Breast Milk Substitutes marketing criteria assessment

PwC verification assessment report - Mexico visit*

Reckitt Benckiser

May 2021

*This report should be read in conjunction with an earlier report, published in April 2021, which contains the assessment performed for Corporate Head Office and the first higher risk country selected, the Philippines.
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1. Introduction and context

1.1. Introduction

In September 2010, the FTSE4Good Policy Committee of FTSE International Limited (FTSE) approved the addition of a FTSE4Good Breast Milk Substitutes (BMS) Marketing Inclusion Criteria (the “Criteria”) to its FTSE4Good Index Series. The Criteria, based on the World Health Organization (WHO) International Code of Marketing of Breast Milk Substitutes (the “Code”) and subsequent World Health Assembly resolutions*, sets requirements for company policies, lobbying, management systems and reporting, and requires that companies included on the index are subject to verification assessments. Inclusion into this index is governed by the FTSE Russell ESG Advisory Committee (the “ESG Advisory Committee”). Up until 2021, this was governed by the FTSE4Good Breast Milk Substitute Committee (the “BMS Committee”).

1.1.1. Overview of the scope

There are differences between the Criteria and the Code in terms of geographical remit and product scope. An overview of the approach to the verification is set out in FTSE Russell’s context document: 2021 Update on BMS Verification Data Used for the FTSE4Good Index Series.

The products under the scope of the Criteria are infant formula and follow-on-formula products for the use of infants under the age of 12 months, complementary (weaning) foods and drinks for the use of infants under the age of six months, and delivery products (i.e. teats and bottles).

1.1.2. External verification

Reckitt Benckiser (Reckitt) is subject to an independent verification assessment conducted at the Corporate Head Office and in 2 higher risk countries, defined in terms of infant mortality and malnutrition, conducted by a professional audit firm.

The verification assessment reviews compliance with the Criteria. A large part of the assessment is examining whether Reckitt’s Corporate Head Office policies align with the Criteria and have been implemented in the 2 countries selected for the verification.

In previous verifications cycles, PwC produced a report for each company that included the findings from interviews with staff at Corporate Head Office and in two higher risk country local offices. Due to restrictions resulting from the COVID-19 pandemic, the second country assessment had to be delayed. As a result, PwC split the reports into two. This report contains the assessment of policies, procedures and implementation in the second higher risk country selected. An earlier report, published in April 2021, contains the assessment performed for Corporate Head Office and the first higher risk country selected, the Philippines.

There are cases where there are differences in interpretation of the Code, so it is important to note that PricewaterhouseCoopers LLP (PwC) do not act as a judge with regards to specific allegations but rather to assess whether Reckitt practices are in line with the Criteria and their stated policies regarding implementation of the Criteria.

In a change to how verification assessments have been undertaken previously, PwC was engaged by Stichting Access to Nutrition Foundation (operating as Access to Nutrition Initiative, or “ATNI”) to perform a verification assessment of Reckitt’s BMS Policy and practices against the Criteria, using the FTSE4Good BMS Marketing Verification Tool (the “Tool”) based solely on interviews and desk-based research. ATNI provided to PwC the results from the NetCode study conducted by Westat, for Reckitt’s in-scope products. See further details about the collaboration between ATNI and PwC in section 1.2.

The Tool provides a consistent basis to assess Reckitt’s policies and practices against a set of 103 principles which constitute the Criteria. In the 154 countries considered to be higher risk by FTSE Russell, Reckitt’s policy is to follow the stricter of its global policy for implementation of the Code or in-country legislation or guidance over the implementation of the Code (National Code), in line with the requirements of the Criteria.

PwC has worked with FTSE Russell since 2011, and in collaboration with ATNI for this verification, to help develop an assessment process to meet the needs of the BMS Committee, and since 2021 the ESG Advisory Committee, in making decisions on inclusion in the FTSE4Good Index Series under the Criteria.

The verification assessment forms part of FTSE Russell’s overall assessment of Reckitt’s BMS marketing practices against the Criteria. PwC has applied procedures agreed with and directed by ATNI, using the Tool, to conduct interviews in the second higher risk country selected for the verification.

The second higher risk country selected for a site visit by ATNI, based on a combination of its own and FTSE Russell selection criteria, was Mexico. The output of PwC’s work is this Verification Assessment Report.

Reckitt has responded to PwC’s requests for information by making staff available for interviews, and by providing documents such as policies, procedures and other supporting documents. This is the first time that Reckitt’s BMS marketing practices have been assessed against the requirements of the Criteria.

1.2. Collaboration between ATNI and PwC

1.2.1. Why collaborate?

In previous years, ATNI and PwC have conducted similar but separate in-country assessments/verifications of BMS marketing. Given the duplication of effort, it was decided that the assessments would be aligned. This synergistic approach was supported by ATNI, PwC and the BMS Committee.

1.2.2. Methodology Applied

The change in approach had no impact on the FTSE4Good assessment methodology or Criteria. PwC continued to perform a verification assessment against the BMS Marketing Criteria within FTSE’s ESG Rating methodology and as part of the FTSE4Good Index BMS Marketing Criteria. The change in approach also had no impact on how ATNI carries out its research for its Indexes or assesses companies, which remains an evaluation of the extent to which companies comply with the Code and all subsequent WHA resolutions, and local laws and regulations, where stricter. As a result, the number of findings included by PwC and ATNI in their respective reports may differ.

1.2.3. Revisions to the Verification Process

The following changes in approach, from the prior verification performed in 2016/17, were applied:

**Responsibility for Country Selection**

For previous verifications, countries were selected for site visits by FTSE Russell and the BMS Committee using a risk assessment matrix developed by PwC with FTSE Russell, profiling the higher risk countries per the Criteria, using objective, publicly available data. For this verification, ATNI used a combination of its own and FTSE Russell selection criteria to make the country selection. The selection criteria included the following risk factors, which were consistent with previous assessments performed for the FTSE4Good BMS verification and were agreed with FTSE Russell and the BMS Committee:

- Child mortality;
- Malnutrition (including both stunting and wasting rates);
- HIV/AIDS;
- Corruption;
- Human development;
- Access to improved water;
- Countries or territories where PwC or ATNI have recently conducted BMS marketing assessments;
- The incorporation of the Code in local legislation as per the 'State of the Code by Country' (IBFAN); and
- Number of allegations made in the IBFAN Breaking the Rules, Stretching the Rules 2017 report.

Data was gathered from a range of external sources including UNICEF, The United Nations Development Programme, WHO and Transparency International.

Additional factors were the presence of all three FTSE Russell Index companies, companies assessed by ATNI and the feasibility of doing studies in the country (e.g. safety, ability to get governmental approval, predominant language).

**Data collection locations**

For previous verifications, PwC has performed data collection in one urban and one rural location per country. In this verification, Westat data collection did not include a rural location.

**In-country data collection**

For previous verifications, PwC inspected health care facilities (HCFs) and retailer outlets and engaged a third party to perform media monitoring.

For this verification, Westat, a large US-based health research company, commissioned by ATNI, collected data using the 2017 NetCode Protocol. This included visits to 10 large retailers, and monitoring of 5 major online retailers, to capture their marketing practices. Further, traditional and social media advertising and marketing was captured, and the labels and inserts of all products assessed.

Note: As a result of restrictions caused by the COVID-19 pandemic (see further details in section 1.3.2), the scope of Westat data collection was reduced compared to data collection performed for the first country visit, the Philippines, described in the report titled “PwC verification assessment report - Corporate Head Office and Philippines visit, Reckitt Benckiser, March 2021”.

For the Philippines, Westat performed interviews at 43 HCFs with mothers and health care professionals (HCPs), and observations of informational and educational materials and equipment in those settings. For Mexico, HCF visits and the related observations were not performed. For the Philippines, Westat visited 43 large and small physical retailers, for Mexico, as noted above, 10 large retailers were visited.

PwC were provided with the findings of the Westat studies for products within the scope of the FTSE4Good Criteria. These findings have been reported in section 3.2.

*http://apps.who.int/iris/bitstream/10665/259441/1/9789241513180-eng.pdf?ua=1
Joint interviews
ATNI joined PwC to carry out virtual interviews with relevant staff from the in-country Head Office.

Notification to Companies of location
No notice was given to Reckitt before Westat started data collection in retailer outlets and media monitoring was performed. Reckitt was notified that Mexico was the second higher risk country selected 7 working days in advance of PwC and ATNI’s interviews conducted virtually.
1.3. Scope of work performed by PwC and Westat

This section describes the scope of work performed for the Mexico assessment. Please see the report titled “PwC verification assessment report - Corporate Head Office and Philippines visit, Reckitt Benckiser, March 2021” for the scope of work performed for the Corporate Head Office and Philippines assessment.

The scope of PwC's work was determined collaboratively in discussion with ATNI, the Director of Environmental Social Governance at FTSE Russell, the Principal Advisor of Responsible Investment at FTSE Russell and the BMS Committee. It has also been codified in the procedures required under the Tool. The procedures PwC performed consisted of:

- Reviewing company BMS policies and procedures relevant to the in-country Head Office through performing virtual interviews and reviewing documentation electronically;
- Reporting Westat data collection findings; and
- Reporting key factual findings.

The 2019/20 verification was extended to incorporate the Reckitt business. Confirmation that Reckitt met the FTSE4Good BMS criteria and therefore retained inclusion on the FTSE4Good index series took place in December 2018, following its acquisition of Mead Johnson in June 2017. As such the 2019/20 verification assessment includes Reckitt, Nestlé and Danone. The results of the Nestlé and Danone verification assessments are presented in separate reports.

1.3.1. PwC evidence gathering methodology

In light of the COVID-19 outbreak and government guidance it was agreed that this review would be undertaken remotely. PwC evidence gathering procedures involved performing interviews through video conferencing and inspection of evidence which was provided electronically. The scope of the review was consistent with that originally agreed.

Where issues or items for further consideration emerged, PwC sought evidence to support these issues where possible. This is described in the factual findings (section 3.1).

PwC assessment procedures were based on historical information and the projection of any information or conclusions in PwC’s report to any future periods would be inappropriate.

In the context of the procedures described in the adjacent table, the factual findings outlined in section 2.1 are any policies or procedures inspected, any practices observed and any statements made by Reckitt employees or distributors, identified in the course of interviews performed, which do not satisfy the Criteria in the Tool. Further details are provided in section 3.1.

<table>
<thead>
<tr>
<th>Level</th>
<th>Evidence gathering activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-country Head office in Mexico</td>
<td>Performed virtual interviews with the Reckitt Mexico team with respect to procedures detailed in the Tool regarding the approach to implementing the requirements of the Criteria in-country; and</td>
</tr>
<tr>
<td></td>
<td>Performed limited testing of evidence to corroborate the application of the Criteria.</td>
</tr>
<tr>
<td>Distributors in Mexico</td>
<td>Reckitt do not operate through distributors in Mexico. They interact directly with retailers and wholesalers.</td>
</tr>
</tbody>
</table>

The factual findings from PwC's procedures are in section 3.1.
1.3.2. Westat data collection methodology: Netcode

Guidance notes:
Westat followed the NetCode 2017 Protocol for Periodic Assessment* designed to monitor the marketing of breast milk substitutes and complementary foods for products from birth to 36 months of age. In early 2020, Westat worked with its local partner Universidad Iberoamericana to collect all necessary geographic, demographic and other data to select the sample of HCFs that would be visited to interview HCPs (and mothers). After that exercise had been done, ATNI made the decision, with Westat, because of the COVID-19 pandemic, that the scope of the study should be narrowed and no visits should be made to HCFs or small retailers. It was agreed that it would be safe, with appropriate precautions, for data collectors to visit the larger retailers. Therefore, this assessment did not include interviews with HCPs (or mothers) nor evaluation of point-of-sale advertising or promotion in smaller retailers but does include such data from the 10 large retailers (and online retailers). The steps below relate to the data that was collected.

Steps included the following, the scope of which is wider than the requirements of the FTSE4Good verification assessment:

• Comparison of local laws and regulations and The Code, to identify where local provisions are stronger, in order to assess companies' marketing practices against those.

• Adaptation of standard NetCode data collection forms to the Mexican context.

• Institutional Review Board (IRB) approvals for Westat and the local research partner, from government. The IRB members are responsible for the review of the technical and science component of research protocols i.e. appropriateness of the research design and methods, sample size calculation, soundness of the inclusion and exclusion criteria, internal and external validity of study tools and procedures.

• Visits were made to 10 large retail stores that sell a high volume and variety of products under the scope of the study. The 10 large retailer selection was based on local knowledge of Westat’s local partner Universidad Iberoamericana.

• The five online retailers monitored in Mexico were the largest in the country; Farmacia San Pablo, Walmart Mexico, Amazon Mexico, Chedraui, and Mercado Libre. ATNI confirmed with each company prior to starting data collection which online retailers it had a formal commercial relationship with. Note that for Reckitt, no findings are included in relation to Mercado Libre or Farmacia San Pablo as it has no official relations with these e-retailers.

• Universidad Iberoamericana conducted online searches and visited larger retailers to compile a list of a total of 457 distinct BMS and CF 6-36 month products made by 19 companies (including parallel imports). ATNI checked with each company which products were legitimate BMS products and which were parallel imports; for the 3 FTSE4Good companies, a total of 59 IF, FOF and CF0-6 products were confirmed as legitimate. Not all were available to purchase. The labels and inserts of 28 of their in-scope products that could be purchased were analysed.

• For traditional media, Universidad Iberoamericana entered directly into an agreement with Eficiencia Informativa (EFINFO), a local independent media monitoring organization.

*https://apps.who.int/iris/bitstream/handle/10665/259441/9789241513180-eng.pdf?ua=1
1.3.2. Westat data collection methodology: Netcode (continued)

EFINFO provided data for 6 months (May through October 2020). In total, EFINFO monitored ads within news and editorial programming on 31 television channels and 44 radio channels which represented more than 70% of the market. In addition, Universidad Iberoamericana monitored ads across the same media, during 8 hours per day, within all programming, for 3 months (August – October 2020.)

- For online media monitoring, Westat identified the company and brand websites as well as the available social media platforms associated with each of those websites (Facebook page, Instagram, YouTube channel and/or Twitter feed). Only websites and social media pages that appeared to originate from Mexico or targeted a Mexican audience were included in the monitoring. Westat did not monitor global company and brand websites or their social media pages. Westat trained local partner staff to monitor the selected websites weekly for eight weeks (during September and October 2020). Universidad Iberoamericana staff followed this process once a week over the eight-week period for online media monitoring. The data collectors visited the media and scanned them for promotions, capturing screenshots each week including 6 company websites, 6 brand websites, 6 YouTube pages, 9 Facebook pages, 5 Twitter pages, and 5 Instagram pages associated with the major international company and brand websites. Ten mother and baby websites were included in the monitoring, selected based on the local partner’s knowledge, as well as 4 YouTube pages, 9 Facebook pages, 3 Twitter pages, and 6 Instagram pages associated with the parenting and child websites.

<table>
<thead>
<tr>
<th>Study Characteristic</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total retail outlets visited</td>
<td>10 (5 pharmacies and 5 supermarkets)</td>
</tr>
<tr>
<td>Total online retailers monitored</td>
<td>5</td>
</tr>
<tr>
<td>Total mother + baby websites, + associated digital media</td>
<td>10 + 22</td>
</tr>
<tr>
<td>Traditional media duration</td>
<td>6 months</td>
</tr>
<tr>
<td>Total products assessed (labels and inserts)</td>
<td>332</td>
</tr>
<tr>
<td>FTSE companies- legitimate in-scope products assessed</td>
<td>28</td>
</tr>
</tbody>
</table>

In the context of the procedures described, the factual findings from Westat’s procedures are outlined in section 3.2.
Note; 332 is the total number of products found in the market, made by all companies, assessed by ATNI. A total of 59 were made by the 3 FTSE4Good companies, but it was only possible to purchase 28.
1.4. Limitations

As noted in section 1.3.2 above, the findings in section 3.2 were based on procedures performed and data collected by Westat. PwC have not undertaken any additional verification procedures in relation to that underlying data.

Some of the procedures performed by PwC and data collected by Westat are interview based, resulting findings can be subject to recall bias by the person being interviewed with no materials available to verify details, such instances are noted throughout this report.

The procedures PwC performed and the associated findings are listed in section 3.1. PwC’s work did not constitute as an assurance service in accordance with independent assurance standards and accordingly PwC do not express any assurance conclusions. Had PwC performed additional procedures, other matters might have been identified and included in this report.

1.5. Purpose of this report

This report explains the procedures PwC performed and includes PwC and Westat’s factual findings. It is produced for the use of the FTSE4Good ESG Advisory Committee (prior to 2021, the BMS Committee), but is being shared publicly as part of reporting on the overall assessment process in response to stakeholder feedback on the need for transparent reporting. This report will be published on ATNI’s website, as ATNI is responsible for overseeing the grant and the work of PwC, and will also be published within the BMS section of FTSE Russell’s website.

PwC’s findings are presented for the ESG Advisory Committee’s consideration. It is the responsibility of FTSE Russell and the ESG Advisory Committee to decide on the appropriate course of action with regard to decisions on the inclusion of Reckitt in the FTSE4Good Index Series.

1.6. Use and distribution of this report

This report has been prepared solely for the use of ATNI and its Board of Directors and solely for the purpose of reporting on compliance with the FTSE4Good Breast Milk Substitutes (BMS) Marketing Inclusion Criteria, in accordance with the terms of our agreement dated 20 June 2019, and subsequent variation letters dated 9 September 2019 and 21 January 2021. No part of this report shall be copied or used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ATNI and its Board of Directors, for this report or for the results of our work, save where terms have been expressly agreed in writing. We have extended our assumption of duty to FTSE Russell and its ESG Advisory Committee (prior to 2021, the BMS Committee), in accordance with the terms of the letter between us dated 20 June 2019.
2. Executive Summary

Following confirmation of its continued inclusion on the FTSE4Good Index Series in December 2018 after its acquisition of Mead Johnson in June 2017, Reckitt Benckiser plc (Reckitt) was subjected to its first FTSE4Good verification assessment. Interviews were held in November 2019 at the Reckitt Head Office in Slough, U.K. (Corporate Head Office) followed by a site visit to the Philippines in March 2020. The findings from those visits are contained within a separate report titled “PwC verification assessment report - Corporate Head Office and Philippines visit, Reckitt Benckiser, March 2021”. Interviews were held for Mexico in December 2020; these were performed virtually, rather than face-to-face, as a result of restrictions caused by the COVID-19 pandemic.

The Corporate Head Office interviews demonstrated that governance structures and a number of appropriate policies and procedure documents are in place that meet the requirements of the Criteria. The Philippines site visit and Mexico virtual interviews also demonstrated awareness of the Criteria at the in-country level and appropriate allocation of responsibilities. Additionally, we noted that policies and procedures in each country are adapted for local requirements.

In addition to some overall company context, summarised in this section are the inconsistencies noted in the application of the Criteria. These have been highlighted for the consideration of the ESG Advisory Committee in its review of the inclusion of Reckitt in the FTSE4Good Index Series. All key factual observations from the procedures performed are documented in section 3.
2.1. Context

2.1.1. Approach to implementation of the criteria

Company context  1. **Background:** Following the acquisition of Mead Johnson & Company, LLC (MJN) by Reckitt in 2017, there have been a series of structural and organisational changes to demonstrate Reckitt’s commitment to market BMS responsibly and ethically. This included the setting up of a BMS Working Group and Steering Committee who met fortnightly prior to the Reckitt BMS Policy and the Infant and Child Nutrition Pledge being developed. The documents were published in April 2018 and February 2018, respectively. The BMS Steering Committee was established to oversee the development of all BMS related policies, procedures as well as external monitoring, grievance and reporting functions.

Reckitt was previously set up as two divisions: Health which accounts for roughly 61% sales, and Hygiene Home, accounting for roughly 39% of sales (Reckitt Benckiser Group plc Annual Report and Financial Statements 2019). Infant Formula and Child Nutrition products were integrated into the Health division. During 2020, the structural set up changed to be three divisions: Health, Hygiene and Nutrition. Infant Formula and Child Nutrition products are integrated into the Nutrition division, which accounts for 23% of group revenues (Reckitt Benckiser Group plc Annual Report and Financial Statements 2020).

In some countries (especially in Asia), MJN had a bigger presence than Reckitt, and the management there remains legacy MJN staff.

Country background  1. **Awareness of the Code:** Mexico’s BMS legal framework is spread out across multiple legal instruments. It is necessary to review six separate key legal documents to have a full understanding of the extent and scope of the country’s Code law. These are:

- General Health Law (issued in 1984; amended 2009);
- Official Mexican Standard on care for women during pregnancy, childbirth and postpartum and of the newborn (issued in 1995; amended 2016);
- Regulations for the Sanitary Control of Products and Services (issued in 1999; amended 2016);
- Regulations of the General Health Law on Advertising Matters (issued in 2000; amended 2014);
- Official Mexican Standard on Infant formula, follow-on formula and formula for special medical purposes. Foods and non-alcoholic beverages for infants and young children. Provisions and sanitary and nutritional specifications. Labeling and Test Methods (2012); and

The six key legal documents address the marketing and labelling of BMS products, and the labelling of food and non-alcoholic beverages for infants and young children. They apply in different ways to different product types from birth to 36 months of age, including:

- Infant formula (IF) 0-6 months;
- Follow-on formula (FOF) 6-36 months;
- Foods for Special Medical Purposes (FSMPs) 0-36 months; and
- Food and non-alcoholic beverages for infants and young children (also referred to as complementary foods).
2.1.1. Approach to implementation of the criteria

The labelling requirements within Mexico’s legal framework go beyond the Code in some respects both for BMS and for food and non-alcoholic beverages for infants and young children.


Breastfeeding trends:

According to “Breastfeeding practices in Mexico: Results from the National Demographic Dynamic Survey 2006–2018” (Mishel Unar–Munguia Ana Lilia Lozada–Tequeanes et al.), published in December 2020:

- Between 2006 and 2018, the prevalence of “ever breastfed” increased from 91.8% to 94.2%. “Ever breastfeeding” is the prevalence of infants <24 months who were given breast milk at least once.
- Between 2009 and 2018, the prevalence of “exclusive breastfeeding” increased from 13.0% to 20.7%. “Exclusive breastfeeding” is the prevalence of children <6 months who were still breastfeeding at the time of the survey (status quo) and who did not report introducing other foods or liquids before 6 months of age (by recall of the mother).
- Between 2006 and 2018, “early initiation” of breastfeeding increased from 40.8% to 59.7%, where “early initiation” is defined as the prevalence of children <24 months who were breastfed in the first hour of life after birth.
- Improvements in breastfeeding practices between 2009 and 2018 coincide with some progress made in legislation and policies to favour breastfeeding but are still far from WHO recommendations.

Local operating context

1. Market share: Reckitt accounts for approximately 21% of the total infant formula market share (as confirmed with Reckitt) in Mexico.

2. Channels to market: BMS are sold directly to modern trade and traditional retailers, drugstores and e-commerce platforms. Modern trade and drugstores account for the vast majority of sales (79%- as confirmed with Reckitt).

3. Impact of COVID-19 on obtaining evidence for the verification assessment process: Two instances were noted whereby evidence requested could not be provided as the evidence was in hard-copy format in the office which the Reckitt Mexico team were unable to access at the time of our fieldwork. These instances were:

   a. Evidence of face-to-face BMS onboarding training could not be inspected for one of the four individuals selected within the sample. No issues were noted with inspection of trainings performed digitally.
   b. Evidence of the review performed and approval over a Premacare detailer (material providing details or scientific information to HCPs on a product’s potential uses, benefits, side/adverse effects). No issues noted with the retention of any labels and the other marketing literature requested as part of our testing.
## 2.2. Key findings

PwC findings are indicated by areas shaded in **yellow**. Westat findings are indicated by areas shaded in **blue**.

<table>
<thead>
<tr>
<th>Finding</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sale incentives are based on company sales that includes in scope products</td>
<td>The Tool requires that for persons employed by manufacturers and distributors, systems of sales incentives for marketing personnel must not include the volume of sales of products within the scope of the company policy in the calculation of bonuses. In line with the WHO Code and the Criteria, the BMS Policy states that “bonus or sales incentives for Reckitt Marketing Personnel must not be based on specific volume targets and/or achieving predetermined quotas of Covered Products”. However, the Policy goes on to say that bonuses can be paid on sales of Covered Products, “provided the bonus is not exclusively related to sales of Covered Products”.</td>
</tr>
</tbody>
</table>
| 2. Specific requirements are not included within the sample HCP detailer inspected | Informational or educational materials must include specific requirements detailed by the Tool. Promental 2 and Premacare detailers were inspected for Mexico (materials providing details or scientific information on a product’s potential uses, benefits, side/adverse effects). The purpose of the detailer is to present to HCPs during hospital visits by Reckitt medical staff. The detailers did not include the following points of Article 4.2 of the WHO Code:  

Promental 2 detailer:  
- Social and financial implications of its use.  
- Health hazards of inappropriate foods or feeding methods.  
- Health hazards of unnecessary or improper use of infant formula and other BMS.  

Premacare detailer:  
- Health hazards of inappropriate foods or feeding methods.  
- Health hazards of unnecessary or improper use of infant formula and other BMS. |
<p>| 3. Requirement for compliance with BMS Policy is not clearly included in employee job descriptions | The Tool requires formal job descriptions for relevant sales and marketing personnel that are linked to the requirements of the company policy. In Mexico, the job descriptions do not include explicit reference to the Reckitt BMS Policy or the WHO Code. Instead the job descriptions include a generic “must comply with company policies” statement. |</p>
<table>
<thead>
<tr>
<th>Finding</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Disclosure by HCPs to institutions of contributions is not enforced by Reckitt</td>
<td>The Tool requires companies to have a procedure in place to disclose to the institution to which a health worker is affiliated any contribution made to him/her or on his/her behalf for fellowships, study tours, research grants, attendance at professional conferences or similar support. Reckitt does not have this procedure in place. Invitation letters are sent, but do not reference a requirement to inform the institution to which the HCP is affiliated and Reckitt do not take any active steps to ensure that the HCP has informed their institution.</td>
</tr>
<tr>
<td>5. Awareness of the company policy is not raised to all relevant stakeholders outside its boundaries of control</td>
<td>The Tool requires that stakeholders outside its boundaries of control (e.g. retailers) are made aware of the requirements of the company policy. While actions have been undertaken to meet this criteria, this has not been fully met. We note that a ‘BMS Policy Playbook’, which outlines Reckitt’s BMS Policy and ‘do’s and don’ts’, is communicated to Reckitt Mexico’s biggest retail partners, but not all, every 12 months. For 2021, Reckitt Mexico intend to communicate it every 6 months.</td>
</tr>
<tr>
<td>6. Label does not contain required non-dairy comments</td>
<td>1 finding noted. The label of ENFAMIL PREMIUM PROMENTAL SOYA 0-12 months should say ‘does not contain milk’, ‘does not contain dairy derivatives’ or an equivalent legend, as the product does not contain milk or any of its derivatives.</td>
</tr>
<tr>
<td>7. Products promoted on online retailers</td>
<td>There are 4 findings noted of promotion on online retailers. All 4 of the findings were non-compliances with WHO Article 5 (The general public and mothers).</td>
</tr>
<tr>
<td>8. Products promoted in physical retailers</td>
<td>There are 2 findings noted of promotion in physical retailers. Both of the findings were non-compliances with WHO Article 5 (The general public and mothers).</td>
</tr>
</tbody>
</table>
3. Factual findings

3.1. PwC factual findings

Virtual interviews with staff from the Reckitt Mexico Head Office were performed in December 2020. The fieldwork assessment entailed inspection of relevant policies and procedures provided to us and interviews with the relevant staff to understand processes in place against the Criteria included within the Tool. The factual findings from these activities are provided in the table below.

The factual findings relating to Corporate Head Office and the Philippines are included in a separate report titled “PwC verification assessment report - Corporate Head Office and Philippines visit, Reckitt Benckiser, March 2021”. In some instances, an observation at the local level in Mexico may be derived from a policy or practice that is established at Corporate Head Office. Where this is the case, details of the Corporate Head Office observation have also been included in this report for context. No other Corporate Head Office observations will be duplicated within this report.

<table>
<thead>
<tr>
<th>Area</th>
<th>Factual Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1.1. Company policies and procedures</td>
<td></td>
</tr>
</tbody>
</table>

1. **Governance structure:** The responsibility for the management, implementation and monitoring of compliance with the Reckitt BMS Policy is overseen by the Reckitt Head Office in Slough, U.K. The in-country General Manager/Business Unit Leader is responsible for advising on, and supporting of, the local application of the BMS Policy. This is through the establishment of appropriate structures globally that will facilitate the adoption of appropriate procedures (including where local regulations are different to Corporate Head Office policies). The in-country General Manager/Business Unit Leader is also responsible for the provision of trainings, monitoring and internal reporting of any non-compliance.

2. **Implementation of BMS policies and procedures:** The Reckitt BMS Policy is publicly available on the Reckitt corporate website and provides instructions and guidance when undertaking marketing activities on BMS. The Global Reckitt BMS Policy, the Interactions with Healthcare Professionals and Healthcare Entities Policy and eight Corporate Compliance Standard Operating Procedures (SOPs) have been developed to provide further guidance for the following areas relevant to the FTSE4Good scope: Sponsorship and Events, Meals and Hospitality, Gifts, Samples and Products for Professional Evaluation (PPE), Grants & Charitable Contributions to HCEs, HCE Purchase and Use Agreements, Scientific Interactions with HCPs, Interactions with Pharmacists and Fee of Service. Marketing Grids have been developed to identify the specific requirements for each country and are a supplement to the global SOPs. The global SOPs contain a greater level of detail, whereas the Market Grid provides a summary of the key rules relating to the corresponding SOP. Each Market Grid lists the countries within which Reckitt operates, and then specifies the rules in place for each country, based on either Reckitt SOPs or, where stricter/legally required, local legislation. There are no other country-specific BMS policy or procedure documents.

3. **Knowledge of the Criteria:** Wide ranging interviews were performed with Mexico Head Office functions involved in Reckitt’s application of the Criteria and relevant national legislations. Detailed Criteria knowledge was noted across the individuals interviewed (refer to Appendix 1), who stated their commitment to adhering to the BMS marketing practices required by the Criteria.
### Factual Findings

#### 4. Scope with respect to FSMPs:

Reckitt’s BMS Policy acknowledges that where national legislation or regulations are more demanding than their BMS Policy, the company will follow the national measures in addition to their BMS Policy. As noted in section 2.1, FSMPs are included within the scope of national legislation and therefore are Covered Products for Reckitt in Mexico (i.e. products that fall under the Reckitt BMS Policy).

#### 3.1.2. Lobbying and trade associations

1. **In-country support of public policy (Government lobbying):** Reckitt Mexico stated that, in line with Corporate Head Office, it continues to support efforts by governments to implement the Code. Corporate Head Office communicate Reckitt’s global position to in-country teams, and in-country teams work with the Corporate Head Office team to adapt the position for local context. A monthly call is in place for the in-country regulatory teams to exchange relevant communications on Corporate Head Office and in-country positions. Reckitt’s membership to trade associations and industry policy groups is publicly available on the Reckitt website, accessible via the Policies and Progress Reports section of the infant and child nutrition area. The trade association most relevant to infant formula in Mexico, which Reckitt is a member of, is CANILEC (Cámara Nacional de Industriales de la Leche de México), the National Chamber of the Dairy Industry. Chamber members meet on a monthly basis. Reckitt’s membership to CANILEC is disclosed on the Reckitt website.

#### 3.1.3. Health Care Professionals and Health Care Entities

1. **Health care events and sponsorship:** Reckitt has an ‘Interactions with Healthcare Professionals and Healthcare Entities’ global policy (iHCP Global Policy) in place, which is supplemented by other SOPs which cover specific areas in greater detail, such as samples. These policies are global and cover all Reckitt products; they are not specific to Infant and Child Nutrition (IFCN) products. As such, nuances related to Covered Products are not included. Detailed knowledge of the requirements in relation to HCF and HCP interactions with respect to BMS were noted across the Reckitt Mexico individuals interviewed (refer to Appendix 1).

The Tool requires companies to have a procedure in place to disclose to the institution to which a health worker is affiliated any contribution made to him/her or on his/her behalf for fellowships, study tours, research grants, attendance at professional conferences or similar support. Reckitt does not have this procedure in place. Reckitt include a statement in invitation letters to HCPs to say: “Acceptance of this invitation represents your recognition of not having any conflict of interest with respect to the obligations or responsibilities that you have with any public or private institution. If necessary, you are solely responsible for obtaining the necessary authorization to participate in the event, releasing Reckitt/MJN from any responsibility in this regard.” The letter does not reference informing the institution to which the HCP is affiliated. Reckitt do not take any active steps to ensure that the HCP has informed their institution.
2. **Information and education materials:** Promental 2 and Premacare detailers were inspected for Mexico (materials providing details or scientific information on a product’s potential uses, benefits, side/adverse effects). The purpose of the detailer is to present to HCPs during hospital visits by Reckitt medical staff. The detailers did not include the following points of Article 4.2 of the WHO Code:

- **Promental 2 detailer:**
  - Social and financial implications of its use.
  - Health hazards of inappropriate foods or feeding methods.
  - Health hazards of unnecessary or improper use of infant formula and other BMS.

- **Premacare detailer:**
  - Health hazards of inappropriate foods or feeding methods.
  - Health hazards of unnecessary or improper use of infant formula and other BMS.

3.1.4. **Employees**

1. **Infant nutrition team:** Reckitt Mexico employs a dedicated, senior team experienced in infant nutrition to oversee the implementation of the Criteria as well as implementation and monitoring of the Reckitt BMS Policy.

2. **Training and awareness:** The Reckitt Mexico team informed us of onboarding and annual BMS training in place. Onboarding training is performed on a monthly basis for all new Reckitt Health employees. Within the digital onboarding kit, there is an infographic of the BMS Policy with a link to the complete global policy. The format of annual training for all Reckitt Health employees changes from year to year, in order to keep employees engaged. For example, in 2018, the training was presented as a six module video series throughout a six week period, with each module lead by the Mexico Function/Area leader of the topic. In 2019, the ‘Ethical marketing of infant nutrition products’ was used; an Reckitt global foundation level online training module which is mandatory for all Reckitt Health employees and contractors globally to complete. This online training module is also completed at onboarding, in addition to the onboarding training described above, and on an annual basis thereafter. This module has an assessment at the end. In 2020, another video was created.

The Compliance team are responsible for creating the training materials, with input from other departments such as legal and regulatory. Where the training format is a video, Reckitt Mexico confirmed that the training will only be marked as complete if the employee watches the full video. Records of completion are retained and reviewed within a platform called ‘Learner V’. For every training, a communication campaign takes place which includes making people aware of both the launch and follow-up of completion. Assessments are included at the end of annual trainings, for example, in 2020 there were 10 true or false questions and a 90% pass rate requirement.

Face-to-face trainings are also held approximately three times a year at Trade Sales meetings and Medical Sales Force meetings. We inspected evidence of a sample of employees completing the training relevant to them. For one out of four employees selected for testing, evidence of their face-to-face onboarding training could not be provided as the evidence was in hard-copy format in the office which the Reckitt Mexico team were unable to access at the time of our fieldwork.
3. **Raising allegations**: Reckitt's whistleblowing hotline, Speak Up, enables employees and external stakeholders to raise any concerns with Reckitt anonymously via an online portal or via phone. Speak Up is operated by a third-party company specialised in the handling of whistleblowing hotlines. During the Mexico interviews, employees demonstrated good knowledge of the Speak Up whistleblowing hotline. We also inspected that there is a direct link to the Speak Up microsite within the Reckitt Mexico Ethics and Compliance intranet website, available to all employees. Instruction to first seek advice or guidance before making a complaint is included within the Code of Conduct and the Speak Up SOP, which was updated in Q4 of 2020.

4. **Rewarding compliance for employees**: The Tool requires companies to provide incentives/compensation to reward compliance with the requirements of company policy. Reckitt Mexico informed us of the different initiatives they have used to recognise and reward employees who go ‘above and beyond’ with respect to compliance with the BMS Policy. While there is not a standardised performance assessment criteria linked to the requirements of the BMS Policy, annually, the Reckitt Mexico team reward people for performing well with respect to the requirements. In 2019, there was an ‘Reckitt Special Award’ called ‘heaRt Beat’. The recipient was identified as having detected and proactively reported a number of non-compliances executed by retailers against Reckitt’s BMS Policy.

   In 2020, 'Ethics and Compliance (E&C) Champion Programme' awards were given to 4 employees in Marketing and Medical Sales Force Function for developing a new PPE/Samples SOP, improving existing processes, and for successful operation of monitoring and control over CME (Continuing Medical Education) events.

   From 2021, a formal E&C Champion Program has been approved by the Mexico Leadership Team. This will recognise employees for exceeding expected behaviours in areas listed below which include aspects relevant to compliance with Reckitt’s BMS Policy:

   - Marketing function nutrition and health; PPE/Samples, BMS, Promotions and non materials/gifts
   - MSF (Medical Sales Force); SFE (Sales Force Effectiveness) Monitoring (PPE, Samples, Time & Expenses and Gifts)
   - Medical marketing; CMEs, speakers
   - Human resources; donations (note- confirmed with Reckitt that this is in respect of other products. No donations are made relating to BMS products/brands.)

5. **Contracts/ Job descriptions**: The Tool requires formal job descriptions for relevant sales and marketing personnel that are linked to the requirements of the company policy. In Mexico, the job descriptions do not include explicit reference to the Reckitt BMS Policy or the WHO Code. Instead the job descriptions include a generic “must comply with company policies” statement. Corporate Head Office have informed us that consequences of breaching any Reckitt policy are included in the overarching Code of Conduct. Reckitt state in their Code of Conduct that they may take disciplinary actions, up to and including termination of employment, against any individual who participates in a violation of the Code of Conduct, the law, or any Reckitt policies or procedures.

6. **Bonuses**: Although, as per the Reckitt BMS Policy, “bonus or sales incentives for Reckitt Marketing Personnel must not be based on specific volume targets and/or achieving predetermined quotas of Covered Products”, bonuses can be paid on sales of Covered Products, “provided the bonus is not exclusively related to sales of Covered Products.”
<table>
<thead>
<tr>
<th>Area</th>
<th>Factual Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3.1.5. Contractual third parties</strong></td>
<td>1. <strong>Contracting:</strong> As noted within “Local operating context” in section 2.1.1, BMS are sold directly to modern trade and traditional retailers, drugstores and e-commerce platforms in Mexico. There are no contractual third parties e.g. distributors. The legal paperwork between entities is limited to, for example, purchase order. Please see section 3.1.6 for further details on interactions with non-contractual third parties.</td>
</tr>
<tr>
<td><strong>3.1.6. Non contractual third parties</strong></td>
<td>1. <strong>Training/raising awareness:</strong> The Reckitt Mexico team confirmed that a ‘BMS Policy Playbook’ which outlines Reckitt’s BMS Policy and ‘do’s and don’ts’, is communicated to Reckitt Mexico’s biggest retail partners every 12 months, with the intention to communicate this to all retail partners where they have a contractual relationship every 12 months in the future. This is not currently sent to all retailers. The Reckitt Mexico team confirmed that they run annual training sessions for CME agencies and event speakers. These trainings cover the Reckitt BMS Policy, the iHCP Policy, the Anti Bribery and Conflict of Interest Policy, Speak Up and the Code of Conduct for Third Parties. The last CME agency training took place in January 2020. We have inspected the materials from this training, which include commitments to breastfeeding and examples of best practice vs. bad practice. The most recent event speakers training took place in December 2020. Also, a training session was held for external nutritionists in February 2019, covering the Reckitt BMS Policy, the Anti Bribery and Conflict of Interest Policy, Speak Up and the Code of Conduct for Third Parties. 2. <strong>Raising allegations:</strong> Speak Up is available in many languages and is available via an online portal or via phone. The Speak Up website is included within policy documents shared with employees and third parties. A link to Speak Up and/or the Speak Up microsite can be found on the ‘Contact Us’ page on the Reckitt website.</td>
</tr>
<tr>
<td><strong>3.1.7. Internal monitoring</strong></td>
<td>1. <strong>Allegation response monitoring:</strong> Reckitt has a procedure in place for recording external stakeholders’ allegations of non-compliances. The target time for conducting investigations is within 60 days, as mentioned within the Speak Up SOP document, which was updated in Q4 of 2020. Open cases, average days open, and other relevant statistics can be monitored within the Speak Up dashboard. These are reported to the Compliance Committee, alongside the details of new Speak Up cases, at least once per quarter. 2. <strong>In-country internal monitoring:</strong> The Tool requires that company procedures for internal monitoring of compliance include: Policy Criteria; Corporate Public Policy and Lobbying Criteria; Management Systems Criteria; and External Reporting Criteria. Reckitt’s Mexico specific proactive monitoring (i.e. internal monitoring control framework) is not performed specifically against the four criteria as identified in the FTSE4Good Tool, however covers many of the areas of the FTSE4Good criteria. The Reckitt Mexico team launched an internal monitoring control framework in 2020. It was applied for the first time in 2020 and will be performed on an annual basis going forward. The framework includes the policy which the control relates to (e.g. ‘control name’ = ‘BMS Marketing Policy’), the compliance related function (e.g. ‘marketing and sales’), then control objective ID, control objective, control ID, control description, test guidance and recommended evidence.</td>
</tr>
</tbody>
</table>
They also perform, at pre-determined frequencies, internal monitoring KPIs over: the onboarding process; PPE/samples; gifts; materials; travel and expenses; CMEs; speakers; and donations/grants. Reports are created which are sent to, and discussed with, the directors of the relevant function. The frequency of sharing these reports depends on the frequency of the monitoring.

The BMS/IFCN Country Fact Sheet completed for Mexico in December 2020 was inspected. The fact sheet included the information detailed below. The responses completed for Mexico are included in brackets:
- Details on % completion of training (General awareness module 77%, Deeper dive training 95%);
- % of distributor contracts amended to include BMS clauses ("N/A");
- Confirmation of when internal monitoring was concluded (October 2020), the corresponding RAG rating for results (green) and an observation comment (pass); and
- Confirmation of when the most recent Bureau Veritas audit was concluded (December 2018), the corresponding RAG rating for results (amber) and an observation comment (‘disclaimers on educational materials’ and ‘POS’).

The fact sheet also included details of the product portfolio.

3.1.8. External/Independent assessments

1. **External and independent assessments are handled by Corporate Head Office.** Reckitt Corporate Head Office engages Bureau Veritas (BV) to perform external audits, and Reckitt Mexico was last audited by BV in 2019. Further details about the external and independent assessment process are included in the report titled “PwC verification assessment report - Corporate Head Office and Philippines visit, Reckitt Benckiser, March 2021”.

3.1.9. Allegation handling and reporting

1. **Mexico:** The Reckitt Mexico team confirmed that handling of allegations of non-compliance follows the global Speak Up SOP, which was updated in Q4 of 2020. Reports submitted within the Speak Up system are handled by the Global Ethics and Compliance team, who will review the information, speak to witnesses or key individuals, and obtain electronic data or documentary evidence. The Global Ethics and Compliance team will assign an ‘issue owner’ from the local Compliance team where appropriate/required, who will then lead the investigation. The Reckitt Mexico team confirmed that where reports are made to them directly, they will upload these to the Speak Up system. The new Speak Up SOP includes a section about responding to the reporting party. The reporting party chooses whether they wish to receive notifications, and if they so elect, they will receive notifications of when the issues is in review and when it is closed. Investigations should be completed within 60 days of the report being submitted. Open cases, average days open, and other relevant statistics are monitored within the Speak Up dashboard.
3.2. Westat factual findings

The findings below summarise the results of the procedures described in section 1.3.

<table>
<thead>
<tr>
<th>Area</th>
<th>Factual Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2.1. Information and education materials and equipment (HCFs and retailers)</td>
<td>No findings noted.</td>
</tr>
<tr>
<td>3.2.2. Traditional media</td>
<td>No findings noted.</td>
</tr>
<tr>
<td>3.2.3. Online media</td>
<td>No findings noted.</td>
</tr>
<tr>
<td>3.2.4. Labels</td>
<td>There was 1 finding noted. The label of ENFAMIL PREMIUM PROMENTAL SOYA 0-12 months should say 'does not contain milk', 'does not contain dairy derivatives' or an equivalent legend, as the product does not contain milk or any of its derivatives.</td>
</tr>
<tr>
<td>3.2.5. Promotion on online retailer sites</td>
<td>There were 4 findings noted. These findings are all price-related promotions/discounts and therefore violate article 5.3 of the Code (General Public and Mothers).</td>
</tr>
<tr>
<td></td>
<td>Finding 1: Enfamil Confort Premium (see image in Appendix 3)</td>
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<tr>
<td></td>
<td>Finding 2: Enfamil Premium Promental (see image in Appendix 3)</td>
</tr>
<tr>
<td></td>
<td>Finding 3: Enfamil Confort Premium (see image in Appendix 3)</td>
</tr>
<tr>
<td></td>
<td>Finding 4: Enfamil Premium Promental (see image in Appendix 3)</td>
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<td>Area</td>
<td>Factual Findings</td>
</tr>
<tr>
<td>------</td>
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</tr>
<tr>
<td>3.2.6. Promotion in physical retailers</td>
<td>There were 2 findings noted with respect to Article 5 of the Code (The general public and mothers). These are as follows:</td>
</tr>
<tr>
<td>Finding 1: Enfamil Premium Promental 1 (see image in Appendix 3)</td>
<td>- non-compliance with article 5.3 of the Code; ‘New Look’ and ‘yields up to 250 oz’ are promotional statements driving consumer purchasing</td>
</tr>
<tr>
<td>Finding 2: Enfamil Premium Promental Confort (see image in Appendix 3)</td>
<td>- non-compliance with article 5.3 of the Code; including 2 products (1 big and 1 smaller) in a single pack with a sticker about serving sizes incentivise consumers to purchase these products as it highlights the yield, implying better value (‘good value for money’)</td>
</tr>
</tbody>
</table>
Appendices
# Appendix 1 - Virtual interviews attendees

## Mexico Virtual Interviews

### Mexico Office

- Ethics & Compliance Director, LATAM
- Ethics & Compliance Manager
- External Affairs Associate Director
- General Manager
- Legal Director
- Marketing Director
- Medical Marketing Manager
- Medical Sales Force Director
- Regulatory Director
- Sales Director

### Corporate Head Office

- IFCN Business Practices Director
Appendix 2 - Summary scoring

The table below provides an overview of the 2019/20 findings for Mexico as they relate to the Tool Criteria. PwC findings are indicated by areas shaded in **yellow**. Westat findings are indicated by areas shaded in **blue**. Note, 2019/20 findings relating to Corporate Head Office and the Philippines are included in a separate report titled “PwC verification assessment report - Corporate Head Office and Philippines visit, Reckitt Benckiser, March 2021”.

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<th>Criteria</th>
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<tr>
<td>FTSE Criteria 1: Company policy should be publicly available and include acknowledgement of the importance of the International Code of Marketing of Breast Milk Substitutes, and subsequent relevant WHA resolutions, hereafter referred to as 'the Code'.</td>
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<tr>
<td>FTSE Criteria 2: Naming the person responsible at Corporate Executive Board level or Executive Management level and at the individual country level for the implementation and monitoring of the policy.</td>
<td></td>
</tr>
<tr>
<td>FTSE Criteria 3: Acknowledgment that, independently of any other measures taken by governments to implement the Code, manufacturers are responsible for monitoring their marketing practices according to the principles and aim of the Code, and for taking steps to ensure that their conduct at every level conforms to their policy in this regard.</td>
<td></td>
</tr>
<tr>
<td>FTSE Criteria 4: Acknowledgment that the adoption and adherence to the Code is a minimum requirement for these countries and where national legislation or regulations implementing the Code are more demanding than the Code, the company will follow the national measures in addition to the Code (Additional Policy Criteria with Regards to Company Operations in High Risk Countries).</td>
<td></td>
</tr>
<tr>
<td>FTSE Criteria 5: Explicit confirmation that there will be no advertising or promotion of infant formula, follow-on-formula products, or delivery products (i.e. teats and bottles) in these countries (Additional Policy Criteria with Regards to Company Operations in High Risk Countries).</td>
<td></td>
</tr>
<tr>
<td>FTSE Criteria 6: Explicit confirmation that complementary (weaning) foods and drinks will not be promoted for the use of infants under the age of six months in these countries (Additional Policy Criteria with Regards to Company Operations in High Risk Countries).</td>
<td></td>
</tr>
<tr>
<td>FTSE Criteria 7: Commitment to follow all national regulations in relation to the marketing and promotion of breast milk substitutes (Additional Policy Criteria with Regards to Company Operations in Low Risk Countries).</td>
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</tr>
<tr>
<td>FTSE Criteria 3: Acknowledgment that, independently of any other measures taken by governments to implement the Code, manufacturers are responsible for monitoring their marketing practices according to the principles and aim of the Code, and for taking steps to ensure that their conduct at every level conforms to their policy in this regard.</td>
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<tr>
<td>FTSE Criteria 4: Acknowledgment that the adoption and adherence to the Code is a minimum requirement for these countries and where national legislation or regulations implementing the Code are more demanding than the Code, the company will follow the national measures in addition to the Code (Additional Policy Criteria with Regards to Company Operations in High Risk Countries).</td>
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<td></td>
</tr>
</tbody>
</table>
### Corporate public policy and lobbying of regulators

**FTSE Criteria 1:** Companies have a valid and important engagement role in the development of effective and appropriate legislation. They should have clear, openly-stated and enforceable policies on the objectives and practice of their political lobbying regarding government’s implementation of the Code, and specifically companies must be open about their objectives, and make position papers publicly available to demonstrate consistency.

**FTSE Criteria 2:** Seek to ensure that the trade associations and industry policy groups, to which they belong, operate to the same high standards with membership of such organisations being disclosed.

### Management systems

**FTSE Criteria 1.1:** Clear communication of the company policies, procedures for its implementation throughout the production and marketing processes, and provision of training in its application, to senior management and all relevant marketing staff operating in the high risk countries.

**Additional Assessment Measures 1.2:** Information and Education

**Additional Assessment Measures 1.3:** General Public and Mothers

**Additional Assessment Measures 1.4:** Health Care Systems

**Additional Assessment Measures 1.5:** HealthWorkers

**Additional Assessment Measures 1.6:** Persons Employed By Manufacturers and Distributors

**Additional Assessment Measures 1.7:** Labelling

**Additional Assessment Measures 1.8:** Quality
### Management systems

<table>
<thead>
<tr>
<th>Criteria</th>
<th>2019/20 Verification Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTSE Criteria 2: Clear accountability and responsibility within the Company for the implementation of systems for compliance with policy at all levels.</td>
<td></td>
</tr>
<tr>
<td>FTSE Criteria 3: Whistle-blowing procedures that allow employees to report outside their normal management reporting line potential non-compliance with company policy in a way that protects them from possible negative consequences of such reporting.</td>
<td></td>
</tr>
<tr>
<td>FTSE Criteria 4.1: Ongoing systematic internal monitoring of compliance with policy.</td>
<td></td>
</tr>
<tr>
<td>Additional Assessment Measures 4.2: Implementation and Monitoring</td>
<td></td>
</tr>
<tr>
<td>FTSE Criteria 5: Systems for investigating and responding in a timely manner to alleged Non-compliance reported by governmental bodies, professional groups, institutions, NGOs or other individuals from outside the Company.</td>
<td></td>
</tr>
<tr>
<td>FTSE Criteria 6: Systems for taking, as well as tracking, corrective action on all non-compliance cases, both internally and externally reported.</td>
<td></td>
</tr>
<tr>
<td>FTSE Criteria 7: Regular external verification to provide evidence of well-functioning Policy compliance management and monitoring systems, conducted by a suitably qualified external expert.</td>
<td></td>
</tr>
<tr>
<td>FTSE Criteria 8: In addition to management reviews, the production of annual summary reports to the Board of Directors on internal monitoring, external reporting and corrective actions taken regarding noncompliance.</td>
<td></td>
</tr>
<tr>
<td>FTSE Criteria 9: In addition for operations in high risk countries, companies must provide to the FTSE BMS Committee, on request, copies of any related marketing literature and product labelling and inform the Committee (Additional Policy Criteria with Regards to Company Operations in High Risk Countries).</td>
<td></td>
</tr>
</tbody>
</table>

### External Reporting

<table>
<thead>
<tr>
<th>Criteria</th>
<th>2019/20 Verification Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTSE Criteria 1: Adequate Company reporting procedures should include making annual summary reports available on adherence to policy, non-compliance, and corrective action taken.</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 3 - Westat evidence images

This appendix contains images provided by Westat which support their findings.

3.2.4. Labels
Appendix 3 - Westat evidence images

This appendix contains images provided by Westat which support their findings.

3.2.4. Labels
Appendix 3 - Westat evidence images

This appendix contains images provided by Westat which support their findings.

3.2.5. Promotion on online retailer sites

Finding 1

Finding 2

Finding 3

Finding 4:
Appendix 3 - Westat evidence images

This appendix contains images provided by Westat which support their findings.

3.2.6. Promotion in physical retailers

Finding 1:

Finding 2:
## Appendix 4 - Definition of terms

<table>
<thead>
<tr>
<th>Term/ Document</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMS</td>
<td>Breast Milk Substitutes</td>
</tr>
<tr>
<td>CME</td>
<td>Continuing Medical Education</td>
</tr>
<tr>
<td>Code</td>
<td>World Health Organization International Code of Marketing of Breast Milk Substitutes</td>
</tr>
<tr>
<td>Corporate Head Office</td>
<td>Reckitt Head Office in Slough, UK</td>
</tr>
<tr>
<td>Covered Product</td>
<td>Product that falls under the Reckitt BMS Policy</td>
</tr>
<tr>
<td>FSMP</td>
<td>Food for special medical purposes</td>
</tr>
<tr>
<td>HCFs</td>
<td>Health Care Facilities</td>
</tr>
<tr>
<td>HCPs</td>
<td>Health Care Professionals</td>
</tr>
<tr>
<td>In-scope product</td>
<td>Products in-scope based on the stricter of FTSE4Good Criteria or national legislation</td>
</tr>
<tr>
<td>PPE</td>
<td>Products for Professional Evaluation</td>
</tr>
<tr>
<td>Reckitt BMS Policy</td>
<td>The following document created at Corporate Head Office: Reckitt’s Policy and Procedures on the Marketing of Breast Milk Substitutes</td>
</tr>
<tr>
<td>SOP</td>
<td>Standard Operating Procedure</td>
</tr>
</tbody>
</table>