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FrieslandCampina Broadening Access To Nutrition

At FrieslandCampina we want to provide healthy and sustainable nutrition to all people, at all ages, now and in the future. Our activities and objectives to do so, are described in this document and are part of the Broadening Access To Nutrition program. The Broadening Access To Nutrition program is one of the four programs of the *FrieslandCampina nutrition policy*. This policy is based on the *WHO Global Action Plan* and is in line with two of the <u>Sustainable Development Goals</u> of the United Nations: reduce hunger in the world and promote good health and well-being.



Scope

The scope of the Broadening Access To Nutrition Program is global and covers 2 initiatives to reach consumers who have a higher risk of undernutrition or micronutrient deficiencies, as a result of reduced access to healthy and affordable foods, for instance lower income groups:

- Our non-commercial activities like school milk programs, food aid and our dairy development program
- Our commercial activities in lower income countries with our business model to reach lower income groups.

Commitment

The Broadening Access To Nutrition program shows our commitment and objectives:

Commitment

To help combat undernutrition by broadening availability - and affordability of healthy and/or fortified foods, especially for consumers who have a higher risk of undernutrition or micronutrient deficiencies, as a result of reduced access to healthy and affordable foods, for instance lower income groups.

Objectives

• It is our objective to increase the share of affordable nutrition products in our lower income markets (Nigeria, Pakistan, Ivory Coast, Indonesia and Philippines) to at least 15% of sold volume in 2025.

- It is our objective to increase the share of affordable nutrition products that complies with the FrieslandCampina Affordable Nutritional Standards in our lower income markets (Nigeria, Pakistan, Ivory Coast, Indonesia and Philippines), to at least 50% in 2025.
- It is our objective to contribute to at least one non-commercial activity that broadens access to nutrition in each of the countries where FrieslandCampina has an Operating Company in 2025.

Our Market Strategy

In developed countries where FrieslandCampina has an operating company and milk and milk products are basic foods that are affordable and available for many, still not everyone has access to dairy products. In these countries FrieslandCampina focuses on non-commercial activities like food aid and school milk programs to reach these people.

In developing countries were FrieslandCampina has an operating company and where milk and milk products are not affordable or available, especially for lower income groups, FrieslandCampina focusses on commercial activities and non-commercial activities to reach these people. We developed a business model for affordable nutrition products to reach the floating class. In this business model we focus on small single serve packages and small family packages of our nourishing portfolio. We look at various distribution channels, including remote and rural areas, and sell at price points attractive to the floating class. The products are fortified with vitamins and minerals to help combat undernutrition.

Affordable Nutritional Standards

At FrieslandCampina, we are continuously improving the nutritional value of our products. To guide this, we apply the FrieslandCampina Global Nutritional Standards (GNS). The FrieslandCampina Affordable Nutritional Standards for milk, milk-based and breakfast products are part of the FrieslandCampina Global nutritional standards. The FrieslandCampina Affordable Nutritional Standards are nutritional criteria applicable for products sold according to the business model for affordable nutrition.

The criteria

The affordable nutrition criteria are applicable for milk, milk-based and breakfast products. Products in this group are aimed at consumers and families who have a higher risk of undernutrition or micronutrient deficiencies, as a result of reduced access to healthy and affordable foods. As these groups could be faced with undernutrition as well as obesity at the same time, either securing protein quantity and quality, fortification with micronutrients as well as reducing the intake nutrients to limit are required.

Monitoring

Annually, the progress of the Broadening Access To Nutrition Program is being assessed as part of the Better Products Monitoring and via yearly reporting of non-commercial activities. The results of the Better Products Monitoring are verified by an external party and published in the FrieslandCampina annual report. The results of our non-commercial activities are published on the Corporate website.

Cooperation with stakeholders

Preventing and combating malnutrition (obesity, undernutrition and non-communicable diseases) is a shared responsibility of consumers, governments, and NGOs, as well as food producers and food suppliers. FrieslandCampina sees it as part of its responsibility to constantly contribute to addressing this challenge and to work together with these stakeholders worldwide. Where we can we will work together with Research Institutions, Governments and NGO's to create impact.

Definitions

Non-communicable diseases

A non-communicable disease (NCD) is a disease that is not transmissible directly from one person to another. NCDs include Parkinson's disease, autoimmune diseases, strokes, most heart diseases, most cancers, diabetes, chronic kidney disease, osteoarthritis, osteoporosis, Alzheimer's disease, cataracts, and others.

Non-commercial activities

With our non-commercial activities, like food aid, school milk programmes and the dairy development program we ensure products are available for lower income groups.

Business model for affordable nutrition

A business model that applies to the marketing and sales of affordable nutrition products. It is tailored in package size, price, distribution and partners to be able to reach the floating class.

Floating class

The floating class, is a lower income group, with per capita consumption levels between \$2-\$4 per day. Individuals at this level of consumption, which is only slightly above the developing-world poverty line of \$2 per person per day (the second poverty line), remain largely vulnerable to slipping back into poverty. In our lower income markets the floating class represents around 30% of the population.

Lower income markets

The World Bank classifies the world's economies on basis of Gross National Income (GNI) per capita (current US\$) calculated using the Atlas method. Lower income economies (low and lower-middle income economies) are those with a GNI per capita, below \$3,995. (year 2019/2020)

Nutrients to limit

As stated by the WHO, it is important to reduce the intake of sugar, salt, saturated fatty acids and trans-fat in the fight against non-communicable diseases (obesity and food-related diseases). Limiting the intake of these nutrients, as well as energy content per serving, is part of the Global Nutritional Standards. Criteria have been based on the Choices International Program Criteria, set by an independent, International Scientific Committee. Furthermore, legislation, Codex and scientific expert group opinions were considered in setting the standards.

Nutrients to enrich

For some regions in the world or for certain target groups it may be necessary to increase the intake of specific nutrients. The program offers the possibility to set regional criteria for nutrients (FrieslandCampina Regional Standards) of which deficiencies occur or threaten to occur. Products aiming at populations who are at risk for undernutrition, have to comply with minimum micronutrient levels (5 out of 7). According to the WHO, iodine, vitamin A, and iron are the most important micronutrients in global public health perspective as their deficiency represents an important threat to the health and development of populations. The South East Asian Nutrition Survey (SEANUTS) also shows a high prevalence of vitamin D deficiency among children in South East Asia, emphasizing the importance of vitamin D fortification. Additionally, minimum levels of calcium and vitamin B12 are important, as dairy based products are supposed to contribute to the daily intake of these nutrients.