

Independent assessment report of Reckitt Benckiser Plc's marketing practices in Mexico against RB's Policy and Procedures on the Marketing of Breast-Milk Substitutes



Introduction

Bureau Veritas UK Limited ('Bureau Veritas UK') has been engaged by Reckitt Benckiser Plc. ('Reckitt') to provide an independent assessment of alignment of its business in Mexico, operating as Mead Johnson Nutricionales De Mexico, S.R.L. De C.V. and Reckitt Health México, S.A. DE C.V ('Reckitt Mexico'), with the RB Policy and Procedures on the Marketing of Breast-milk Substitutes (BMS) – April 2018, updated November 2020 (the 'BMS Policy') and the applicable local regulations implementing the WHO Code in Mexico (the 'Local Code').

Products covered by the BMS Policy and the Local Code are BMS intended for infants aged between 0-12 months ('Covered Products').

Scope of Work and Methodology

The assessment activities were conducted during the period November 2024 – May 2025 with one auditor from Bureau Veritas UK undertaking activities remotely and one auditor from Bureau Veritas Mexico undertaking activities in-country (the assessment team).

During the audit, Bureau Veritas undertook the following activities:

- Interviewed 29 Reckitt Mexico personnel responsible for BMS sales, marketing, or compliance using video conferencing applications;
- Reviewed documentation and records relating to BMS marketing practices on a sample basis via file-sharing and screen-sharing applications. Topics covered included:
 - local procedures and alignment with the BMS Policy and other reference documents;
 - compliance monitoring, consumer and medical marketing materials and events, labels, internal and regulatory approvals, etc.;
- Reviewed a sample of local e-commerce sites selling Covered Products, and social media webpages managed by Reckitt Mexico;
- Conducted a visual assessment of 40 physical retail locations selling Covered Products in Mexico City, including pharmacies and supermarkets
- Conducted a visual assessment of public waiting areas of 9 healthcare facilities;
- Conducted a Health Care Professionals (HCP) telephone survey with 11 respondents. Reckitt Mexico provided a list of HCPs who had agreed to be contacted as part of this audit.

Any findings identified during the verification have been categorised as per the following:

Non-conformance:

- Any failure to follow a written requirement specified within the BMS Policy
- A failure to achieve local legal or statutory requirements as per our interpretation
- A purposeful failure of the company to correct non-conformances

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Opportunity for improvement:

- A process/activity/document that, while currently conforming to the BMS Policy and local directives, could be improved to further strengthen Reckitt Mexico practices.

The following is a summary of key findings which includes non-conformances and opportunities for improvement.

Non-conformances:

1. Promotion to the General Public

During the marketplace audit, promotional discounts on multiple Reckitt Covered Products were observed in four pharmacies, and one supermarket. This does not align with BMS Policy Article 5.3 and the Local Code. There was no evidence to suggest that these promotions or special displays were placed at the request of Reckitt Mexico.

2. Training of Third-Parties

Reckitt Mexico's merchandisers are managed by a third-party agency. While Reckitt Mexico provides the agency with a Merchandiser Guide, it does not oversee or require confirmation of how this information is communicated to individual merchandisers. Consequently, Reckitt Mexico have not received evidence that training has been carried out as required by BMS Policy Article 11.

3. Performance Incentives

The Reckitt Mexico sales team, at all levels, is subject to performance targets and incentives linked to sales across various product categories. Infant Formula products, covering the 0–12 month age range (Covered Products), are tracked and incentivised separately from Growing-Up Milk (GUM) products, which are intended for children aged 13 months and above and as such the sales team bonuses do not align with the requirements of BMS Policy Article 8.1.

4. Medical Sales Budget

Reckitt Mexico pay a fee to ensure that Reckitt Covered Products are available through private health insurance providers in Mexico. As a result, employees across various organisations in Mexico can be prescribed Covered Products by a doctor and subsequently obtain these products from a pharmacy at either a reduced price compared to retail or for no cost if reimbursed by their insurance provider. As this is a fee paid to enable reduced price supply of products this is considered to be promotion of Covered Products and is therefore non-compliant with BMS Policy Article 11 and the Local Code.

Opportunities for improvement:

1. Third-Party Contract

As part of the audit, a sample of contracts with retailers were reviewed. In one contract with a major supermarket, there was no reference to the BMS Policy or the Local Code. We recommend that contracts include reference to the BMS Policy and the Local Code to ensure that retailers are aware of their obligations relating to this.

2. Internal Monitoring

Reckitt conducts an internal audit process known as the 'Control Framework,' under which specific regions in Latin America are audited on a rotational basis, with different countries reviewed each year. However, there is no evidence that a BMS-specific audit has been conducted within the past 12 months. Furthermore, there is no documentation indicating that ongoing monitoring or audits are being carried out to verify compliance with the BMS Marketing Policy. We recommend that country specific internal audit be carried out on a regular basis to ensure that country specific requirements of the Local Code are captured.

This gap should be communicated to the Reckitt Internal Audit Department, with consideration given to implementing future country-specific audits or regional audits that incorporate all applicable local legislation.

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There were a few areas identified where the compliance practices are well managed, and these instances have been summarised in an internal report to Reckitt Mexico.

Limitations and exclusions

2020-24 – Amended Assessment Approach

Since the COVID-19 pandemic outbreak in 2020, we have transitioned to an amended hybrid delivery approach where the Bureau Veritas UK team leading the audit does not travel to the country of assessment, but a Bureau Veritas in-country auditor conducts visits to retail outlets to visually assess alignment with the Policy in Mexico and also carries out a telephone survey of HCPs instead of face-to-face interviews due to continued restrictions in place at most Health Care Organisations. This amended delivery approach has the limitation that interviews with stakeholders may not provide the same level of detail or information when conducted remotely. These are in addition to the limitations of conducting this type of engagement where travel to the country of assessment does take place.

Additionally, visual inspections of retail outlets were limited to Mexico City. Whilst our methodology is designed to provide an objective independent assessment, it remains that some of the statements made by stakeholders are anecdotal, and evidence may not be available to support their claims. The results of the telephone HCP survey conducted were therefore not used to draw upon findings of this report.

This statement is not intended to provide a definitive opinion as to whether or not Reckitt Mexico complies with the BMS Policy. Neither the assessment conducted by Bureau Veritas nor this statement constitutes a guarantee or assurance by Bureau Veritas that infringements of the BMS Policy and local legislation have not taken place.

It is also not within Bureau Veritas' scope of work to provide an opinion or assessment over the appropriateness of the BMS Policy.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history in providing independent assurance services.

Bureau Veritas has implemented a Code of Ethics across its business which ensures that all our staff maintains high standards in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

Our assessment team members do not have any involvement in any other projects with Reckitt outside those of an independent assessment scope and we do not consider there to be a conflict between the other services provided by Bureau Veritas and that of our assurance team.

The core team of Bureau Veritas UK has extensive experience of undertaking WHO Code assessment

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related work. Our team completing the work for Reckitt has extensive knowledge of conducting assurance over environmental, social, health, safety and ethical information and systems, and through its combined experience in this field, an excellent understanding of good practice in corporate responsibility, assurance and the WHO Code.



Bureau Veritas UK Ltd

London, XX June 2025

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