



**Reckitt Response and
Corrective Action Plan
on the 2021 Assessments**
29 April 2022



Background

Reckitt introduced its first BMS 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 Products¹ in Higher-Risk countries². 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 BMS Policy (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.

In 2018, Reckitt Benckiser Group plc (Reckitt) engaged Bureau Veritas UK Ltd³ (Bureau Veritas), to undertake, in selected countries, independent assessments of compliance to Reckitt's “Policy and Procedures on the Marketing of Breast-Milk Substitutes (BMS)” ([BMS Policy](#)) and national laws and regulations for implementing the WHO Code of 1981.

Throughout 2021 as the global pandemic continued, independent assessment was even more important, providing evidence both internally and externally that Reckitt continues to uphold its commitment to protect, heal and nurture, making access to the highest quality hygiene, wellness and nourishment, a right and not a privilege.

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

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

³ [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.

Independent Assessments

To date, Bureau Veritas have undertaken seven independent assessments: 2018: Philippines, 2019: Mexico and Malaysia, 2020: Brazil and Indonesia and 2021: Thailand and Colombia. All Bureau Veritas assessments conducted to date are available on [Reckitt.com](https://www.Reckitt.com). We have also responded and prepared corrective action plans for the assessments conducted in 2018, 2019 and 2020, which are also publicly available.

This report covers our response and corrective actions for the assessments conducted in 2021 - namely Thailand and Colombia, and summarised below is the Scope of Work, Areas of Good Practice, Assessment Findings and Reporting, for both countries.

Scope of Work

Due to the COVID-19 pandemic and travel restrictions, similar to 2020, local Bureau Veritas staff conducted the marketplace assessments, and interviews with local management/teams were conducted remotely by the Bureau Veritas central team. Their scope of work extended to:

1. Interviewed the local management team.
 2. Reviewed key documentation, processes and records relating to BMS sales, marketing and compliance, including training records and distributor contract compliance provisions.
 3. Healthcare Professionals (HCP's) surveys by telephone (where possible).
 4. Visually assessed compliance in a sample of physical retail outlets, including traditional trade, pharmacies, modern trade (supermarkets, hypermarkets) and baby centres/stores. Virtual trade outlets and platforms (ecommerce sites) were also assessed for a selection of websites.
 5. Anonymous contacts with the customer relationship management (CRM) teams via company carelines and social media enquiries (where relevant).
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Well-Managed Practices and Positive Observations:

The independent assessments identified a number of areas of good practice, as follows:

1. Well-managed complaint and allegation handling process for external complaints raised via the local trade association (Thailand). Worthy of note is the very clear and transparent closeout process, evidence trails of investigations which are all well-documented on the Speak Up system.
2. On-boarding training for employees (Thailand), with good level of details in the general training, as well as detailed supplemental training for interactions with HCPs, including test scenario questions.
3. HCP detailing and marketing materials were easily accessible, with clear approvals workflow via internal systems.
4. Interviewees were cooperative and responsive to follow up queries and requests, with a good level of supporting evidence readily available.

Assessment Findings

Bureau Veritas classify findings as either a non-conformity 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:

- Those attributable to 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).
 - Those attributable to 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 or not possible. Typically, this includes most third-party commercial relationships, i.e. retailers (modern, traditional trade and ecommerce).
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Noted below is an overview of the findings from both assessments in 2021 (further detail is provided in the underlying Bureau Veritas assessment reports):

Observation	Thailand	Colombia
Non-Conformities:		
Attributable to Reckitt Actions	13	7
Attributable to Third Party Actions	4	2
<i>Total Non-Conformities</i>	<i>17</i>	<i>9</i>
Opportunities for Improvement:		
Attributable to Reckitt Actions	4	3
Attributable to Third Party Actions	-	-
<i>Total Opportunities for Improvement</i>	<i>4</i>	<i>3</i>

Similar to the response and corrective action plan for the 2020 assessments , 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. Prior to 2020, we reported on the type of observation only and not the frequency of occurrence. For example, if there was the same price promotion across different e-commerce platforms, this was reported as one non-conformity, whereas we are now including the number of e-commerce platforms where this non-conformity has occurred. We believe the method of reporting for 2021 is clearer and correlates more accurately to the Bureau Veritas report.

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 regional management teams. The IFCN Steering Committee has approved this report.



Conclusion:

The Bureau Veritas assessments are an important part of Reckitt’s independent monitoring processes. We appreciate the objectivity provided, and their work has 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 physical and e-commerce retailers. Third-party non-compliances remain a difficult area to control.

We are in the process of implementing the corrective actions identified in Appendix 1 and 2 and expect all follow up work to be completed by June 2022.

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

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

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

Observation					
Title	Description Non-Conformities	Description Opportunities for Improvement	Response	Corrective Actions	Timeline to Address 2022
HCP Educational and Informational Materials	HCP educational and information materials did not include the mandatory statements required by the BMS Policy (4 findings).	Product listing for HCPs contained a link to the CRM application/website (1 finding).	We agree with the observations for the missing mandatory statements (4) and the product listing (1).	Update materials and internal processes to incorporate requirements.	Q2
	Full copies of scientific papers are not routinely sent to HCPs as required by the local Code (1 finding).		A more efficient solution has been agreed with the local industry association.	We will, update our standard terms indicating that the HCP should confirm if full supporting evidence is required.	Q1
Social Media and Websites	Local website did not include mandatory statements per Article 4.2 of the BMS Policy and contained misleading information and imagery (2 findings).		We agree with the observations on the local websites.	Update and/or remove all posts/imagery/misleading statements and provide approval process training to digital marketing teams and periodically monitor Reckitt websites.	Q1
	Local CRM representative provided inappropriate advice (2 findings).		We have not been able to fully investigate the findings, as Bureau Veritas was not able to provide specific details due to confidentiality concerns.	Without specific details of the non-conformity, it is difficult to agree what corrective actions are required. We will review communications scripts and update training with fictitious scenarios.	Q1
Third-Party Awareness	Distributor certification of compliance not completed (1 finding). Relevant compliance provisions are missing from third party marketing agency contracts (1 finding). Training not provided to key third party marketing agencies (1 finding).	Merchandising guidelines have not been issued to retailers (2 findings).	We agree with the observations.	Implement distributor certification of compliance.	by Dec 2022
				Update key third-party marketing agency contracts to include relevant compliance provisions.	Q1/Q2
				Undertake training with all third-party marketing agencies (including those for in-store merchandising). Issue merchandising guidelines to retailers.	Q2
Distribution of Specialised Nutrition Products	Specialised nutrition products are described as donations but reported differently (1 finding).		We understand the observation.	Revise and update processes. Ensure internal reporting consistency.	Q1
Internal reporting non-compliances		Local team actions to remove non-compliant materials are not formally reported/documented (1 finding).	We agree with the observation.	Formalise the internal reporting of e-commerce/traditional trade identified non-compliances.	Q1
Price Promotion to the general public	Price promotions were offered in ecommerce sites (4 findings).		We agree with the observations. The activity was undertaken by third-party ecommerce retailers.	Communicated with retailer, updated Reckitt sales team on observation. Prepare additional guidance materials for (e-commerce) retailers.	Q1

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

Observation				
Non-Conformities	Description	Response	Corrective Actions	Timeline to Address 2022
HCP Informational Materials	One HCP detailing material did not include the benefits of breast-feeding statement (1 finding).	We agree with the observation.	Update materials and internal processes to incorporate requirements.	Q1
Third-Party Awareness	Relevant compliance provisions are missing from third-party marketing agency contracts (3 findings). In-store merchandising agencies are not provided relevant training (1 finding).	We agree with the observations.	Update key marketing agency contracts to include relevant compliance provisions (BMS Policy, local Code). Undertake training with all third-party marketing agencies (including those for in-store merchandising).	Q1/Q2
Distribution of Products for Professional Evaluation (PPE)	Distribution of Covered Products go beyond what is outlined in the BMS Policy (1 finding).	We understand the observation.	Revise our practices, to ensure we are in-line with the BMS Policy.	Q2
Social Media and Websites	Customer-facing website encompassed a product covered by the local Code (1 finding).	We agree with the observation.	Remove the post, provide approval process training to digital marketing teams and periodically monitor Reckitt websites.	Q2
Price promotion to the general public	Price promotions were offered in ecommerce sites (2 findings).	We agree with the observations. The activity was undertaken by third-party ecommerce retailer.	Introduce bi-annual communications with third-party retailer, and implement periodic monitoring of all e-commerce platforms	Q2, ongoing
Opportunities for Improvement	Description	Response	Corrective Actions	Timeline to Address 2022
HCP request letters and sponsorship	HCP communications should be retained for all PPE requests (1 finding).	We agree with the observation, which was due to reduced systems access during office closure.	Reiterate the need to log and record all HCP requests for PPE.	Q1
	HCPs communicating sponsorships received to the affiliated institute could not be demonstrated (1 finding).	We understand the finding, but do not agree that it is our responsibility to ensure that the HCP does communicate the sponsorship. Our contractual communication with the HCP does already clearly note that 'such contributions should be communicated to the institute to which the HCP is affiliated'.	Strengthen our contractual communication, by incorporating the words 'obligation to inform'.	Q1
Training	On-boarding training was incomplete regarding process/frequency/conditions for granting PPE (1 finding).	The on-boarding training is for all employees involved in the marketing of IFCN products, whereas the process/requirements for PPE are handled by a specialised medical affairs team. To provide detailed training on PPE as part of the general on-boarding programmes is not appropriate.	We will review training materials and references to process/conditions for PPE and update if deemed necessary.	Q2