

Independent assessment report of Reckitt Benckiser Plc's marketing practices in the Philippines 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 the Philippines, operating as Mead Johnson Nutrition (Philippines), Inc. ('Reckitt Philippines'), 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. In the Philippines, the Government has implemented aspects of the WHO Code through Executive Order No. 51 (1986) – "National Code Of Marketing Of Breastmilk Substitutes, Breastmilk Supplements, and related products" (EO51) and Administrative Order No. 2006-0012 – "Revised Implementing Rules and Regulations of Executive Order no. 51" (AO12) (collectively 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 8th to 24th May 2023 with one auditor from Bureau Veritas UK undertaking activities remotely and one auditor from Bureau Veritas Philippines undertaking activities in-country (the assessment team).

During the audit, Bureau Veritas undertook the following activities:

- Interviews using video conferencing applications with 20 Reckitt Philippines 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 the Philippines, local e-commerce sites selling Covered Products, and social media webpages managed by Reckitt Philippines;
- Visual assessment of 42 retail locations selling Covered Products in Manila
- Visual assessment of public waiting areas in 11 healthcare facilities;
- A Health Care Professionals (HCP) survey with 5 respondents. Due to restrictions on personal data sharing in the Philippines, Reckitt Philippines provided a list of HCPs who had agreed to be contacted as part of this audit; and

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- 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

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 Philippines'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 reduction promotions were identified on one ecommerce platform in the marketplace retail section, with multiple separate listings for Covered Products by independent third-party re-sellers. In addition, display materials for an online and instore campaign on non-Covered Products used the same brand name as that of Covered Products. These are both considered promotion of Covered Products which is not permitted according to BMS Policy Article 5.1 and Local Code AO27 Section 20, AO12 Section 23 & EO51 Section 6c.

2. Supply of Covered Products to HCPs

Reckitt Philippines sell Covered Products to HCPs to prescribe and re-sell on to their patients. Bureau Veritas interprets that this is not in conformance with the Local Code EO51 Section 6(b) and AO12 Section 20 which does not permit the distribution of Covered Products to Health Workers.

3. Information Materials for HCPs

Several HCP informational materials were sampled as part of the audit. Two of those sampled did not have all the statements from BMS Policy Article 4.2 as required by BMS Policy Article 7.2 and Local Code EO51 Section 5.

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Opportunities for improvement:

1. Training of Third-Parties

Reckitt Philippines have not provided training to the third-party agencies used for development of marketing materials for Covered and non-Covered Products, though all materials are reviewed and approved by Reckitt personnel before they are used externally. As Article 11.5 of the BMS Policy requires that third parties acting on Reckitt's behalf involved in the Marketing of Covered Products are trained on the Reckitt Policy and Local Code we would recommend that training is provided to all third-party agencies.

2. Contributions to HCP Professional Development

Reckitt Philippines host their own events for HCPs, support third party events for HCPs and provide contributions to HCPs to attend events. While Local Code Section 8(e) EO51 allows for BMS Manufactures to make such contributions, Local Code Section 32 of AO12 does not permit HCPs to receive support or logistics from BMS manufacturers. To strengthen local practices and ensure that HCPs are not in breach of the Local Code by receiving such contributions, Reckitt Philippines could clarify the position with the Regulator collectively with HCPs.

3. Utility Materials for HCPs

Various utility items such as bags, notebooks and clocks are supplied to HCPs by Reckitt Philippines. The Local Code prohibits any kinds of gifts, branded or unbranded, that can act as an inducement or incentive. While we understand that Reckitt do not consider these items to be gifts that would act as an inducement or incentive, we recommend that Reckitt clarify this part of the legislation with the Regulator to ensure local practice is aligned with the requirements of the Local Code.

4. Supply of Covered Products to HCPs

In relation to non-conformance 2 above, this activity could be perceived as an inducement to Health Workers, contrary to BMS Policy Article 7.3 and promotion of Covered Products within Health Care Entities contrary to Article 6.2 of the BMS Policy.

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 Philippines.

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Limitations and exclusions

2020-23 – 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 Dominican Republic 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 the city of Manila. 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 Philippines 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.

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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, 28th August 2024