

13 March 2024

INFANT FORMULA AND FOLLOW-ON FORMULA MARKET STUDY INVITATION TO COMMENT

NESTLÉ RESPONSE

Introduction and Executive Summary

Nestlé UK Ltd (Nestlé) welcomes the opportunity to participate in the CMA's infant formula and follow-on formula market study. Nestlé agrees with the CMA that this is an important market and will continue to engage constructively with the CMA during the course of its enquiry.

The infant nutrition industry comprises an array of products focused on fulfilling the different feeding and nutritional needs of babies. Accordingly, the products differ in respect of, inter alia, function and purpose, ingredients, composition and recipes etc.

There are a number of ways to feed a baby – breastfeeding, formula feeding, feeding expressed breast milk from a bottle, or a combination of all three. Consumption decisions are generally taken by the parents or primary caregivers of a baby or child. When the decision to use Infant Formula (IF)/Follow-on Formula (FOF) or Growing Up Milk (GUM) is made, a number of factors may influence consumer choice. Considerable reliance is placed on personal conversations (inhospital, healthcare professionals (HCPs), and then friends and family). There are also numerous online communities where parents discuss the full range of issues that must be confronted when raising a new baby. Other factors taken into account by parents and caregivers include baby preferences, ingredients, pack format, price, availability and brand trust with regards to safety and quality.

It is critical for parents and caregivers to have access to reliable and fact-based information to help them make their decisions. This is not a unique need for infant feeding – parenting brings with it a range of choices and decisions, regarding aspects of care that people may not have even considered before becoming parents.

HCPs are an important source of this information and, within the applicable legal and regulatory framework, we endeavour to equip them with the latest scientific & factual research and insights, enabling them to accurately guide parents and caregivers and provide them with the necessary information to make informed choices. We always comply with all applicable regulation when providing clear and transparent information regarding our products e.g., ingredients and nutritional content.

While Nestlé acknowledges that there have been rises in IF and FOF prices in recent years, Nestlé's firm view is that this is attributable to the challenging economic context, in particular, sustained inflation levels which exist currently. Nestlé has and remains committed to acting responsibly and transparently. We have been creating operational efficiencies and absorbing increasing costs before considering responsible price increases. Through these measures we have sought to keep, within our range, products that are affordable and accessible to consumers, while ensuring fair prices for our suppliers and farmers. We introduced our Little Steps formula milk in 2019, which provides great value for money without compromising on nutrition or product quality, and is evidence of how seriously we take our responsibility to support parents and caregivers. Ensuring we have a variety of milks to suit the different needs of parents, caregivers and babies is part of our long-term strategy for supporting families.

Finally, we are supportive of the need to continually improve the availability of and access to fact-based information for parents and caregivers, and also HCPs; parents and caregivers rely on them for trustworthy advice.

Nestlé considers that it faces stiff competition from a number of providers in the IF and FOF market. Primarily Nestlé faces intense competition from [REDACTED] brands which are strong players in the UK market. But, and despite the complicated regulatory framework which is considered further in this submission, these markets are also dynamic. This is demonstrated by available market share data, which for example indicates that Kendamil,

which in its first year since launch in 2019 had a market share of [REDACTED] in the UK, has quickly increased its share in the most recent year [REDACTED]. In fact, its market share in the 12 weeks since the start of 2024 is [REDACTED].

As will be explored in detail in Nestlé's submissions to the CMA, the market in question is heavily regulated and intended to protect consumers when making feeding choices. Nestlé believes in this important regulatory framework. We comply with all applicable regulations as well as our own strict policy and robust compliance and governance system. We take great care to avoid any practices that could discourage exclusive breastfeeding for the first six months. During the course of this study Nestlé hopes to demonstrate to the CMA that our priority is to provide transparent and evidence-based information to parents, empowering them to make informed decisions for their child's health and well-being. We undertake the activities in full compliance with the strict regulatory framework and pursuant to a genuine commercial desire to assist consumers at, what Nestlé agrees is, a particularly vulnerable time for consumers.

Definitions of our products

'Infant formula' (IF) means food intended for use by infants during the first months of life and satisfying by itself the nutritional requirements of such infants until the introduction of appropriate complementary feeding.

'Follow-on formula' (FOF) means food intended for use by infants when appropriate complementary feeding is introduced and which constitutes the principal liquid element in a progressively diversified diet of such infants.

'Growing up milk' (GUM) or Toddler Milks positioned as fortified milk drinks for children older than 12 months of age as part of a mixed diet and are not Breast Milk Substitutes.

'Infant' food for special medical purposes' (iFSMP) means food specially processed or formulated and intended for the dietary management of patients, including infants, to be used under medical supervision; they are intended for the exclusive or partial feeding of patients with a limited, impaired or disturbed capacity to take, digest, absorb, metabolise or excrete ordinary food or certain nutrients contained therein, or metabolites, or with other medically-determined nutrient requirements, whose dietary management cannot be achieved by modification of the normal diet alone.

General questions

- 1. Do you agree with our proposed scope (both the product and geographic scope) and themes for this market study, as set out in paragraphs 40 to 54. If not, what other areas should we focus on and why?**

We have no objections to the proposed product and geographic scope and themes for this market study.

We support the proposals to include infant Foods for Special Medical Purposes (iFSMP). Please note that some iFSMP products are available for consumers to buy over the counter as well as on prescription, while others are prescription only. Further to this, some formula milks (e.g. SMA Soya) are classified as standard Infant Formula, not an iFSMP, but are available on prescription.

We support the proposal in point 45 to exclude products from birth to 12 months which are available on prescription only. Given the focus of the market study on infant formula and follow-on formula, we assume that prescription products for young children aged 12 – 36 months are also excluded from the scope of this study and support their exclusion.

- 2. What, if any, are the key differences in the infant formula market in each of England, Scotland, Wales and Northern Ireland that should be reflected in our analysis? Please explain any such differences and how each may affect the analysis.**

We are not aware of any significant differences in the infant formula market between England, Scotland, Wales and Northern Ireland. We deploy the same portfolio of products across these geographic regions.

Equally, our overall category offering is based on our understanding of consumer needs which exist across the UK and as such we do not differentiate by regions outlined above. We do not perceive any material differences in consumer behaviour across these regions.

We are not aware of any significant ranging differences, or specific pricing strategies applied to these regions by retailers, although of course this would be at the discretion of individual retailers, and so we are unable to comment on this further. Finally, there are no regional distinctions in the applicable regulatory framework.

- 3. How do consumers choose which infant formula to use and what factors drive their decisions? What is the relative importance of these different factors?**

As a consumer group, new parents are particularly likely to discuss and be informed about their product choices through personal conversations (in-hospital, community healthcare professionals (HCPs) and then friends and family). These personal influences were more influential than either online information, or choice in a retail setting.

Research [REDACTED] show that multiple factors influence parents in their choice of formula, including brand, stage, age suitability, pack size and price. Factors such as the medical benefits, origin, nutritional benefits, advanced benefits, format (i.e., ready to drink or powder) and pack type (tin, box, bottle) also play a role in decision making.

Please refer to the answer on q15 for more information regarding how we share scientific and factual information with HCPs.

- 4. How does price influence which infant formula consumers choose?**

As stated in response to Question 3, while price is one of the factors considered by consumers, our commissioned qualitative research shows mothers seek a balance between nutrition, value, convenience and acceptance. Perceived value for money rather than price alone is significant for

parents, indicating that parents are more inclined to invest in a higher-priced product when they have a clear understanding of the value it offers; they value unique ingredients or being gentle on the stomach. This indicates that parents are able to make informed decisions and potentially choose a higher-priced option that aligns with their needs and preferences.

5. Where do consumers get information about infant formula from, and which of these sources are most influential and trusted?

Please refer to our answer on Question 3. In addition to this, [REDACTED] research showed the top platforms for mothers to find general parenting information & advice were as follows: internet search (i.e., Google, Yahoo etc.), the NHS website, baby & parenting specific websites, mum/parenting blogs, YouTube, NHS direct (111), Facebook, Instagram, forums & entertainment apps. Our understanding is this is fairly typical consumer behaviour when seeking any health-related information.

6. How do consumers evaluate the quality of different infant formulas? Are they able to accurately observe their quality and make meaningful comparisons?

All our products are produced to the highest quality and are subject to hundreds of quality checks to ensure safety and compliance with numerous pieces of legislation. We endeavour to ensure that consumers are in a position to access relevant information and make informed decisions.

Firstly, in line with legislation, all manufacturers have a responsibility to not only include specific mandatory ingredients but also to declare all product ingredients. Any addition of non-mandatory ingredients is declared within the ingredient list.

Information relating to each product is provided in line with Article (6) of Assimilated Regulation Commission Delegated Regulation (EU) 2016/127. The regulations provide a framework to enable manufacturers to provide clear and consistent information to all consumers, regardless of their level of knowledge or expertise. This allows individuals the opportunity to make informed choices based on their own preferences, needs and understanding.

In order to facilitate product comparisons, the nutrition declaration for IF and FOF should be expressed per 100 ml of the product ready for use after preparation in accordance with the manufacturer's instructions.

Secondly, we have information on our website to allow consumers to access accurate information about our products and make comparisons between them¹ and where consumers are directed towards these pages, this is always in line with applicable regulation (i.e. FOF and GUM only).

Thirdly, as with other product categories, ratings and reviews across most retailers are visible and searchable for consumers. It is down to the discretion of individual retailers whether they allow infant formula ratings and reviews to be live and visible for consumers.

¹ <https://www.smababy.co.uk/formula-milk/first-infant-milk>
<https://www.smababy.co.uk/formula-milk/follow-on-milk>
<https://www.smababy.co.uk/formula-milk/growing-up-milk>
<https://www.smababy.co.uk/formula-milk/sma-advanced-range>
<https://www.smababy.co.uk/formula-milk/sma-pro-range>
<https://www.smababy.co.uk/lsbaby/products/formula-milks>

Finally, while we always provide clear and transparent information about the ingredients in our products and ensure compliance with applicable regulations, the perception and definition of “quality” is subjective and will vary among consumers. Each individual may have their own preferences and criteria for evaluating the quality of a product. Consumers have diverse backgrounds, and experiences, which can influence their decision-making processes.

7. To what extent are consumers aware of the different infant formulas? What do consumers perceive to be the differences between them to be?

Awareness

Our understanding is that consumers have a high-level of awareness of the IF offerings in the UK, which plays, alongside all the other factors, into decisions on purchase and repurchase. Moreover, we note that consumer awareness is dynamic, and for example, has increased significantly regarding Kendamil in recent years.

Differences

As indicated in response to Questions 3 and 4, at the time of purchase, parents consider factors such as medical benefits, inclusion of unique ingredients, nutritional/ advanced benefits, pack format, availability, price positioning and brand trust with regards to safety and quality.

8. Are consumers aware that all infant formulas provide all of the nutrients a healthy baby needs?

Regulations are in place to safeguard breastfeeding and infant health and to ensure that the labelling, presentation and advertising of IF and FOF is designed so as not to discourage breastfeeding. Any information provided must ensure appropriate use of the product and not run counter to the promotion of breastfeeding.

The regulations do not permit nutrition and health claims to be made on IF.

We prominently display the wording "Nutritionally complete" on the front of pack across all of our IF products. This clear messaging helps parents understand that all our IF products provide the essential nutrients necessary for their infant's growth and development. This is common across industry players and intended to reassure consumers that all IFs, regardless of price positioning, contain all the requisite minimum nutrients required for a healthy baby.

Regulation requires that FOF, which is designed to complement a weaning diet, must be clearly distinguished from IF. We ensure that, within each product line (e.g., SMA Pro), they differ in relation to text, images and colours used on the packaging so parents have the information they need to make informed choices about the most suitable age-adapted formula for their child's specific nutritional needs during different stages of their early development.

Please refer to Questions 3 and 4 on the factors considered by consumers while choosing an IF product.

9. Do consumers try more than one infant formula at the outset or consider switching later on? What factors drive their decisions and influence their choices?

Our research shows that the most commonly stated factor for switching IF is baby not getting on well with formula/ experiencing stomach issues. This could lead to trying different formulas if IF is chosen to complement breastfeeding or instead of breast milk. It is more common to see switching early on in the journey, rather than later.

For FOF, the most commonly stated factor was price, and this was closely followed by baby not getting on well with formula /experiencing stomach issues.

10. To what extent is it possible to influence consumer decision-making either when the initial decision about which infant formula to use is made or later on? Does this vary for different consumers?

Consumer decision making is influenced by a number of factors. As we shared in response to Question 3, the most influential source of formula choice are personal conversations (in-hospital, community HCPs and then friends and family). These personal influences were more influential than either online information, or choice in a retail setting.

The regulations are in place to protect consumers and call for them to have access to accurate and unbiased information about making feeding choices (breast milk, formula milk, or a combination of both).

We take great care to adhere to this and avoid any practices that could discourage exclusive breastfeeding for the first 6 months. Our priority is to provide transparent and evidence-based information to parents, empowering them to make informed decisions for their child's health and well-being.

We understand that discussions surrounding infant feeding can be emotionally charged and it is not uncommon for parents to feel overwhelmed or stressed. This is why we always encourage parents, through information on our IF packaging, and throughout our digital ecosystem, to always reach out to their HCP, who are the experts in this field². Consulting with HCPs ensures that parents receive accurate and tailored information that takes into account their specific circumstances and the unique needs of their child. We believe that the expertise and support of HCPs is invaluable and a balanced unbiased resource for parents navigating the complexities of infant feeding. Additionally, as mentioned in response to Question 9, consumers may consider trying different formulas earlier on in the journey, rather than later on, particularly if the baby is not getting on well with formula/experiencing stomach issues.

11. Are there any ways in which consumers could be provided with more or better information on infant formula and follow-on formula?

Information currently available to consumers:

As stated in response to Question 8 above, we endeavour to ensure that parents have the necessary information to make informed choices during the different stages of a child's development. In addition to prominently displaying suitable wording for IF on pack to ensure parents and caregivers are aware all of our IFs are nutritionally complete, and drawing a suitable distinction between IF and FOF, information is also made available to consumers, in line with the regulations, in the following ways:

² For example, on our website, we have an IMPORTANT NOTICE that states: "We believe that breastfeeding is the ideal nutritional start for babies and we fully support the World Health Organization's recommendation of exclusive breastfeeding for the first six months of life followed by the introduction of adequate nutritious complementary foods along with continued breastfeeding up to two years of age. We also recognise that breastfeeding is not always an option for parents. We recommend that you speak to your healthcare professional about how to feed your baby and seek advice on when to introduce complementary feeding. If you choose not to breastfeed, please remember that such a decision can be difficult to reverse and has social and financial implications. Introducing partial bottle-feeding will reduce the supply of breast milk. Infant formula should always be prepared, used and stored as instructed on the label in order to avoid risks to a baby's health."

- When any innovative ingredients are included in IF, we abide by legislation and only reference it in the ingredients list and nutrition declaration (where applicable). In accordance with the legislation, claims can be made on FOF.
- The nutrition declaration for IF and FOF is essential in order to guarantee their appropriate use, both for parents and caregivers and for HCPs who recommend their consumption. For that reason, and in order to provide more complete information, the nutrition declaration is allowed to include more particulars than those required by Regulation (EU) No 1169/2011 (the Food Information to Consumers Regulations).
- Article 30(2) of Regulation (EU) No 1169/2011 contains a limited list of nutrients that may be included on a voluntary basis in the nutrition declaration for food. This Article does not cover all the substances that may be added to IF and FOF. In order to ensure legal clarity, the nutrition declaration for IF and FOF may include such substances. In certain cases, more detailed, voluntary information on protein, carbohydrate and fat present in the product can be used to provide additional useful information for parents, caregivers and healthcare professionals.
- In light of the regulations that can sometimes limit the dissemination of information directly to parents, HCPs are a critical source of reliable and fact-based information for new parents. In the UK, there is a strict legal and regulatory framework governing communication to HCPs – they must be scientific & factual, and support HCPs in carrying out their duties. Our engagement with HCPs sits within this framework – we ensure they are equipped with the latest research and insights, enabling them to accurately guide parents and caregivers and provide them with the necessary information to make informed choices.

Unregulated information sources and the importance of information dissemination via HCPs:

However, alongside the information we provide, we know that parents and caregivers need reliable information from impartial sources such as HCPs. We also know that they often go to unregulated places for information, e.g., parenting sites, which may not be in a position to provide fact-based or substantiated and clear information.

It is important to continually improve the availability of fact-based information for parents, caregivers and HCPs and maintain our ability to provide accurate information using the above channels. Moreover, leveraging digital tools where permitted can help to extend access to information.

12. What other changes, if any, could help consumers to make more effective choices in respect of infant formula and follow-on formula?

We fully support the WHO's recommendation of exclusive breastfeeding for the first six months of life followed by the introduction of adequate nutritious complementary foods along with continued breastfeeding up to two years of age. We also recognise that breastfeeding is not always an option for parents. For those who cannot or choose not to breastfeed, IF is the only safe alternative to breastmilk up to the age of 6 months.

There are many factors influencing parents and caregivers when deciding on their family's feeding choices. It is crucial to recognise and respect the diverse circumstances and challenges that families may face when it comes to infant feeding. Providing support and resources that are inclusive and sensitive to these various situations is essential. Parents should have access to accurate information, affordable feeding options, and appropriate support systems that meet their individual needs. Reducing guilt, shame, and judgment could allow parents to make decisions on feeding that align with their values and circumstances, fostering a positive and informed approach to infant feeding.

- Given the regulatory environment limits the information that IF manufacturers can directly share with consumers, clear and consistent messaging from trusted sources, particularly HCPs, is vital for parents and caregivers to make informed decisions so that they can feel empowered and supported in their feeding choices. In this regard, it is important for HCPs to have access

to scientific and factual information, enabling them to provide unbiased and reliable guidance to parents.

- We also believe that the digital ecosystem plays a crucial role when it comes to improving access to better information, where permissible, and this should be part of an integrated approach.
- The State can play a vital role in creating an environment that supports breastfeeding through policies, education, funding and resources. By ensuring that accurate information is readily available and by fostering a supportive and inclusive culture, the State can contribute to the overall well-being of families and the promotion of optimal infant feeding practices.
- A supportive and inclusive environment could help parents and caregivers feel empowered to make informed decisions about infant feeding, whether it involves breastfeeding, formula feeding, or a combination of both. This can be achieved through comprehensive education, non-judgmental support, and policies that protect and promote breastfeeding while respecting individual choices and circumstances.

The role of the regulatory framework

13. Are the regulations around labelling and marketing of infant formula enforced effectively? If not, how could enforcement be improved?

We take our commitment to the labelling and marketing of all of our products extremely seriously.

We comply with all applicable regulations as well as our own strict policy and robust compliance and governance system which are in place to ensure compliance.

Some recent instances where the regulations around labelling and marketing have been broken by some manufacturers and third parties (e.g., retailers) are available from the webpage of the ASA. ASA findings and rulings are publicly available information.

14. Do manufacturers indirectly promote infant formula, and/or cross-market it via other products? If yes, how do they achieve this and what is the impact on consumers?

At Nestlé, we take our duty to responsibly market formula products extremely seriously. This has led to our ongoing inclusion in the FTSE4Good Index and 2nd place ranking in the 2018 Access to Nutrition Index's subranking of BMS manufacturers. There is an update to the index due on March 26 2024.

Nestlé supports WHO's recommendation of exclusive breastfeeding for the first 6 months of a baby's life. In the UK, Nestlé does not promote IF intended for infants 0-6 months in line with our global Policy. Furthermore, we do not cross market IF via other products to influence parents' or caregivers' choice over breastfeeding in the first 6 months of their baby's life.

In addition:

- We comply with all applicable regulations in the countries where we operate, and in addition to this we comply with our own strict policy and robust compliance and governance system which are in place to hold our actions to account.
- We have put in place extensive internal approval and audit processes to ensure our online and offline communications meet all legal and nutritional science requirements. - We comply with the WHO Code as implemented in UK law and wish to contribute to a balanced, sensible debate about responsible marketing of formula, and protecting and promoting breastfeeding. You can read more on our policy here.
- We were key architects of, and adhere to, the INI Code of Practice, which demonstrates the industry's support for the UK regulations. The code is voluntary and self-regulating, and was

published in November 2018. It brings clarity and uniformity of standards across infant nutrition businesses and introduces an independent complaints mechanism. Signatories to the code include Abbott Laboratories Ltd, Danone Early Life Nutrition, HiPP UK Ltd, Mead Johnson Nutrition, Nestlé Health Science, Nestlé Nutrition, Nutricia Advanced Medical Nutrition. If parents sign up to our SMA Baby Club, they are only provided with educational content about what to expect during pregnancy, childbirth, how to support mum during pregnancy etc., up until their baby reaches 6m+. All content is subject to regulatory & medical approval. After this age, as authorised by regulation, emails may contain product information but are very rarely solely focused on product alone. Striking a balance between providing helpful information and being transparent about the source of that information is key. By doing so, we ensure that parents have access to the resources they need while maintaining integrity and transparency in our communication efforts. None of these activities/ resources are intended to undermine our commitment to the WHO's recommendation of exclusive breastfeeding for the first 6 months of a baby's life.

- We understand that parenting can be challenging, overwhelming, and isolating at times. That's why we ensure that we create content which supports parents in a number of different ways. Our dedicated careline is available 24/7, staffed by our knowledgeable and friendly experts who are ready to provide advice and guidance whenever parents need it. Additionally, our Instagram, Facebook and TikTok accounts will often feature authentic, humorous and relatable content. We strive to create a community where parents can find comfort, understanding, and valuable insights to navigate the journey of parenthood. Throughout our digital ecosystem, we take care to ensure that where information about our products is shared, this is compliant with our regulatory framework and our own policy, and strikes an appropriate balance between providing information for parents and continuing our commitment to exclusive breastfeeding the first 6 months.

15. Does manufacturer engagement with the healthcare sector affect consumer outcomes? If yes, how does this occur and what is the impact on consumers?

HCPs are a critical resource for parents and can provide reliable, fact-based and balanced information that takes into account the unique needs of their child and their specific circumstances. Manufacturers therefore have a responsibility to share latest product information with HCPs so they have all the facts to enable them to give parents accurate, objective and consistent advice on feeding choices.

As stated above, in the UK, there is a strict legal and regulatory framework governing communications with HCPs – they must be scientific & factual, and support HCPs in carrying out their duties. Our engagement with HCPs sits within this framework.

Our scientific & factual engagement with HCPs covers both professional development (for instance, webinars covering many aspects of caring for babies including, but not limited to, feeding) and also, where appropriate, information about our product ranges. Information shared with HCPs will relate to the safe and appropriate usage of products (for instance, sharing information regarding the composition of products, the role of any novel ingredients, or how to prepare safely). In such situations, we would always ensure this is carried out through the appropriate channels, and such communications comply with applicable law and our Policy. We also provide products which are suitable from 0-12 months to the NHS under framework agreements (tender process).

Engagement across different NHS trusts will vary according to local NHS guidelines, policies and individual HCP preferences. HCPs use any information shared by us and other formula manufacturers at their professional discretion, and within the context of doing what is right and appropriate for patients in their care. We ensure that information an HCP may need is easily accessible on our HCP website.

HCPs such as midwives and Health Visitors are extensively trained in infant feeding, which includes supporting successful breastfeeding, but also formula feeding, including safe preparation. Any guidance they give regarding formula feeding should be based on their professional discretion, and should reflect what the best choice for the baby in their care is, bearing a number of factors in mind.

These efforts to effectively communicate with HCPs ensure they are equipped with the latest research and insights, enabling them to accurately guide parents and caregivers and provide them with the necessary information to make informed choices.

16. Could the regulatory framework be improved to deliver better outcomes for consumers? If so, what do you consider should be changed and why?

We are open to a conversation with Government regarding the regulatory framework, should this be of interest to them, recognising that any potential changes to regulations require thoughtful and meticulous consideration and consultation with stakeholders. Altering regulations is a complex and serious matter that can have far-reaching (and sometimes unintended) consequences.

We are supportive of the need to continually improve the availability of and access to fact-based information for parents and caregivers and HCPs.

17. How strongly do infant formula manufacturers compete on price, and what could be done to strengthen price competition?

We cannot comment on other manufacturers. [REDACTED]. Pricing is at the sole discretion of the retailer – please see our response to Question 19 for further information.

In light of the ongoing economic challenges for consumers and sustained inflation levels that are still higher than pre-COVID, we have continued to act responsibly and transparently. We have been seizing all possibilities to create operational efficiencies and absorbing increasing costs before considering responsible price increases. Through these measures we have kept, within our range of products, affordable and accessible options to consumers, while ensuring fair prices for our suppliers and farmers.

A recent example our commitment to parents and caregivers is the 2019 introduction of our Little Steps formula milk, which provides great value for money without compromising on nutritional content and quality. [REDACTED].

18. Are there any ways in which the entry and expansion of brands or own-label products could be encouraged and supported? If so, what do you consider could be done and why?

We are committed to making substantial investments in research and development, manufacturing processes, and ensuring safety and quality standards. To provide consumers with the best products, we continually improve and innovate.

We are serious in our responsibility to support parents, and with this in mind we developed our Little Steps formula milk in 2019 to provide great value for money without compromising on nutrition or product quality. We ensure we have a variety of milks to suit the different needs of parents and babies.

Our UK strategy is to remain a branded supplier of IF and FOF, and we do not manufacture for own-label/white label. We cannot comment on our competition.

Please see answers 20 and 21 for further information on our commitment to science and innovation.

Nestlé considers that it faces competition from a number of providers in the IF and FOF market. [REDACTED].

Despite the complicated regulatory framework which is considered further in this submission, these markets are also dynamic. This is demonstrated by available market share data, which for example indicates that Kendamil, which in the first year since launch in 2019 had a market share of [REDACTED] in the UK, has quickly increased its share in the most recent year ([REDACTED]) to [REDACTED]. In fact, its market share in the 12 weeks since the start of 2024 is [REDACTED].

19. Why is there a lack of price differentiation for infant formula at a retail level?

[REDACTED].

20. How far does manufacturer innovation lead to better infant formula products? Does the regulatory framework provide the right incentives and support for such innovation?

Manufacturer-led innovation is very important to develop better IF products and Nestlé is committed to investing in research and development to continually improve and innovate. By way of an example, Nestlé's research into protein and amino acids has led to a demineralization and fractionation process of sweet whey. This optimised protein (included in SMA Pro products) has been clinically shown to support age-appropriate growth, comparable to WHO standards. (Reference: Alexander DD et al. Growth of infants consuming whey-predominant term infant formulas with a protein content of 1.8g/100kcal: a multi-center pooled analysis of individual participant data. *Am J Clin Nutr* 2016; 104: 1083–1092)

For clarity, WHO growth standards are standards established based on breastfed infants as the model for normal growth and development (for birth to 5 years of age). (Reference: WHO Multicentre Growth Reference Study Group, & de Onis, M. (2006). WHO Child Growth Standards based on length/height, weight and age. *Acta paediatrica*, 95, 76-85.)

The regulatory framework in the UK aims to protect infant health, and to allow for consistency in sharing information about our products with parents and caregivers. The regulations are not fixed and change to reflect our growing knowledge and emerging scientific trends and innovation.

An example of the regulatory framework encouraging innovation and product development is the ability under the regulation (2016/127) allowing the voluntary addition of ingredients in IF and FOF, provided all ingredients used in the manufacture of IF and FOF are suitable for infants and their suitability has been demonstrated, when necessary, by appropriate studies. This paved the way for industry-led clinical research over the course of 20+ years on the benefits of DHA for infants and in February 2020, culminated in the mandatory requirement to add DHA (omega-3) to all IF sold in the EU.

21. Is there scope for further innovation in this market? If yes, where are the opportunities; what are there barriers to achieving this; and how might these be overcome?

Nestlé is committed to research and development and we hold ourselves to the highest quality research standards.

We are passionate about the role that science can play in understanding and improving early childhood nutrition. Through our Nestlé Nutrition Institute, we deliver science-based nutrition education for healthcare professionals. Sharing our research is just as important as doing it.

The purpose of our research is to contribute to the healthier outcomes of babies. Sharing it helps amplify and accelerate this crucial work.

We have published more than 155 papers³ focused on infant and young child nutrition topics including:

- Benefits of prebiotics and probiotics ('healthy' bacteria) for immune health
- Global dietary intake patterns of infants and young children
- Benefits of hypoallergenic foods for reducing allergic reactions in sensitive infants
- Safety and benefits of Human Milk Oligosaccharides

The strength and credibility of our research is of real importance to us. Today, we use our size and scale to invest significant time, money and expertise into research that pioneers a healthy start for babies. For example, our commitment to research has enabled us to replicate the structure of complex carbohydrates found in human milk known as human milk oligosaccharides (HMOs).

However, following Brexit, the Civil Service has to carry out many new processes that were previously the role of the EU. As an example, this has led to significant delays in the authorisation process of novel foods containing new ingredients. As a consequence, there are delays in including and launching products with these new ingredients in the UK, which have already been launched in the European market. This has created a significant barrier in bringing innovative products to the market in a timely manner. We would welcome measures to expedite approval processes for novel ingredients and allow timely launches – these will further encourage innovation, ease the process of bringing new products to market.

³ (((("infant nutrition") AND Nestle[Affiliation]) OR Nestec[Affiliation])) AND ("2014/08/01"[Date - Publication] : "3000"[Date - Publication]) - Search Results - PubMed (nih.gov)