



FrieslandCampina 

CSR Report 2010

Royal FrieslandCampina N.V.





CSR Report 2010

Corporate Social Responsibility

Cover caption:

Milk is one of the richest natural sources of essential nutrients. Milk is the nutritional power-house with which FrieslandCampina wants to fulfil its ambition of providing consumers all over the world with healthy, sustainably produced food. This is why 'Health & Nutrition' is one of FrieslandCampina's four CSR focal areas.

Explanatory note

In 2010 Royal FrieslandCampina N.V. published its first CSR Report for 2009. This second CSR Report presents FrieslandCampina's results and most important developments in the field of Corporate Social Responsibility (CSR) in 2010.

The 2010 CSR Report has been compiled in accordance with the guidelines of the Global Reporting Initiative (GRI) and complies with GRI's Level B requirements (self declared).

The CSR Report and the accompanying GRI-index can be found on www.frieslandcampina.com. A copy of the CSR Report, like the 2010 Annual Report, can also be requested from FrieslandCampina's Corporate Communication Department.

Should you have any questions, comments or suggestions please send them to:
corporate.communication@frieslandcampina.com.



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Foreword

Dear reader,



The growing demand on the world market for sustainably-produced, healthy food offers FrieslandCampina both opportunities for growth and challenges for the future. The world's population is increasing rapidly, purchasing power is rising while, at the same time, food, raw materials and energy are in short supply. In 2010 considerable energy was devoted to determining FrieslandCampina's strategic course for the coming years. Our strategy, and the way we want to achieve our ambitions, are laid-down in *route2020*. First and foremost we want to achieve our growth ambitions in a climate-neutral way. To make this possible we want to make great strides, both together with our member dairy farmers on the farms and in our production plants and logistics chain.

As one of the world's largest dairy cooperatives and a global Top-5 producer of dairy products, FrieslandCampina endeavours to express its social added-value throughout the entire chain: by developing standards for sustainable dairy farming, by producing and marketing food that contributes towards health and wellbeing, by processing milk sustainably in our production plants and by supporting farmers in emerging markets in Asia and Africa. We also strive for a sustainable balance between our performance as a company and our efforts on behalf of the environment and society so that the long-term health of people, the environment and FrieslandCampina is also safeguarded.

Corporate Social Responsibility (CSR) plays a key role in *route2020*. We are convinced that consistently applying the principles of CSR will, in the long run, make a major contribution towards sustainable value-creation for all stakeholders.

It is the only route to successful growth. This conviction is in-line with our cooperative principle, which is now 130 years old. And it is not just about using scarce raw materials, energy, water and other natural resources in a responsible way so as to reduce our footprint, but also about making an active contribution towards the community in which FrieslandCampina operates. Here you could think about our activities aimed at supporting farmers in Asia and Africa. Or at improving public health, not only with our dairy products - full of important nutrients such as proteins, minerals and vitamins - but also through a range of initiatives aimed at making young people aware of the importance of a healthy lifestyle, healthy food and exercise.

The CSR strategy focuses on four priority areas:

- Health & Nutrition;
- Responsible Dairy Farming;
- Sustainable Supply Chain;
- Dairy Development Asia and Africa.

This report looks in detail at our concrete efforts in 2010 - for example for the purchase of sustainable raw materials such as palm oil, cocoa, packaging materials and green certificates from our dairy farmers who generate sustainable energy - but also related to numerous new CSR initiatives that are in the pipeline.

FrieslandCampina's 2010 sustainability results, have led the Executive Board to implement supplementary measures in order to improve performance still further in respect of two aspects - work safety and the efficient use of energy and water.

Our ambitious CSR goals cannot be achieved without dialogue with all stakeholders. In the first place our member dairy farmers and employees, consumers and customers in the industry and trading sectors. And also with the communities in which our company operates and where we maintain relationships with social organisations, the authorities, partners and other stakeholders. Employees of FrieslandCampina are participants in many consultation organisations and actively seek dialogue and cooperation with a diverse range of social players.

We can only achieve our CSR goals with the active involvement of our employees. They must also be offered, and seize, every opportunity in the areas of both career development and training and working in an environment in which health, safety and sustainability are properly safeguarded. FrieslandCampina wants to be an attractive employer for both new and existing employees. The fact that we are going in the right direction is evidenced by our being awarded the P&O Proffie Award 2010, the prestigious prize for the company with the best HR policy in the Netherlands.

In 2011 the achievement of the *route2020* strategy, and with it the implementation of the CSR action plans that form part of this strategy, is the core priority. Together with our member dairy farmers and employees all over the world we are on the road towards a sustainable growth of both cooperation and the company.

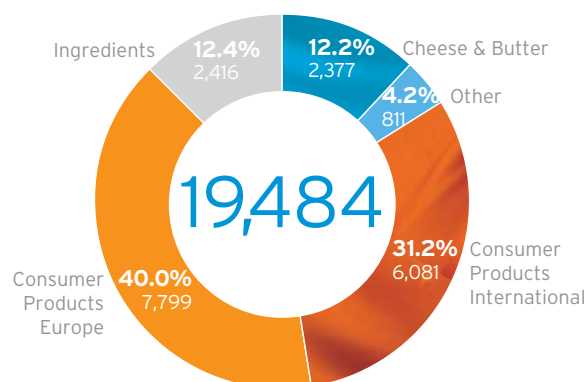
Cees 't Hart, CEO
Royal FrieslandCampina N.V.

Amersfoort
7 June 2011

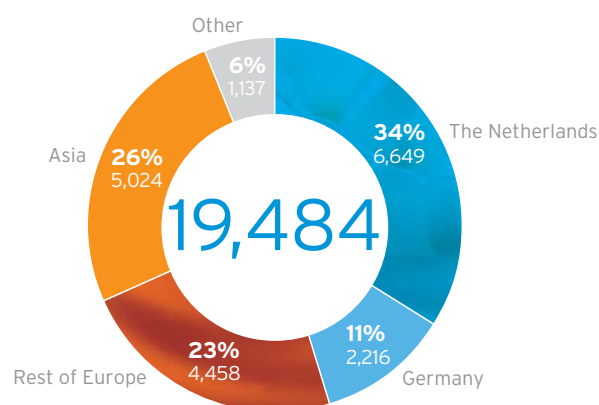
Key figures

	2010
Net revenue (in millions of euro)	8,972
Operating profit (in millions of euro)	285
Total milk processed (in millions of kilo)	10,266
Number of member dairy farms (at year end)	14,829
Countries in which FrieslandCampina is active	25
Products carrying the 'Choices' logo	158
CO ₂ emissions (kton CO ₂)	1,322
Energy usage (TJ)	21,102
Energy usage of energy saving measures (TJ)	432
Water usage (x 1,000 m ³)	27,157
Hazardous waste (ton)	1,142
Of which recycled (as a %)	15
Employees (average number of FTEs)	19,484
Of which male	14,773
Of which female	4,711
Absenteeism through illness, the Netherlands (as a %)	4.67
Absenteeism through illness, outside the Netherlands (as a %)	2.74
Accidents per 200,000 hours worked (LTA Rate)	2.10
Participants in the FrieslandCampina Academy, worldwide	2,000

Number of FTEs per business group 2010
average number of FTEs

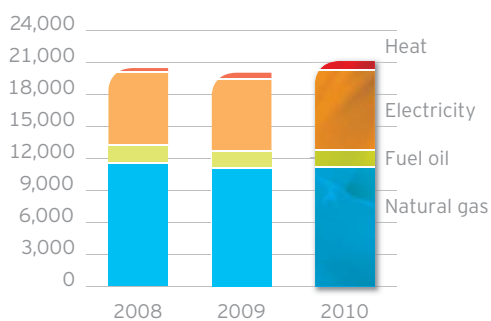
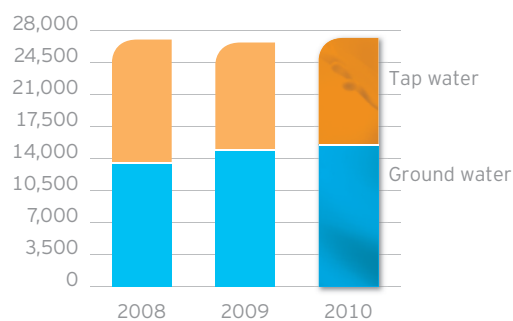
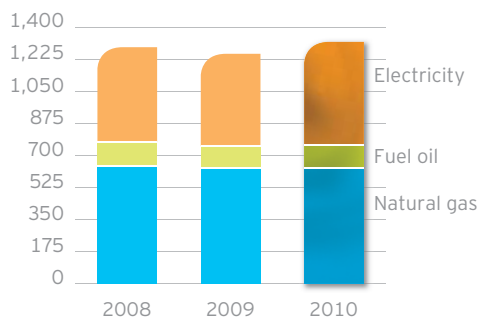


Number of FTEs per region 2010
average number of FTEs

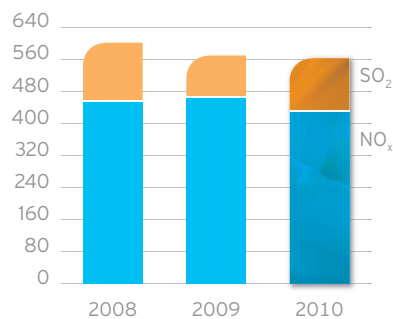


Energy usage¹

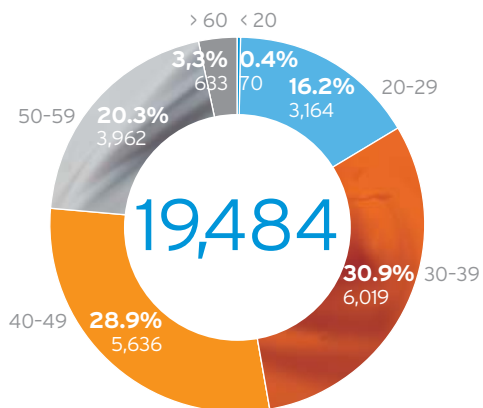
TJ

**Water usage¹**x 1.000 m³**CO₂-emissions¹**kton CO₂**Other emissions¹**

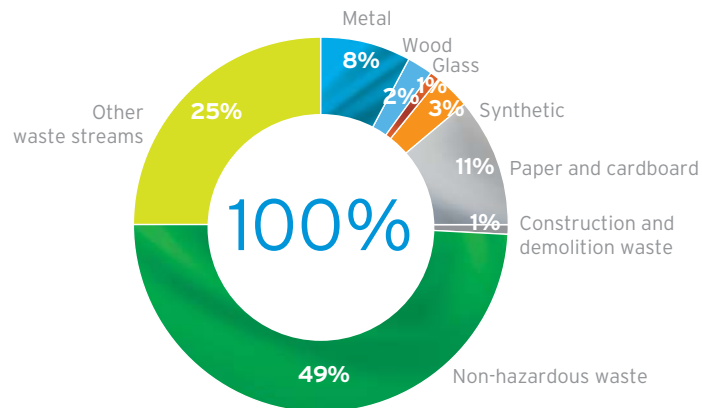
ton

**Age of employees worldwide**

average number of FTEs

**Separately collected waste streams 2010**

as a %



¹ The comparative figures for 2008 and 2009 are incomplete due to the information regarding a number of facilities being unavailable due to the recent merger.

Profile and organisation

Royal FrieslandCampina N.V. plays a major role in providing healthy food to hundreds of millions of people on a daily basis. FrieslandCampina's products include dairy-based beverages, infant & toddler food, cheese, butter, cream, desserts and functional dairy-based ingredients. In addition to consumer products FrieslandCampina also supplies professional customers, the food industry and the pharmaceutical sector.

FrieslandCampina boasts more than 130 years of dairy experience. With its annual revenue of nearly 9 billion euro FrieslandCampina is one of the world's largest dairy companies. FrieslandCampina carries out its commercial activities via four market-oriented business groups: Consumer Products Europe, Consumer Products International, Cheese & Butter (since April 2011 Cheese, Butter & Milkpowder) and Ingredients. In the field of consumer products the Company is active in many European countries, in Asia and in Africa. Sales to industrial customers take place worldwide. The Company's own offices and production facilities in 25 countries employ a total of over 19,500 people. FrieslandCampina's products find their way to more than 100 countries.

Zuivelcoöperatie FrieslandCampina U.A. holds all the shares in the capital of Royal FrieslandCampina N.V. The Cooperative is formed by 20,375 member dairy farmers (14,829 dairy farms) in the Netherlands, Germany and Belgium. The member dairy farmers are, via the Cooperative, the joint owners of the Company.

Corporate Governance

From a Corporate Governance point of view the bodies that are relevant for Royal FrieslandCampina N.V. are the General Meeting of Shareholders, the Supervisory Board and the Executive Board. All the Company's shares are held by Zuivelcoöperatie FrieslandCampina U.A. The Company is an exempted statutory two-tier company, but has opted to apply the two-tier management structure voluntarily.

Composition of the Supervisory Board

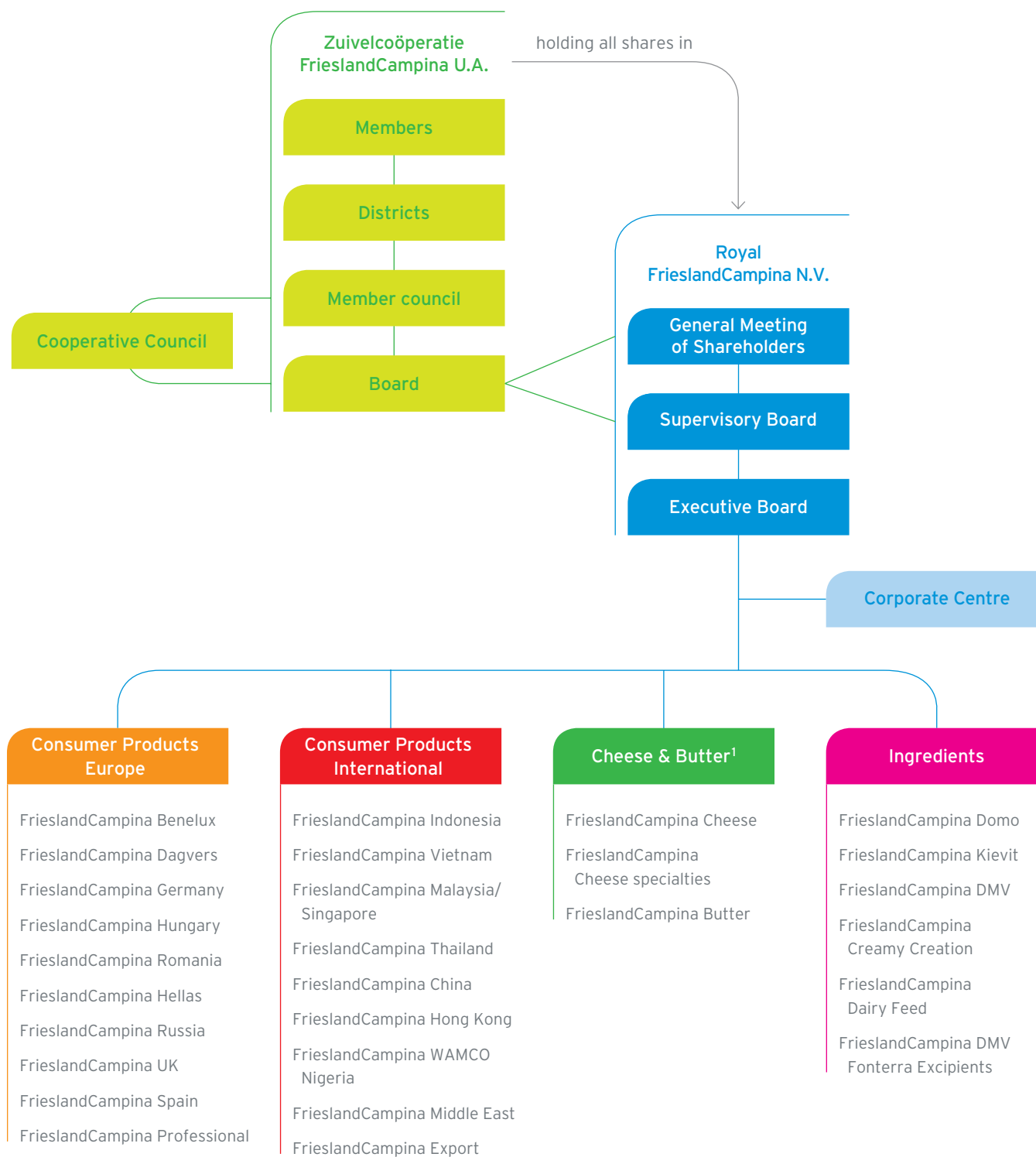
- Kees (C.H.) Wantenaar (1949), Chairman
- Piet (P.) Boer (1960), Vice-chairman
- Peter (P.A.F.W.) Elverding (1948)
- Rob (R.) ter Haar (1950)
- Angelique (A.A.M.) Huijben-Pijnenburg (1968)
- Jorrit (J.) Jorritsma (1954)
- Jan (J.P.C.) Keijsers (1955)
- Frans (F.A.M.) Keurentjes (1957)
- Simon (S.R.F.) Ruiter (1958)
- Henk (H.) Scheffers (1948)
- Jan (J.H.G.M.) Uijttewaai (1962)
- Ben (B.) van der Veer (1951)
- Erwin (W.M.) Wunnekink (1970)

Composition of the Executive Board

- Cees (C.C.) 't Hart (1958), Chief Executive Officer
- Kees (C.J.M.) Gielen (1959), Chief Financial Officer
- Kapil Garg (1964), Chief Operating Officer
- Piet (P.J.) Hilarides (1964), Chief Operating Officer
- Freek (F.) Rijna (1955), Chief Operating Officer

Mr. Frans Visser resigned as a member of the Executive Board and responsible for the Ingredients business group as of 31 December 2010 due to his retirement. His tasks have been taken over by Mr. Roelof Joosten, who was appointed Executive Director of the Ingredients business group as of 1 November 2010.

Detailed information regarding the Supervisory Board, the Executive Board and Corporate Governance of Royal FrieslandCampina N.V. can be found in the 2010 Annual Report and on the website www.frieslandcampina.com.



¹ In april 2011 the production of cheese, butter and milk powder was organisationally clustered into a single business group. As a result the name of the FrieslandCampina Cheese & Butter business group has been changed to FrieslandCampina Cheese, Butter & Milkpowder.

Our world of brands



Branches in:

The Netherlands

Germany

Belgium

Hungary

Romania

Greece

Russia

United Kingdom

France

Spain

Italy

Austria

Saudi Arabia

United Arab Emirates

Ghana

Nigeria

China

Hong Kong

Indonesia

Malaysia

The Philippines

Singapore

Thailand

Vietnam

United States of America

Worldwide - Ingredients:



FrieslandCampina has leading brands in the fields of dairy products for consumers and professional users and functional dairy-based ingredients for the food and pharmaceutical industries.



Ambition and *route2020* strategy

In its *route2020* strategy FrieslandCampina has two major ambitions it wishes to fulfil in respect of consumers and of the member dairy farmers of Zuivelcoöperatie FrieslandCampina U.A.:

- FrieslandCampina wants to help people move forward in life with natural dairy products. With milk FrieslandCampina can respond to the growing demand on the world market for healthy food that is produced in a sustainable manner. Milk contains essential nutrients, such as proteins, fats, lactose, vitamins and minerals.
- FrieslandCampina also wants to be the most attractive dairy company for the Zuivelcoöperatie FrieslandCampina's member dairy farmers. The Company's target for 2020 is a substantially higher performance payment for milk than in 2009 as well as a higher dividend in the form of equity registered in the name of members via member bonds.

The *route2020* strategy is aimed at turning these aspirations into achievements through investments and innovations in the selected drivers for value growth. Based on the social developments it has observed amongst consumers and customers, FrieslandCampina's efforts on behalf of consumers are focused on providing healthy and responsible dairy-based food and nutritional benefits. Where professional customers are concerned, FrieslandCampina's main focus is on the functional characteristics of dairy products that can make products better and tastier. For customers in the food, pharmaceutical and young animal feed industries, FrieslandCampina's focus is to improve the utilisation of and accessibility to the nutritional and functional characteristics.

The endless possibilities of milk

By nature milk is naturally one of the richest sources of nutrition. Dairy products provide proteins, vitamins, minerals and lactose: building materials and fuels that are important for people's health and wellness. In addition, many dairy products offer a unique taste experience. The application possibilities of milk are endless. There is still a great deal to discover, develop and innovate.

FrieslandCampina has been in the dairy business for more than 130 years. FrieslandCampina's nearly 20,000 member dairy farmers and 19,500 employees demonstrate their expertise in every phase of the production chain. Talent management, innovation and milk expertise play important roles in the continuous striving for improved performance.

Mutual cooperation

FrieslandCampina is a multinational company with a local focus. There is close cooperation with the people in the communities in which FrieslandCampina is active. FrieslandCampina creates value for its member dairy farmers and accepts responsibility for its actions. FrieslandCampina's culture revolves around the core values of trust, integrity and inspiration.

Corporate Social Responsibility

With the world's population expected to reach around nine billion in 2050, the challenge is immense. In the coming decades maintaining and balancing the production of food, feed and fuel will make continuous demands on the creativity and organisational prowess of the global community. As an organisation rooted in this community for more than 130 years, FrieslandCampina wants to continue making a constructive contribution towards innovative developments related to nutrition & health, food safety and an assured food supply.

As one of the world's top-5 dairy producers and one of the world's largest dairy cooperatives, FrieslandCampina acknowledges its responsibilities for making dairy farming and the dairy processing and distribution chains more sustainable and for marketing healthy food and supporting local food production in Asia and Africa by transferring knowledge to farmers in the dairy farming sector.

CSR plays a major role in the *route2020* strategy. The increasing demand for healthy food offers opportunities for the Company. Utilising these opportunities and using scarce energy, water and other natural resources in a responsible way will, in the long run, make an essential contribution towards the creation of value for all stakeholders: member dairy farmers, employees, consumers, industrial customers, social organisations, the authorities, partners and the local communities in which the Company is active.

The policy in the field of Corporate Social Responsibility was formulated after a thorough analysis of the effects of FrieslandCampina's activities on people's everyday surroundings and the environment. Issue analyses were carried out in cooperation with KPMG Sustainability and TiasNimbas Business School. Based on the outcomes of these analyses and the Visions 2050 report published by the World Business Council for Sustainable Development (WBCSD) in 2010, FrieslandCampina developed the analysis model that forms the basis for its CSR approach.

Analysis model for Corporate Social Responsibility

Major trends in the world around us on the way to 2050

- A rapid growth of world population, especially in emerging markets. The 'greying' of the population in developed markets
- An increasing scarcity of natural resources
- A fundamental need for better and more nutritious food
- Nutrient shortage, undernourishment and obesity will continue existing in parallel
- The transition to more sustainable energy
- Increasing urbanisation (in 2050 70 percent of the world's population will be city dwellers)
- Pressure on the rural sector and food production (food supply assurance)
- Despite improved incomes, substantial sectors of the world's population will continue to be confronted with poverty
- Climate change
- Ecosystems will increasingly be affected, with major consequences for the availability of water and food
- More frequent and more severe natural disasters

Implications for FrieslandCampina

In Europe

- Concern over the consequences of climate change, especially in the area of nature conservation and biodiversity, but also in agriculture and food production ② ③
- A reduction of greenhouse gas emissions ② ③
- Health threats due to 'increasing' prosperity illnesses as a result of obesity ①
- Concern about animal welfare ②
- Space and the quality of life ②

In Asia

- A shortage of clean water ①
- An assured food supply and food safety ① ④
- Combating poverty ④
- Health threats due to 'increasing' prosperity illnesses as a result of obesity ①

In Africa

- A shortage of clean water ①
- Poverty ①
- An assured food supply ④
- Undernourishment and a lack of pre and post natal care ①

In South America

- A shortage of clean water ①
- Undernourishment due to increasing urban populations along with obesity in the group with purchasing power ①

In the Middle East

- A shortage of clean water ①
- Health: obesity ①

In North America

- Concern over the consequences of climate change ② ③
- Health: obesity ①
- Concern about animal welfare ②

FrieslandCampina action plans

Four priority areas

- Health & Nutrition ①
- Responsible Dairy Farming ②
- Sustainable Supply Chain ③
- Dairy Development Asia and Africa ④

Achievement of 2010 targets



	Realized		Realized
<ul style="list-style-type: none"> Implementation of the new Code of Conduct in 2010 	yes	<ul style="list-style-type: none"> An annual improvement in energy efficiency of at least 2 percent of which 1.5 percent is achieved within the production facilities and 0.5 percent in the chain 	no
<ul style="list-style-type: none"> Implementation of the new Whistle-blowers regulation in 2010 	yes		
<ul style="list-style-type: none"> Implementation of the new Business Practices for Suppliers in 2010 and 2011 	yes	<ul style="list-style-type: none"> Sustainable purchasing of electricity for the Dutch production facilities sufficient to provide 15 percent of the requirement in 2010 and 100 percent of the requirement in 2020 	on-going
<ul style="list-style-type: none"> The development in 2010 of further programmes to reduce the sugar and fat in consumer products 	yes		
<ul style="list-style-type: none"> Implementation of the Foqus Food Safety & Quality system in 2010 	yes	<ul style="list-style-type: none"> The further implementation of 'The way we work' in 2010 	yes
<ul style="list-style-type: none"> Implementation of an environment, work safety and fire prevention system in 2010 	yes	<ul style="list-style-type: none"> Absenteeism through illness at FrieslandCampina less than 5 percent in 2010 	yes
<ul style="list-style-type: none"> The implementation of an improvement programme related to performance and business culture at all facilities in 2010 and 2011 	on-going	<ul style="list-style-type: none"> Organise Safety awareness training at facilities in 2010 and 2011 	on-going
		<ul style="list-style-type: none"> The introduction of the full version of the Performance Management System in 2010 	yes
		<ul style="list-style-type: none"> Make the figures for the accident frequency ratio more reliable by standardising the definition in 2010 	yes

FrieslandCampina's CSR approach

On the grounds of its conviction that CSR is a crucial condition for FrieslandCampina's successful growth, in 2010 considerable effort was put into the further development of a Company CSR vision, a related strategy and action plans that will be fully incorporated into FrieslandCampina's operating activities.

Definitions

FrieslandCampina's CSR program is in accordance with the definition of Corporate Social Responsibility formulated by the Dutch Social Economic Council:

'The deliberate aiming of the business activities at long-term value creation in the three dimensions of people, planet and profit, combined with the willingness to enter into dialogue with the community. CSR is part of the core business of the company.'

FrieslandCampina also endorses the definition of sustainability formulated by the United Nations' Brundtland Commission in 1987:

'Sustainability is a development that meets the needs of the present generation of world citizens without compromising the ability of future generations to meet their own needs.'

Taking environmental and social issues into account is a component of FrieslandCampina's policy and business operations and is a prerequisite for the Company's achievement of growth in the future.

FrieslandCampina has made its integral CSR program visible in the 'CSR strategy house'. All the component parts of the CSR program are brought together in the form of a solid construction built on the basis of a well-considered vision of Corporate Social Responsibility and bearing in mind the long-term creation of value for all stakeholders.

Explanation of the CSR mission

There is a fundamental shortage of healthy and nutritious food in the world. By nature dairy products are extremely nutritious. As a leading, multinational company in the field of dairy production, FrieslandCampina aspires to demonstrate its commitment to responsible food production.

FrieslandCampina wants to play a leading role in the fields of:

- Health & Nutrition: by combating obesity and undernourishment;
- Responsible Dairy Farming: by developing standards in the field of responsible dairy farming;
- Sustainable Supply Chain: through the more efficient utilisation of raw materials and resources;
- Dairy Development Asia and Africa: by helping dairy farmers improve milk quality, productivity and business operations. This safeguards local food production.

Explanation of the CSR vision

FrieslandCampina foresees a challenging future for a world that in 2050 will be inhabited by nine billion people. The global population growth will demand far-reaching changes in the area of food, animal feed and fuel production. FrieslandCampina has set itself the goal of making a constructive contribution towards the transition towards a more sustainable future and a more assured food supply. FrieslandCampina wants to take responsibility, in thought and deed, for the world worked in and lived in by the current and future generations. This is why FrieslandCampina seeks a balance between its performance as a company and its dedication to the environment and society. The balance must be sustainable so that the health of mankind, the environment and the continuity of FrieslandCampina are also safeguarded in the future.

Milk links generations. Farms and land are handed-down from one generation to another, just like membership of the Cooperative and its culture. Zuivelcoöperatie FrieslandCampina's member dairy farmers look after nature, the landscape, the animals and people because they not only look at today, but also at tomorrow.

Responsibility for the FrieslandCampina company is also important. Everything revolves around balance. Sustainability keeps the company vigorous and profitable. Due to its strong economic basis, FrieslandCampina can serve consumers, customers,



CSR is essential for us.

'CSR is essential for us. Future growth will only take place if it is climate neutral. In 2010 we drew-up a new vision and strategy based on what we see happening in the world. There is a scarcity of natural resources and a growing need for nutritious food, food that is guaranteed to be safe and an assured food supply, to name just a few points. The dynamic around us and the challenges we see have been translated into four CSR priorities. Two of these priorities are in the sustainability corner, in the sense of the continuous effort to reduce the footprint of our activities. They are about the efficient use of energy, raw materials, water, land, transport, packaging, etc. They involve reducing greenhouse gasses, introducing sustainable energy, reducing waste and increasing recycling. Together with the dairy farmers we are drawing-up standards for sustainable animal husbandry with concrete targets for, for example, animal welfare and access to pasture, and the limitation of greenhouse gasses and the use of medicines. We are also making the processing of dairy and the transport & logistics in our chain from farm to customer as efficient and sustainable as possible. The other two pillars relate to Corporate Social Responsibility and making a proactive contribution towards the development of the communities in which we operate. We help farmers in Asia and West Africa, which means we are underpinning the local food production. And with such a nutritious product as milk we can play a role in combating undernourishment and, in cooperation with others, try to do something about other problems such as the increasing childhood obesity.'

Frank van Ooijen

FrieslandCampina's Director Corporate Communication and Director Sustainability

employees, member farmers and the community far better and, at the same time, care for the environment.

CSR strategy

Within the four priority areas FrieslandCampina carries out the action plans with which it wants to achieve its CSR ambitions. KPIs, targets and action plans have been developed or will be developed in the coming years. All the on-going activities in the CSR and sustainability field have also been incorporated into the strategy. This is in-line with the policy implemented earlier.

Relationships with stakeholders

FrieslandCampina attaches great value to maintaining a good relationship and dialogue with its stakeholders. The Company strives for the right 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. FrieslandCampina has fleshed out this vision for each stakeholder group.

Member dairy farmers

FrieslandCampina guarantees the purchase of the milk produced by the member dairy farmers, as long as the milk meets a number of quality criteria. FrieslandCampina pays the member dairy farmers a guaranteed price plus a performance payment for the milk they supply. The guaranteed price is based on the milk prices of a total of 17 dairy companies in the Netherlands, Germany, Denmark and Belgium. The performance payment is dependent on the Company's financial performance.

FrieslandCampina strives for the optimum cooperation between the Cooperative's member dairy farmers and the FrieslandCampina company.

CSR mission and vision

CSR mission

Worldwide there is a fundamental need for nutritious food. By nature milk is one of the richest sources of nutrition and is the basis of many dairy products. As one of the world's leading international dairy companies we strive to show our commitment towards the responsible production of dairy products and leadership in the field of CSR through our pro-active approach to:

- Health & Nutrition (and in particular the tackling of undernourishment);
- Responsible Dairy Farming;
- Sustainable Supply Chain;
- Dairy Development Asia and Africa.

CSR vision

We foresee a challenging future for a world with seven billion citizens in 2011 and nine billion in 2050. The rapid growth of the world population will bring about great changes in the way in which society is provided with food, animal feed and energy (food, feed, fuel). FrieslandCampina wants to make a constructive contribution towards the transition to a more sustainable future in which the supply of food and nutrition is assured. We believe in the business case of sustainable entrepreneurship. Social needs also offer businesses opportunities for growth, innovation and more efficiency while, at the same time, substantial contributions can be made towards solving diverse social and environmental problems.

CSR strategy

Four priority areas (pillars) have been determined and have been, or will be, linked to KPIs (Key Performance Indicators), targets and action plans.

The pillars



① Health & Nutrition



② Responsible Dairy Farming



③ Sustainable Supply Chain



④ Dairy Development Asia and Africa

The foundations

A personnel policy aimed at optimum involvement in the Company.

The safeguarding of CSR and sustainability through agreements, involvement, codes of conduct, policy documents, covenants, reports and certification.

The implementation of CSR throughout the entire organisation: CSR Governance Board, the sustainability coordination team, four implementation teams.

The dialogue with the member dairy farmers is given substance as follows.

- The members receive specific management information regarding the quality and quantity of the milk supplied. In the case of questions regarding milk production and Cooperative matters, assistance is offered via both the field and office staff.
- Every two months the members receive the newsletter 'Melk', with information about FrieslandCampina, developments within the Company and the Cooperative, milk-related technology and FrieslandCampina's products.

- Melkweb - a special website for the member dairy farmers - offers more specific management and general information.
- Member dairy farmers discuss developments within the Cooperative and Company and elect their representatives during district meetings. The Cooperative's member dairy farmers are grouped into 21 geographic districts.

- Together the 21 District Boards form the General Meeting of the Cooperative. The General Meeting elects nine of its members to serve as the Cooperative's Board. The eight members of the Cooperative's Board, plus four external members, form the Supervisory Board of Royal FrieslandCampina N.V.
- Decisions regarding the Articles of Association, regulations and the Cooperative's annual accounts are made by the Members' Council.



Open Farm Days a great success

The fact that consumers are interested in dairy farming was proven by the success of the Open Farm Days organised by the Campina brand. In 2010 around 100,000 people visited the participating dairy farms in just one week.

- The Cooperative Council (the Chairmen of the 21 districts) function as a sounding-board for the Board and submit recommendations regarding regulations and proposals from the Executive Board that require the approval of the Members' Council.
 - Board members and District Board members are contact points for the member dairy farmers.
 - In the Central Meeting of District Boards consultation takes place and information regarding developments and proposals within the Cooperative is exchanged and discussed.
 - Consumers can make contact, request information and submit complaints, either orally or in writing, via the consumer service department.
- In a number of countries nutritionists collect information regarding the use of dairy products in the daily diet of both children and adults.

All future growth will be climate neutral.

Consumers

FrieslandCampina offers its consumers high-quality, flavoursome and nutritious dairy products in combination with information in the field of nutrition and health. The dialogue with consumers is carried out in a variety of ways by the four business groups. Some examples:

- Continuous market research regarding consumer behaviour, the appreciation and use of products, services and communication and their attitude regarding themes such as nutrition, health and sustainability.
- Product demonstrations in shops and to consumer panels lead to direct contact with consumers and insight into the requirements for and appreciation and use of products.

Employees

FrieslandCampina offers excellent opportunities for career development and individual growth in a professional and attractive working environment. Communication with employees takes place both orally and in writing. Employees are kept up-to-date with the most important developments affecting FrieslandCampina via a variety of methods including progress discussions, employee meetings, the intranet, internal announcements and the employee magazine 'Spark'. An overview of the development opportunities for employees can be found in the Chapter Personnel on page 41.

Industrial customers

FrieslandCampina offers a unique 'from grass to glass' value chain. Stringent standards in the field of quality, efficiency, innovation and sustainability create maximum value-growth for the customer. FrieslandCampina actively seeks dialogue with customers, in every country and at every level, via targeted account management, participation in international trade shows and conferences, special meetings and various forms of cooperation. One example of this cooperation is the 'carbon pact' signed in mid 2010 between FrieslandCampina and its largest customer - the French company, Danone - in which it is agreed that FrieslandCampina will help Danone achieve its targets in the field of CO₂ reduction. The initiatives are carried out at the Cooperative level (agreements with farmers) and in the dairy processing facilities through energy-saving solutions, improved efficiency and other packaging and transportation choices. In this last case this means, for example, the choice of bulk deliveries instead of packaging and the supply of ingredients in a liquid form rather than as a powder. The result is a significant reduction of CO₂. Danone's wishes fit in well with FrieslandCampina's CSR goals.

(Local) authorities

In most of the countries in Asia and Africa in which FrieslandCampina is active the Company, in cooperation with the local authorities, supports dairy farmers in order to increase local food production. In its domestic market FrieslandCampina supports member dairy farmers with various initiatives for nature conservation, countryside maintenance and the retention of biodiversity.

Social organisations

FrieslandCampina frequently consults a wide range of (inter)national social organisations, such as the World Wild Fund for Nature (WWF), Solidaridad, Natuur & Milieu (nature & environment), Dierenbescherming (animal protection), the World Health Organisation (WHO), Natuurbeschermingsorganisatie IUCN (nature conservation), consumer organisations and various other advocates in the field of nature, the environment, biodiversity, fair trade and animal welfare. Consultation with social organisations takes place on a one-to-one basis as well as via a number of consultation bodies, such as SAI (Sustainable Agriculture Initiative), the Dutch employers organisation VNO-NCW, the FNLI (Dutch Food Industry Federation) and Uitvoeringsagenda Duurzame Veehouderij (implementation agenda for sustainable dairy farming).

FrieslandCampina attaches great value to maintaining a good relationship and dialogue with its stakeholders.

Foundations of the CSR program

The foundations of the CSR strategy are:

- A personnel policy aimed at the employees' optimum involvement with the Company;
- A body of agreements, involvement, codes of conduct, policy documents, covenants, reports and certifications that safeguards Corporate Social Responsibility and sustainability within FrieslandCampina;
- An organisation comprising the CSR Governance Board, the sustainability coordination team, and four teams responsible for the implementation of CSR throughout the entire organisation.

Health & Nutrition

Health information
in Indonesia



Peak-sachets
in Nigeria



Products carrying
the 'Choices' logo



FrieslandCampina wants to contribute towards combating the undernourishment problem through all the good nutritional characteristics of milk and also wants to help reduce obesity, including through better information regarding healthy eating and a healthy lifestyle.



The four pillars of the CSR program

Health & Nutrition

FrieslandCampina continuously launches products on the market that contain valuable nutrients and contribute towards a healthy and responsible diet.

Goals

The following goals for the near future have been formulated in the field of health & nutrition:

- Utilise all the good characteristics of dairy products to contribute towards combating undernourishment problems;
- Contribute towards driving back obesity;
- Improve the information offering in the field of healthy eating and lifestyle;
- Establish cooperations with potential partners;
- Activate the United Nations Food & Agriculture Organisation's (FAO) World Milk Day and World School Milk Day in all 25 countries in which FrieslandCampina is active.

Combat undernourishment and obesity

Most of FrieslandCampina's products are also available in a 'light' version containing less fat or added sugar or with a lower salt content. FrieslandCampina is also working on optimising the recipes of products in its range so that more and more products can carry the 'Ik Kies Bewust' ('Choices') logo. The goal is for more infant and health food to meet the 'Choices' logo criteria by the end of 2011.

Currently FrieslandCampina is thinking about the nutritional requirements and portion sizes of products specifically tuned to the needs of children. The sugar and salt content in consumer products is being lowered in steps so the consumer does not notice the changes but will, ultimately, constitute a major step towards lowering the consumer's intake of sugar and salt. In 2010, for example, the salt content in cheese products was reduced by around 500 tonnes - the equivalent of 17 full lorry loads. Less sugar was also used. In 2010 the sugar content of the Vifit, Fristi, Mona puddings, Yoki drink and Dubbel-Frisss was reduced and in 2011 the same will happen to the GoedeMorgen breakfast drink. In 2010 FrieslandCampina Benelux was awarded the Aanmoedigend Jaarprijs Voedingscentrum 2010. With the step-by-step reduction of the quantity of added sugar in regular dairy products and fruit drinks, FrieslandCampina is making the consumer's 'usual' choice healthier without it being noticed and without the taste being affected.

Some examples

- The dairy-based drinks, yoghurts and desserts of Optimel (in the Netherlands) and Optiwell (in Germany and other countries) contain 0 percent or 0.1 percent fat and no added sugar. In the Netherlands and Germany these products carry the 'Choices' logo.
- Milner's cheeses contain less salt and fat than ordinary Gouda cheeses. Milner's light mature cheese, for example, contains over 22 percent less salt, Milner 30+ cheese contains 40 percent less fat and Milner XtraSlimm (10+ cheese) contains 80 percent less fat. The (soft) cheeses in the Slankie range are also containing less and less fat and salt.

Investigation of dietary habits in Southeast Asia

In a number of countries in Southeast Asia FrieslandCampina has started an extensive scientific study in order to acquire a better understanding of the dietary health and the dietary needs and patterns of children up to the age of 12. National investigations have commenced in Indonesia, Malaysia, Thailand and Vietnam in cooperation with leading dietary institutes. This is the first time that a scientific dietary study into such things as food intake, biochemical blood analyses, body composition and bodily activity has been carried out on such a scale in this region. FrieslandCampina will use the outcomes of the study to improve the composition of its products so it can make a greater contribution towards children's



World milk-drinking record

During the Dutch Lady World Milk Day in Malaysia on 30 May 2010 over 2,500 people gathered together to try and break the record for the number of people drinking milk at the same time. The successful attempt has been included in the Guinness Book of Records.

nutritional needs and health. The study is being carried out in cooperation with a number of leading institutes in the field of diet and health, such as PERSAGI (Persatuan Ahli Gizi) in Indonesia, UKM (University of Kebangsaan) in Malaysia, MAHIDOL (University of Mahidol) in Thailand and Vien Dinh Duong (National Dietary Institution) in Vietnam.

All the data from the dietary study is being analysed and processed by scientists in the various institutes, with the help of the support and multidisciplinary expertise offered by FrieslandCampina's researchers all over the world. Due to the extent and far-reaching scientific nature of the study the results are not expected until the first quarter of 2012.

Better information related to healthy eating and lifestyle

Access to healthy food is one of the most important components of achieving an assured food supply for the world's population. It is not only in Europe and the United States that bad eating habits are a threat to health. In Africa and Asia city dwellers spend up to half their food budget on cheap food that is poor in vitamins and minerals. This so-called 'city food', which is full of bad fats and sugar, is responsible for the enormous rise in obesity and excess weight. In a country like India, diet-related illnesses, such as diabetes, are a growing problem in urbanised areas.

As a component of its battle against under-nourishment and obesity, FrieslandCampina

has set itself the goal of providing consumers and professionals with well-thought out information not only about the composition of products but also about nutritional values, diet in a healthy lifestyle in general and the importance of sufficient exercise for health.

During 2010 several new initiatives in this field were set-up and existing programmes continued. In 2010 methods of communication aimed specifically at health and with the emphasis on healthy eating in general and the relationship with FrieslandCampina's products in particular were developed. To this end mailing, the website and symposia were all used and, in addition, the Product Magazine containing detailed information about the products carrying the 'Choices' logo was developed.

Examples of information projects

'Ik Kies Bewust' ('Choices')

FrieslandCampina is one of the founders of the 'Choices' programme, an initiative to help consumers make a healthy choice. Products carrying the 'Choices' logo contain less salt, sugar and saturated fats. In 2010 the recipes of a number of products were adapted to comply with the criteria. In addition, Appelsientje, DubbelFriss and Taksii introduced new products. Selecting the products with the 'Choices' logo is a very simple way for consumers to choose the healthy option within the product group concerned.

In 2010 FrieslandCampina had 158 products that met the criteria of the 'Ik Kies Bewust'

Foundation. More information about 'Choices' can be found on www.ikkiesbewust.eu and www.choicesprogramme.org.

In addition to clear information about the nutritional value and composition of products on the product label and on websites, the packaging will carry additional information about the importance of dairy produce in a healthy diet, about healthy eating habits and about the importance of enough exercise.

In 2010 (and 2011) Extran sponsored the Rotterdam marathon. Exercise is also stimulated through an Optimel campaign in cooperation with the Dutch weekly magazine 'Viva' under the motto 'lekker bewegen met Optimel en Viva' ('enjoy exercising with Optimel and Viva').

JOGG initiative in the Netherlands

The JOGG initiative (Jongeren Op Gezond Gewicht - Young people at a healthy weight), in which FrieslandCampina is an active participant, was launched in the Netherlands in 2010. The objective of the JOGG approach is for sufficient exercise and healthy eating to become the norm. This approach comprises campaigns which focus on diet and exercise at school, better sports and play facilities and information for parents.

Nutrition information centre in Vietnam

In Vietnam, FrieslandCampina has set-up a nutrition centre to inform consumers about healthy eating. Parents can seek advice regarding their children's diet from nutritionists. In addition, teaching programmes have been developed in conjunction with parents and paediatricians, events have been organised and training courses for professionals have been set-up. The Centre is working with the Vietnamese Ministry of Health, the National Institute of Nutrition and other stakeholders. FrieslandCampina and the Vietnam Nutrition Association have jointly created the Dutch Lady Nutrition Award for young scientists and research institutes working in the field of nutrition.

FrieslandCampina at school

'Campina at School' is a school milk program run by FrieslandCampina as part of its drive to promote a balanced diet for children. The school milk scheme has been popular in the Netherlands for over 50 years, especially amongst the 110,000 children who have signed up to receive school milk. All the products in Campina's school milk range now carry the 'Choices' logo and fall within the preferred, or middle-of-the-road category of the Voedingscentrum (Dutch nutrition centre). School fruit is also available through a partnership with Fruitmasters. More information about Campina at School can be found on www.campinaopschool.nl.

Access to healthy food is one of the most important components of achieving an assured food supply for the world's population.

FrieslandCampina also participates in a school milk programme in Germany. FrieslandCampina, the largest supplier of school milk in Germany, supplies Landliebe semi-skimmed milk to over 5,000 primary and secondary schools in Noordrijn-Westfalen.

World Milk Day

Since 2001 the FAO and UNICEF have organised an annual World Milk Day on 1 June. FrieslandCampina supports this initiative in many countries. Spreading the message of milk's contribution towards health to both consumers and FrieslandCampina's own employees worldwide is important. Which is why in 2011 and 2012 FrieslandCampina wants to gradually participate in World Milk Day in all its 25 geographic markets. The goal of the FAO is to reach 1.5 billion children with this initiative in 2015.

Responsible marketing and advertising

FrieslandCampina complies with local legislation and regulations in respect of advertising and with the national advertising codes in the country of sale.

Advertising aimed at children

Because young children sometimes have difficulty understanding the objective of advertising, the World Health Organisation and the European Union want manufacturers to follow a responsible advertising policy. In 2009 FrieslandCampina developed its own new standard for advertising in the Netherlands. This standard, together with the voluntary FNLI code, went into force on 1 January 2010. It is applicable to the entire Company and comprises stipulations for:

- Advertising in general;
- Advertising in general aimed at children;
- Advertising aimed at children under 12 within the European Union;
- School programmes, including school milk.

In the European Union the rule is that when more than 30 percent of the audience for a TV advertisement is children under 12, FrieslandCampina only advertises products that comply with the European Union's proposed nutrition profile. Until the nutrition profile has been finalised products must comply with the criteria of the FoodProfiler system.

More information about the FoodProfiler system can be found on www.thefoodprofiler.com.



Over 250 children, youths, Members of Parliament, Aldermen and entrepreneurs, joined Chairman Paul Rosenmöller to give JOGG a national kick-off with a specially developed flash mob in The Hague.

Getting together to stimulate healthy eating, active play and recreation

On 3 November 2010 Albert Heijn, Albron, FrieslandCampina, Nutricia, Unilever and Zilveren Kruis Achmea along with the municipalities of Amsterdam, The Hague, Rotterdam, Utrecht, Veghel and Zwolle signed a unique cooperation agreement for the nationwide roll-out of JOGG (Jongeren Op Gezond Gewicht - young people at a healthy weight). Paul Rosenmöller, Chairman of the Covenant Gezond Gewicht (Healthy Weight covenant) and JOGG Ambassador, called on the new Dutch Rutte government to continue supporting this Public Private Partnership: 'The government is targeting the excess fat in the government and managerial obesity. I ask the Cabinet to also support the prevention and combating of serious overweight and obesity in young people by supporting the JOGG approach. We call upon everybody to accept their responsibility. Not only the young people and their parents, but also the municipalities, commerce, health-care insurers and, therefore, also the government. The return from this Public Private Partnership will be a great deal of health profit. That is very important both socially and economically.'

More information can be found on www.jongerenopgezondgewicht.nl.

Responsible Dairy Farming

Solar panels



Discussion with members regarding sustainable Netherlands



Sustainable soy production



FrieslandCampina believes it is important that milk and other raw materials needed for its products are produced in a responsible manner. This includes through the use of agricultural methods that not only have the minimum possible impact on the environment but also contribute towards the wellbeing of local communities.

At the core of this approach is the cooperation with member dairy farmers, suppliers and local communities. In this way FrieslandCampina is working towards making dairy farming more sustainable.





Responsible Dairy Farming

Goals

Zuivelcoöperatie Friesland-Campina, together with its member dairy farmers, has formulated the following goals in the field of responsible dairy farming:

- reduced greenhouse gas emissions: target – in 2020 emissions 30 percent less than in 1990;
- the use of sustainable energy sources: target – in 2020 all the required energy for the production and transportation of dairy products is generated in a sustainable manner;
- mastitis and hoof problems brought back to a natural level;
- 'sustainable' cowsheds: target – 5 percent of the total;
- reducing antibiotic use in animals: target – a 50 percent reduction in 2013;
- maintain the current level of outdoor grazing of cows of 75 to 80 percent of the member dairy farms;
- the use of sustainable production of palm nut scales and soy pellets in animal feeds in 2015;
- conserve nature and biodiversity.

FrieslandCampina believes it is important that milk, and other raw materials necessary for its products, are produced in a sustainable manner.

This means agricultural methods that not only have the minimum possible impact on the environment but that also contribute towards the wellbeing of the local community.

The approach revolves around the cooperation with the member dairy farmers, suppliers and local communities. This is how FrieslandCampina is working towards making dairy farming more sustainable and why FrieslandCampina wants to draw-up a standard for sustainable dairy farming.

A start has been made with the drawing-up of a sustainability concept that Zuivelcoöperatie FrieslandCampina has presented to its members for discussion.

In consultation with the Nederlandse Zuivelorganisatie NZO (*Dutch Dairy Organisation*) and the Land- en Tuinbouw Organisatie Nederland LTO (*Dutch Agriculture and Horticulture Organisation*) several components of this sustainability concept have already been laid-down in the Sustainable Dairy Chain action programme. There are three themes in this action programme:

- energy & climate: reduce greenhouse gas emissions to 30 percent lower than in 2009 by 2020; energy neutral production in the dairy chain;
- the cow is key: encouraging outdoor grazing and improving the health and welfare of dairy cows;
- conserving nature and biodiversity.

More information can be found on www.duurzamezuivelketen.nl.

A number of plans were implemented during the past period. For example, on the initiative of Agentschap NL, which supports businesses carrying out energy-saving projects, a film has been produced about energy-saving and production in the dairy chain (dairy farms and industry). The film uses material shot at FrieslandCampina DMV and DOC Kaas to show how dairy companies are working on energy-efficiency using. The storage of solar energy in a battery at the so-called photon-farmer is also shown.

Sustainable energy sources

In 2010 FrieslandCampina covered 22.5 percent of its electricity requirements via the purchase of sustainably generated power. Some of this was generated by the member dairy farms, for example via bio-fermentation, wind turbines and solar panels. If member dairy farmers supply this electricity to the network they can sell green certificates to FrieslandCampina. This enables the energy to be sold at a guaranteed price. To ensure these activities run smoothly, an agreement has been signed with energy supplier Essent. In 2011, 25 percent of the energy requirement will be covered through the purchase of sustainably generated electricity. A significant portion of this will already be generated by member dairy farmers. For the time being the emphasis is on the Netherlands.

In Germany, albeit via a system facilitated by the government, 20 percent of the energy requirement is currently covered via sustainably generated electricity.



Outdoor grazing

'FrieslandCampina has opened the floodgates with its proposals to maintain and encourage outdoor grazing. And rightly so, because access to pasture is a must for the welfare of the animals and to conserve the area available for dairy farming in the Netherlands. Now it boils down to conserving and/or achieving access to pasture for all cows.'

Frank Dales,

General Manager Dierenbescherming
(animal protection)

Outdoor grazing

Cows in the meadow have plenty of room to move around. Grazing cows are also an integral part of the Dutch cultural landscape. FrieslandCampina encourages its dairy farmers in the Netherlands, Germany and Belgium to allow their cows outside through its Meadow Milk programme. Dairy farmers who put their cows out to pasture for at least six hours a day, on at least 120 days a year, with a minimum of six hours a day receive a small financial incentive of 0.05 euro per 100 kilo milk. The Meadow Milk programme and the visibility of meadow milk on the shelves also involves consumers in the idea. The main fresh dairy products sold under the Campina label in the Netherlands and Landliebe label in Germany as well as the organic dairy products sold under the Campina Boerenland and Ecomel labels are made from meadow milk.

For advice regarding the application of outdoor grazing Dutch member dairy farmers can contact Stichting Weidegang (outdoor grazing foundation). This Foundation offers dairy farmers practical advice about giving their cows access to pasture even in difficult situations, for example, if a farmer has a large herd of cows, but very little land around the farm or an automated milking system (milk robot). The vast majority of the member dairy farmers (around 75 to 80 percent) put their cows out to pasture. Monitoring of pasture access is included in the Foqus quality management system. A NIPO survey conducted in April 2011 showed that consumers find the welfare

of the cows important and link welfare primarily to access to pasture. More information about outdoor grazing can be found on www.weidegangadvies.nl. The fact that consumers are interested in dairy farms was proven by the success of the 'Open Farm Days' organised by the Campina brand. During one week in 2010 around 100,000 people visited the participating dairy farms. This great success has led to the Open Farm Days being organised more often in 2011.

In 2010 FrieslandCampina covered 22.5 percent of its electricity requirements via the purchase of sustainably generated power.

Sustainable residual products for cattle feed

Their high protein content makes residual products from palm oil production, such as palm nut scales, ideal animal feed. The guaranteed purchase of sustainable palm oil means there are also more sustainable residual products available for the animal feed industry. FrieslandCampina, together with Nevedi (Nederlandse Vereniging Dier-voederindustrie - Dutch animal feed industry Association), will investigate the possibilities of making more use of sustainable residual products in animal feed.



Bio-fermentation reduces ammonia by 95 percent

'Our dairy farm, 'De Betonpleats', is, in the beautiful Friese Gaasterland, part of the National Landscape. For many years we've known that we must treat the landscape with care and adapt the way we run our farm accordingly. Around 15 years ago we installed a 900 kw wind turbine and began generating wind energy. Five years ago we also built a slurry-fermentation plant. All the slurry produced goes into the fermentation plant together with the waste from vegetables and fruit and other valuable vegetable waste. This provides not only green energy (biogas) but also slurry digestate. Using the digestate to fertilise the land has dramatically reduced the use of chemical fertiliser. One major advantage of bio-fermentation is that it results in a 95 percent less ammonia. We use two to three percent of the total green energy generated ourselves; the rest is supplied to the public network. Our dairy farm supplies a total of 2,500 households with energy.

Over the past years we have rebuilt the cowsheds so they are sustainable and built new cowsheds in which our cows and calves have more light, air, space, comfort and peace. Our philosophy is: the more you do to look after and optimise the surroundings for the cow, the better the welfare of the cow.

Our most recent innovation is run-off water purification. The method developed for this ensures the run-off water is 95 percent purified. Running a sustainable dairy farm gives you a lot of fulfilment, a lot of happiness and a lot of challenges. That makes farming so varied and ensures you remain in the centre of the community.'

Lucas Westra,

Dairy farmer and green electricity producer in Oudemirdum, the Netherlands

Making soy production sustainable

FrieslandCampina follows an active policy to increase the use of socially responsible soy in the feed concentrates supplied to its member dairy farmers by the feed industry. To this end, FrieslandCampina is working with producers and social organisations to make soy (residue) production more socially responsible and the soy chain more sustainable. The objective is for the Dutch animal feed industry to only purchase soy residue produced in accordance with the criteria of the Round Table for Responsible Soy (RTRS) from 2015 on. In India FrieslandCampina is working with Solidaridad, under the name Soypsi (Soy Producer Support Initiative) with the aim of helping local farmers to grow soy in a sustainable manner. Direct agreements are being made with the organisation that guides the growers as a result of which the premium paid for sustainable soy will go directly to the growers.

In advance of the development of the RTRS sustainability criteria a number of Dutch companies, including FrieslandCampina, have formed the interim Initiatief Duurzame Soja (Sustainable Soy Initiative). The Initiative's objective is to gradually increase its use of soy residue from South America that has not been grown in areas that have recently been illegally cleared and that also meets a number of sustainability criteria, such as no child labour, a responsible environmental approach and the application of good agricultural practices.

FrieslandCampina is also a partner in the Initiatief Duurzame Handel (IDH - Sustainable Trading Initiative). This Dutch organisation clusters strengths in the community and brings trend-setters from the business world, trade unions, environmental organisations, development organisations and the authorities together in decisive coalitions. Together they implement ambitious improvement programmes aimed at the entire trading chain.

Sustainable Supply Chain

The goal of the Dutch dairy sector is for its production processes, eventually, to be totally energy neutral. In the context of the agreements within the dairy sector, FrieslandCampina has set itself the goal of ensuring all its future growth is climate neutral.

Goals

FrieslandCampina has formulated the following goals for the near future that will make the supply chain more sustainable:

- improve energy-efficiency per business group by 1.5 percent per year until 2020;
- the transition to sustainable energy (solar energy, wind energy, biogas) in 2020.

In 2011 concrete targets have been set for:

- the purchase of sustainable raw materials such as cocoa, palm oil and fruit;
- fully FSC certificated packaging for all Friesland-Campina Benelux drinks;
- efficient water usage;
- waste reduction and the stimulation of waste separation and recycling;
- increased transport efficiency and CO₂ reduction.

Improve energy-efficiency and switch to sustainably generated energy

This means the entire chain, from dairy farm to dairy production facility, must ultimately be able to meet its own energy requirements using energy generated from biomass and from wind and solar energy.

At FrieslandCampina in the Netherlands, 22.5 percent of the energy used is green energy (generated with the help of hydro-power, the wind or the sun). The production facility for FrieslandCampina's Creamy Creation in Rijkevoort, the Netherlands, runs entirely on green energy. The same applies for the five production plants in Belgium.

Major energy savings have been achieved in FrieslandCampina DMV's facility in Veghel. The starting point was the creation of 'energy awareness' among the employees by constantly measuring the energy usage, analysing the results and setting-up special energy teams. These teams achieved major reductions in energy usage by making clever use of the opportunities for savings and technological improvements.

The Bedum factory processes liquids into powders, for example for infant food. The processing involves several phases. The final phase is the so-called spray-drying, which condenses the water so that dry material remains. The higher the concentration of dry material fed into the spraying tower the less energy is needed for drying. To ensure the concentration of dry material is as high as possible, more and more membrane processes, such as reverse osmosis, are used in the concentration phase. The knife cuts both ways: on the one hand energy is saved because membrane processes use less energy and bring about a higher concentration of dry material, and, on the other hand, energy is saved in the spray dryer.

New processing software has also been installed in this facility. This has made the process more stable, which has resulted in reduced energy usage and improved product characteristics as well as a more efficient utilisation of the spraying towers. These measures have led to an annual energy-saving of 160,000 euro.



CE

415 100 10

0 2 9 0 3 1 0 7 m³

Ultrasonicmeter Q250 DN100 PN10

Qmax = 400 m³/h

Qmin = 20 m³/h

T = -10°C / +50°C

1 m³ ± 1 Imp



elster



elster

Sustainable Supply Chain

Socially
responsibly
produced cocoa



More
environmentally-
friendly packaging



Efficient
water usage



The ultimate goal of the Dutch dairy sector is for its production to be completely energy neutral. This means that the entire chain, from the dairy farm up to and including the dairy production facility, must eventually be able to meet its own energy requirements by generating energy from biomass and by using power generated by wind turbines and from solar energy. In the context of the agreements within the Dutch dairy sector, FrieslandCampina's goal is for all its future growth to be climate neutral.



Waste-water recycling

FrieslandCampina Indonesia, with the support of the Dutch government, has purchased a waste-water recycling system. The system, the first of its kind in Southeast Asia enables waste water to be transformed into clean water with which central heating boilers, cooling systems and plant can be cleaned.

Purchase of sustainable raw materials

As a component of its strategy to make the entire chain more sustainable FrieslandCampina has opted to purchase as much sustainable raw material as possible. In view of the large volumes with which FrieslandCampina works cooperation with social organisations is indispensable.

UTZ CERTIFIED teaches farmers how they can keep their land fertile in an environmentally-friendly way.

FrieslandCampina has opted to purchase as much sustainable raw material as possible.

Socially responsibly produced cocoa

FrieslandCampina's Chocomel brand, the largest chocolate milk brand in the Benelux, is the first chocolate drink for which socially responsible cocoa is used. For this FrieslandCampina Benelux went into partnership with UTZ CERTIFIED - a hallmark of coffee, tea and cocoa that has been produced in a socially responsible manner. UTZ CERTIFIED stimulates the farmers by implementing social, economic and environmental improvements. Of all the cocoa used by Chocomel in 2010, 10 percent was purchased as UTZ CERTIFIED. In 2011 the figure will be 45 percent. The intention is for all the cocoa needed for Chocomel to be purchased as UTZ CERTIFIED in 2014. In 2020 all the cocoa for all the products containing cocoa in the Netherlands and Belgium will be purchased as UTZ CERTIFIED. At the end of 2010 there was still insufficient responsibly produced cocoa available to meet all Chocomel's demands.

FrieslandCampina's goal of only using responsibly produced cocoa in Chocomel not only improves the working conditions and competitive position of the cocoa farmers, it is also an investment in the quality of cocoa.

The purchase of sustainable palm oil

Since the beginning of 2011 FrieslandCampina has purchased sustainable palm oil. Palm oil and palm oil products are used as ingredients in a number of products including coffee creamers and fat powders for the food industry. Sustainable palm oil is understood to be palm oil that is certificated in accordance with the Round Table for Sustainable Palm Oil (RSPO) principles and criteria. The palm oil is traded in accordance with one of the three trading systems approved by the RSPO: 'segregation', 'mass balance' and 'book & claim'. Social organisations such as Solidaridad and the WWF (World Wide Fund for Nature) are closely involved in drawing up these sustainability criteria. FrieslandCampina has been associated with the RSPO since 2007. In 2010 the programme was prepared in cooperation with suppliers so it could start in 2011.

More environmentally-friendly packaging

FrieslandCampina has implemented initiatives to reduce the environmental burden of both primary and secondary packaging. In 2010 a new packaging strategy was drawn-up with the following core themes:

- reduce the weight of packaging (less material used);
- encourage the use of monomaterial;
- encourage the use of renewable raw materials, such as cardboard from sustainable forestry;
- encourage re-use (for example by recycling material);
- no use of/elimination of undesirable materials (for example PVC).

In the Benelux alone FrieslandCampina uses hundreds of millions of cartons a year to package perishable and non-perishable products. All the cardboard drinks cartons in the Benelux are now made of sustainable cardboard carrying the Forest Stewardship Council (FSC) hallmark. The fruit juice brand Appelsientje was the first to make this switch and by the end of 2011 all FrieslandCampina Benelux's drinks cartons will carry the FSC hallmark. This operation is being carried out in close cooperation with packaging suppliers Tetra Pak, Elopak and SIG. During 2011 goals for other FrieslandCampina units will be drawn-up with the aim of making production chains more sustainable.

Efficient water usage

Saving water is a key focal area for FrieslandCampina and in various areas of the organisation efforts are being made to reduce water usage and re-use water. FrieslandCampina, in partnership with drinking water suppliers, has developed new technologies that enable water to be re-used more often. The core objectives are the re-use of clean water and minimising waste water.

FrieslandCampina Indonesia, with the support of the Dutch government, has purchased a waste-water recycling system. The system, called Curieau®, went into operation in March 2010 and is the first of its kind in Southeast Asia. It enables waste water to be transformed into clean water with which central heating boilers, cooling

systems and plant can be cleaned. A lack of clean water is a national problem in Indonesia because during the dry season the volume of ground water is substantially reduced and ground water pollution is increasing. Thanks to the new system ground water usage has dropped by 50 percent and the volume of (treated) waste water has dropped by 25 percent.

The CO₂ reduction plan implemented in 2010 contributes towards the Netherlands' target of reducing CO₂ emissions from the logistics chain by at least 20 percent by 2012.

Waste

FrieslandCampina separates as much of its waste as possible, both at its production facilities and in its offices. In 2010 the total waste from FrieslandCampina's production facilities amounted to around 25,500 tonnes (2009: 16,000 tonnes) of which 418 tonnes was hazardous waste.

Increased transport efficiency and reduced CO₂

FrieslandCampina has implemented a plan to reduce the CO₂ from the logistics activities in the Netherlands of its FrieslandCampina Benelux and FrieslandCampina Dagvers operating companies. The objective of this plan is to contribute towards the Netherlands' target of reducing CO₂ emissions from the logistics chain by at least 20 percent by 2012. FrieslandCampina will achieve the CO₂ reduction in cooperation with three logistics services companies that are contracted to transport the products. The measures that will be implemented to reduce CO₂ emissions related to transportation on behalf of FrieslandCampina include making transport routes more efficient, combining loads, reducing fuel usage by introducing the so-called 'New way of driving' and using bio-fuels.



The Round Table for Sustainable Palm Oil (RSPO) bears fruit

'Around 85 percent of the global palm oil production comes from Indonesia and Malaysia where precious forest is destroyed to make space for the plantations. This deforestation is at the cost of the vulnerable ecosystem and leads to less living space for species such as orang-utan and elephant. In Indonesia it is the major cause of greenhouse gas emissions.

This is why, in 2004, the World Wide Fund for Nature was one of the founders of the RSPO. The objective of this organisation is to promote the sustainable production and use of palm oil by drawing-up global guidelines, which include banning the clearing of precious forest. Organisations from throughout the entire chain are represented in the RSPO: producers, traders, the palm oil processing industry, retailers, banks and social organisations focused on environment and nature conservation and social aspects.

The efforts are now bearing fruit. More and more farmers are producing sustainable, RSPO certificated palm oil; currently 9 percent of global production. It is now essential that companies purchase this sustainable palm oil and thus contribute towards the preservation of the rainforest. FrieslandCampina, which has been a member of the RSPO for five years, is an important trend-setter in the dairy sector. It's progressive policy is aimed at the purchase, as soon as possible, of 100 percent certificated palm oil, not only in Europe but also in Asia itself. And it's not just fine words, FrieslandCampina puts its policy into purchasing practice. The World Wide Fund for Nature hopes other companies will follow FrieslandCampina's good example.'

Richard Holland,
Head of Nature Conservation, World Wide Fund for Nature

Customers of FrieslandCampina Benelux and FrieslandCampina Dagvers are also aware of the CO₂ emissions related to the transport of the goods they order. Using the 'Green Order' metering system the CO₂ emissions related to the kilometres driven to make a delivery are calculated and shown on the delivery documents. FrieslandCampina wants to use this information, in cooperation with its customers, to investigate the possibilities of making deliveries even more sustainable. Together they could, for example, opt for the use of longer and heavier vehicles or to increase the number of pallets per delivery.

Connexx, in the context of its 'Sustainable Logistics' programme, awarded the 2010 Lean & Green Award to FrieslandCampina Benelux, food manufacturer H.J. Heinz Benelux and logistics services provider Nabuurs for their plans to reduce CO₂ emissions from their logistics activities by 20 percent within five years. In mid April 2011 these plans were substantiated with the introduction of combined loads. Customers ordering less than a full lorry-load receive their deliveries in accordance with this new structure. This reduces both the number of kilometres driven each year and the number of deliveries. The new load combination system means over 3,000 less lorry movements a year, which helps reduce the volume of traffic on the Netherlands' roads. The initiative also results in far less kilometres being driven, which translates into over 90,000 kilo less CO₂ emissions a year. This equates to a CO₂-reduction of over five percent - by itself a quarter of the total target of a 20 percent reduction.

Dairy Development Asia and Africa

FrieslandCampina supports the development of dairy farming in Asia and Africa. This policy is one of the four pillars of the CSR program aiming at enough nutritious food for a constantly increasing world population.

Goals

For the development of dairy farming in Asia and Africa FrieslandCampina's goals in the countries in which it has production facilities are:

- produce an inventory of existing activities and future needs of an umbrella development program for milk production in these countries;
- set targets for an action program aimed at offering dairy farmers in the countries concerned as much help as possible to run their business in an optimum manner.

FrieslandCampina's focus is primarily on programmes that will enable farmers in Asia and Africa to run their farms in the best possible way and thus increase the quantity and quality of dairy production. In developing these programmes the emphasis is on cooperation with other organisations.

Dairy Development Program

FrieslandCampina strives to purchase a significant portion of its milk in the countries in which it has production facilities. Through the Dairy Development Program, FrieslandCampina supports small dairy farmers in Vietnam, Malaysia, Thailand, Indonesia and Nigeria with schooling, guidance and direct help.

The programmes are aimed at improving milk quality and production, the running of dairy farms and the conditions of local communities. Sustainable cooperation between dairy companies, local authorities, dairy cooperatives, communities and farmers is constantly being sought. In this way FrieslandCampina is contributing towards the development of local dairy farming and the economic development of the communities involved.

The Dairy Development Program has been operating longest in Vietnam where a total of 2,500 farms are involved. Around 95 percent of Vietnamese farmers own between eight and twelve cows. Many of these dairy farmers are participating in the Program. The support they receive includes schooling about animal welfare and health, the cooling

of milk and the efficient running of a farm. Numerous major projects are also being carried out in the other countries that come under the Program. The Program is in the build-up phase in Nigeria. Experts are also trained in the Netherlands on a regular basis. FrieslandCampina has also started a 'farmer helps farmer' initiative, which involves Dutch farmers giving their Vietnamese colleagues advice and practical tips.

During 2010 FrieslandCampina WAMCO Nigeria started the Dairy Development Program. With this programme the Company is also supporting the initiatives of the Federal Government in this part of Nigeria which considers improvements to milk production and farmers' welfare vitally important. Knowledge and skills related to milk production are made available to the farmers so they can run their farms more efficiently. Expertise from Vietnam is being transferred to Nigeria through the training of advisors. FrieslandCampina WAMCO Nigeria is the first dairy company in Nigeria to process Nigerian raw milk into condensed milk. At the end of August 2010 a new research & development centre went into operation. This centre is exploring new possibilities for milk and dairy produce in Nigeria.

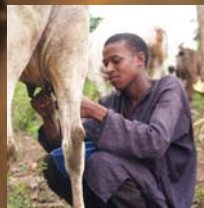


Dairy Development Asia and Africa

Vietnam



Nigeria



Thailand



Sufficient nutritious food for an ever increasing world population is one of the four pillars of FrieslandCampina's CSR program. FrieslandCampina's primary focus is on programs through which farmers in Asia and Africa are able to run their farms as efficiently as possible and improve both the quantity and quality of their dairy produce. When developing these programs the emphasis is on cooperation with other organisations.



Dairy Development Program milestone in Nigeria

Bukola Saraki, the Governor of Kwara State in Nigeria, was present when FrieslandCampina WAMCO's Dairy Development Program, started in August.

The Dairy Development Programme is a component of an agreement signed by FrieslandCampina WAMCO Nigeria and milk producer Shonga Dairies in June 2010.

Managing Director Bob Steetskamp: 'The objective is to stimulate the development of local fresh milk production and supply in Nigeria. That was desperately needed. FrieslandCampina WAMCO holds 45 percent of the Nigerian dairy market. There is no large-scale milk production here, so we import the raw materials we process into tinned evaporated milk and tins and sachets of milk powder. This initiative underscores our mission: the supply of high-quality and nutritious milk products to the Nigerian people. We are setting up milk collection centres where smaller farmers can deliver their milk. The Government is stimulating milk production through breeding programs, training and coaching and we take the milk - of an acceptable quality and price - and provide dairy expertise.'

According to Governor Bukola Saraki: 'Currently milk production in Nigeria is at a low level and the development process will take time. Dairy development demands not only government support and a substantial investment in cattle and equipment but also professional involvement and the will to succeed.'

At the end of August FrieslandCampina WAMCO Nigeria also opened a new research & development centre.



Princess Máxima visits FrieslandCampina Vietnam

On Wednesday 30 March 2011, Her Royal Highness Princess Máxima, Minister for Agriculture and Foreign Trade Henk Bleker and a delegation from the Dutch business world visited several FrieslandCampina Vietnam projects aimed at the development of the local community and dairy farming.

During the visit the guests were given a tour of the model farm in Binh Duong (near Ho Chi Minh City) where thousands of Vietnamese farmers have been trained. The FrieslandCampina Dairy Development Program offers local dairy farmers expertise in the field of milking, hygiene, animal health, breeding programmes and the construction of cowsheds.

Princess Máxima also met pupils at the Vo Thi Sau school in Binh Phuoc province. This is one of six schools built under the Den Dom Dom schools project. With this programme FrieslandCampina Vietnam is contributing towards the educational opportunities of children in the remote areas of Vietnam.

Mark Boot, Managing Director of FrieslandCampina Vietnam was delighted with the Princess' visit: 'We were able to show Princess Máxima and the delegation the role FrieslandCampina plays in daily life in Vietnam. The Vietnamese economy is growing by an average of 7 percent a year and Vietnam is also one of the most important growth markets for FrieslandCampina. In 2010 revenue amounted to nearly 300 million euro, nearly double what it was in 2005. FrieslandCampina Vietnam has 2,000 employees and is one of the top dairy companies in Vietnam.'

Safeguards and implementation

Personnel

FrieslandCampina's policy ensures its employees implement the CSR program and is, therefore, geared to the achievement of its strategic ambitions. FrieslandCampina wants to be a challenging employer that respects its employees and inspires them to give of their best.

Key focal points of this policy are training, development and a remuneration system. Other priorities are safety in the workplace and employees' health.

FrieslandCampina's policy is aimed at making the Company the world's most professional, successful and attractive dairy company. This calls for a way of working that enables employees to develop as a team. 'The way we work' has been introduced within FrieslandCampina as a guideline for building the right working atmosphere and culture to make its ambitions achievable.

The envisaged way of working has three aspects and is aimed at every employee in every country and at every level:

- 'Embrace challenge', stands for an attitude of daring and doing;
- 'Grow together' highlights the importance of cooperation, helping each other and learning from each other;
- 'Feel accountable'; results rather than tasks are the core issue.

To help employees work in accordance with 'The way we work', goals and conduct competencies that enable the development of employees to be steered and evaluated better have been formulated for every

'The way we work' has been introduced within FrieslandCampina as a guideline for building the right working atmosphere and culture to make its ambitions achievable.

aspect. Implementation of this Performance Management System began in 2009 and was completed in 2010. The principles of the Performance Management System are:

- business improvements can be made in quality, innovation, costs and revenue;
- management and employees come to agreements together;
- employees endorse the conclusions of evaluations;
- working for FrieslandCampina is experienced as being challenging, worthwhile and attractive.



The FrieslandCampina Academy supports competence development

'The FrieslandCampina Academy was established in 2009 to contribute towards ensuring that employees of FrieslandCampina all over the world work and exchange information in the same way, taking into account local differences and specific spearheads. The major advantages are a high degree of effectiveness because the training courses are geared to the FrieslandCampina situation, the exchange and use of best practices, the stimulation of cooperation, cost savings and, finally, the attraction of such a training programme for new employees. Worldwide the Academy is aimed at around 6,000 staff and/or management level employees. The worldwide training offering can be viewed via the intranet and employees can also register for a course via the intranet. The participants are very enthusiastic. Training and development for our production employees are so specific per country that every business group is responsible for its own training courses. The training and development of our employees is an integral component of the performance management process. Among other things this means that every employee draws-up an individual talent development plan and can choose from the programmes offered by the FrieslandCampina Academy. A wide range of communication tools are used to draw employees' attention to the FrieslandCampina Academy including a brochure and articles in the employee magazine and on the intranet homepage. We are satisfied with the increase in the number of participants. Our ambition is to organise 75 percent of the training courses for the target group via the Academy in 2013.'

Joanne Salverda,
Manager Learning & Development FrieslandCampina

Mobility centre

After the merger of Friesland Foods and Campina at the end of 2008 a new mobility centre was set-up with the objective of offering employees whose jobs would disappear other, suitable employment within FrieslandCampina.

If this proved impossible help was given with finding a job on the external labour market. This included drawing-up an individual training plan that included refresher courses, re-training and additional training as well as professional support, such as labour market orientation, job coaching and job application coaching. In 2010, 279 employees found other jobs within FrieslandCampina via the mobility centre and 121 employees were helped to find a job outside the organisation.

Employee satisfaction

The basis for the personnel policy to be developed is not only the focal points mentioned above but also the employee satisfaction survey. The outcomes of this survey provide a structural insight into the working experience of employees and are used to ascertain where improvements can be made. The survey will be carried out again in 2011.

The formulated principles and the outcomes of the employee satisfaction survey have led to a number of developments being set in motion not only in the field of career development and training but also related to health & safety.



Best HR policy in the Netherlands

FrieslandCampina has carried off the 2010 P&O Proffie Award for the best HR policy in the Netherlands. The P&O Proffie is the professional award for excellent HR policy in the Netherlands.

Training and development

FrieslandCampina wants to create an attractive, challenging and inspiring working environment offering plenty of scope for both personal and professional development. Training programmes are available for all job levels and at every production plant. The most important of these are:

E-learning

FrieslandCampina uses the intranet to maintain contact between its employees all over the world. Sharing knowledge and teamwork are the key aims. This model also brings about the required reduction in paper usage. Various e-learning systems are being used within FrieslandCampina. They provide employees with on-going training in safety, quality, working conditions and hygiene via lesson modules. The content of the lesson modules is adapted to suit the different jobs. E-learning enables tailor-made training to be offered and means employees can follow a training course when they want. It also means considerable savings in costs and travelling time. In most cases fellow employees organise the training courses.

'Young Waves' training programme

In 2010 FrieslandCampina once again offered a training programme called 'Young Waves' that combines working and learning. Students follow the secondary vocational education course (MBO) Nutrition provided in conjunction with the Agricultural Training Centres in the province of Friesland and the eastern region of the Netherlands. Participants who successfully complete the

programme have permanent jobs as food operators waiting for them within FrieslandCampina. Of the 14 participants in 2010, 11 successfully completed the course at the first attempt.

Another training route is the BBL programme (Beroeps Begeleidende Leerweg - Apprenticeship Training). All new recruits who opted for the work-learning combination could apply for one of the 10 individual development grants of 2,000 euro per academic year.

FrieslandCampina Academy

The FrieslandCampina Academy is an international platform that provides an extensive range of training courses and offers programmes in every country and for every facility. This approach ensures that employees not only learn from and with each other, but also that in the future all FrieslandCampina employees will 'speak the same language' and work in the same way. The training offering is very varied. Some courses focus on a particular professional area, such as the marketing academy. There are also programmes that offer behavioural training, such as time management and influencing skills. There are broad-based management programmes, but also short courses covering a specific subject. All these courses are relevant for FrieslandCampina's ambitions. The offering changes on a regular basis. The trainers work for renowned training institutions.

The FrieslandCampina Academy comprises four programme components:

- functional competencies;
- behavioural competencies;
- basic competencies;
- management or leadership competencies.

In 2010, 2,000 employees (2009: 948 employees) participated in the 144 programmes offered worldwide.

Health & Safety

FrieslandCampina wants to protect its employees from occupational accidents and illnesses. Developing a safe working area is an on-going process in which considerable attention is paid to physical risks, noise nuisance and hazardous materials. All the production plants uphold safety at work with the help of a management system that meets the criteria of OHSAS 18001 (Occupational Health & Safety Assessment Series). This is an international standard for health and safety on the shop floor. In 2010 many projects in the field of health & safety were carried out. The most important projects were:

Safety Awareness-programme

Over the coming years FrieslandCampina wants to radically reduce the number of work-related accidents and, to this end, has developed a global training programme. This Safety Awareness Programme makes employees in every facility aware of safety risks. The Programme comprises quick-scans to assess the level of safety in each facility and identify developments in this field, followed by management workshops and Safety Awareness training for employees. In 2010 quick-scans were carried out for every facility and safety awareness training was provided at many facilities. The training will be provided at the remaining facilities during 2011.

Healthy organisation and employees

Low absenteeism due to illness is a good indicator of the health of the organisation and the employees. It also creates a sense of calm and continuity in business operations and prevents additional personnel costs. The goal is to reduce and control absenteeism

due to illness as much as possible and to put the resources necessary for this in place. To achieve this FrieslandCampina encourages a climate of open and timely communication, trust, teamwork and commitment. Occupational reintegration focuses on the employee's capabilities. This involves setting in motion various activities to accelerate the employee's return to work in a responsible manner. Examples include the deployment of (professional) help and supervision and the (temporary) adaptation of tasks and/or conditions. Managers are offered absenteeism management training which includes instruction in relevant skills and legislation.

Results of the action plans

In 2010 the average absenteeism due to illness in the Dutch facilities amounted to 4.67 percent (2009: 4.8 percent) and in the countries outside the Netherlands 2.74 percent. The absenteeism due to illness figure is the number of days employees were unable to work due to accidents and illness

The safety awareness program makes employees aware of safety risks.

(excluding maternity leave) as a percentage of the total number of available working days. Based on an estimate using the information available from the production plants, the accident frequency ratio in 2010 was 2.1 (2009: 2.5). The accident frequency ratio is the number of accidents per 200,000 hours worked.

Safeguarding the CSR program

One important component of the CSR program is the safeguarding of this policy by means of a body of agreements, codes, covenants, management systems, reports, etc. Such a system of safeguards is in place in every important area of CSR program implementation.

Code of Conduct

To promote the correct and principled conduct of its employees, FrieslandCampina has drawn up a new Code of Conduct. This Code states that FrieslandCampina considers the United Nations' Universal Declaration of Human Rights to be the universal standard. Other issues covered by the Code include the exclusion of corruption, child labour, forced labour and the discrimination of employees and respect for the employees' right to organise themselves in trade unions. This new Code of Conduct was drafted in 2009 and implemented during 2010 and early 2011. The Executive Board is responsible for ensuring the Code of Conduct is understood by all the employees. Compliance is monitored annually and the findings reported to the Supervisory Board's Audit Committee. Employees are requested to report any contraventions of the Code of Conduct.

Whistle-blower's Regulation

To promote transparency and integrity, in addition to the new Code of Conduct FrieslandCampina has also developed a new Whistle-blower's Regulation. FrieslandCampina encourages its employees to make their concerns known if they suspect or know that business is being conducted in contravention of the Code of Conduct. The Regulation serves as a guideline for expressing concern and protects the whistle-blower from disciplinary measures or unfair treatment. The new Whistle-blower's Regulation was developed in 2009 and

implemented during 2010 and early 2011.

All employees have been told about the Regulation and in every component of the organisation a trusted local intermediary has been designated and instructed. A Corporate Integrity Committee comprising a member of the Executive Board, the Secretary of the Executive Board and the Corporate Compliance Officer has been formed. The Integrity Committee is responsible for ensuring the correct procedures are followed for reporting contraventions. The Integrity Committee also assesses, investigates and processes reported contraventions. The activities of the Integrity Committee will be reported to the Supervisory Board's Audit Committee by the Executive Board on an annual basis.

Supplier standards

FrieslandCampina has drawn-up a set of standards for its suppliers - the so-called Business Practices for Suppliers. 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. The supplier standards are derived from the Code of Conduct. They were partially implemented in 2010 and will be further implemented in 2011.

Food safety & quality

FrieslandCampina's products are produced in 68 production facilities around the world and some products are produced in more than one location. This must not make any

difference as far as the consumer is concerned. The consumer must always be able to depend on the same high levels of safety and quality. This is why food safety and food quality have the highest priority for FrieslandCampina.

Foqus quality system

FrieslandCampina safeguards food safety and food quality with 'Foqus' - a broad-based quality system that is applicable for both the farms of the member dairy farmers and FrieslandCampina's production and distribution facilities ('from cow to consumer'). The basis of Foqus is national and international legislation, Codex standards and the wishes of consumers and society in general. Foqus supports FrieslandCampina in the development of an increasingly robust production process.

Foqus Farm

To be able to guarantee to provide customers and consumers that our products are safe and of a high quality, FrieslandCampina has Foqus Farm - a quality system for member dairy farmers that has been in operation since 1 January 2010. The system relates to the production on the farm until the moment the milk truck collects the milk and covers the themes milk (for example the quality of the milk, the milking and the milk cooling), the production process (water and feed) and the surroundings (outdoor grazing).

Foqus Farm is aimed at the members in the Netherlands; for the members in Germany and Belgium FrieslandCampina has joined equivalent national systems, such as QM-Milch and IKM. Foqus Farm comprises goals and conditions plus a number of optional points for each of the quality themes. How a dairy farmer scores for the various quality themes is determined on the basis of milk testing and the evaluation of the farmer's business operations by independent external parties. One component of the system is an external check of dairy farm insurance policies. Since 2010 member dairy farmers have been obliged to buy all their animal feed from suppliers on the FrieslandCampina list. The insurance policies of all

these suppliers have been checked and deemed sufficient by an independent expert. This means that, without any administrative burden, the dairy farmer is safeguarded from liability in the case of a calamity occurring with contaminated cattle feed.

Foqus supports FrieslandCampina in the development of an increasingly robust production process.

Foqus Food Safety & Quality

Foqus Food Safety & Quality (FS&Q) is applicable for the production and distribution facilities. One of the basic conditions is that all production facilities must operate a quality system based on ISO 9001 standards. All facilities must also have an externally checked HACCP certificate.

Foqus FS&Q also includes the following components:

- target stipulations with a clear division of responsibilities, for example for change management and crisis management;
- means stipulations with clear and detailed specifications, for example for microbiology and hygiene;
- an extensive audit list based on the Deming improvement circle (Plan, Do, Check, Act);
- guidelines and best practices.

The operating companies can use the audit standard to evaluate their production facilities. The standard is also used by the internal audit team that visits and evaluates all the production facilities. FrieslandCampina has deliberately opted for an internal audit team: the auditors come from various disciplines (QA, plant management, operations) and carry out their audit task in addition to their other duties. This approach results in more thorough audits with the consequence that the auditors acquire knowledge they can apply and disseminate in their own working environment.



Foqus environment, working conditions and fire prevention

In addition to Foqus Farm and Foqus FS&Q, every FrieslandCampina production facility uses an environment and work safety management system that complies with the specifications of ISO 14001 and the OHSAS 18001. FrieslandCampina has developed its own standard for this purpose: the Foqus SHE management system. The environmental and works safety risks at the facilities are assessed using a standard risk analysis that is implemented at every facility. Each year every facility reports its environmental and work safety results. The environment and work safety management system is safeguarded by means of internal and external audits. Several companies are ISO 14001 and OHSAS 18001 certificated or have a declaration that the environment management system complies with the stipulations of ISO 14001.

Improvement programmes

FrieslandCampina has a number of programmes aimed at the improvement of the company's performance and culture. Currently 50 facilities are working with an improvement programme such as Continuous Improvement, Total productive Management (TPM) and/or World Class Operations Management. The goal is to implement an improvement at every facility in 2012. World Class Operations Management (WCOM) comprises a 'toolbox' of various improvement methods with which improvement teams can work. The members of these improvement teams are operators who are fully involved with the implementation of improvements. They help with finding solutions to problems and the adjustment of machinery. Although Total Productive Management works in a different way it also revolves around achieving the same objectives – reduced losses, less machinery stoppages and better results.

Crisis and issue management

In the context of issue management FrieslandCampina looks pro-actively at issues that could have consequences for food safety and the quality of its products. Risk analysis, research and monitoring play an important role in this. FrieslandCampina also has a crisis management system that is checked on a regular basis through audits and evaluations.

The Action Program Sustainable Supply Chain focuses on energy & climate, 'the cow is key' and biodiversity.

Global Dairy Agenda for Action

The international dairy sector has instigated various initiatives. One such was the establishment of the Global Agenda for Action on Climate Change. This agenda has been signed by large dairy organisations all over the world including the European Dairy Association of which FrieslandCampina, via the Nederlandse Zuivel Organisatie NZO (*Dutch Dairy Organisation*) is a member. The participants have set to work with activities including the investigation of and the sharing of knowledge regarding achieving further reductions, for example of CO₂. In April 2010 a report from the World Food Organisation FAO stated that 2.7 percent of the global CO₂ emissions can be attributed to dairy production. Since then, 330 best practices that show the on-going effort to introduce improvements in the chain have been compiled into a Green Paper. More information can be found on www.dairy-sustainability-initiative.org.

Agreements with the authorities and industry branch

The environmental legislation of national and/or EU bodies and other stipulations and specific demands from different countries are the starting point for FrieslandCampina's operations. By means of covenants FrieslandCampina has reached multi-year agreements with the authorities and industry branch regarding the achievement of

improvements in the area of the environment. These agreements can go further than the legal obligations.

Covenants

In the Netherlands FrieslandCampina is a signatory of the Covenant Integrale Milieu Taakstelling (IMT - *Integrated Environmental Terms of Reference Covenant*), the Meerjarenafspraak energiebesparing (MJA-3 - *The multi-year energy-efficiency agreement*) and the Covenant Schone en Zuinige Agrosectoren (*Clean and Economical Agricultural Sectors Covenant*). The goal of the IMT and MJA-3 is an energy-efficiency improvement of at least 2 percent per annum, of which 1.5 percent is achieved at the production facilities and 0.5 percent is achieved through measures in the chain. To this end, every four years new environmental and energy goals are formulated and worked out per facility in a Company Energy and Environment Plan. In 2009 all the Dutch facilities drew-up a new plan for the coming four years and submitted it to the authorities. The licence-issuing authority evaluates the plan and monitors its implementation. The Clean and Economical Agricultural Sectors Covenant comprises a number of agreements that FrieslandCampina, in an NZO context, has reached with the Dutch authorities. At the core of the Covenant are goals for energy-savings and the generation of sustainable energy.

In Belgium FrieslandCampina is a participant in the Benchmarking Covenant and the Audit Covenant. Both Covenants contain agreements to rank among the world's best in respect of energy usage by 2012 at the latest.

Making Dutch dairy farming more sustainable

The Dutch dairy sector has reached a number of agreements with the Government and other parties in order to achieve sustainable production and sustainable dairy farming. These agreements include:

- Convenant Schone en Zuinige Agrosectoren (*Covenant Clean and Economical Agriculture Sectors*);

- Uitvoeringsagenda Duurzame Veehouderij (*Implementation Agenda for Sustainable Dairy Farming*);
- Actieprogramma Duurzame Zuivelketen (*Action Programme Sustainable Dairy Chain*).

Implementation Agenda for Sustainable Dairy Farming

In May 2009 FrieslandCampina committed itself to the Implementation Agenda for Sustainable Dairy Farming via the NZO.

There are six spearheads: innovative cowshed and cattle raising systems, animal health and welfare, social links, energy and the environment, market and entrepreneurship, and responsible consumption. Within this Implementation Agenda FrieslandCampina works with, among others, Dierenbescherming (animal protection), Natuur & Milieu (nature & environment), LTO, Interprovincial Consultation, the Ministry of Economic Affairs, Agriculture and Innovation, and organisations from the meat processing industry.

Action programme Sustainable Dairy Chain

In July 2008 FrieslandCampina ranged itself behind the ambitions of the NZO and LTO as stated in the action programme 'Sustainable Dairy Chain'. These ambitions have been formulated in three themes:

- energy & climate: the reduction of greenhouse gasses; energy-neutral production in the dairy chain;
- the cow is key: the stimulation of access to pasture and improving the health and welfare of dairy cows;
- biodiversity: fit business development carefully into the natural surroundings of the dairy farm and cultivate the raw materials of animal feed in a responsible manner.

Animal health monitor

To monitor the health of cows FrieslandCampina uses the Continue DiergezondheidsMonitor (CDM - *On-going Animal Health Monitor*), which is a component of the FrieslandCampina quality system, Foqus. Monitoring is based on existing information regarding the health of animals. CDM was developed together with dairy farmers and

animal health experts and provides dairy farmers with a great deal of practical information regarding monitoring the health of their cows. Currently over 5,100 FrieslandCampina dairy farmers are using CDM.

Making international raw materials chains more sustainable

In addition to milk FrieslandCampina uses a number of raw materials such as fruit, cocoa and sugar. FrieslandCampina purchases these raw materials via suppliers and attaches a number of stipulations to the purchase, especially when it comes to environmental and social conditions. FrieslandCampina is working on making raw materials chains more sustainable in cooperation with NGOs and different parties in the chains.

FrieslandCampina is a participant in the following initiatives:

- Sustainable Agriculture Initiative Platform (www.saiplatform.org);
- Initiatief Duurzame Handel (www.duurzamehandel.com);
- Initiatief Duurzame Soja (part of Initiatief Duurzame Handel);
- Taskforce Duurzame Soja (www.taskforceduurzamesoja.nl);
- Round Table on Responsible Soy (www.responsiblesoy.org);
- UTZ CERTIFIED (www.utzcertified.org);
- World Cocoa Foundation (www.worldcocoafoundation.org);
- Round Table on Sustainable Palm Oil (www.rspo.org).

Cooperation with stakeholders

FrieslandCampina sets great store by a good relationship with stakeholders and strives to find the right 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. The management and the designated employees are encouraged to work with the authorities and other legislative and regulating bodies to draw-up legislation and regulations. The contact can either be direct or via branch organisations and forms of

cooperation. FrieslandCampina is also in regular contact with various social organisations. On the one hand this is to enable sustainability issues to be recognised in good time and a joint approach to be developed. On the other hand, FrieslandCampina works at a project level with bodies such as the World Wide Fund for Nature, Solidaridad and Stichting Natuur en Milieu when making raw

In 2011 the number of key performance indicators (KPIs) will be increased further.

materials chains more sustainable. FrieslandCampina does not support any political party or political organisation. A list of FrieslandCampina's external representations can be found in the appendix on page 54.

Annual CSR Report

As of 2010 FrieslandCampina will publish an annual CSR Report that explains its strategy, policy and progress in the field of CSR.

The use of quantitative data enables trends to be charted and used as a basis for managing the CSR program. The information also enables the performance related to each CSR theme to be evaluated. In 2010 a start was made on the collection of data in a number of fields. In 2011 the number of KPIs will be increased further. To meet stakeholders' information requirements, when compiling its CSR Report FrieslandCampina has followed the GRI guidelines and the criteria of the Ministry of Economic Affairs, Agriculture & Innovation's Transparency benchmark. Both instruments came into being through an extensive process of consultation with the business world, social organisations and various bodies from all over the world.

The CSR Report and corresponding GRI index can be found on www.frieslandcampina.com.

More information about the GRI guidelines can be found on www.globalreporting.org.

The CSR organisation

FrieslandCampina's CSR program comes under the responsibilities of the Corporate Environment & Sustainability Department and the Corporate Social Responsibility (CSR) Board. The Corporate Environment & Sustainability Department reports to the Corporate Public & Quality Affairs Department and is responsible for:

- formulating and up-dating the CSR strategy and CSR program;
- formulating policy related to the environment, work safety and fire prevention;
- coordinating the implementation of the CSR programme;
- communicating the CSR program to external stakeholders.

The CSR Board and the Corporate Environment & Sustainability Department are jointly responsible for informing the Executive Board and the managements of the business groups and operating companies regarding the progress of the CSR program. Although the business groups and operating companies are responsible for the implementation of the CSR program, ultimately it is FrieslandCampina's employees worldwide who determine the policy's success.

At the end of 2009 FrieslandCampina formed a Corporate Social Responsibility (CSR) Board. This Board interprets the CSR strategy and related goals. In 2009 the CSR Board specified the key areas of focus for the CSR strategy. In 2010 this strategy was further substantiated with related goals and programmes.

Composition of the CSR Board

- Cees 't Hart, CEO and Chairman
- Werner Buck, Director Corporate Public & Quality Affairs
- Kapil Garg, Executive Director Consumer Products International
- Robert Koning, Director Corporate Legal Affairs & Company Secretary (until 1 April 2011)
- Heidi van der Kooij, Director Corporate Legal Affairs & Company Secretary (as of 1 April 2011)
- Frank van Ooijen (as of 1 June 2010), Director Corporate Communication
- Jaap Petraeus, Manager Corporate Environment & Sustainability
- Franc Reefman, Marketing Director Consumer Products Europe
- Patrick Reekmans (as of 1 June 2010), Managing Director FrieslandCampina Benelux
- Atze Schaap, Director Co-operative Affairs
- Jaap de Vries, Director Corporate Human Resources

Appendices

Processing of the reports and reliability of information

Environmental and work safety information

The production plants in the Netherlands have been gathering environmental and work safety information for over a decade. This information is reported to the authorities as part of the Company's covenant agreements. The production plants in Germany and Belgium have reported environmental information to the authorities since 2004.

The production plants in Russia, Thailand and the United States also report environmental information to the authorities. FrieslandCampina's central environmental data system forms the basis of the reporting. This system came into being after the merger when the databases of both companies were combined. A total of 68 production plants are recorded in this database. The relevant data for 2010 was reported by all 68 production facilities. Estimates in this report are based on this information (where the information given is an estimate this is indicated). Further improvements to the environmental and work safety registration and reporting system will be implemented in the coming years and will result in more accurate data gathering. Until the system has been improved independent verification is not appropriate.

Personnel information

The number of FTEs is based on information from the financial systems. The information regarding absenteeism due to illness and diversity (age, sex, region) is requested and collected separately. The reported information covers 98 percent of the workforce. Further improvements to the personnel registration and reporting systems will be implemented in the coming years and will result in more accurate data gathering.

Glossary

Audit covenant

A covenant aimed at ensuring as many Belgian industrial end-users of energy are, and remain, front-runners in energy-efficiency.

BRC

The British Retail Consortium (BRC) is an inspection protocol used by British retailers and containing stipulations with which suppliers must comply. The BRC demands the presence of a quality-control system, the application of HACCP and the inclusion of the surrounding area, product, process and employees in this system (Good Hygiene Practices stipulations).

CDM

(On-going Animal Health Monitor)

A continuous monitoring of animal health based on existing information. The system provides cattle farmers with a great deal of practical information regarding monitoring animal health.

Codex

The Codex Alimentarius Commission (Codex) is an international forum that develops international standards for food products with the aim of protecting international public health and promoting fair trade in the food trade.

Convenant Schone en Zuinige Agrosectoren (Clean and Economical Agriculture Sectors Covenant)

Agreements with various parties regarding energy-saving, sustainable energy use and generation, and the reduction of greenhouse gases in the Netherlands.

CSR

Corporate Social Responsibility.

FNLI

The Dutch Food Industry Federation (FNLI) is the umbrella organisation for companies and branch associations in the Dutch food industry (food and non-food).

Foqus

The quality system used by FrieslandCampina and its member dairy farmers since 1 January 2010. Foqus offers practical tips to help members comply with the demands of customers and authorities.

Foqus SHE

FrieslandCampina's environment and safety management programme.

FSSC 22000

The FSSC 22000 standard was developed by the Stichting Certificatie Voedselveiligheid (SCV) (Food Safety Certification Foundation) and is the first worldwide standard for the food industry.

FTE

Full time equivalent: the number of employees based on full time employment.

GRI

Global Reporting Initiative (GRI) is the international guideline for reporting on sustainability and Corporate Social Responsibility.

HACCP

Hazard Analysis and Critical Control Points (HACCP) is a food safety management system based on the analysis and control of the biological, chemical and physical hazards associated with the production of raw materials and the purchasing, processing, production, distribution and consumption of the end product.

IDH

Initiatief Duurzame Handel (IDH) (*Sustainable Trade Initiative*). This Dutch organisation clusters strengths in the community and brings trend-setters from the business world, trade unions, environmental organisations, development organisations and the authorities together in decisive coalitions.

IFS

The International Food Standard (IFS) is a certification standard developed by German retailers that in many ways echoes the British BRC standard. The French retailers also subscribe to the IFS standard.

IKB

Ik Kies Bewust ('Choices') is the Dutch Foundation behind the 'Ik Kies Bewust' logo for products containing less salt, sugar and saturated fats.

IMT

The Convenant Integrale Milieu Taakstelling (IMT) (*Integrated Environmental Terms of Reference Covenant*) contains the environmental targets for the Dutch industry branch as a whole.

ISO 9001

A standard containing specifications relating to an organisation's quality-management system and the way in which the quality policy is handled.

ISO 14001

One of the standards in the ISO 14000 series. This standard is applied worldwide to set-up and certificate environmental management systems.

ISO 26000

A standard with various objectives aimed at helping organisations implement CSR.

JOGG

The JOGG-initiative (Jongeren Op Gezond Gewicht) (*Young people at a healthy weight*), in which FrieslandCampina is an active contributor, was launched in the Netherlands in 2010. The objective of JOGG is for regular exercise and more healthy eating habits to become the norm.

LTA Rate

The Lost Time Accidents Rate indicates how many accidents have occurred per 200,000 hours worked.

LTO

The Land- en Tuinbouw Organisatie (*Agriculture and Horticulture Organisation*) is a Dutch organisation for collective representation, individual services provision and group-oriented activities for Dutch agricultural entrepreneurs.

MJA-3

The multi-year energy-efficiency agreements between the Dutch government and companies and institutions regarding the more effective and efficient use of energy.

MTO

Medewerkerstevredenheidsonderzoek (*Employee satisfaction survey*).

NGO

Non Governmental Organisation.

NZO

The Nederlandse Zuivel Organisatie NZO (*Dutch Dairy Organisation*) is the branch organisation for the Dutch dairy industry.

OHSAS 18001

A guideline in the Occupational Health and Safety Assessment Series.

QM-Milch

The quality assurance system for raw milk in Germany.

RSPO

The Round table on Sustainable Palm Oil (RSPO) is a non-profit association that brings together stakeholders from seven sectors of the palm oil industry in order to develop and implement global standards for sustainable palm oil.

RTRS

The Round Table on Responsible Soy (RTRS) is an international platform in which soy growers, soy traders, the processing industry, banks and social organisations work together to develop and implement sustainability criteria for global soy production.

SAI-platform

The Sustainable Agriculture Initiative is a platform set-up by the food industry for worldwide communication regarding and active support of the development of sustainable agriculture where various stakeholders in the food chain are involved.

Taskforce Duurzame Soja (Sustainable Soy Task Force)

A platform of Dutch companies in the soy chain that want to contribute towards sustainable soy growing.

Uitvoeringsagenda Duurzame Veehouderij (*Implementation Agenda for Sustainable Dairy Farming*)

A cooperation between four agricultural umbrella organisations, two nature and environment organisations, a bank, the Dutch provinces and the Dutch State for sustainable and animal-friendly cattle farming.

UTZ CERTIFIED

A worldwide certification programme for responsible coffee, tea and cocoa.

VNO-NCW

VNO-NCW is the largest business organisation in the Netherlands. The around 115,000 member companies and (branch) organisations represent 90 percent of the employment in the Dutch market sector.

WBCSD

The World Business Council for Sustainable Development (WBCSD) is a worldwide organisation in the field of management and sustainability issues.

Meadow milk

Milk from cows that between spring and autumn are put out to pasture for at least 120 days a year, with a minimum of six hours a day.

WHO

The World Health Organisation is a specialist organisation of the United Nations.

External representation

FrieslandCampina is a member of or an active participant in the following consultation bodies:

- ABA/Detic (*Belgian Aerosol Association*)
- Association of International Juice Manufacturers (AIJN)
- Association for the Food Industries of Particular Nutritional Uses of the European Union (IDACE)
- Belgische Confederatie Zuivelindustrie (*Belgian Dairy Industry Confederation*)
- Centraal Orgaan Kwaliteitszorg Zuivel (COKZ) (*Central Dairy Quality Board*)
- Choices International Foundation
- CIAA (European Food and Drinks Industry Association)
- Eigen Vervoerders Organisatie (EVO) (*Transportation Owners' Association*)
- European Dairy Association (EDA)
- European Whey Producers Association (EWPA)
- Federatie Nederlandse Levensmiddelen Industrie (FNLI) (*Dutch Food Industry Federation*)
- Fevia (Belgische Voedingsmiddelen Federatie) (*Belgian Food Industry Federation*)
- Gemeenschappelijk Zuivelsecretariaat (GEMZU) (*umbrella organisation for the Dutch Dairy Industry*)
- Global Dairy Platform
- International Life Science Institute (ILSI Europe)
- International Dairy Federation (IDF)
- Initiatief Duurzame Handel (IDH) (*Sustainable Trade Initiative*)
- Initiatief Duurzame Soja (*Sustainable Soy Initiative*)
- International Infant Food Association (ISDI)
- Land- en Tuinbouworganisatie (LTO) (*Agriculture and Horticulture Organisation*)
- Milch Industrie Verband (MIV) Duitsland (*German Milk Industry Association*)
- Nationale Coöperatieve Raad (*National Cooperative Council*)
- Nederlands Nationaal Comité van de Internationale Zuivelbond (*Dutch National Committee of the International Dairy Union*)
- Nederlands Normalisatie Instituut (Dutch Standardisation Institute)
- Nederlandse Vereniging Frisdranken, Waters en Sappen (FWS) (*Dutch Soft-drinks, Waters and Juices Federation*)
- Nederlandse Zuivel Organisatie (NZO) (*Dutch Dairy Organisation*)
- Productschap voor Zuivel (PZ) (*Dairy Product Commodity Board*)
- Regulier Overleg Warenwet (ROW) (*Regular Consultation Commodities Act*)
- Round Table on Responsible Soy
- Round Table on Sustainable Palm Oil
- Stichting Ik Kies Bewust ('Choices' Foundation)
- Stichting Food Valley
- Stichting RMO controle (*Regional Organisation Management Foundation*)
- Stuurgroep UTZ cacao (*UTZ cocoa steering group*)
- Sure Global Fair
- Sustainable Agriculture Initiative Platform (SAI)
- Task Force Duurzame Soja (*Sustainable Soy Task Force*)
- Top Institute Food and Nutrition
- Vereniging Nederlandse Fabrikanten Kinder- en Dieetvoeding (VNFKD) (*Association of Dutch manufacturers of infant and diet food*)
- VNO-NCW
- World Cocoa Foundation

This list is not comprehensive.



FrieslandCampina 

FrieslandCampina plays an important role in providing food for hundreds of millions of people all over the world on a daily basis. FrieslandCampina's products include dairy-based beverages, infant & toddler nutrition, cheese, butter, cream, desserts and functional dairy-based ingredients. In addition to consumer products FrieslandCampina also supplies professional customers, the food industry and the pharmaceutical sector.

FrieslandCampina has more than 130 years of dairy experience. With annual revenue of nearly 9 billion euro FrieslandCampina is one of the world's largest dairy companies. In the field of consumer products the Company is active in many European countries, in Asia and in Africa. Sales to industrial customers take place worldwide. FrieslandCampina's own offices and facilities in 25 countries employ a total of over 19,000 people. FrieslandCampina's products find their way to more than 100 countries.

Royal FrieslandCampina N.V. is owned by Zuivelcoöperatie FrieslandCampina U.A., with 14,800 member dairy farms in the Netherlands, Germany and Belgium.

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