforce the implementation of the Milk Code. We would indeed welcome an early implementation of the reforms and earnestly hope that revised rules will be efficiently enforced, and in an even manner.

We therefore hope that in reporting on the current status of the matter in the Philippines you will not erroneously include Nestlé when making allegations of "companies bullying" governmental efforts to make regulatory changes to the marketing of infant foods, but rather make clear that Nestlé is the one company supporting stricter government enforcement.

We take the liberty of copying the Secretary of Health, Mr Francisco F. Duque, with this letter, as we have on several occasions been given the opportunity to share our position on this matter with his Department of Health.

Very truly yours,

NESTLÉ PHILIPPINES, INC.

**Signature obscured for
security reasons**

D. NANDKISHORE
Chairman and CEO

Copy:

Secretary Francisco F. Duque, M.D., Department of Health of the Philippines, Manila.
Dr Jean-Marc Olivé, WHO Representative in the Philippines, Manila.
World Health Organisation, Geneva