



# Response and Corrective Action Plan on the 2024 Bureau Veritas Assessments

24 July 2025



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## Background

Reckitt introduced its first Breast-Milk Substitutes (BMS) Marketing Policy in April 2018, and it applies to all employees and authorised third parties acting under the direction of Reckitt, in the marketing of Covered Products<sup>1</sup> in Higher-Risk countries<sup>2</sup>. In addition, it outlines a number of key commitments:

1. To support and promote the recommendations of the World Health Organisation (WHO) for exclusive breastfeeding in the first six months of life and continued breastfeeding for up to two years of age and beyond. We also advocate the introduction of safe, nutritious and age-appropriate complementary foods from six months of age.
2. Acknowledges the importance and supports the aims and principles of the 1981 International Code of Marketing of Breast-Milk Substitutes – hereinafter referred to as the 'WHO Code of 1981'.
3. To adhere to all national laws and/or regulations implementing the WHO Code of 1981 and subsequent relevant World Health Assembly (WHA) resolutions.
4. To market our portfolio of infant and child nutrition (IFCN) products ethically and responsibly at all times.



### Monitoring and Reporting

Reckitt as part of good governance, has a responsibility for monitoring its marketing practices on products covered by the scope of the "Policy and Procedures on the Marketing of Breast-Milk Substitutes (BMS)" ([BMS Policy](#)), referred to as Covered Products and/or those falling under the scope of local legislation. We have clearly outlined a number of monitoring activities that we deploy across our IFCN businesses, one of which is the commitment to undertake external, independent assessments in Higher-Risk countries each year.

In 2018, Reckitt Benckiser Group plc (Reckitt) first engaged Bureau Veritas UK Ltd<sup>3</sup> (Bureau Veritas), to undertake independent assessments of compliance with the BMS Policy and national laws and regulations for implementing the WHO Code of 1981.

Undertaking independent assessment provides evidence both internally and externally that Reckitt continues to uphold its commitment to protect, heal and nurture, making access to the highest quality nutrition, a right and not a privilege.

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<sup>1</sup> Please refer to Article 2 of the [BMS Policy](#) for a definition of Covered Products

<sup>2</sup> Please refer to Annex 1 of the [BMS Policy](#) for a listing of Higher-Risk countries

<sup>3</sup> [Bureau Veritas](#) is an independent professional services company that specialises in compliance and has more than 190 years of history in providing independent assurance services.

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## Independent Assessments

To date, Bureau Veritas have undertaken eleven independent assessments on Reckitt's BMS marketing practices: 2018: Philippines, 2019: Mexico and Malaysia, 2020: Brazil and Indonesia, 2021: Thailand and Colombia, 2022: Vietnam and Peru, 2023: Philippines and Dominican Republic, 2024: Malaysia and Mexico. All Bureau Veritas assessments conducted to date are available on [Reckitt.com](https://www.Reckitt.com). We have also responded to the findings, and prepared corrective action plans for the assessments conducted in 2018, 2019, 2020, 2021, 2022 and 2023 which are also publicly available.

This report covers our response and corrective actions for the assessments conducted in 2024 - namely Malaysia and Mexico and summarised below is the Scope of Work, Areas of Good Practice, Assessment Findings and Corrective Actions, for both countries. The underlying Bureau Veritas assurance statements are available here ([Breast-milk substitutes marketing policy | Reckitt.com](#)).

## Scope of Work

Similar to earlier years, and in agreement with Reckitt, Bureau Veritas adopted a hybrid model to conduct their verifications: local staff conducted the retailer/Health Care Entity (HCE) reviews and Health Care Professionals (HCPs) interviews. Interviews with local management/teams and review of company documentation were conducted remotely by the central team.

The Bureau Veritas scope of work extended to:

1. Interviewing the management teams and local staff.
2. Reviewing key documentation, processes and records relating to compliance with the BMS Policy, Local Codes and regulations for in-scope products. This includes training records and distributor contract compliance provisions.
3. Visually assessed compliance in a number of retail outlets including traditional trade, pharmacies, supermarkets, hypermarkets, baby centres, virtual trade outlets/e-commerce platforms. Bureau Veritas independently selected the locations to be visited.
4. Where feasible, conducted telephone surveys of HCPs.
5. Anonymous contacts with the Customer Relationship Management (CRM) teams/carelines. Reviewed sample posts from CRM website and social media pages.
6. Inspected HCEs, both public and private. Bureau Veritas independently selected the locations to be visited.

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## Well-Managed Practices and Positive Observations:

The assessments identified the following areas of good practice:

1. In Malaysia, interviewees were exceptionally well prepared, particularly within the Ethics and Compliance function, demonstrating clear alignment with the audit plan. This preparation ensured a streamlined process and comprehensive coverage of all key topics. In Mexico, the audit was efficiently coordinated by the BMS Compliance Manager, who responded promptly and effectively to Bureau Veritas' requests.
2. In Mexico, the Medical Sales and Medical Marketing teams demonstrated strong engagement, providing clear and transparent input throughout the interviews.
3. Malaysia was recognised for its structured training approach, including onboarding, annual refreshers with knowledge assessments, and regular reminders to reinforce compliance understanding.
4. In Malaysia, proactive monitoring of online non-compliance was noted, including participation in the ASEAN regional project covering Shopee and Lazada platforms, alongside the use of a BMS in-store checklist to support compliance in physical retail. In Mexico, e-commerce platforms were effectively managed, with no non-compliances observed.
5. Local and regional teams were well prepared, with comprehensive documentation readily accessible during and after the audit sessions.

## Assessment Findings

Bureau Veritas classify findings as either a non-conformance or an opportunity for improvement. We have separated the findings into two distinct categories, linked to our ability to influence or control the actions of the organisation/individual undertaking those actions:

- Findings as a result of **Reckitt Actions**: this includes all Reckitt subsidiaries, joint ventures (over which Reckitt has operational control), employees, contractors and authorised third parties acting under the direct control of Reckitt - which can include distributors, distributor agents, and other third parties (with whom we do have a contractual/operational relationship).
- Findings as a result of **Third Party Actions**: this includes all third parties with whom we do not have a contractual relationship, and hence our ability to dictate or influence their marketing practices is limited if not impossible. Typically, this includes most third-party commercial relationships, i.e. retailers (modern, traditional trade and ecommerce), Health Care Entities (HCEs) and Health Care Professionals (HCPs).

Noted below is an overview of the findings from the 2024 assessments (further detail on each of the findings is provided in the underlying Bureau Veritas assessment reports):

Findings Reported	Malaysia	Mexico
<b>As a result of Reckitt Actions</b>		
Non-Conformance		3
Opportunities for improvement	1	2
<b>As a result of Third-Party Actions</b>		
Non-conformance	2	1
Opportunities for improvement	1	

Similar to the response and corrective action plan published in earlier years, we have counted the number of non-conformities and opportunities for improvement based on the number of instances or locations where the non-conformity/opportunity for improvement occurred. We believe this method of reporting is clearer and correlates more accurately to the underlying Bureau Veritas report.

Worthy to note, is that in Mexico, Bureau Veritas reviewed 40 traditional retail and 6 e-commerce locations, and only five non-conformities were identified (no online promotions) all attributable to third parties. In Malaysia, 45 traditional retail and 13 e-commerce locations were inspected. The 4 third-party non-conformities were all attributable to one reseller.

None of the findings reported are serious or cause major concern. For those that we agree with, the corrective actions are all actionable within a reasonable time frame, and these are outlined in Appendix 1 and 2.

## Reporting:

Bureau Veritas have provided the detailed findings to the local business units, which have been discussed with the management teams, and corrective action plans developed. The findings and corrective action plans have been further shared and reviewed with the respective local and regional management teams.



## Conclusion:

Whilst we might not agree with all of the Bureau Veritas findings, we appreciate the objectivity provided, which brings an external perspective on how our marketing practices could be interpreted by others. The assessments are an important part of Reckitt's independent monitoring processes, and have highlighted areas where we can not only further improve our internal processes and external marketing practices, but also continue to raise awareness with others - particularly traditional and e-commerce retailers.

Third-party non-compliances remain a difficult area to control. However, the actions taken in both regions (see point 4 above under **Well Managed Practices**), are resulting in a reduction in the number of third-party non-compliances. Whilst the programmes being undertaken are 'after the fact', it does help raise awareness, and we are confident that the number of non-compliant listings from independent third parties will continue to decline.

The status of implementation of corrective actions are outlined in Appendix 1 and 2.

**Appendix 1:** Summarises Reckitt's response and corrective actions to the non-conformances and opportunities for improvement identified from the assessment in Malaysia.

**Appendix 2:** Summarises Reckitt's response and corrective actions to the non-conformances and opportunities for improvement identified from the assessment in Mexico.

## Appendix 1: Reckitt's Response and Corrective Actions - Malaysia Assessment

FINDINGS				
Non-Conformities	Description	Response	Corrective Actions	Timeline to address 2025
Promotion to the general public	<u>Finding attributable to Third Party:</u> Price promotions were identified on ecommerce site.	The activity was undertaken by independent re-sellers, which is difficult to control.	Ensure awareness and communication of BMS Policy to all key retailers as part of external monitoring programme to ensure comprehensive oversight of all activities and stakeholders.	On going.
	Retail display of Covered Products in Window.	The activity was undertaken by independent re-sellers, which is difficult to control.	Ensure all key retailers are fully informed of the BMS Policy and its requirements. Reinforce communication to remind retailers that IFCN products must not be displayed on window shelves, in accordance with policy guidelines.	On going.
Opportunities for Improvement	Description	Response	Corrective Actions	Timeline to address 2025
Sponsorship	Local Code Article 5.4 requires that HCPs should not accept any form of sponsorship from infant formula manufacturers.	The finding is attributable to a third-party.	Reckitt is committed to ensuring HCPs remain compliant with this code. Our sponsorships were intended solely to promote professional development and scientific exchange, without any promotional intent. In our acceptance letters to HCPs, we reminded them to obtain necessary approvals from their institutions or governing bodies. We explicitly stated that the educational support was not linked to past, present, or future prescribing, purchasing, or recommending of products.	Ongoing
Targets and Bonuses	Medical team individuals have a separate sales target KPIs for Market Share and Offtake/ sell-through of Covered Products), which could be perceived as bonus or sales incentives based on predetermined quotas of Covered Products.	We do not agree with the finding. Market Share & Offtake target are being measured in % achievement vs total market, not based on specific volume target and/or achieving predetermined quotas of covered products.	None required.	N/A.

Market share of 15% and offtake 15% are part of the lagging KPI, and as a corollary, this does not meet the definition of "Exclusively" as per BMS Policy.

## Appendix 2: Reckitt's Response and Corrective Actions - Mexico Assessment

<b>FINDINGS</b>				
<b>Non-Conformities</b>	<b>Description</b>	<b>Response</b>	<b>Corrective Actions</b>	<b>Timeline to Address 2025</b>
Promotion to the general public	<u>Finding attributable to Third Party:</u> Price promotions were identified on shelf displays.	We agree with the finding. The activity was undertaken by third-party retailer.	Communicated with the relevant parties reiterating local legislation. Sales team to continue monitoring.	December 2025
Performance Incentives	The performance targets and incentives include components specifically tied to Covered Products, rather than being integrated across the entire formula portfolio	We agree with the findings.	Review our practices to be more in-line with the BMS Policy and the Local Code.	December 2025.
Medical Sales Budget	Reckitt Mexico are paying a fee for a service that results in promotion of their Covered Products.	We do not agree with the findings.	None required	N/A.
Merchandise Training	No evidence that merchandisers receive the required Reckitt Policy training	We agree with the findings.	Confirmation and record of the training.	Completed.
<b>Opportunities for Improvement</b>	<b>Description</b>	<b>Response</b>	<b>Corrective Actions</b>	<b>Timeline to Address 2025</b>
Third Party Contract	Including in contract with Walmart reference to the Reckitt BMS Policy or the Local Code	We understand the finding.	Walmart to sign a commitment with Local Code.	Completed.
Internal Monitoring	No evidence that a BMS-specific audit has been conducted within the past 12 months.	We agree with the finding.	Reckitt Internal Audit Department to be communicated, with consideration given to implementing future country-specific audits or regional audits that incorporate all applicable local legislation.	December 2025.