



CSR policy and implementation of ISO 26000 based on the Self-declaration

Based on NPR9026+C1:2012

December 2019

1. Introduction

FrieslandCampina provides the world with superior nutrition, driven by its purpose Nourishing by Nature. Building on co-operative power it controls the full value chain from “grass to glass”. In our strategy Our Purpose Our Plan, ‘Lead with sustainability’ is one of the four strategic themes.

Providing the growing world population with the right nutrients in a sustainable way is one of the challenges for the coming decades. By offering trustworthy, relevant and nourishing dairy products, FrieslandCampina contributes to global food and nutrient security. Our purpose – Nourishing by Nature – stands for better nutrition for the world's consumers, a good living for our farmers, now and for generations to come. The purpose is in line with the Sustainable Development Goals (SDG's) of the United Nations. These seventeen ambitious goals relate to topics such as responsible production and consumption, climate, sustainable communities, health and well-being, and efforts to fight poverty and starvation. FrieslandCampina contributes to eleven of the seventeen sustainability goals.

Within this document, we elaborate on FrieslandCampina's practices regarding our sustainability program and the implementation of ISO26000. As such, this document serves as a reference document for the ISO26000 self-declaration based on NPR9026+C1:2012 and gives an overview of the sustainability policy of FrieslandCampina.

2. Profile

Royal FrieslandCampina daily provides millions of consumers spread all over the world with dairy products containing valuable nutrients from milk. With an annual turnover of 11.6 billion euro in 2018, FrieslandCampina is among the largest dairy companies in the world.

In 2015, FrieslandCampina formulated its purpose statement: *nourishing by nature* – better nutrition for the world’s consumers, a good living for our farmers, now and for generations to come. This purpose statement and our plan to put our purpose into action defines FrieslandCampina’s strategy: Our Purpose, Our Plan. This strategy connects the daily activities and values that are important to FrieslandCampina. It gives guidance to the people involved and the operating processes through the entire chain. Sustainability is an important precondition for continuity. Therefore the policy with respect to sustainability has been fully integrated into the Our Purpose, Our Plan strategy; Lead with sustainability is one of the four strategic themes.

Better nutrition for the world

The global population is expected to grow from 7.7 billion people in 2019 to 9.7 billion people in 2050. This, together with the expected increase in wealth, will result in a rising demand for food. With its affordable dairy products with valuable nutrients that are essential for a healthy lifestyle, FrieslandCampina contributes to feeding the world population; thereby contributing to global food and nutrient security. FrieslandCampina will focus on optimising the nutritional value of our dairy products and on ensuring that dairy products remain affordable and thus relevant for all income groups.

A good living for our farmers

The objective of FrieslandCampina is to add as much value as possible to the milk in order to be able to maximally contribute to ensuring the income and continuity of many generations of dairy farmers. FrieslandCampina aims at paying among the highest milk prices in North-west Europe. By doing so, FrieslandCampina remains an attractive company for the member dairy farmers also, for young dairy farmers. Additionally, FrieslandCampina offers local dairy farmers assistance in improving their farm management and milk quality in a number of countries in Asia, Africa and Eastern Europe.

Now and for generations to come

FrieslandCampina focuses on future generations. This is why FrieslandCampina invests in sustainable long-term growth and the financial health of the Company and the Cooperative. FrieslandCampina aims for carbon neutral dairy processing with a fully regenerative farming system that improves biodiversity and ensures circularity in the supply chain by 2050 at the latest. Milk production is very efficient in the Netherlands; currently the emission of greenhouse gases per kilogram milk is almost half the global average. Together with our member dairy farmers we are working on further reducing our ecological footprint. This also includes reduced energy consumption and lower CO2 emissions. Furthermore, FrieslandCampina encourages the efforts of member dairy farmers in the areas of pasturing, biodiversity and animal welfare, and works on reducing the use of scarce natural resources, such as water, raw materials and fossil fuels.

3. Sustainability vision, mission and strategy

3.1 Vision and mission

The world's population is expected to have grown to over nine billion people by the year 2050. 70 percent of the people will live in large cities. Provision of food for this growing population is a huge challenge and has implications for people, animals as well as for the environment. How can sufficient affordable, nutritious food be produced? Fertile soil and clean drinking water are scarcities in many areas in the world and the pressure on the environment is only increasing. Even if the availability of soil and water is not a problem, will there still be enough farmers to produce our daily food? Will they be able to generate sufficient income to provide for themselves and their families? The United Nations have set seventeen ambitious sustainable development goals, as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. These goals are related to topics such as responsible production and consumption, climate, sustainable communities, health and well-being, and efforts to fight poverty and starvation. FrieslandCampina contributes to eleven of the seventeen sustainability goals (Figure 1) and aims to maximize its contribution to five (SDGs 2, 8, 12, 13 and 15).



Figure 1: FrieslandCampina contributes to eleven of the seventeen sustainability goals.

To fulfill our purpose FrieslandCampina provides the world with superior nutrition, thereby contributing to global food and nutrient security. Nourishing by nature is in our genes and as a cooperative we want to safeguard sustainable dairy farming and vibrant communities worldwide, now and for generations to come. We aim for carbon neutral dairy processing with a fully regenerative farming system that improves biodiversity and

ensure circularity in the supply chain by 2050 at the latest. Furthermore, we assure traceable sustainable sourcing throughout our value chain and we help building the capacity to produce sustainably in our key markets, whilst maintaining the highest standards for our workforce, animal health and welfare and for human rights.

3.2 Strategy

Our purpose statement and our plan to put our purpose into action defines FrieslandCampina’s strategy ‘Our purpose our plan’ of which ‘Lead with sustainability’ is one of the four strategic themes (see Figure 2). The strategy of FrieslandCampina includes sustainable growth as well as value creation.

Our Purpose, Our Plan



Figure 2: Our Purpose, Our Plan

3.3 Implementation of the Sustainability strategy

Our ambitions are high on all priority areas. We want to ensure we stay and are being perceived as a true leader with sustainability across all three parts of our purpose: better nutrition for the world, a good living for our farmers, now and for generations to come. Within FrieslandCampina there are integrated programmes in place to ensure consistent implementation of the sustainability strategy from grass to glass with accompanying targets. The business groups and operating companies together with the supply chain and R&D all work together to achieve our sustainability ambitions.

To ensure implementation of the Sustainability strategy, a governance structure is set in place. FrieslandCampina’s Executive Board has final responsibility for the Sustainability policy and the development and coordination of this policy are the responsibility of the Corporate Sustainability department. The Sustainability Council is responsible for assessment and consultation.

FrieslandCampina understands that many sustainable development goals can only be achieved through cooperation with partners and building upon the work already done. As such, we aim to work together while also applying standards and guidelines. The most important guidelines we follow are elaborated on below.

1. International Dairy Sustainability Framework

FrieslandCampina is a member of the Dairy Sustainability Framework (DSF), an initiative of the international dairy sector, which shows customers and consumers its commitment to sustainable dairy products. DSF brings various stakeholders together, such as NGOs, financial institutions, scientific community and the government. This encourages the dairy sector as a whole to become more sustainable. More details can be found on the DSF website www.dairysustainabilityframework.org.

2. ISO 26000: Guidance on social responsibility

Implementation of FrieslandCampina's sustainability policy is based on the ISO 26000 guideline. This is an international CSR guideline assisting companies and other organisations in implementing CSR in business processes.

3. Foqus

FrieslandCampina uses a standard quality system Foqus to safeguard safety and quality throughout the entire chain, from grass to glass. Foqus offers consumers, customers and governments the guarantee that products and production processes comply with the strict quality and safety criteria. Food safety, quality, good working conditions for our employers and fire safety are a central part of our quality system. An essential aspect of this quality system is the inspection of products and processes. Focus complies with a range of national and international regulations and standards for food safety and quality based on the HACCP, ISO 9001 and FSSC 22000 standards. Foqus planet is FrieslandCampina's quality and sustainability programme for all member dairy farmers.

4. ISO26000 self-declaration

The Seven Principles of ISO 26000

Question 1

Our organisation is accountable for its impact on society, the economy and the environment.

Which activities does your organisation undertake to give substance to this principle?

We are accountable for:

- ✓ The effect of our decisions and activities on society, the environment and the economy and significant negative consequences in particular;
- ✓ The actions taken to prevent recurrence of these negative effects.

FrieslandCampina accounts for the impact of its actions taken in its integrated annual report, on its website and in its contact and communication with stakeholders.

FrieslandCampina uses management systems and the Internal Control Framework to prevent recurrence of unintended and unforeseen negative effects.

FrieslandCampina uses a standard quality system Foqus to safeguard safety and quality throughout the entire chain, from grass to glass. Foqus offers consumers, customers and governments the guarantee that products and production processes comply with the strict quality and safety criteria. Food safety, quality, good working conditions for our employees and fire safety are a central part of our quality system. An essential aspect of this quality system is the inspection of products and processes. Focus complies with a range of national and international regulations and standards for food safety and quality based on the HACCP, ISO 9001 and FSSC 22000 standards.

FrieslandCampina is committed to the safety and health of its employees and everyone involved in our business. Occupational safety and health of its people is our highest priority. It is FrieslandCampina's belief that all accidents can be prevented and that accidents should be prevented at all cost. FrieslandCampina has therefore committed to:

- ✓ A global, systematic approach on safety management focused on continuous improvement and external benchmarking
- ✓ Compliance with at least all relevant legal requirements, FrieslandCampina and industry standards.
- ✓ Life-Saving Rules: full compliance towards our set of Life-Saving Rules.
- ✓ We continuously train our employees, contractors and visitors to make sure they fully understand these rules and behave accordingly.
- ✓ Working closely together with our suppliers on improving our Safety performance.
- ✓ Ensuring all equipment and assets are maintained to the highest level of operating safety
- ✓ Valuing Safety as part of our employee performance system.

The Foqus SHE (safety, health & environment) management system has been developed to raise FrieslandCampina's SHE awareness and performance, to foster a culture of continuous improvement and to allow for internal benchmarking through an (internal) audit programme that ensures spreading SHE knowledge within the company. In order

to stimulate continuous improvement maturity levels have been introduced in the Foqus SHE management system. Audits are performed to determine at what level the elements of Foqus SHE have been implemented (see annex 1, overview of Foqus SHE scores per production facility).

In 2012 FrieslandCampina introduced the Foqus planet programme to assure the quality and sustainability of the milk produced by its member dairy farmers. The Foqus planet programme is for all member dairy farmers in the Netherlands Belgium and Germany. With Foqus planet, on the one hand, a basic level of quality and sustainability is guaranteed and, on the other hand, dairy farmers are encouraged to make their dairy farm even more sustainable. With Foqus planet we can demonstrate the performance of our member dairy farmers in terms of quality and sustainability.

Source

Annual Report, 2018, p. 12-15 & 24

Corporate website – Foqus

[Safety Policy](#)

Foqus FS&Q Manual (not publicly available)

Foqus SHE Audit Standard (not publicly available)

Foqus SHE Corporate Standard Audit Tool (not publicly available)

Foqus Planet (not publicly available)

Question 2

Our organisation is transparent about decisions and activities that have an impact on our environment.

Which activities does your organisation undertake to give substance to this principle?

We are transparent about:

- ✓ Purpose, nature and location of our activities;
- ✓ The identity of any controlling interest in the activities of our organisation;
- ✓ The way in which decisions are taken, implemented and reviewed;
- ✓ The definition of the roles, responsibilities, accountabilities and authorities across the various functions in our organisation;
- ✓ Who holds what position with respect to decision-making within our organisation;
- ✓ Standards and criteria against which our organisation evaluates its own performance relating to sustainability;
- ✓ The performance of FrieslandCampina on relevant and significant issues of sustainability;
- ✓ Our financial performance;
- ✓ Sources, amounts and allocation of funds;
- ✓ The known and likely effects of our decisions and activities on our stakeholders, society, the economy and the environment;
- ✓ Our stakeholders and the criteria and procedures used to identify, select and engage them.

The information is:

- ✓ Publicly and easily accessible;
- ✓ Understandable for our stakeholders;
- ✓ Timely, factually correct, clear and objective.

FrieslandCampina communicates about the objectives, nature and location of its activities on its website and Annual Reports. Since 2018, FrieslandCampina has an

integrated report, which means that financial and non-financial sustainability information is brought together in one report instead of reported on separately. This also demonstrates the importance of environmental, social and ethical aspects for FrieslandCampina, as integrated thinking is stimulated instead of only taking financial aspects into account. As such, the Annual Report elaborates on the value that FrieslandCampina created on multiple levels. Moreover, the integrated report allows FrieslandCampina to communicate and be transparent on more than only financial issues only.

In its Annual Report, FrieslandCampina also reports on the organisation structure of the Executive and Supervisory Boards, the way in which decisions are made, implemented and reviewed, including the definition of the roles, responsibilities, accountabilities and authorities. The identity of controlling interest in the activities of FrieslandCampina (note: all shares of the company are owned by Zuivelcoöperatie FrieslandCampina U.A.) is also communicated within the Annual Report. Moreover, important decisions are communicated in the news & press section on the website of FrieslandCampina in press releases and other publications. Additionally, FrieslandCampina is accessible for questions and comments by telephone or e-mail.

FrieslandCampina measures and monitors its own performance relating to environmental, social and ethical aspects by making use of defined KPIs. The KPIs and performance are reported in its annual reports and when relevant in publications, press releases and other contacts with stakeholders. The sources, amounts and allocation of funds are reported in the Annual Report of FrieslandCampina.

Relevant stakeholders are informed about significant effects in stakeholder meetings and dialogues. General effects are reported in the Annual Report, on the website and in other contacts with stakeholders. For each stakeholder group FrieslandCampina has different contact and communication points (such as a customer satisfaction survey and a complaints procedure for customers and meetings and conferences with NGO's). FrieslandCampina's method of identifying and engaging stakeholders, which is based on the AA1000 Framework, is described in the Stakeholder Engagement Plan.

Source

[Annual Report](#)

[Corporate website - news](#)

[Corporate website - corporate governance](#)

[Code of Conduct - Compass](#)

Foqus SHE Audit Standard (not publicly available)

Stakeholder Engagement Plan (not publicly available)

Question 3

Our organisation behaves in an ethically correct way.

Which activities does your organisation undertake to give substance to this principle?

FrieslandCampina is committed to ethical behaviour and actively promotes this. We:

- ✓ Identify and state core values and principles;
- ✓ Develop and use governance structures that help promoting ethical behaviour within the organisation, in decision-making and in interactions with others;
- ✓ Identify, adopt and apply standards of ethical behaviour appropriate to the purpose and activities and consistent with the principles outlined in ISO 26000;
- ✓ Encourage and promote compliance with these standards;

- ✓ Define and communicate the standards of ethical behaviour expected from our governance structure, personnel, suppliers, contractors, owners and managers, and particularly from those that have the ability, while preserving local cultural identity, to significantly influence the values, culture, integrity, strategy and operation of our organisation and people acting on its behalf;
- ✓ Prevent or resolve conflicts of interest that may lead to unethical behaviour throughout the organisation;
- ✓ Establish and maintain oversight mechanisms and controls to monitor, support and enforce ethical behaviour;
- ✓ Establish and maintain mechanisms to facilitate reporting unethical behaviour without fear of reprisal;
- ✓ Recognise and address situations where local laws and regulations either are non-existent or are in conflict with ethical behaviour;
- ✓ Adopt and apply internationally recognised standards of ethical behaviour when conducting research involving people;
- ✓ Respect the welfare, lives and existence of animals, among other things by providing decent conditions for keeping, breeding, producing, transporting and using animals.

In addition FrieslandCampina will:

- ✓ Not engage in bribery or any other form of corruption;
- ✓ Not provide or accept gifts, favours or any form of entertainment when this will or may obligate the recipient;
- ✓ Conduct its activities in a fair and competitive manner;
- ✓ Perform all business and commercial dealings transparently and record these accurately;
- ✓ Respect and safeguard confidential information, know-how and intellectual property and use (consumer) information only for its intended and designated purpose;
- ✓ Neither support political parties nor contribute financially or otherwise to groups the activities of which are intended to promote party interests.

FrieslandCampina formalised ethical behaviour in the:

- ✓ Code of Conduct 'Compass';
- ✓ Speak Up Procedure;
- ✓ Business Practices for Business partners;
- ✓ Internal Control Framework.

In order to promote correct and principled behaviour of its employees, FrieslandCampina has drawn up a Code of Conduct: Compass. This describes FrieslandCampina's core values, principles and guidelines that govern the way of working of the Company. Issues covered by Compass include human rights, rights of employees, safety with respect to food and people, sustainability, conflicts of interest, business relationships, public activities, fair competition, fair communication, data protection, integrity of (financial) reporting and prevention of fraud.

All employees of the FrieslandCampina group of companies are obliged to adhere to Compass. The Executive Board has appointed a Corporate Manager Business Conduct, who monitors and regularly reports findings and recommendations with regard to concerns relating to our Compass to the Executive Board and the Supervisory Board. Compass is distributed among employees and can be accessed through the intranet. Furthermore, employees can follow training and e-learning courses. Articles about the relevance of the Code of Conduct are published in employee magazines of

FrieslandCampina, business groups and operating companies. Sanctions or disciplinary measures are taken in case of non-compliance with the Code of Conduct. Employees are requested to report any contraventions of the Code of Conduct. To support this, a key responsibility of the management is to create an open environment in which employees can raise their concerns or suspicions without fear of a negative reaction.

To promote transparency and integrity, FrieslandCampina has developed a Speak Up Procedure. The regulation serves as a guideline for expressing any concern and protects the whistle blower from disciplinary measures or unfair treatment. All employees have been informed about the regulation and a Local Trusted Representative has been designated and instructed in every part of the organisation. Stakeholders who have a valid business interest are also invited to raise their concerns.

The Speak Up Procedure distinguishes two types of situations, being situations in which employees are encouraged to speak up and situations in which employees must speak up. Employees are encouraged to speak up when they have questions or concerns relating to FrieslandCampina's Compass. Employees must speak up in case of a situation that may endanger the health or safety of any person or product, or in a situation in which the law is violated. Both types of situations may (or should) be reported to a Local Trusted Representative, the Corporate Manager Business Conduct or through the Speak Up Phone or Webservice. All reported cases will be screened and dealt with in a confidential manner. Subsequently, the cases that qualify will be further investigated and handled by the Corporate Manager Business Conduct under the supervision of the Integrity Committee. The Integrity Committee is chaired by a member of the Executive Board and consists of the General Counsel & Company Secretary, the Corporate Director Internal Audit, the Corporate Director Public and Quality Affairs and the Corporate Director Human Resources. The Integrity Committee is responsible for making sure that the correct procedures for reporting contraventions are followed.

Managing legal and ethical issues and compliance is part of the Internal Control Framework of FrieslandCampina. The mission and purpose of ICF are as follows:

- Managing an efficient and agile internal control framework providing assurance that errors or instances of fraud are prevented or timely detected;
- Supported by a sound control environment, a highly competent IC network and effective tooling which allows continuous control monitoring.

The management is responsible for implementing the Internal Control Framework. Compliance with the Internal Control Framework is monitored by the Corporate Internal Control department.

Moreover, FrieslandCampina has drawn-up a set of standards for its suppliers, the Business Practices for Business partners. The subjects covered by these supplier standards include statutory national and local requirements, industry standards, human rights, food safety and quality, and sustainable business operations. Suppliers have to sign the Business Practices for Business partners as a supplement to a contract. Compliance with these standards is required of all suppliers and is the responsibility of each individual supplier.

FrieslandCampina respects the welfare of animals. This is regulated in the requirements to our member dairy farmers through Foqus planet. Question 21a below describes how FrieslandCampina secures animal health and welfare.

Source

Code of Conduct - Compass

[Annual Report, 2018, p. 27-28](#)

[Speak up Procedure](#)

[Corporate website - Foqus Planet](#)

Foqus Planet (not publicly available)

Business Practices for Business partners (not publicly available)

Internal Control Manual (not publicly available) & Framework (not publicly available)

Question 4

Our organisation respects the interests of our stakeholders and takes them into consideration.

Which activities does your organisation undertake to give substance to this principle?

FrieslandCampina respects stakeholder interests. We:

- ✓ Identify our stakeholders;
- ✓ Recognise and have due regard for the interests as well as the rights of our stakeholders and we respond to the concerns they express;
- ✓ Recognise that stakeholders can significantly influence the activities of the organisation;
- ✓ Assess and take into account the ability of stakeholders to contact, engage with and influence the organisation;
- ✓ Take the balance between our stakeholders' interests and the broader expectations of society and sustainable development as well as the nature of the stakeholders' relationship with our organisation into consideration;
- ✓ Consider the views of stakeholders whose interests are likely to be affected by a decision or activity, even when they do not play a formal role in the governance of the organisation or are unaware of these interests.

FrieslandCampina attaches great value to maintaining a good relationship and dialogue with its stakeholders. We strive for the right balance between the interests and expectations of FrieslandCampina and our stakeholders.

Every two years, FrieslandCampina performs a materiality analysis where primary stakeholders are identified. The primary stakeholders are member dairy farmers, consumers, employees, industrial associations, strategic partners, (local) authorities, suppliers, competitors, science and social organisations. In 2019, FrieslandCampina conducted a new materiality analysis for which stakeholders were approached again. FrieslandCampina structurally maintains contact with its most important stakeholders. This keeps the Company up-to-date with their expectations and with relevant developments. In its dialogue with stakeholders FrieslandCampina works on a basis of trust and develops an understanding of what is important to different parties. This helps FrieslandCampina to set the proper priorities and to take the right decisions. It also constitutes important input for the sustainability policy.

The process of stakeholder engagement is laid down in writing in FrieslandCampina's Stakeholder Engagement Plan, which is based on the AA1000 Framework. It is organised around the principle of 'inclusivity', which means that the Company is committed to reflect the views and needs of all stakeholder groups. Inclusivity can be achieved by adherence to three principles, being materiality, completeness and responsiveness. These principles are guiding in ensuring that stakeholder engagement supports the objective of organisational accountability.

Source

[Corporate website – stakeholder involvement](#)

Annual Report, 2018, p. 138-142

Stakeholder Engagement Plan (not publicly available)

Materiality Analysis Report (not publicly available)

Question 5

Our organisation respects the applicable laws and regulations.

Which activities does your organisation undertake to give substance to this principle?

FrieslandCampina accepts that respect for the rule of law is mandatory. We:

- ✓ Keep ourselves informed about all legal obligations;
- ✓ Comply with legal requirements in all jurisdictions in which the organisation operates, even when those laws and regulations are not adequately enforced;
- ✓ Ensure that our relationships and activities comply with the intended and applicable legal framework;
- ✓ Inform employees about recent and applicable laws and regulations and how they can comply with these;
- ✓ Periodically review compliance with applicable laws and regulations.

FrieslandCampina knows the applicable legal and regulatory framework. Knowledge is kept up-to-date and it is ensured that minimum requirements are always met.

Management directors and plant managers are responsible for remaining up-to-date and for compliance with laws and regulations. Education, training and keeping a close track of on-going or recent developments by being involved with the industry association and other memberships are ways to stay informed about all legal obligations.

FrieslandCampina has included the review of compliance with applicable laws and regulations in its management systems.

FrieslandCampina uses a standard quality system Foqus to safeguard safety and quality throughout the entire chain. Focus complies with a range of national and international regulations and standards for food safety and quality based on the HACCP, ISO 9001 and FSSC 22000 standards.

The Foqus SHE (safety, health & environment) management system has been developed to raise FrieslandCampina's SHE awareness and performance, to foster a culture of continuous improvement and to allow for internal benchmarking through an (internal) audit programme that ensures spreading SHE knowledge within the company. In order to stimulate continuous improvement maturity levels have been introduced in the Foqus SHE management system. Audits are performed to determine at what level the elements of Foqus SHE have been implemented. The environmental and safety at work risks at the facilities are assessed using a standard risk analysis. Risk management is in the heart of all we do. By reporting incidents, near misses and dangerous situations we are able to investigate on safety and to prioritise our risks. Based on that we continuously improve by mitigation of the highest risks, but also by initiating improvement projects.

In addition, internal and external auditors and accountants test compliance with applicable laws and regulations (see annex 1, overview of Foqus SHE scores per production facility).

Source

Corporate website – Foqus

Foqus FS&Q Manual (not publicly available)

Foqus SHE Audit Standard (not publicly available)

Foqus SHE Corporate Standard Audit Tool (not publicly available)

Question 5A

Which activities does your organisation undertake to safeguard food safety and quality?

FrieslandCampina develops, produces and sells its brands at different locations and in many different countries, and customers rightfully expect all the products to offer the same robust high quality and safety. To safeguard this safety and quality throughout the entire production chain FrieslandCampina has its own international and company-wide Food Safety and Quality system, called Foqus.

With Foqus, FrieslandCampina guarantees consumers, customers and the authorities that the products and production processes meet the most stringent standards in the field of food safety, food quality, work safety, working conditions, fire protection and environment. An extensive programme of training courses and audits helps to safeguard the implementation and continuous monitoring of Foqus in the production locations and the member dairy farms.

The guiding principles of the quality control are the statutory stipulations supplemented with additional demands. The various international standards, such as GMP+, HACCP, ISO 9001, ISO 22000, FSSC22000, are integrated into Foqus so that both FrieslandCampina's customers and the consumers can be assured that the products are safe, are of the highest quality and are produced responsibly.

The Foqus stipulations are reviewed, and if necessary revised, each year to ensure the system always reflects the latest knowledge and insights.

FrieslandCampina strongly focuses on continuously improving its performance.

Therefore, Foqus is set up as a transparent system of policies, standards and guidelines, which must be included in the local Quality Management systems. It also includes an audit standard that is applicable to all manufacturing and distribution locations and is audited on a regular base. This audit standard encourages continuous improvement and can also be used for self-assessment.

To safeguard food safety FrieslandCampina wishes to share its requirements for Food Safety and Quality with all relevant partners in the supply chain. These requirements are based on global food industry standards, FrieslandCampina's experience and regulatory requirements. FrieslandCampina deploys a global process for qualifying suppliers to manage its food safety, quality and regulatory compliance with suppliers and external manufacturers. This Supplier Quality Management (SQM) process is in place for all suppliers of goods and services critical to food safety and/or food quality. Only goods with a mutually signed specification and an approved production location can be delivered to FrieslandCampina. This is also the case for services provided to FrieslandCampina. For all new external manufacturers and dairy raw material suppliers, an audit needs to be conducted by FrieslandCampina. Within the SQM process, the overall risks of the material, potential supplier risks, critical quality parameters, any FrieslandCampina mitigation steps and the customer's intended use are assessed. The material and supplier risks are considered as 'building blocks' that enables to make combinations between materials and suppliers. The building blocks are combined in the risk Assessment tool for suppliers and external manufacturers. The validation of the material risks is documented.

Source

[Annual Report, 2018](#)

Foqus FS&Q Manual (not publicly available)

Supplier Quality Management Internal Manual (not publicly available)

Question 6

Our organisation respects the international standards of behaviour.

Which activities does your organisation undertake to give substance to this principle?

FrieslandCampina respects international standards of behaviour. We:

- ✓ Respect international standards of behaviour in situations where the law or its implementation does not provide adequate environmental or social safeguards, or is in conflict with international standards of behaviour;
- ✓ Reconsider our relationships and activities in areas where the law or its implementation is in conflict with international standards of behaviour and where not complying with these standards would have significant consequences;
- ✓ Consider legitimate possibilities and channels to seek to influence relevant organisations and authorities to settle conflicts of laws and regulations with the international standards of behaviour;
- ✓ Avoid being complicit in the activities of another organisation that are not consistent with international standards of behaviour.

FrieslandCampina acts in all situations in accordance with its own principles and values as laid down in the Code of Conduct ('Compass'). Compass is based on international standards of behaviour, such as the OECD Guidelines for multinational enterprises, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Universal Declaration on Human Rights. Other issues covered by the Code include child labour, forced labour, discrimination of employees and respect for the right employees have to organise themselves in trade unions.

All employees of the FrieslandCampina group of companies are obliged to adhere to Compass. The Executive Board has appointed a Corporate Manager Business Conduct, who monitors and regularly reports findings and recommendations with regard to Compass-related concerns to the Executive Board and the Supervisory Board. The Compass is distributed among employees and can be accessed through the intranet. Furthermore, employees can follow training and e-learning courses. Articles about the relevance of the Code of Conduct are published in employee magazines of FrieslandCampina, business groups and operating companies. Sanctions or disciplinary measures maybe taken in case of non-compliance with the Code of Conduct.

FrieslandCampina wants to establish and maintain fair and mutually challenging relationships with reliable business partners that comply with our standards and that contribute to our objectives and integrity commitments. FrieslandCampina monitors the quality performance of all suppliers of raw material and packaging materials and external manufacturers. Moreover, all suppliers are required to comply with FrieslandCampina's Business Practices for Business partners. Within these practices compliance with laws and standards, bribery and corruption and integrity of business relations are, amongst other things, included.

Source

Code of Conduct - Compass

Business Practices for Business Partners (not publicly available)

Foqus FS&Q Manual (not publicly available)

Supplier Quality Management Internal Manual (not publicly available)

Question 7

Our organisation respects and recognises the universal human rights. Which activities does your organisation undertake to give substance to this principle?

FrieslandCampina respects and acknowledges the universal human rights. We:

- ✓ Take responsibility towards all potentially affected stakeholders, including employees, (employees of) suppliers, consumers and local communities;
- ✓ Take steps to respect human rights and avoid taking advantage of situations in which human rights are not protected;
- ✓ Adhere to the principle of respect for international standards of behaviour in situations where the law or its implementation does not adequately protect human rights.

To promote the correct and principled conduct of its employees, FrieslandCampina has drawn up a Code of Conduct ('Compass'). Compass adheres to 'responsible entrepreneurship', which is based on the OECD Guidelines for multinational enterprises, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Universal Declaration of Human Rights.

All employees of the FrieslandCampina group of companies are obliged to adhere to Compass. In the Compass, it is explicitly stated that FrieslandCampina respects and supports internationally recognised human rights for all stakeholders, such as the right of employees to join legal trade unions. The Executive Board has appointed a Corporate Manager Business Conduct, who monitors and regularly reports findings and recommendations with regard to Compass-related concerns to the Executive Board and the Supervisory Board.

Employees are encouraged to speak up when they have questions or concerns relating to FrieslandCampina's Compass. Employees are expected to directly address any form of discrimination or harassment.

In addition, FrieslandCampina has developed a separate Human Rights policy in the end of 2019, which will be rolled out in 2020, starting with a human rights risk assessment. Within this policy, FrieslandCampina commits to engage into a meaningful dialogue with stakeholders, especially those that may be potentially affected by FrieslandCampina's business practices. The policy has included topics on which FrieslandCampina may have a negative impact. The topics are listed below. However, we realize that this policy is not exhaustive and that the topics in this policy may change with time. After all, human rights are never "done".

FrieslandCampina's Human Rights Policy is derived from international principles, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The policy is applicable to Koninklijke FrieslandCampina N.V., to all subsidiaries of Koninklijke FrieslandCampina N.V. and to all legal entities in which FrieslandCampina has management control throughout the world. FrieslandCampina also expects its key business partners to respect human rights.

The main topics on which FrieslandCampina's Human Rights policy focuses:

- Access to water and sanitation
- Right to life and security
- Freedom of association and collective bargaining
- No child labor under the age of 15
- No forced labor
- Non-discrimination and equality

- Right to privacy
- Reducing environmental impact in operations
- Access to remedy

Moreover, FrieslandCampina has drawn-up a set of standards for its suppliers, the Business Practices for Business partners. The subjects covered by these supplier standards include statutory national and local requirements, industry standards, human rights, food safety and quality (see question 5a), and sustainable business operations. The supplier standards are derived from the Code of Conduct. Suppliers have to sign the Business Practices for Business partners as a supplement to a contract. Sanctions or disciplinary measures are taken in case of non-compliance with the Business Practices.

Source

Code of Conduct - Compass

Speak up Procedure

Business Practices for Business Partners (not publicly available)

Supplier Quality Management Internal Manual (not publicly available)

Human Rights Policy (not publicly available)

Question 7a

Our organisation respects and recognises labour standards and fundamental rights at work.

Which activities does your organisation undertake to give substance to this principle?

FrieslandCampina:

- ✓ Ensures all people working at its premises (manufacturing sites, R&D centers, offices, etc.) have access to clean water and adequate sanitation facilities
- ✓ Ensures a safe and healthy workplace for its employees and those working on its premises.
- ✓ Respects the freedom of association and the effective recognition of the right to collective bargaining in its worldwide operations, in accordance with local legislation
- ✓ Commits to providing a climate free of violence, pressure, fear and threats
- ✓ Respect our employees' right to join or form a labour union without fear of negative reaction such as intimidation, dismissal or harassment
- ✓ Ensures it is not employing children under the age of 15 in general, or under the age of 18 in hazardous working conditions
- ✓ Committed to not employing or benefiting from situations that fall under forced labour
- ✓ Respects the right of all people to be treated equally. We therefore prohibit any form of discrimination or harassment against employees based on, for example, race, colour, gender, sexual orientation, age, religion, political opinion, national, ethnic or social origin
- ✓ Commits to ensuring that the environment and working conditions are not harmful to the health, wellbeing or gender specific personal beliefs of our employees
- ✓ Commits to protecting the personal data of employees, consumers, members, customers, suppliers and other business partners
- ✓ Believes its employees are our most valuable asset. FrieslandCampina favour an open communication with all employees and encourages all employees to develop themselves both professionally and personally.

FrieslandCampina's Code of Conduct is based on, among others, the ILO Declaration on Fundamental Principles and Rights at Work. FrieslandCampina expects every employee to directly address any form of discrimination or harassment. The Company does not tolerate child labour and forced labour and contributes to the elimination of these in every possible way. Business partners are expected to do the same. Employees are encouraged to speak up if they have questions or concerns relating to FrieslandCampina's Compass.

To achieve the ambitions of Our Purpose, Our Plan, a worldwide Human Resources strategy has been developed. FrieslandCampina accepts its responsibility to be a good employer and invests in high-quality, motivated employees and a stimulating and inspiring environment. Being a good employer means providing the right career opportunities, maximum scope for development and appropriate terms of employment and fringe benefits. It also means being committed to a safe and healthy working environment and an appropriate corporate culture.

FrieslandCampina has developed a programme aimed at raising safety awareness throughout the organisation. This programme helps employees to identify safety risks and to create a safer working environment for themselves and others. In every country the employment conditions are defined based on the corporate HR policy, local conditions, laws and regulations, and labour standards. Employees are offered a wide range of training programmes via the FrieslandCampina Academy.

Source

Code of Conduct - Compass

Annual report, 2018, p. 27-28

Human Rights Policy (not publicly available)

Stakeholder identification and engagement

Question 8

How did your organisation identify its stakeholders (who were involved and how were they consulted)?

To identify stakeholders FrieslandCampina asked the following questions:

- ✓ Towards whom does the organisation have legal obligations?
- ✓ Who might be positively or negatively influenced by the organisation's decisions or activities?
- ✓ Who is likely to express concerns about the decisions and activities of the organisation?
- ✓ Who was involved in the decisions and activities of the organisation in the past?
- ✓ Who can help the organisation address specific impacts?
- ✓ Who can influence the organisation's ability to meet its responsibilities?
- ✓ Who would be disadvantaged if excluded from engagement?
- ✓ Who in the value chain would be affected?

The outcome of stakeholder identification is a list of relevant stakeholders of FrieslandCampina, which has been included in the Stakeholder Engagement Plan. Through asking the above questions, FrieslandCampina determined internal and external stakeholders. The key internal stakeholders are employees and member dairy farmers, whereas the main external stakeholders are customers, suppliers, (local) authorities, banks, NGOs and society as a whole. The Stakeholder Engagement Plan also describes the desired method and frequency of dialogue with the various stakeholders.

FrieslandCampina attaches great value to maintaining good relationships and dialogue with its stakeholders. The company strives for a proper balance between the interests and expectations of FrieslandCampina and those of the member dairy farmers, consumers, employees, industrial customers, partners, (local) authorities and social organisations.

Source

Corporate website – stakeholder involvement

Annual report, 2018, p. 138-142

Stakeholder Engagement Plan (not publicly available)

Question 9

Who are the stakeholders of your organisation?

The following categories of stakeholders were identified for FrieslandCampina:

- ✓ Customers
- ✓ Competitors
- ✓ Consumers
- ✓ Employees
- ✓ Governmental authorities
- ✓ Investors/financial sector
- ✓ Local community
- ✓ Media
- ✓ Non-governmental organisations
- ✓ Shareholders (member dairy farmers)
- ✓ Sector organisations
- ✓ Suppliers
- ✓ Scientific community
- ✓ Trade unions

The Stakeholder Engagement Plan and Annual Report describe the identified stakeholders.

Source

Annual report, 2018, p. 138-142

Stakeholder Engagement Plan (not publicly available)

Question 10

Why and how does your organisation engage its stakeholders? Give examples.

FrieslandCampina engages stakeholders to:

- ✓ Give us more insight into the likely consequences of our decisions and activities for specific stakeholders;
- ✓ Determine how best to increase the beneficial impacts of our decisions and activities and how to minimise any adverse effect;
- ✓ Determine whether our claims about our social responsibility are perceived to be credible;
- ✓ Help us review and improve our social responsibility performance;
- ✓ Reconcile conflicts involving our own interests, those of our stakeholders and the expectations of society as a whole;
- ✓ Fulfil legal obligations we have towards stakeholders;
- ✓ Make our decisions and activities more transparent;
- ✓ Form partnerships to achieve mutually beneficial objectives.

FrieslandCampina sets great store by a good relationship with stakeholders and strives to find the proper balance between all the, sometimes conflicting, expectations and needs of suppliers, customers, social organisations and local authorities.

FrieslandCampina believes good cooperation with stakeholders to be crucial for making product chains and business processes more sustainable.

There are many strategic and operational reasons why FrieslandCampina engages with its stakeholders. It is important to regularly update the drivers for engagement as these may change over time. FrieslandCampina deals with, for example, new technologies, changing societal expectations and new legal obligations.

The strategic objectives for engagement are linked to FrieslandCampina's purpose statement – *nourishing by nature* – which stands for better nutrition for the world, a good living for our farmers, now and for generations to come. The strategic objectives are, among others:

- To learn and understand long-term trends in consumer behaviour;
- To understand the expectations and needs of our member dairy farmers;
- To be informed of and involved in key sustainability issues.

Many issues that FrieslandCampina should consider engaging on can already be derived from the above-mentioned strategic engagement objectives. However, there are also issues that may not be directly strategically relevant, but still have the potential to impede business performance. To map these issues, a materiality test is performed by a third party every two years. In 2019, a new materiality analysis is conducted. Based on research done by a third party, in which standards and guidelines such as the Global Reporting Initiative are taken into account, the most important topics for FrieslandCampina were selected. Accordingly, stakeholders were invited to give their input on these topics through an online survey. The results show which topics are considered to be the most important by stakeholders and therefore also depict the topics that FrieslandCampina should act and report on.

Another example of how FrieslandCampina engages with stakeholders is through the Dairy Sustainability Framework. FrieslandCampina is member of the Dairy Sustainability Framework (DSF), an initiative of the international dairy sector, which shows customers and consumers its commitment to sustainable dairy products. DSF brings various stakeholders together such as NGOs, financial institutions, customers, scientific community and the government. This will encourage the dairy sector as a whole to become more sustainable. During the pilot phase FrieslandCampina worked together with Danone, Unilever, Wageningen University, Sustainable Agriculture Initiative (SAI) platform, Global Dairy Platform, Nature & Environment, University Utrecht, Ahold, Rabobank and the Ministry of Economic Affairs. Due to the intensive contact with these stakeholders, FrieslandCampina was able to come up with a list of valuable recommendations to further develop the DSF. After the pilot phase, the Sustainable Dairy Partnership (SDP) was set up. This partnership builds on the DSF to provide a unified sustainability approach for use in the commercial relationships between dairy consumers and their suppliers. It supports locally prioritised improvements, systemic change and credible assurance through the dairy supply chain. The SDP is designed to facilitate efficient sourcing of sustainable dairy products and to encourage measurable progress on sustainability priorities.

Source

[Annual report, 2018, p. 138-142](#)

[Website The Dairy Working Group](#)

[The Sustainable Dairy Partnership](#)

Stakeholder Engagement Plan (not publicly available)

Question 11

State whether during the determination of relevant issues you have looked at:

When determining the relevance of issues, FrieslandCampina looked at:

- ✓ Its activities and decisions;
- ✓ Activities and decisions of organisations in the value chain and sphere of influence;
- ✓ Daily activities as well as extraordinary situations.

Source

ISO 26000 Issue Selection (not publicly available under NEN option 2)

Materiality Analysis Report (not publicly available)

Question 12

Which subjects are relevant?

Subjects are relevant when they are influenced or can be influenced by FrieslandCampina (in the organisation or in the chain). ISO 26000 addresses seven core subjects, being (i) organisational governance, (ii) human rights, (iii) labour practices, (iv) the environment, (v) fair operating practices, (vi) consumer issues and (vii) community involvement and development. These seven core subjects are all relevant to FrieslandCampina. Furthermore, the issues listed for each core subject are all relevant to FrieslandCampina, except for 'access to essential services' and 'consumer data protection and privacy'. These two issues are not relevant as FrieslandCampina does not deliver essential services nor directly to consumers.

Source

ISO 26000 Issue Selection (not publicly available under NEN option 2)

Question 13

Which criteria did you use in determining the significant issues?

The significance of issues was determined based on the following criteria:

- ✓ The extent of the impact of the issue on stakeholders and sustainable development;
- ✓ The potential effect of taking action or failing to take action on the issue;
- ✓ The level of stakeholder concern about the issue;
- ✓ The potential effect of the action versus the resources required for implementation;
- ✓ The current performance versus existing laws, regulations and benchmarks (assumed to be the expectations of society).

Source

ISO 26000 Issue Selection (not publicly available under NEN option 2)

Question 14

Which issues are significant?

Almost all ISO 26000 issues are significant for FrieslandCampina except for 'access to essential services' and 'consumer data protection and privacy'.

Source

ISO 26000 Issue Selection (not publicly available under NEN option 2)

Question 15

Which criteria did you use in determining the issues of high priority?

The criteria used to establish the priority of sustainability issues for FrieslandCampina are:

- ✓ The level of compliance with laws, standards of behaviour, human rights and health associated with the issue;
- ✓ Whether or not actions will have any effect in the long term (time to reach the desired results);
- ✓ The level of concern to stakeholders or contribution to meeting the Company's own objectives;
- ✓ Whether there may be significant cost implications if the issue is not addressed quickly;
- ✓ Whether actions on the issue can be easily implemented and have a motivating effect on employees (ease and speed of implementation and 'quick wins').

Source

ISO 26000 Issue Selection (not publicly available under NEN option 2)

Question 16

Which issues have priority?

Only the significant issues are assessed on priority. When determining the priority of issues, FrieslandCampina looks at the interests of both FrieslandCampina and its stakeholders. High priority issues are: environmental issues, organisational governance, due diligence on human rights and health and safety at work.

Besides this ISO 26000 issue selection, a materiality test is performed by a third party every two years to define the social and environmental topics that matter most to FrieslandCampina and its stakeholders. This is based on Global Reporting Initiative (GRI) Standards.

Source

ISO 26000 Issue Selection (not publicly available under NEN option 2)
Materiality Analysis Report (not publicly available)

Question 17

Which actions have been taken based on the identified priorities and which actions are you going to take?

The 2019 ISO 26000 scan and the materiality analysis have led to further points of improvement. We undertook the following actions:

- ✓ FrieslandCampina fully integrated its policy in our Nourishing by Nature purpose and strategy: Our Purpose, Our Plan.
- ✓ The Stakeholder Engagement Plan was updated and is now based on the AA1000 Framework.
- ✓ KPIs were set and sharpened in order to be able to measure the effectiveness of our sustainability strategy.
- ✓ The scope for external assurance is broadened from a selection of KPIs in 2015 to all KPIs in 2017 and onwards.

The following actions will be taken:

- ✓ FrieslandCampina will keep on refining and broadening the scope of the KPIs. For example, the measures of the KPI regarding water consumption at production

locations are currently focused on countries with water scarcity. As of 2019, the measures will be focused on all sites throughout the world.

Moreover, FrieslandCampina set the ambition to use 100% recyclable packaging materials in 2025 and to have a completely circular packaging system in 2050 that is based on renewable materials. To enable this FrieslandCampina has developed the Respackt software tool. This tool enables FrieslandCampina to quickly analyse the environmental burden and the recyclability of packaging and thus select the most sustainable options. FrieslandCampina is currently in the process of monitoring the percentage of recyclable packages, with the main focus on plastic packaging material.

- ✓ FrieslandCampina respects internationally recognised human rights and the OECD Guidelines for International Companies, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Universal Human Rights Declaration. In addition, FrieslandCampina has developed its own human rights policy in the end of 2019.

Source

Annual report, 2018, p. 28

Stakeholder Engagement Plan (not publicly available)

Sustainability Reporting Manual (not publicly available)

Human Rights Policy (not publicly available)

Question 18

Explanation on determining priorities (explain also why certain issues are or are not considered).

The priority of each sustainability issue according to the given criteria has been defined in FrieslandCampina's ISO 26000 issue selection.

A materiality test is performed by a third party every two years to define the social and environmental subjects that matter most to FrieslandCampina and its stakeholders. This is based on Global Reporting Initiative (GRI) Standards. First, a short list of subjects was established based on previous materiality analyses and enhanced by adding several new subjects and omitting other less relevant subjects. To check whether all relevant issues are covered, a sector and environmental analysis as well as a media analysis were performed. The sector and environmental analyses focuses on, among others, the reporting of peers and trends in sustainability and trends within the sector, whereas the media analysis identified issues with a lot of media coverage. This resulted in a list of 20 important topics for FrieslandCampina (Figure 4).

The priority of the issues is determined through an online survey which is filled in by a broad representation of internal and external stakeholders. Stakeholders were asked to prioritise the five topics they found most relevant from one to five. Moreover, the stakeholders were also asked to indicate which five topics they considered to be least relevant for FrieslandCampina. In addition to the stakeholders' perspective, Members of the Executive Leadership Team (ELT) were asked to prioritise the five topics they considered FrieslandCampina to have the most (potential) impact on. Accordingly, the ELT Members were also asked to indicate the five topics that FrieslandCampina has, based on their knowledge, the least impact on.

Based on the outcome of these surveys, a materiality matrix is made that visualises the internal and external prioritisation (Figure 3). The closer the subjects are to the upper

right corner, the more material they are for FrieslandCampina. The material issues form the basis of FrieslandCampina’s Sustainability strategy.

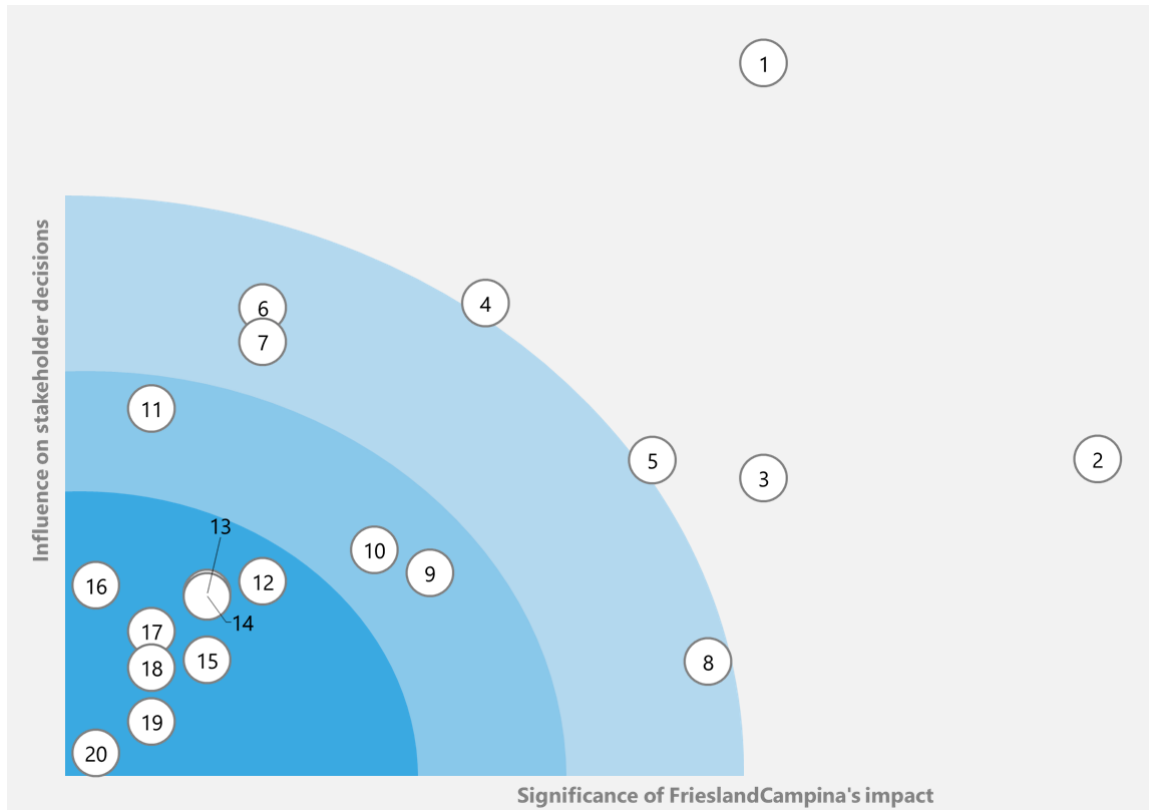


Figure 3: Materiality Matrix FrieslandCampina

Rank	Topic
1	Carbon footprint
2	Innovation
3	Milkprice
4	Nature & biodiversity
5	Nutritional & healthy products
6	Product quality and safety
7	Animal health & welfare
8	Attractive employer
9	Packaging
10	Supply chain management
11	Sourcing
12	Energy usage & efficiency
13	Support for local dairy farmers in Asia, Africa and Eastern Europe
14	Waste
15	Meadow grazing
16	Dairy alternatives
17	Water usage & efficiency
18	Affordable nutrition
19	Natural & clean label products
20	Diversity & inclusion

Figure 4: Material topics linked to the Materiality Matrix

Source

ISO 26000 Issue Selection (not publicly available under NEN option 2)
Materiality Analysis Report (not publicly available)

Question 19

Indicate which stakeholders you have involved in determining relevancy, significance and priority of issues and how you have done this.

FrieslandCampina regularly consults its stakeholders in various types of dialogues. The available knowledge and the results of these dialogues were input for determining relevance, significance and priority of the issues per core subject. FrieslandCampina attaches great value to maintaining good relationships and dialogues with all its stakeholders. This results in a better understanding of social developments as well as of the concerns that stakeholders have relating to FrieslandCampina. Virtually every group of stakeholder was involved in the materiality analysis and therefore in determining the relevancy, significance and priority of issues as well. We reached out to social organisations, regulators/authority, suppliers, competitors, industry associations, strategic partners, customers, employees, member farmers and science institutes.

Source

Annual Report, 2018, p. 138-142

ISO 26000 Issue Selection (not publicly available under NEN option 2)

Materiality Analysis Report (not publicly available)

Stakeholder Engagement Plan (not publicly available)

Chain responsibility and sphere of influence

Question 20

Which (types of) organisations are in your sphere of influence and how are they related to your organisation?

FrieslandCampina defined the following stakeholder categories in its sphere of influence:

- ✓ Customers
- ✓ Competitors
- ✓ Governmental bodies and local authorities
- ✓ Investors/financial sector
- ✓ Local community
- ✓ Media
- ✓ Non-governmental organisations
- ✓ Interest groups
- ✓ Sector organisations
- ✓ Suppliers
- ✓ Science institutes
- ✓ Trade unions

An overview of all stakeholders and more information on stakeholder engagement can be found in the Annual Report and the Stakeholder Engagement Plan.

FrieslandCampina is exerting influence in the following manner:

- ✓ Regarding ownership and governance: Through Zuivelcoöperatie FrieslandCampina U.A. ('the Cooperative') the member dairy farmers in the Netherlands, Germany and Belgium own 100 percent of Royal FrieslandCampina N.V. ('the Company') (see the governance structure diagram below in Figure 5). The Company strives for sustainable growth and value creation on behalf of its

member dairy farmers. The Company exerts influence through its CSR policy on its business groups and operating companies.

- ✓ Regarding economic relationships: FrieslandCampina is exerting influence on parties that it can influence through economic relationships, focusing mainly on the influence the Company has in its supply chain, meaning the farmers, customers and suppliers through the Business Practices for Business partners, its stakeholder dialogues and by being a member of or an active participant in various initiatives and consultation bodies. More information on stakeholder dialogue and a list of consultation bodies can be found in the Annual Report.
- ✓ Regarding legal/political authority: FrieslandCampina is exerting influence on parties through our legal and political authority, meaning that certain appointed employees cooperate with governments and organisations in formulating rules and laws that may have any effect on our business.
- ✓ Regarding public opinion: FrieslandCampina is exerting influence on the public through our website, marketing and other ways of communication.

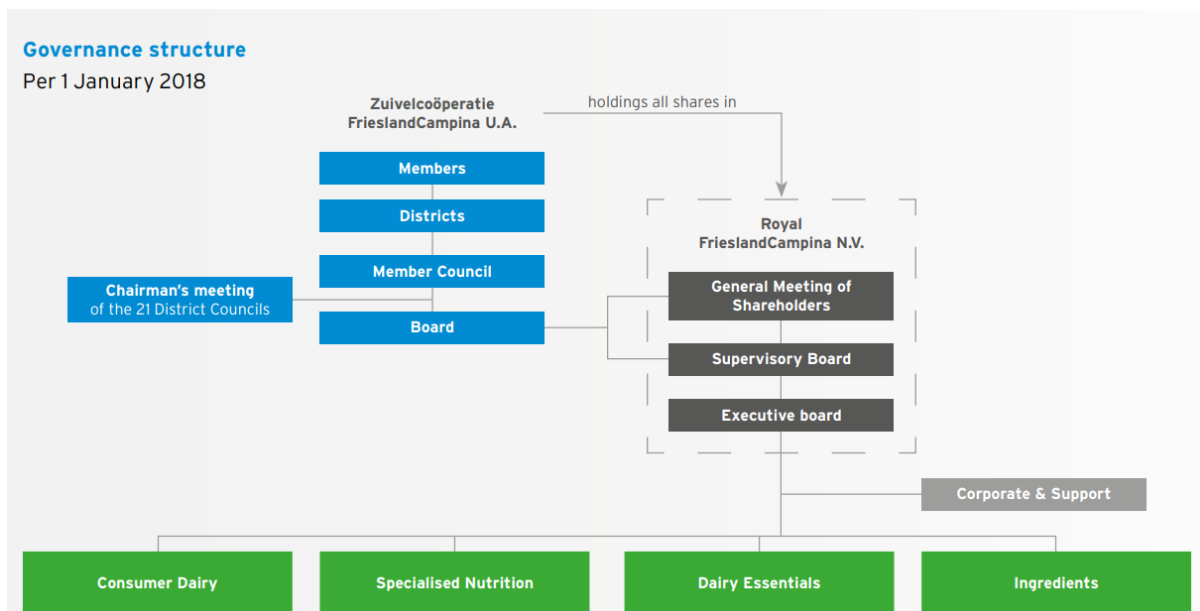


Figure 5: Ownership and governance structure

Source

[Annual report, 2018, p. 138-142](#)

Stakeholder Engagement Plan (not publicly available)

Question 21

How does your organisation encourage social responsibility with other organisations? Give examples.

FrieslandCampina uses the following methods for exerting influence:

- ✓ Set social responsibility criteria in contractual provisions or incentives;
- ✓ Make public statements about social responsibility;
- ✓ Engage with the community, political leaders and other stakeholders;
- ✓ Apply social responsibility criteria for investment decisions;
- ✓ Share knowledge on social responsibility issues with stakeholders, while raising their awareness;
- ✓ Undertake responsible lobbying and make use of media relationships;

- ✓ Promote good practices;
- ✓ Work together with suppliers, customers and sector associations on sustainability projects.

FrieslandCampina exerts influence by its Code of Conduct for employees and Business Practices for Business partners. These include conditions on anti-corruption, bribery, fraud, employment, working conditions and human rights. Additionally, FrieslandCampina stimulates CSR through its stakeholder dialogues and by being a member of or an active participant in various consultation bodies.

FrieslandCampina is a member of the Dairy Sustainability Framework (DSF), an initiative of the international dairy sector, which shows customers and consumers its commitment to sustainable dairy products. DSF brings various stakeholders together, such as NGOs, financial institutions, scientific community and the government. Within the DSF the Sustainability Dairy Partnership (SDP) was set up, which is a business-to-business initiative to demonstrate where companies are and the impact they have in terms of sustainability. It provides a unified sustainability approach for use in the commercial relationships between dairy customers and their suppliers. It supports continuous improvement by locally prioritised improvements, systemic change and credible assurance through the dairy supply chain. It is designed to facilitate efficient sourcing of sustainable dairy products and to encourage measurable progress on sustainability priorities. Currently the SDP approach is being tested and refined to enable wider use in the 2nd quarter of 2020.

Source

[Code of Conduct - Compass](#)

[Website Dairy Sustainability Framework](#)

[The Sustainable Dairy Partnership](#)

[Annual report, p. 15-16 and 138-142](#)

Stakeholder Engagement Plan (not publicly available)

Business Practices for Business Partners (not publicly available)

Question 21a

How does your organisation endorse the core themes of the Dairy Sustainability Framework within its sphere of influence?

As a full implementing member of the Dairy Sustainability Framework, FrieslandCampina has several obligations, being:

- ✓ Endorse the 11 key sustainability categories and strategic intents;
- ✓ Publicly communicate its membership of and commitments to the DSF;
- ✓ Provide feedback as and when necessary with regard to the DSF development;
- ✓ Implement initiatives that seek to address the sustainability categories and other local issues;
- ✓ Annually quantify the progress of the initiatives;
- ✓ Annually provide reports on initiatives in a format required by the DSF.

FrieslandCampina endorses the 11 key categories of the DSF identified as being relevant to the global dairy sector. These 11 sustainability categories were selected based on an independent and in-depth analysis of over a hundred interviews with global dairy and non-dairy stakeholders during a DSF survey conducted in 2012 and 2013. The related FrieslandCampina KPIs per theme can be found below.

FrieslandCampina started two pilot projects in 2015, while committing itself to further develop the DSF. At the end of these two pilot projects, FrieslandCampina and two of its

main customers came up with a set of recommendations that helped further developing the framework. Additionally, pilots were conducted in 2018 in four regions to test whether the DSF is able to demonstrate the sustainability of dairy products in business-to-business relationships. This brought the Sustainable Dairy Partnership (SDP) into existence, which is a business-to-business initiative to demonstrate where companies are and the impact they have in terms of sustainability.

In 2012 FrieslandCampina introduced the Foqus planet programme to assure the quality and sustainability of the milk produced by its member dairy farmers. The Foqus planet programme is for all member dairy farmers in the Netherlands Belgium and Germany. With Foqus planet, on the one hand, a basic level of quality and sustainability is guaranteed and, on the other hand, dairy farmers are encouraged to make their dairy farm even more sustainable. With Foqus planet we can demonstrate the performance of our member dairy farmers in terms of quality and sustainability. Foqus planet has four main themes that are divided into three parts (Figure 6).

1. Basic requirements: requirements regarding hygiene, milk quality, food safety, animal health and welfare and sustainability. The basic requirements within Foqus planet must be met at all times.
2. Outdoor grazing: cows in the meadow are part of the (Dutch) cultural landscape and contribute to the visibility of the sector. Outdoor (partial) grazing is rewarded with a premium.
3. Sustainable development: eight indicators for sustainable farm development, which are divided into the themes of animal health and welfare, climate and biodiversity. Examples of indicators are energy consumption, health and longer life of dairy cows, care for the landscape, and greenhouse gas emissions. Members dairy farms are reward on their results. The reward is partly compensated by a cooperative scheme. Through sustainable development, we encourage our dairy farmers to make their business more sustainable.

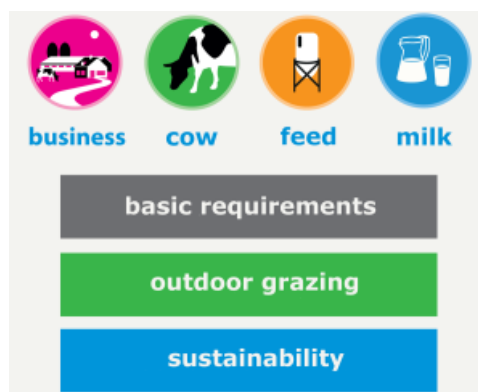


Figure 6: Foqus Planet Programme for member dairy farmers

Foqus planet is assured by frequent milk quality checks, continuous administrative checks and (un)announced farm audits. In case of poor performance, additional farm audits will be performed.

Member dairy farmers are stimulated to perform well within Foqus planet through a compensation plan. All members pay a Foqus planet surcharge to cover the costs of Foqus planet. The Foqus planet fee is paid for by a deduction from the milk price on the milk supplied. The performance of the member dairy farmers on grazing cows and sustainability will be inventoried. A dairy farmer can recover the surcharge (or even increase his milk price) by performing at least as well as his colleagues with respect to sustainability.

Although the DSF covers the entire dairy value chain, the section below focuses on endorsement of the DSF themes at farm level (FrieslandCampina U.A.), since this is the 'chain responsibility and sphere of influence' section of the ISO26000 self-assessment. In question 26, the relevant DSF themes will be explained in relation to the Company (FrieslandCampina N.V.).

DSF Core Theme: Greenhouse Gas Emissions

FrieslandCampina's objective for the year 2020 is to accomplish climate-neutral growth by ensuring that the emission of greenhouse gases is kept equal or lower compared to the level of 2010. This objective covers the greenhouse gases released at the farms of the member dairy farmers, transport from the farm to the production locations and the processing of dairy. FrieslandCampina is well on her way to meet this target. In addition, as part of the Climate Agreement, FrieslandCampina is working together with other stakeholders in the dairy sector to achieve the sector's target of reducing a total of 1.6 megatonnes of greenhouse gases in 2030. In the long-run, FrieslandCampina aims for carbon neutral dairy processing with a fully regenerative farming system that improves biodiversity and ensures circularity in the supply chain by 2050 at the latest. FrieslandCampina aims to offset all unavoidable agricultural greenhouse gases through community beneficial landscape and soil restoration projects. Moreover, by 2050 there are no fossil fuels needed for our supply chain or for anything we buy and our road, sea and air transport will run on renewable energy.

Milk production is very efficient in the Netherlands; currently the emission of greenhouse gases per kilogram milk is almost half the global average. The major part of the greenhouse gas emissions comes from the dairy farms. These emissions can mainly be traced back to the cows. Methane (CH₄) is released through rumen fermentation and during the storage of livestock manure. Nitrous oxide (N₂O) is also released when storing livestock manure and converting nitrogenous fertilisers in the soil. Carbon dioxide (CO₂) is created by the use of fuels and generation of energy.

Together with our member dairy farmers we are working on further reducing our ecological footprint. In order to achieve the climate-neutral growth objective, FrieslandCampina is working on several initiatives for an efficient and sustainable production chain. FrieslandCampina's main initiatives are given in the table below:

Energy	Animal	Soil
Manure fermentation	Increase cow longevity	Reduce tillage
Solar and wind	Increase efficiency of milk production	Reduce use of artificial fertiliser
	Reduce young cattle at farm	Improve nutrient retention and availability (lower losses)
	Feed composition	

FrieslandCampina can also contribute to the reduction of the use of fossil fuels and the emission of greenhouse gases by saving energy and producing sustainable energy. Since 2015, energy efficiency at farm level has been part of the sustainable development part of Foqus planet. Moreover, FrieslandCampina encourages member dairy farmers to generate sustainable energy, for example by means of wind turbines, solar panels or biomass, by issuing green certificates.

Since 2018 a farm specific carbon footprint can be calculated by members and the use of the calculation stimulated in Foqus planet. Since 2019 this calculation is made mandatory and per 2020 the performance on the carbon footprint indicator is part of the Foqus planet incentive system (see above). The calculation is based on data in the Central Database Kringloopwijzer.

- *KPI: Greenhouse gas emissions during milk production at member dairy farms. Scope: production (farm level)*
 - *Units: CO₂ equivalents per kg milk*
- *KPI: Greenhouse gas emissions of finished product. Scope: factory & transport*
 - *Units: CO₂ equivalents per kg milk*

DSF Core Theme: Soil Nutrients

Member dairy farmers are required to complete the Annual Nutrient Cycling Assessment (www.dekringloopwijzer.nl). This tool is developed by Wageningen University through a research financed by the Dutch dairy sector (NZO, LTO, Nevedi and VLB) to improve nutrient efficiency in dairy farming. The tool provides farmers insight into the efficiency of their nutrient recycling process and also help them to optimise their business operations for circular farming. By improving the way they recycle nutrients on their farms, dairy farmers can save on feed, artificial fertiliser and/or manure disposal. Improved recycling of nitrogen and phosphates and reduced ammonia and greenhouse gas emissions will also allow for farm development in more environmentally responsible ways.

Member dairy farmers must also have a manure management plan in place to stimulate continuous improvement.

DSF Core Theme: Waste

FrieslandCampina communicates to its member farmers about waste-related legislation in order to support waste separation in conformity with the legal requirements.

DSF Core Theme: Water

Our member farmers operate in the Netherlands, Germany and Belgium where water scarcity is currently not an issue. Water quality is regulated through environmental permits at local level.

DSF Core Theme: Soil Quality

Soil quality is important for production of roughage. Soil quality is part of the Annual Nutrient Cycling Assessment (www.dekringloopwijzer.nl).

DSF Core Theme: Biodiversity

Urbanisation, expanding industry, land use and land use change globally threaten biodiversity. This disturbs and affects the resilience of ecosystems. Examples of this are loss of soil fertility, increase of the number of diseases and plagues and climatological effects. As dairy farming uses a relatively large land area, and has environmental impact, dairy farming affects biodiversity. FrieslandCampina wants to actively contribute to the preservation of biodiversity. Dairy farmers who actively commit themselves to the preservation of species, nature and landscape have been financially rewarded by earning development points in the sustainability section of Focus planet since 2015.

In order to reduce the effect of the operation of dairy farms on biodiversity in the long term, FrieslandCampina worked together with the Rabobank and the World Wildlife Fund on a biodiversity monitoring system. This system provides individual dairy farmers insight into the impact their farms have on biodiversity. The instrument uses Key Performance Indicators (KPIs) to measure the performance of a dairy farm in the area of biodiversity and provides insights into possible farming improvements. The KPIs are as follows: greenhouse emissions, nitrogen soil balance, ammonia emissions, share of farmland used for protein production; share of permanent grasslands, and the share of nature and landscape management.

Moreover, the member dairy farmers of FrieslandCampina contribute to the sustainability of the cultivation of soy because the cattle feed (containing soy meal) that the member dairy farmers buy is of a sustainable origin. Arrangements have been made with the animal food industry that 100 percent of the soy in the concentrates for the cows is sustainable as from 2015. As a result, since 2015 the Dutch dairy sector has exclusively used soy certified as 100% responsible in Dutch dairy cow feed, which means soy grown without causing deforestation. All purchased soy must be certified in conformity with the RTRS (Round Table Responsible Soy) or similar criteria. Member dairy farmers may only buy concentrates from cattle feed suppliers that comply with the GMP+- module and are therefore on the so-called white list. This ensures compliance of all soy in the feed of the cows with the RTRS criteria.

DSF Core Theme: Market Development

It is FrieslandCampina's task to process the milk of the member dairy farmers and sell this for such a price, that value is created for the member dairy farmers and for society in a sustainable way and for the long term. In order to support this task, FrieslandCampina for example introduced dairy with the 'On the way to PlanetProof' label, an independent quality mark from Stichting Milieukeur in December 2018. To support farmers in their transition towards even more sustainable agriculture, member dairy farmers are provided premiums on top of the guaranteed milk price. In addition, FrieslandCampina collaborates with customers, partners and social initiatives to develop the market in a more sustainable way.

DSF Core Theme: Rural Economics

FrieslandCampina works within the supply chain with its member dairy farmers as well as with farmers in Asia, Africa and Eastern Europe. These farmers are supported in improving local dairy farming by means of FrieslandCampina's Dairy Development Programme (DDP). Through the DDP FrieslandCampina shares knowledge of milk and dairy production and helps local farmers to raise milk quality and safety, increase farm productivity and gain access to the market. Instruments used to achieve this are training, expert advice, knowledge partnerships, infrastructure construction and field trips. The FrieslandCampina DDP programme not only supports FrieslandCampina's business objectives by safeguarding the raw milk supply and by building government relationships, but it also helps farmers build up a good living.

Scope: farmers who participate in the Dairy Development Programme

- *KPI: Farmers trained through capacity-building programs in DDP countries*

DSF Core Theme: Working Conditions

FrieslandCampina provides member dairy farmers with information on how they can improve work safety at their farms. FrieslandCampina encourages farmers to do a Risk Inventory and Evaluation (RIE) on their own farm. The RIE is also part of the label 'On the way to PlanetProof' (Stichting Milieukeur).

DSF Core Theme: Product Safety and Quality

The quality and food safety of milk and the products have top priority at FrieslandCampina. Together with the Cooperative's member dairy farmers, FrieslandCampina controls the entire production chain from farm to end product, 'from grass to glass'. In the Foqus module for the member dairy farmers (Foqus planet) guaranteeing quality and food safety has top priority. An extensive training programme and audits help the guaranteeing and continuous monitoring of Foqus planet at the farms of the member dairy farmers.

DSF Core Theme: Animal Care

Animal care is an important part of Foqus planet. The content of the Foqus planet basic requirements on animal health and welfare is about the livestock's health, its well-being, the housing of the livestock, and the responsible use of veterinary medicines. The effort on responsible antibiotic use has led to a reduction of antibiotics of 47% in 2018 compared with 2009.

Within the sustainable development component of Foqus planet two indicators are chosen for animal health and welfare, longevity of the cow and calf rearing. Member dairy farmers can earn points for each indicator. Furthermore, many indicators for animal health and welfare are part of the Basic Requirements. Farmers are expected to produce milk with a low somatic cell count, which is related to the cow's udder health. Farmers have to participate in disease-control programmes (i.e. IBR, BVD, ParaTuberculosis). When controlling these diseases on their farm, they will make their livestock more resilient. Healthy cows with a good life will live longer; therefore increasing the longevity of the cow is rewarded within Foqus planet. This also motivates the farmers to take good care of the livestock at the farm.

In 2011, the average longevity of a cow in the Netherlands was five years, eight months and eleven days. By the end of the year 2018, the average longevity of a cow was five years, six months and fourteen days. This is a decrease of eight days compared to 2017. The main reason for this decrease is the obligatory reduction of the livestock in connection with the phosphates legislation. The longevity of the cows is expected to increase as from 2019 as a consequence of the fact that the impact of the phosphates legislation is behind us. We are working together with other parties in the sector to increase the longevity of the cows.

Different themes on animal health and welfare are mentioned in the knowledge centre on the intranet for farmers (Melkweb). Within the knowledge centre farmers can collect and share information.

- *KPI: Antibiotics: Average daily dose per Anima per Year (DD/DJ) for member farmers in the Netherlands*

Meadow grazing

Another part of Foqus planet is outdoor grazing. A cow grazing in the meadow is part of the traditional Dutch landscape and highly appreciated by the people. FrieslandCampina encourages member dairy farmers in the Netherlands, Belgium and Germany to put their cows and young cattle out into the meadows. FrieslandCampina promotes this by rewarding its member dairy farmers with a premium when their dairy cows graze in the meadows. The objective is to keep meadow grazing at the same level as 2012. This goal of 82% of the farm provide outdoor grazing was achieved in 2018 but will remain in place.

- *KPI: Percentage of dairy farms with grazing and partial grazing*

Question 21b

How does your organisation encourage a healthy lifestyle within its sphere of influence?

Milk and milk products are consumed daily by many people across the world. They provide important nutrients, such as protein, calcium and vitamins B2 and B12, and are regarded as part of a healthy, balanced diet by food authorities from all over the world.

With high-quality milk products FrieslandCampina wants to make a contribution to healthy and sustainable nutrition for all people, at all ages, now and in the future. The FrieslandCampina nutrition policy is based on the WHO Global Action Plan and is in line with two of the Sustainable Development Goals of the United Nations: reduce hunger in the world and promote good health and well-being. Our nutrition policy describes basic principles for a healthier product range, responsible communication and lifestyle education programmes. Additionally, it shows our commitment to make our products and the right nutrients accessible to more people.

To safeguard the healthiness of our portfolio we steer upon the volume of consumer products we sell that need to adhere to strict nutrition guidelines, including guidelines on sugar, salt and calories per portion size. Our effort are recognized by external institutions like Access To Nutrition Initiative (ATNI). ATNI rates food and beverage manufacturers' nutrition-related policies, practices and disclosures and ranked us 4th in 2018.

An example: in 2018, the Company in Southeast Asia once again partnered with the Junior National Basketball Association, the worldwide youth basketball programme of the NBA that encourages children to exercise. In Vietnam, Thailand, Indonesia, Malaysia, Singapore and the Philippines the Drink.Move.BeStrong campaign assisted parents and teachers in creating awareness among children of the need to exercise sufficiently indoors and outdoors, eat responsibly and live a healthy life. Parents and children also received information about healthy nutritional patterns and an active lifestyle, for example through World Milk Day, school milk programmes, Goodness of Dairy campaigns, and the Youth at a Healthy Weight and Everyone Fit at School programmes. Moreover, a few years ago, FrieslandCampina introduced 'sachets' to the market in Nigeria. These are affordable portions of concentrated dairy that are enriched with vitamins and minerals and available everywhere.

Currently, the Broadening access to nutrition program on affordability of foods and the right nutrients, including KPIs and targets, is in development.

To monitor the performance of the sustainability pillar 'Better nutrition for the world', FrieslandCampina has set two KPIs:

- *KPI: Consumer products with a nutritional purpose or valued for nutritional contribution*
- *KPI: Consumer products on the market compliant with the global Nutritional Standards*

Source

[Website The Dairy Working Group](#)

[The Sustainable Dairy Partnership](#)

[Access to nutrition index](#)

[Biodiversity Monitor](#)

Sustainability Reporting Manual (not publicly available)

Foqus Planet (not publicly available)

Due diligence

Question 22

How does your organisation review (potential) (negative) impacts of its activities and decisions on society, environment and economy?

The focus of due diligence for FrieslandCampina is on its supply chain. FrieslandCampina has set up a global vendor rating system to record, analyse, rank and report the performance of suppliers and external manufacturers (S&Ems) in terms of a range of predefined criteria. It is one instrument to monitor and improve supplier performance & quality levels. Suppliers are annually evaluated. Business Procurement is responsible for the execution of Vendor Rating.

All employees of the FrieslandCampina group of companies are obliged to adhere to Compass, which includes, among others, due diligence. The Corporate Manager Business Conduct monitors and regularly reports findings and recommendations with regard to Compass-related concerns. Employees are encouraged to speak up when they have questions or concerns relating to FrieslandCampina's Compass.

Source

Code of Conduct - Compass

Supplier Quality Management Internal Manual (not publicly available)

Global Vendor Rating (not publicly available)

Question 23

How does your organisation review (potential) (negative) impacts of the activities and decisions of organisations in your sphere of influence on society, environment and economy?

Apart from the Global Vendor Rating, FrieslandCampina has drawn-up a set of standards for its suppliers: the Business Practices for Business partners. The subjects covered by these supplier standards include statutory national and local requirements, industry standards, human rights, food safety and quality, and sustainable business operations. Suppliers have to sign the Business Practices for Business partners as a supplement to a contract. Compliance is monitored at strategic suppliers during quality audits. Sanctions or disciplinary measures are taken in case of non-compliance with the Business Practices. For example, in case of major non-conformities with the Food Safety requirements, the supplier must correct these within two months and minor non-conformities must be corrected within six months. It may happen that a Business Group decides to grant a supplier more time to solve non-conformities if progress is made, but deadlines cannot be met. If there are lasting triggering events or a supplier is not following up corrective actions effectively, the supplier will be 'Disapproved'. As supplier location with status 'Disapproved' cannot be used.

Source

Business Practices for Business Partners (not publicly available)

Global Vendor Rating (not publicly available)

Supplier Quality Management Internal Manual (not publicly available)

Question 24

How is due diligence exercised or implemented in your organisation. Give examples.

The following components are included in due diligence:

- ✓ Organisational policies giving meaningful guidance to those within the organisation and those closely linked to the organisation;
- ✓ Means of assessing the impact of existing and proposed activities;
- ✓ Means of integrating social responsibility core subjects throughout the organisation;
- ✓ Means of tracking performance over time in order to be able to adjust priorities and approach if necessary;
- ✓ Appropriate actions to address possible negative impacts.

These components are part of the FrieslandCampina Internal Control Framework. The mission and purpose of ICF are as follows:

- Managing an efficient and agile internal control framework providing assurance that errors or instances of fraud are prevented or timely detected;
- Supported by a sound control environment, a highly competent IC network and effective tooling which allows continuous control monitoring.

The management is responsible for implementing the Internal Control Framework. Compliance with the Internal Control Framework is monitored by the Corporate Internal Control department. Furthermore, FrieslandCampina has implemented Compass, Global Vendor Rating and Business Practices for Business partners which give guidance to employees and/or suppliers and are explained in questions 22 and 23.

An example of how due diligence is exercised at FrieslandCampina is the approach to honest business practices. A significant portion of FrieslandCampina's revenue is generated in countries where, in view of their low score on the Corruption Perceptions Index of Transparency International, honest business practices are at risk. To limit these risks, FrieslandCampina takes targeted measures, for example by training employees in this area. FrieslandCampina adheres to honest business practices and fundamentally rejects any form of bribery. In 2018 and 2019, interactive workshops concerning relevant local dilemmas relating to the honest business practices theme were held in operating companies in various countries. More than 350 senior managers took part in these workshops.

Source

[Annual Report, 2018, p. 28](#)

[Code of Conduct - Compass](#)

Business Practices for Business partners (not publicly available)

Internal Control Manual (not publicly available) & Framework (not publicly available)

Global Vendor Rating (not publicly available)

Question 25

Which (potentially) negative impacts on society, environment and economy has your organisation identified?

Negative impacts are identified along the whole dairy chain, from grass to glass. At dairy production level, farmers can have negative impact on the environment by the use of minerals on land, the use of water and the emissions of greenhouse gases. Concentrate cattle feed can cause a loss of biodiversity and deforestation.

At dairy processing level, greenhouse gas emissions, caused by the use of energy cause climate change. Nitrous oxide causes acidification. All processing facilities use water, that

can cause drought. Transport from the farmer to the processing facility and from the processing facility to the customer causes greenhouse gases and acidification. At consumer level the storage of the food causes greenhouse gases. Food waste causes a loss of food, including the environmental impact. As such, the production of dairy places a burden on nature and the environment; in view of the future of the dairy sector it is crucial to limit this impact.

A significant portion of FrieslandCampina's revenue is generated in countries in view of their low score on the Corruption Perceptions Index of Transparency International, honest business practices are at risk. To limit these risks, FrieslandCampina has taken targeted measures, including training employees in this area. FrieslandCampina adheres to honest business practices and fundamentally rejects any form of bribery. In addition, FrieslandCampina realizes that agriculture is a sector worldwide with a relatively high risk of human rights violations. FrieslandCampina expects that every employee will immediately discuss any form of discrimination or harassment in the context of his employment. Child labour and forced labour are not tolerated. FrieslandCampina makes its contribution to the elimination and expects the same from its business partners.

All potential negative impacts are identified during the materiality analysis and ranked in the prioritization. As such, we know which topics are most important for FrieslandCampina to focus on at this moment.

Source
Materiality Analysis Report (not publicly available)

Vision, mission, policy and strategy

Question 26

How does your organisation give direction to its social responsibility? Give examples.

FrieslandCampina integrated sustainability into its organisation by:

- ✓ Including sustainability as a key element of the organisation's strategy through integration of this into systems, policies, processes and decision-making behaviour;
- ✓ Referring in the organisation's aspirations or vision statement to the way in which it intends social responsibility to influence its activities;
- ✓ Incorporating in its purpose or in a mission statement specific, clear and concise references to important aspects of social responsibility, including the principles and issues of social responsibility that help determine the way in which the organisation operates;
- ✓ Adopting written codes of conduct or ethics that specify the organisation's commitment to social responsibility by translating the principles and values into statements on appropriate behaviour;
- ✓ Translating the priorities for action on core subjects and issues into manageable organisational objectives with strategies, processes and timelines. Objectives should be specific and measurable or verifiable. This includes detailed plans for achieving the objectives, including responsibilities, timelines, budgets and the effect on other activities of the organisation.

Taking environmental and social issues into consideration is a key component of FrieslandCampina's policy and business operations and it is a prerequisite for the growth

of the Company in the future. In 2018, FrieslandCampina’s strategy was refined and set out in *Our Purpose, Our Plan* based on developments in the world, in dairy farming and within FrieslandCampina. In this strategy Our Purpose Our Plan, ‘Lead with sustainability’ is one of the four strategic themes (Figure 7).

Providing the growing world population with the right nutrients in a sustainable way is one of the challenges for the coming decades. By offering trustworthy, relevant and nourishing dairy products, FrieslandCampina contributes to food and nutrient security. Our purpose – Nourishing by Nature – stands for better nutrition for the world’s consumers, a good living for our farmers, now and for generations to come. The purpose is in line with the Sustainable Development Goals (SDG’s) of the United Nations. These seventeen ambitious goals relate to topics such as responsible production and consumption, climate, sustainable communities, health and well-being, and efforts to fight poverty and starvation. FrieslandCampina’s activities contribute to eleven of the seventeen United Nations’ SDGs.

Our Purpose, Our Plan



Figure 7: Our Purpose, Our Plan

Dairy Sustainability Framework within FrieslandCampina

As a member of the Dairy Sustainability Framework, FrieslandCampina endorses the 11 key categories of the DSF that have been identified as being relevant to the global dairy sector. These 11 sustainability categories were selected based on an independent and in-depth analysis of over a hundred interviews with global dairy and non-dairy stakeholders during a DSF survey conducted in 2012 and 2013. Related FrieslandCampina KPIs per theme can be found below.

Although the DSF covers the entire dairy value chain, the section below focuses on the endorsement of the DSF themes at company level only. Question 21a explains the endorsement of relevant DSF themes in relation to FrieslandCampina’s member dairy farmers.

DSF Core Theme: Greenhouse Gas Emissions

FrieslandCampina’s objective for the year 2020 is to accomplish climate-neutral growth by making sure that the emission of greenhouse gases is kept equal to or decreased below the level in 2010. This objective covers the greenhouse gases released at the farms of the member dairy farmers, the transport from the farm to the production

locations and the processing of dairy. In order to realise climate-neutral growth, FrieslandCampina is working on several initiatives for an efficient and sustainable production chain. This means sustainable dairy farms, reduction of the use of energy in the production of dairy products and encouraging member dairy farmers to generate sustainable energy. This section is about greenhouse gas emissions at processing level.

FrieslandCampina is well on her way to meet this target. In addition, as part of the Climate Agreement, FrieslandCampina is working together with other stakeholders in the dairy sector to achieve the sector's target of reducing a total of 1.6 megatonnes of greenhouse gases in 2030. In the long-run, FrieslandCampina aims for carbon neutral dairy processing with a fully regenerative farming system that improves biodiversity and ensures circularity in the supply chain by 2050 at the latest. Milk production is very efficient in the Netherlands; currently the emission of greenhouse gases per kilogram milk is almost half the global average.

Part of the Dutch Climate agreement is that by 2050 the greenhouse gas emissions should be reduced by 80-95%. As said, FrieslandCampina aims at carbon neutral processing by 2050 the latest and aims for an increase in energy efficiency of 3% per year as part of the activities to get to carbon neutrality.

- *KPI: Greenhouse gas emissions per ton of finished product. Scope: processing (plants) and transport. Units: CO₂ equivalents per kg milk*
- *KPI: Energy consumption per ton of finished product. Units: GJ per ton finished product*
- *KPI: Percentage of green electricity in production. Scope: factory. Unit: MWh*
- *KPI: Energy consumption from own renewable sources. Scope: factory. Unit: percentage of own renewable energy of the GJ total*

DSF Core Theme: Waste

FrieslandCampina wants to reduce waste and works together with waste processors to increase the recycling and reuse of waste. FrieslandCampina reused and recycled 76 percent of its production waste in 2017. This is due to extra recycling projects implemented at the locations. The residual waste was reduced by 50 percent as a result of more efficient waste separation at FrieslandCampina in Nigeria. FrieslandCampina has plans to reduce the residual waste even further. Waste reduction and separation are part of Foqus SHE management system.

Additionally, FrieslandCampina currently focuses on increasing the recyclability of plastics within its packaging in order to reduce waste. To enable this FrieslandCampina has developed the Respackt software tool. This tool enables FrieslandCampina to quickly analyse the environmental burden and the recyclability of packaging and thus select the most sustainable options. This tool enables insights and to progress monitoring. A KPI on recyclability is in place since 2019. The plan is to broaden this KPI to all packaging materials and not only plastics.

- *KPI: Recyclable plastics: % of plastic packaging material suitable for sorting and recycle systems.*

DSF Core Theme: Water

FrieslandCampina aims for the year 2020 at reducing the use of water by the company or keeping this equal compared to the level of 2010. For this FrieslandCampina has committed itself to annually reducing its water consumption by an average of two percent. Targets have been set for each location based on the availability of water.

Water management systems are in place, which are part of Foqus SHE.

- *KPI: Water consumption per ton of processed product. Units: m³ per ton finished product*

DSF Core Theme: Market Development

FrieslandCampina's objective is to add as much value as possible to the milk in order to make a maximum contribution to the income and continuity of many generations of dairy farmers. This value creation is expressed in the level of the performance premium and the reservations in member bonds, which are paid out on top of the guaranteed price the member dairy farmers receive for the milk they supply. FrieslandCampina strives to pay out one of the highest milk prices in North-west Europe. By doing so, FrieslandCampina remains an attractive company for the member dairy farmers. Through the Nourishing by Nature brands, 'On our way to Planet Proof' milk and collaborations with customers, FrieslandCampina brings more sustainable products to the market.

Moreover, FrieslandCampina has drawn-up a set of standards for its suppliers, titled The Business Practices for Business partners. The topics covered by these supplier standards include statutory national and local requirements, industry standards, human rights, food safety and quality, and sustainable business operations. In this way FrieslandCampina can contribute to market development as it forces its suppliers to do business in a fair way.

DSF Core Theme: Rural Economics

FrieslandCampina works within the supply chain with its member dairy farmers as well as with farmers in Asia, Africa and Eastern Europe. These farmers are supported in improving local dairy farming by means of FrieslandCampina's Dairy Development Programme (DDP). Through the DDP FrieslandCampina shares knowledge of milk and dairy production and helps local farmers to raise milk quality and safety, increase farm productivity and gain access to the market. Instruments used to achieve this are training, expert advice, knowledge partnerships, infrastructure construction and field trips. The FrieslandCampina DDP programme not only supports FrieslandCampina's business objectives by safeguarding the raw milk supply and building government relationships, it also helps farmers build up a good living.

Scope: farmers participating in the Dairy Development Programme

- *KPI: Farmers trained through capacity-building programs in DDP countries*

DSF Core Theme: Working Conditions

FrieslandCampina is committed to offering its employees and suppliers maximum safety at their workplaces. For this a global safety programme describing in detail the safety standards applied and how processes must run has been implemented. The programme offers education and training, both with respect to safety leadership and safe behaviour. Besides, ample attention is paid to communication, making sure that all employees are informed about these programmes. In order to prevent recurrence, accidents and incidents are reported and shared with other locations. FrieslandCampina thereby actively supports continuous improvement of safety.

- *KPI: Total Recordable Frequency rate (TRF)*

DSF Core Theme: Product Safety and Quality

The quality and safety of milk and products are top priority for FrieslandCampina. Every customer and consumer everywhere around the world must be able to trust that every product is of an impeccable quality. FrieslandCampina wants all its production and distribution companies to take the same approach towards safety and quality, whatever and wherever they are producing. This is why FrieslandCampina has its own integral quality system, called Foqus, to safeguard safety and quality of its products throughout the production chain. With Foqus, FrieslandCampina guarantees consumers, customers and the authorities that the products and production processes meet the most stringent standards in the fields of food safety, quality, safety, working conditions, fire protection and environment. An extensive programme of training and audits helps to safeguard the implementation and continuous monitoring of Foqus in the production locations and at the member dairy farms.

Source

Annual report, 2018

Sustainability Reporting Manual (not publicly available)

Business Practices for Business Partners (not publicly available)

Foqus FS&Q Manual (not publicly available)

Create awareness and develop competencies

Question 27

How does your organisation raise awareness for social responsibility, both within and outside your organisation?

FrieslandCampina is creating awareness and developing competencies for social responsibility within its own organisation and supply chain by:

- ✓ Increasing the knowledge of the principles and the social responsibility core subjects and issues;
- ✓ Involving the organisation's management in taking its social responsibility;
- ✓ Creating a culture of social responsibility.

To create a culture of social responsibility, FrieslandCampina has a Sustainability Community for committed employees and dairy farmers with a 'green heart'. The community meets regularly through working sessions. The community members work on self-chosen sustainability initiatives: sustainability education, sustainability communication & storytelling and small actions with large impact. Moreover, various locations have 'Green Teams', who embed sustainability in FrieslandCampina's daily way of working.

These initiatives together result in committed employees who are successfully building a sustainable company. The sustainability policy is communicated to employees through the intranet and employee magazines of FrieslandCampina, business groups and operating companies. See for additional information on the communication of sustainability, question 31 below.

FrieslandCampina also raises awareness for social responsibility outside the company:

- ✓ FrieslandCampina is continuously in dialogue with the member-farmers on social responsibility. Different ways are used to inform, motivate and activate our member dairy farmers: member meetings twice a year, member website Melkweb (farmers intranet, knowledge centre, discussion forum), newsletter, member magazine, on farm visit by field advisor and workshops. Also through Foqus

planet FrieslandCampina advises and supports the member dairy farmers in the areas of milk quality and sustainability initiatives.

- ✓ In 2019, every month, one of the member dairy farmers is visited and filmed to show what sustainability at the farm yard is about. By sharing experiences, other farmers can get inspired to also implement more sustainable practices. These videos were placed on FrieslandCampina's youtube channel and could be shared a.o. via social media
- ✓ The FrieslandCampina Institute provides health care professionals with information about dairy, nutrition and health following the most recent scientific developments. The FrieslandCampina Institute offers practical tools with respect to subjects relating to nutrition and health.
- ✓ FrieslandCampina's Dairy Development Programme helps local dairy farmers (mainly small farmers) in Asia, Africa and Eastern Europe improve local dairy farming, raise the quality of the milk and increase the productivity per cow.
- ✓ The Drink.Move.BeStrong campaign, which FrieslandCampina rolled out in Asia, encourages children to pursue a healthy lifestyle. For this about 1,500 schools and an estimated 1.25 million children in Asia were reached.
- ✓ Within the scope of sustainability improvement, FrieslandCampina closely cooperates with other companies in the dairy sector, suppliers, waste treatment, energy, consultancy, transport and water treatment sectors as well as governments.

Source

Annual report, 2018

Corporate website - Employee involvement

Corporate website - Sustainability in practice

[FrieslandCampina YouTube channel](#)

[FrieslandCampina's Institute website](#)

Focus Planet (not publicly available)

Question 28

How does your organisation build the necessary competency for taking social responsibility, within the organisation and, if relevant, outside?

Employees of FrieslandCampina are involved in sustainability and its related objectives through the above described activities. Employees are offered a wide range of training programmes via the FrieslandCampina Academy to build the necessary competencies. The Academy's offering comprises general courses about FrieslandCampina's strategy and objectives, conduct competencies such as coaching skills, management and leadership programmes, and training courses aimed at functional competencies.

FrieslandCampina works in the supply chain with its member dairy farmers as well as with farmers in Asia, Africa and Eastern Europe. These farmers are supported in improving local dairy farming by means of FrieslandCampina's Dairy Development Programme (DDP). Through DDP FrieslandCampina shares knowledge of milk and dairy production and helps local farmers to raise milk quality and safety, increase farm productivity and gain access to the market. Instruments used to achieve this are training, expert advice, knowledge partnerships, infrastructure construction and field trips. The FrieslandCampina DDP programme not only supports FrieslandCampina's business objectives by safeguarding the raw milk supply and building government relations, it also helps farmers to build up a good living. Therefore the Dairy Development Programme is an integral part of FrieslandCampina's purpose *nourishing by nature*.

Source
Annual Report, 2018, p. 20-21

Integration of CSR in governance, systems and procedures

Question 29

How has your organisation integrated its social responsibility in its governance structure, operating systems and procedures?

FrieslandCampina integrated all issues and principles of ISO 26000 into our organisation by:

- ✓ Monitoring and carefully managing the impacts of our activities on society, environment and economy;
- ✓ Monitoring the impact of organisations within our sphere of influence;
- ✓ Taking impacts of decisions into consideration, for example in connection with new activities;
- ✓ Ensuring that the principles of social responsibility are part of our governance structure and are applied to our operating systems and culture;
- ✓ Periodically reviewing whether we sufficiently integrate social responsibility into our procedures and processes.

The Executive Board of FrieslandCampina has final responsibility for the FrieslandCampina sustainability policy. The Corporate Sustainability department is responsible for the development and coordination of the sustainability policy. The Sustainability Council is responsible for assessment and consultation.

The responsibilities of the Corporate Sustainability department include:

- Set up and update the sustainability strategy and the sustainability policy;
- Frequently dialogue with stakeholders;
- Coordinate and facilitate the implementation of the sustainability policy;
- Involve external stakeholders in the sustainability policy;
- Demonstrate the sustainability efforts to internal and external stakeholders.

The business groups and operating companies are responsible for the implementation of the sustainability policy.

The purpose of the Sustainability Council include:

- Ensure that whatever happens in Sustainability is known and agreed on by the council in alignment with the Cooperative.
- Define the big rocks, drive the decision and move the needle.
- Responsible for defining strategy and targets.
- Monthly monitoring of Sustainability KPIs.
- Increase visibility across the organization on how we will "Lead with Sustainability"

Corporate social responsibility plays a major role in the achievement of the *Our Purpose, Our Plan* strategy of FrieslandCampina. In order to enable the management to monitor and control performance on sustainability efforts, FrieslandCampina uses a set of KPIs. For each KPI a KPI owner and executor has been designated who are responsible for achieving the objectives set. The KPI owner is responsible for monitoring the KPI and also reports on the performance to the Manager Corporate Environment and Sustainability at least once a year.

FrieslandCampina uses a standard quality system Foqus to safeguard safety and quality throughout the entire chain. Focus complies with a range of national and international regulations and standards for food safety and quality based on the HACCP, ISO 9001 and FSSC 22000 standards. The Foqus SHE (safety, health & environment) management system has been developed to raise FrieslandCampina's SHE awareness and performance, to foster a culture of continuous improvement and to allow for internal benchmarking through an (internal) audit programme that ensures spreading SHE knowledge within the company. In order to stimulate continuous improvement maturity levels have been introduced in the Foqus SHE management system. Audits are performed to determine at what level the elements of Foqus SHE have been implemented. In addition, internal and external auditors and accountants test compliance with applicable laws and regulations (see annex 1, overview of Foqus SHE scores per production facility).

Source

Annual Report, 2018

Sustainability Reporting Manual (not publicly available)

Foqus FS&Q Manual

Foqus SHE Audit Standard (not publicly available)

Foqus SHE Corporate Standard Audit Tool (not publicly available)

Monitor activities and assess performance

Question 30

Does your organisation adhere to the following criteria when communicating on social responsibility?

FrieslandCampina makes sure that the sustainability-related information distributed is:

- ✓ Complete: information should address all significant activities and impact relating to social responsibility.
- ✓ Understandable: information should be provided in consideration of the knowledge and the cultural, social, educational and economic background of those who will be involved in the communication. Both the language used and the manner in which the material is presented, including how it is structured, should be accessible for the stakeholders for whom the information is intended.
- ✓ Responsive: information should be responsive to the stakeholders' interests.
- ✓ Accurate: information should be factually correct and be detailed enough to be useful and appropriate for its purpose.
- ✓ Balanced: information should be balanced and fair and not omit relevant negative information about the impact of an organisation's activities.
- ✓ Timely: outdated information can be misleading. Where information describes activities during a specific period of time, identification of the period of time covered will allow stakeholders to compare the performance of the organisation with its earlier performance and with the performance of other organisations.
- ✓ Accessible: information on specific issues should be available to the stakeholders concerned.

FrieslandCampina's Annual Reports provide more insight into the sustainability initiatives and performance. In this way FrieslandCampina complies with the technical requirements of the guidelines of the Global Reporting Initiative (GRI) Standards: Core option. Since 2018, FrieslandCampina has a combined, integrated publication of the

financial Annual Report and the sustainability report for both Royal FrieslandCampina N.V. and Zuivelcoöperatie FrieslandCampina U.A..

FrieslandCampina uses the materiality principle to determine which subjects will be included in the report and which are relevant to FrieslandCampina and its stakeholders. All 11 DSF categories have been included in the materiality analysis. The material subjects form the basis of the FrieslandCampina sustainability strategy and thus the sustainability content of the Annual Report.

The Stakeholder Engagement Plan shows how stakeholders are actively involved in corporate social responsibility and that FrieslandCampina regularly communicates with its key stakeholders.

Source

Annual Report, 2018

DSF Implementation Guide

Sustainability Reporting Manual (not publicly available)

Stakeholder Engagement Plan (not publicly available)

Materiality Analysis Report (not publicly available)

Question 31

How does your organisation communicate on its social responsibility? Give examples.

FrieslandCampina communicates on CSR through:

- ✓ Meetings or conversations with stakeholders;
- ✓ Communication with stakeholders on specific issues or social responsibility projects;
- ✓ Internal communication between management and employees or members of the organisation;
- ✓ Internal team activities focused on integration of social responsibility throughout the organisation;
- ✓ Communication concerning the performance in the area of social responsibility;
- ✓ Communication with suppliers about procurement requirements relating to social responsibility;
- ✓ Communication to the public on emergencies both in preparation for and during an emergency;
- ✓ Product-related communication for consumers;
- ✓ Articles on social responsibility in magazines or newsletters;
- ✓ Advertisements or other public statements to promote social responsibility;
- ✓ Submitting information to government bodies or public inquiries;
- ✓ Public social reporting.

The most important information regarding FrieslandCampina's social responsibility is consolidated within the Annual Reports. Additionally, FrieslandCampina also communicates on its social responsibility through updates on its news page for external stakeholders and on its intranet for employees.

Source

Annual Reports

Corporate website - Sustainability

Corporate website - News

Employee magazines (not publicly available)

Intranet (not publicly available)

Question 32a

Does your organisation report on social responsibility via a social report (with an independent report or otherwise)?

Since 2018, FrieslandCampina does not report on social responsibility in a separate CSR report anymore. Instead, CSR and sustainability is now integrated within the Annual Report as it is an integral part of FrieslandCampina's business.

Source

[Annual Reports](#)

Question 32b

Which topics does your organisation's social report cover?

The sustainability report includes information on:

- ✓ Goals relating to issues and core subjects;
- ✓ Performance relating to issues and core subjects;
- ✓ How and when stakeholders are involved in CSR reporting;
- ✓ Successes and failures and the way in which failings are dealt with.

FrieslandCampina communicates about its policy, objectives, progress and performance of its sustainability programme through publicly available Annual Reports (and CSR reports before 2018). The use of quantitative data allows trends to be charted and used as a basis for managing the CSR programme. The information also enables FrieslandCampina to evaluate its performance in relation to each CSR theme.

Source

[Annual Reports](#)

Question 32c

Did you consider the following while preparing your social report?

In the Annual Report the following aspects are taken into consideration:

- ✓ The scale, substance and scope of the report should be appropriate for the size and nature of the organisation;
- ✓ The level of detail reflects FrieslandCampina's experience with such reporting.

Source

[Annual Reports](#)

Question 33a

Has your organisation experienced conflicts or disagreements with stakeholders?

No, in the period of this self-declaration FrieslandCampina did not encounter conflicts with stakeholders.

Source

[Annual Reports](#)

Question 33b

Which mechanisms have you developed to resolve possible conflicts or disagreements?

FrieslandCampina uses the following mechanisms for resolving possible conflicts:

- ✓ Direct discussions with affected stakeholders;
- ✓ Provision of written information to prevent misunderstandings;
- ✓ Formal complaints handling procedures;
- ✓ Mediation or arbitration procedures;
- ✓ Systems making sure that wrongdoings can be reported without fear of reprisal.

FrieslandCampina sets great store by a good relationship with stakeholders. We strive to timely detect and solve possible conflicts through stakeholder dialogue. To promote transparency and integrity, FrieslandCampina has developed a Speak Up procedure. The regulation serves as a guideline for expressing concern and protects the whistle blower against disciplinary measures or unfair treatment. Stakeholders who have a valid business interest are invited to raise concerns.

One of the points in our Code of Conduct is fair communication. It is stated that consumer complaints should be addressed in a professional and fair manner. The Stakeholder Engagement Plan further explains how FrieslandCampina manages its stakeholder dialogue.

Source

Annual Report, 2018, p. 27-28

Code of Conduct - Compass

Speak up Procedure

Stakeholder Engagement Plan (not publicly available)

Question 34

How does your organisation monitor the activities affecting the relevant subjects and issues?

FrieslandCampina uses the following method for monitoring activities:

- ✓ Feedback from stakeholders;
- ✓ Benchmarking;
- ✓ Measure by means of performance indicators.

For monitoring the following points are relevant:

- ✓ The monitoring process must be in line with the extent and importance of the activities;
- ✓ The monitoring provides reliable, timely available and easy to understand results;
- ✓ The monitoring process is in line with the needs of stakeholders.

FrieslandCampina's purpose statement – *nourishing by nature* – stands for better nutrition for the world, a good living for our farmers, now and for generations to come. These are the three pillars of FrieslandCampina's strategy. FrieslandCampina formulated sustainability themes and set KPIs for each pillar. Some of the KPIs are already part of FrieslandCampina's reporting systems and procedures. The other KPIs will be integrated into the reporting systems in the near future.

Sustainability KPIs of FrieslandCampina are related to:

- Energy consumption
- GHG emissions
- Meadow grazing
- Water consumption
- Reuse and recycling of packaging materials (plastics)
- Procurement of commodities from sustainable sources
- Green energy

- Use of antibiotics
- Products meeting the RFC Nutritional standards
- Improved knowledge and skills in the Dairy Development Programme
- Gender diversity in the workforce
- LTA accident rate
- Product quality and safety

The Corporate Sustainability department collects the progress data for the formulated KPIs. The performance is reviewed during the regular Sustainability Council meeting. Prior to the Sustainability Council meetings, a Sustainability dashboard is made under the responsibility of the Director Corporate Sustainability. Subsequently, KPI owners should provide the data per KPI for the latest reporting period. This Sustainability dashboard is reviewed during the Sustainability board meeting and action plans are developed in accordance with the performance of each KPI.

Source

Annual Report, 2018, p. 145-146

Sustainability Reporting Manual (not publicly available)

Question 35

How does your organisation review its performance on relevant subjects and issues?

FrieslandCampina asked the following questions when assessing our performance:

- ✓ Did we meet the objectives set?
- ✓ When looking back, did we choose the correct objectives?
- ✓ Did we choose the proper strategies and processes for these objectives to be achieved?
- ✓ What worked out well and why? What did not work out well and why not?
- ✓ What should we have done differently?
- ✓ Are all relevant persons involved?

Management systems such as Foqus (planet, FQ&S, SHE) are designed to stimulate improvement. This is why maturity levels have been incorporated into Foqus SHE and a scoring system has been included in Foqus planet. These performance measurement systems help to measure and review performance. Moreover, FrieslandCampina attaches great value to continuous improvement. Therefore, Foqus management systems have to be reviewed and improved. Accordingly, FrieslandCampina revises these management systems every two years.

FrieslandCampina's Governance and Corporate Plan-Do-Check-Act cycle is given below in Figure 8.

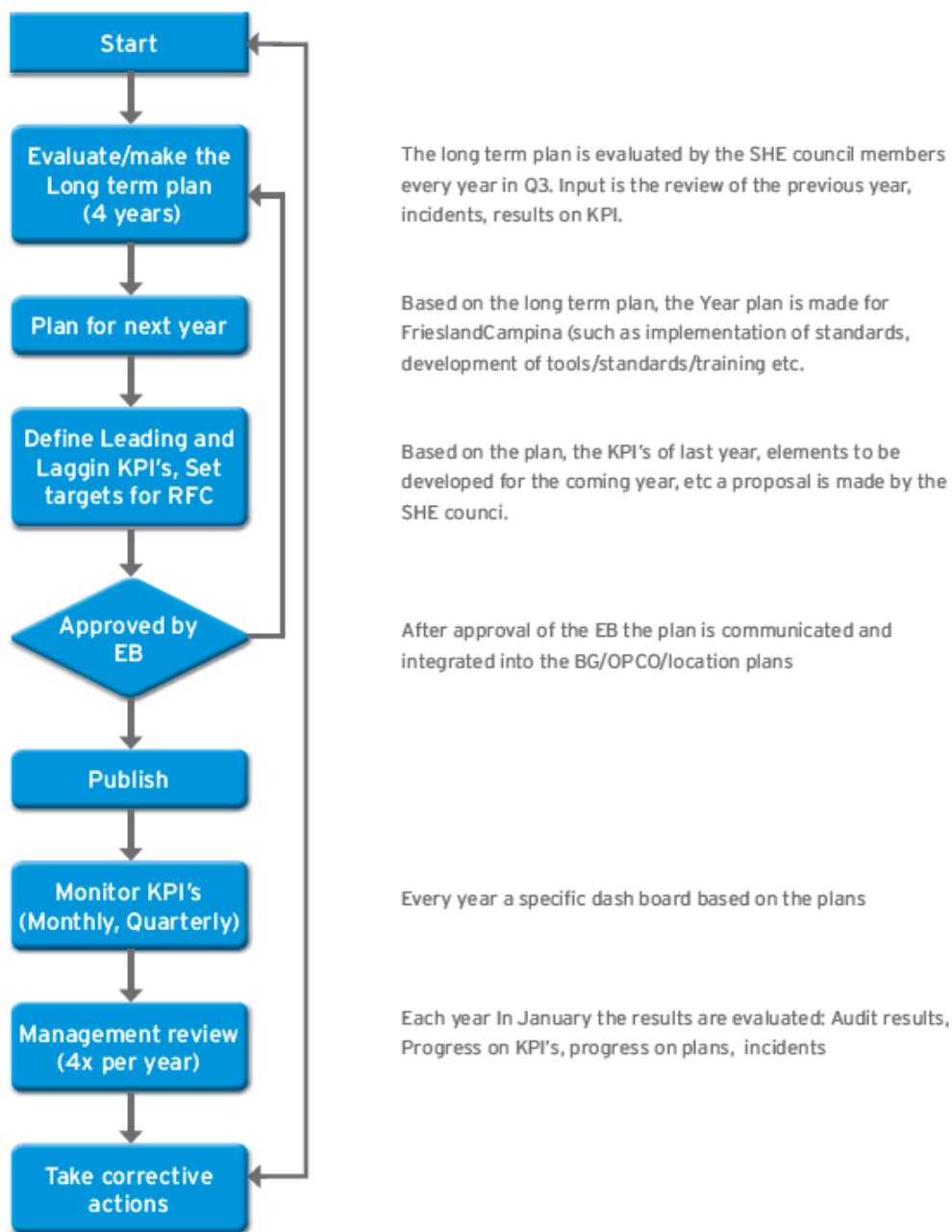


Figure 8: Plan-Do-Check-Act cycle

Source

- Annual Report, 2018, p. 14-26
- Sustainability Reporting Manual (not publicly available)
- Foqus FS&Q Manual (not publicly available)
- Foqus SHE Audit Standard (not publicly available)
- Foqus Planet (not publicly available)

Question 36

Did you involve stakeholders, if so which ones?

Virtually every group of stakeholders was involved in the materiality analysis and therefore had a say in determining the KPIs. The materiality analysis consists of an online survey that is filled in by a broad representation of internal and external stakeholders, such as employees, member dairy farmers, suppliers, NGOs and customers. Stakeholders were asked to prioritise the most relevant topics, which made it possible to identify which subjects are relevant for FrieslandCampina from the perspective of a specific stakeholder group.

Source

Annual Report, 2018, p. 14-26

Stakeholder Engagement Plan (not publicly available)

Materiality Analysis Report (not publicly available)

Question 37a

Which improvements or successes did your organisation achieve?

In its Annual Report FrieslandCampina reports on its performance on the targets that are set and on supplementary measures in order to improve performance. For example, member dairy farms can play an important role in producing green electricity and reducing greenhouse gases by installing solar panels, windmills or mono-manure digesters. FrieslandCampina encourages dairy farmers to install solar panels on the roofs of their stables through means of its Solar programme. In 2018, fifty solar roofs were installed at member dairy farms and in 2019, two hundred roofs were fitted with solar panels. Moreover, approximately 300 member farmers have placed solar roof on their own behalf. The production of green electricity on the dairy farms within the solar programme can be viewed live at www.frieslandcampinaopwek.nl. A partnership agreement has been signed with E.A.Z. for the installation of small windmills on farmyards.

Source

Annual Report, 2018, p. 14-26

[Half-Year results 2019](#)

www.frieslandcampinaopwek.nl

Question 37b

Which objectives have not (yet) been achieved?

In its Annual Report FrieslandCampina reports on its performance on the targets that are set and on supplementary measures in order to improve performance.

Source

Annual Report, 2018, p. 14-26

Select CSR initiatives and tools

Question 38

In which social responsibility initiatives and possible matching instruments does your organisation partake?

FrieslandCampina used the following sustainability initiatives and tools in the period of this self-declaration:

- ✓ Clean and Economical Agriculture Sectors Covenant;
- ✓ Sustainable Dairy Chain Action Programme;
- ✓ Outdoor Grazing Covenant;
- ✓ Animal Health Monitor and CowCompass, which is a component of FrieslandCampina's quality and sustainability system for farms, Foqus planet. In 2020 a new instrument is introduced in the Netherlands: CowMonitor;
- ✓ Sustainable Agriculture Initiative Platform;
- ✓ Sustainable Trade Initiative;
- ✓ Round Table on Responsible Soy;
- ✓ UTZ Cocoa Steering Group;
- ✓ World Cocoa Foundation;
- ✓ Round Table on Sustainable Palm Oil;
- ✓ Global Reporting Initiative Standards Sustainability Reporting Guidelines;
- ✓ Sustainability reporting criteria of the Dutch Ministry of Economic Affairs' Transparency benchmark;
- ✓ Dairy Sustainability Framework
- ✓ Ellen MacArthur Foundation
- ✓ Plastic Pact
- ✓ The New Plastics Economy Global Commitment

Additionally, FrieslandCampina is a member of or active participant in various (other) consultation bodies. These are listed in the Annual Report and on our website.

Source

[Annual report, 2018](#)

[Corporate website - News](#)

[Corporate website - Memberships, collaboration and covenants](#)

Question 39

Which of the points underneath did you consider while choosing these initiatives?

While choosing these initiatives, FrieslandCampina took the following criteria into consideration:

- ✓ Provision of practical guidelines to initiate working with social responsibility;
- ✓ The initiative is designed for our type of organisation or our fields of interest;
- ✓ The initiative is developed for use by different organisations;
- ✓ The initiative helps us reach specific stakeholder groups;
- ✓ The initiative has a good reputation where credibility and integrity are concerned;
- ✓ The feasibility of the initiative.

Periodically, FrieslandCampina assesses whether this list of initiatives and matching instruments is still appropriate. In this decision-making process the sustainability strategy, materiality analysis and stakeholder expectations are taken into account.

Source
Annual report, 2018

Question 40
Which specific actions are carried out related to the social responsibility initiatives?

In consultation bodies and the above-mentioned initiatives FrieslandCampina:

- ✓ Stimulates energy efficiency in the supply chain;
- ✓ Stimulates CO₂ reduction in the supply chain;
- ✓ Implements sustainable dairy farming;
- ✓ Makes international raw materials chains more sustainable (such as fruit, cocoa and sugar);
- ✓ Contributes to animal health and welfare;
- ✓ Contributes to the traditional Dutch landscape;
- ✓ Helps develop an international standard for sustainable dairy.

The Annual Report of FrieslandCampina describes the activities carried out in connection with these sustainability initiatives.

Source
Annual Report, 2018, p. 14-26

Annex 1: Overview of the production locations and Foqus SHE level – November 2019

Location name	Country	2012	2013	2014	2015	2016	2017	2018	2019
Aalter (CD) (incl. DE)	Belgium			2,0		2,3		2,6	
Abidjan	Ivory coast				0,8				1,7
Bornem	Belgium			2,1		2,2			2,3
Budapest DC	Hungary								1,1
Cluj Napoca (baci)	Romania					2,0		2,1	2,2
Heilbronn (comb. Schefflenz)	Germany			1,9	2,3			2,3	
Lagos (Nigeria)	Nigeria		1,0	2,1		2,5		3,0	
Gütersloh	Germany								
Leeuwarden	Netherlands		2,0	2,0	1,7		2,8		2,7
Jeddah (Saudi Arabia)	Saudi Arabia				1,7			2,5	
Lummen	Belgium			2,4	2,1	2,6			2,6
Köln & DC	Germany		1,9		2,5			2,7	2,7
Maasdam	Netherlands		1,9		2,1		2,8		2,7
Patras	Greece			2,0					2,6
Maasdam DC	Netherlands								1,9
Mateszalka	Hungary		1,7		2,5		2,6		2,3
Nuenen	Netherlands				2,5			2,7	
Rijkevoort Canned Cream	Netherlands				2,4				
Stupino	Russia			2,0		2,4			2,8
Rotterdam	Netherlands			2,1		1,7			2,2
Aspropyrgos (DC)	Greece			2,0		x			2,7
Schefflenz (comb. Heilbronn)	Germany			1,8	2,2			2,7	2,7
Targu Mures	Romania		1,8			1,8		1,8	2,1

Figure 9: Foqus SHE scores per production location for Consumer Dairy – EMEA (Europe, Middle East, Africa)

Location name	2012	2013	2014	2015	2016	2017	2018	2019
Alaska Milk (Philippines)	1,0	1,1	1,5	2,0	2,4	2,4		3,2
Betagen (Thailand)			2,8	2,1	2,4			2,7
Binh Duong (Vietnam)	1,6			2,4	3,0	3,3		3,4
Ciracas (Jakarta, Indonesia)	2,4		2,8	2,9	3,5	3,6	3,6	3,8
Ha Nam (Vietnam)				2,2	3,1	3,5		3,5
Laksi Bangkok (Thailand)			2,1	2,1	2,2	1,9	1,9	2,4
Pasar Rebo (Jakarta, Indonesia)			2,8	2,8	3,5	3,6	3,6	3,8
Petalang Jaya (Malaysia) (DLMI)			2,8	3,0	3,1			3,2
Sahiwal (Engrofoods)								2,8
Sukkur (Engrofoods)								3,0
Samrong (Thailand)			2,1	2,4	2,3	2,6	2,6	2,7

Figure 10: Foqus SHE scores per production location for Consumer Dairy - Asia

Location name	BG	Country	2012	2013	2014	2015	2016	2017	2018	2019
Balkbrug	Dairy Essentials	Netherlands	1,9	1,9	2,1	2,0	2,3			2,3
Bedum	Dairy Essentials	Netherlands	2,0	2,0		2,1			1,8	
Bodegraven (Zijerveld)	Dairy Essentials	Netherlands				1,4	2,4		2,3	2,4
Born	Dairy Essentials	Netherlands	1,9	2,2	2,2		2,4			2,5
Bree	Dairy Essentials	Belgium								
Genk (Yoko)	Dairy Essentials	Belgium					1,8		2,3	2,3
Leerdam	Dairy Essentials	Netherlands	2,2	2,6	2,6	2,9		3,1		
Lochem	Dairy Essentials	Netherlands	1,9	1,9	2,2	2,5		2,6		
Lutjewinkel	Dairy Essentials	Netherlands	1,9	2,3	2,3		2,1		2,3	2,4
Noordwijk	Dairy Essentials	Netherlands	1,7	2,3	2,3	2,5	2,6		2,4	2,5
Rijkevoort Kaas	Dairy Essentials	Netherlands	2,2	2,2		2,3				2,2
Senas	Dairy Essentials	France	1,4	1,7	2,3	2,5	2,7			
Steenderen	Dairy Essentials	Netherlands	1,9	2,1	2	2		2,2	2,3	
Workum	Dairy Essentials	Netherlands	1,9	1,9	1,8				2,0	

Figure 11: Foqus SHE scores per production locations for Dairy Essentials

Location name	Country	2012	2013	2014	2015	2016	2017	2018	2019
Bedum	Netherlands	2,3	2,2	2,4	2,5	2,6		2,8	
Beilen	Netherlands	2,2	2,7	2,7	2,7	3,0	3,0		2,8
Borculo (DFE)	Netherlands	1,4	2,1	2,1	2,1	2,1	2,4	2,4	2,8
Borculo Domo	Netherlands	2,4	2,3	2,4	2,4	2,4	2,4	2,3	2,6
Delhi	USA	2,0	2,2	2,6	2,6		2,2	2,3	
Foxhol	Netherlands	1,9	2,1	2,1		2,3		2,6	
Cuddalore (DFE India)	India			1,8	2,5	2,6	2,7		3,0
Dronrijp & Workum	Netherlands	2,1		1,6	1,9	2,3	2,4	2,4	
Lippstadt	Germany	2,1		2,3	2,2	2,4	2,6	2,8	
Nörten-Hardenberg (DFE)	Germany	1,9	2,0	2,2	2,2	2,3			
Meppel (Kievit)	Netherlands	2,2	2,0	2,1	2,4	2,6	2,6		2,9
Salatiga (Kievit)	Indonesia	2,0		2,9	3,0	2,8	2,6	2,9	
Rijkevoort-Creamy Creations	Netherlands	2,2	2,4	2,5	2,5	2,7	2,6		2,9
Veghel (DMV & Nuntrifeed)	Netherlands	2,4	2,0	2,4	2,5	2,5	2,5	2,5	
Paramus	USA								

Figure 12: Foqus SHE scores per production locations for Ingredients