



NOURISH THE CHILDREN
AN INITIATIVE OF NU SKIN ENTERPRISES

Nourish the Children (NTC) Frequently Asked Questions

Q: What is Nourish the Children?

A: Nourish the Children (NTC) is an initiative that applies business principles to address the problem of childhood hunger in a sustainable manner. The program begins with a highly nutritious food developed by Nu Skin's nutritional scientists known as VitaMeal. The company's sales leaders, customers and employees can purchase VitaMeal and choose to donate the food to a third-party nonprofit organization that specializes in distributing relief to those suffering from malnutrition and famine. Since 2002, Nu Skin and its sales leaders, customers and employees have donated more than 450 million meals to malnourished children around the world.

Q: How does Nu Skin support children's or other charitable causes?

A: Nu Skin sponsors several humanitarian projects:

- The Nu Skin Force for Good Foundation is a non-profit organization that provides grants to improve the lives of children, offering hope for a life free from disease, illiteracy and poverty.
- Nu Skin is engaged in numerous community-based initiatives that engage distributors and employees in meaningful humanitarian service with tangible and enduring results.
- The Nourish the Children initiative is a social enterprise, providing millions of life-saving meals to malnourished children around the world.

Q: What has been the impact of the NTC initiative?

A: Since 2002, more than 450 million meals have been provided to children in need. In 2015 alone, the Nourish the Children initiative has provided more than 56 million meals, helping nourish 187,000 children every day in more than 20 countries.

Q: What is the growth of VitaMeal sales?

A: Over the past five years, VitaMeal sales have averaged about 1.5 percent of the company's revenue, trending in line with the company's overall revenue.

Q: How was VitaMeal developed and what nutrients does it contain?

A: As part of the overall development of VitaMeal, Nu Skin’s nutritional scientists determined the ingredients and ratios that are well suited for a malnourished child. The result is a product that includes 25 essential vitamins and minerals with a balance of carbohydrates, protein, fat and fiber.

Key ingredients of VitaMeal include:

- Essential fatty acids required for normal brain development, skin health, and immune defense
- Electrolytes necessary for maintaining normal fluid balance and muscle function
- Vitamin A, which is essential for normal sight and immune functions
- Bone nutrients for normal growth and skeletal development

Q: How does VitaMeal compare to other food products, both in terms of nutrition and pricing?

A: VitaMeal is a product that incorporates significant nutritional expertise. While some want to compare VitaMeal to other products available for humanitarian relief, such as corn meal, these comparisons are misleading. For example, VitaMeal provides significantly more nutrients for children than the typical corn-based products that are distributed by relief organizations. For a comparison between VitaMeal and corn meal, click [here](#). With respect to pricing, there are significant differences between a government contract and a corporate retail product due to required volumes, ingredients, packaging, non-profit status of the manufacturer, marketing, etc.

Q: Which charities does Nu Skin work with?

A: Nu Skin works with several charitable organizations around the world, including Feed the Children, Convoy of Hope, World Vision and others.

Q: How does Nourish the Children select the charities that receive its products and confirm that VitaMeal donations reach children in need?

A: As part of the Nourish the Children initiative, the company identifies third-party charitable organizations that have a demonstrated ability to distribute food to those in need. In each case, the charity takes receipt of the donated food and provides Nu Skin a regular report of the VitaMeal that has been received and distributed. In the United States, virtually all VitaMeal donations go to a 501(c)(3) called Feed the Children, an Oklahoma-based, independent

charitable organization. To see a summary of where VitaMeal donations are distributed quarterly, click [here](#).

Q: Where is VitaMeal manufactured?

A: VitaMeal is produced in contracted manufacturing facilities in the United States, Malawi, and China.

Q: Why did Nu Skin establish Nourish the Children as a for-profit initiative?

A: Nourish the Children was never intended to drive significant revenue growth, but rather the initiative was designed to enable our sales leaders to contribute to a critical humanitarian need on an ongoing basis. With millions of children dying each year from causes related to malnutrition, it is apparent that existing humanitarian efforts are not adequate to address this pressing global problem. By making the purchase of VitaMeal commissionable and not creating an economic disincentive for participating, it yields a program that is more likely to be sustainable. Many relief efforts are provided on a one-off basis or through limited-time contracts, while the Nourish the Children initiative has provided a framework to maintain a consistent level of food on an ongoing, sustainable basis.

Q: How do Nourish the Children products fit into the Nu Skin compensation plan and company profits?

A: Just like any other Nu Skin product, our sales force can earn commissions for VitaMeal sales. Commissions paid on VitaMeal sales are similar to those paid on other Nu Skin products. The average percentage of commission on all products is approximately 42 percent of the wholesale price. In some cases, markets may choose to offer a small added incentive to encourage donations. VitaMeal sales for the past five years have averaged approximately 1.5 percent of the company's revenue and less than 1.5 percent of operating profit.

Q: Are any other incentives offered by Nu Skin to participate in Nourish the Children?

A: Because Nourish the Children makes an enormous difference in the lives of malnourished children, the company provides recognition for those who participate in the program. Recognition is made through online mechanisms and at company events.

Q: What is the profit margin on VitaMeal?

A: The cost of goods for VitaMeal varies depending on the country of production, but overall the profit margin of VitaMeal is lower than virtually all of Nu Skin's other products.