

Aid agencies working in Lao PDR:

Save the Children Australia in Lao PDR
Health Frontiers
Francophone Institute for Tropical Medicine, Lao PDR
Adventist Development and Relief Agency, Lao PDR
Oxfam in Laos
Plan International Laos
Health Unlimited
Village Focus International
CRWRC
Handicap International
HELVETAS LAOS
ERIKSHJALPEN Laos
Japan International Volunteer Center
Welthungerhilfe
ChildFund Laos
World Vision Lao P.D.R
World Concern Lao P.D.R
Médecins du Monde Laos

24 May 2011

Peter Brabeck-Letmathe, Chairman of the Board
Paul Bulcke, Chief Executive Officer

Nestlé Suisse S.A.
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Vevey
CH-1800
Switzerland

We won't be applying for your prize money, Nestle.

Your marketing of formula milk still jeopardizes the health of infants and children in Laos.

We write to inform you that our organizations will not be applying for the "Creating Shared Value" Prize, recently announced by Nestle. This prize is worth approximately USD 480 000.

We represent a number of aid agencies in Lao PDR (Laos), working to improve infant, child and maternal health, and to reduce poverty.

We won't be applying for the prize, because Nestle continues to make millions of dollars of profit, at the expense of infants and children in Asia, through violations of the International Code of Marketing of Breast-milk Substitutes.

Unethical marketing by food companies, including Nestle, contributes to the situation of high infant and child mortality in Laos.

Babies and children are dying in Laos because food companies such as Nestle are weakening national regulatory frameworks and aggressively flooding the market with information that dilutes public health campaigns that promote breastfeeding.

In Laos, Nestle has violated the Code in the following ways:

- Public advertising and promotion of breast-milk substitutes.
- Promotion in hospitals and health care facilities of breast-milk substitutes
- Labelling of infant formula shows that they are to be used by infants from birth, thus misleading mothers from exclusive breastfeeding their infants for the first six months of life.
- Labels are not translated into the local language: labels in English and Thai are found throughout the country.
- Even if the labels are translated into Lao language, the marketing approach of Nestle does not give enough public health consideration to the local fact that the poorest and most vulnerable mothers and families are ethnic, and do not speak or read Lao language.
- Nestle representatives actively visit hospitals, especially paediatric wards and nurseries.
- Nestle representatives give different types of incentives to doctors and nurses, such as organizing and funding trips and gifts
- Conducting seminars for health workers in which misinformation is given.
- Conducting promotions of formula milk at pre-schools in which misinformation is given.
- Advertising is promoting unscientific and unsubstantiated claims that formula increases intelligence and enhances immunity. This creates a situation where family income is being spent unnecessarily on formula for infants and young children, keeping households poor.

Nestle is actively working to dilute and weaken the national regulatory framework

The first effort by Laos to enact the International Code of Marketing of Breast-milk Substitutes was in 2004, through a decree issued by the Ministry of Health entitled "**Regulations on Infant and Child Food Product Control**".

In 2007, the decree was revised by the Ministry of Health (Department of Hygiene & Prevention, MOH). The changes were influenced by outsiders, mainly baby food companies. The main changes include:

- The title was changed from "**Regulations** on Infant and Child Food Product Control" to "**Agreement** on Infant and Young Child Food Products Controls". This change clearly weakened the status of the decree from regulations to a mere voluntary agreement. This enables Nestle to claim they are in compliance with local regulations, even if these do not meet the standards in the Code.
- The MOH changed the contents of the Regulation and several new paragraphs were added. The meaning of some was changed thus making them difficult for readers to understand.
- One important change includes the **removal** of the following sentence (section III, Article 7/c, page 6 of the first version): "*Manufacturers or distributors are forbidden from giving free donations or gifts to health staff or health services such as small scholarships, research funds or meeting sponsorships for seminars, continuous studies or for conference events*".

After the 2007 revisions were made, Nestlé printed 1,000 copies and distributed them to hospitals across the country. This is a clear example of Nestlé working to weaken the national regulatory framework in Lao PDR.

We call on Nestle to:

- Comply fully with the International Code of Marketing of Breast-milk Substitutes.
- Fund an independent and external review of the use, marketing and impact of Bear Brand in the Asian region, as it impacts on infant and child mortality (death) and morbidity (illness). The marketing approach should give consideration to illiterate and rural people who neither speak nor read Lao language.
- Cease the practice of giving gifts, trips and other incentives to Lao doctors and nurses.
- Cease promoting and distributing breast-milk substitutes in hospitals and clinics.
- Cease aggressive marketing of formula to children of any age and their parents using unscientific and unsubstantiated claims regarding growth and intelligence.
- Cease the practice of promoting and marketing formula at pre-schools.
- Cease the practice of gifts and incentives to pre-school and primary-school teachers.
- Cease efforts to weaken the national regulatory framework.

Signed by

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17. Chris Mastaglio, Country Manager, **ChildFund** Laos, Representative Office of ChildFund Australia
18. Stephen Rozario, National Director, **World Vision** Lao PDR
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