

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



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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 Malaysia, operating as Mead Johnson Nutrition (Malaysia) Sdn Bhd ('Reckitt Malaysia'), 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 Malaysia (the 'Local Code').

Products covered by the BMS Policy and the Local Code are BMS intended for infants aged between 0-36 months ('Covered Products').

Scope of Work and Methodology

The assessment activities were conducted during the period 2nd – 12th December 2024 with one auditor from Bureau Veritas UK undertaking activities remotely and one auditor from Bureau Veritas Malaysia undertaking activities in-country (the assessment team).

During the audit, Bureau Veritas undertook the following activities:

- Interviews using video conferencing applications with 21 Reckitt Malaysia personnel responsible for BMS sales, marketing, or compliance;
- Reviewed requested 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.;
- Review of online media in Malaysia, local e-commerce sites selling Covered Products, and social media webpages managed by Reckitt Malaysia;
- Visual assessment of 45 retail locations selling Covered Products in Kuala Lumpur, including pharmacies, supermarkets, hypermarkets, baby centres and Chinese medical centres;
- Visual assessment of public waiting areas of 10 healthcare facilities;
- A Health Care Professionals (HCP) survey with 5 respondents by telephone; and
- Two anonymous calls to the Careline.

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 Malaysia's 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

Price promotions and cash-back offers on Covered Products were identified on three e-commerce platforms. In addition, special displays were observed in multiple physical stores which contained Covered and non-Covered Products belonging to multiple BMS brands. There was no evidence to suggest that these promotions or special displays were placed at the request of Reckitt Malaysia.

Opportunities for improvement:

1. Sponsorship of HCPs

Reckitt Malaysia provides sponsorship to HCPs to attend professional conferences and symposia and while the Local Code does not prevent Infant Formula Manufacturers providing such sponsorship, it does not permit HCPs to receive it. As such, provision of sponsorship to HCPs by Reckitt Malaysia could result in HCPs being non-compliant with the Local Code. Reckitt Malaysia should discuss with the industry association FIFEC who should clarify with the Regulator whether manufacturers are allowed, under the Local Code, to provide sponsorship to HCPs.

2. Bonus and incentives

The medical sales team bonus criteria for 2024 included reference to specific Covered Products for a proportion of the KPI. We recommend that Reckitt do not include reference to specific Covered Products in the target and bonus criteria for the Medical team to ensure this cannot be perceived as bonus or sales incentives based on predetermined quotas of Covered Products.

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

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 Malaysia 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.

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Additionally, visual inspections of retail outlets were limited to the city of Kuala Lumpur. 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 Malaysia 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 verification 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 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, 18th February 2025