FrieslandCampina
nourishing by nature

Doing honest business policy - Gifts and payments

Compass

Why is doing honest business important?

At FrieslandCampina, we want to do business in the right way, responsibly. Why? Because we stand for honest business. And we want to preserve the trust of our stakeholders, customers and consumers and safeguard our excellent reputation. Also, not doing honest business may have serious consequences for our company and for the employees involved, for example fines and imprisonment.

What are our basic principles?

We do our business in an honest and transparent manner. Our approach is based on these principles:

- business decisions must be based on merit, not on personal favours; and;
- gifts, travel, entertainment and (third party) payments may never influence the integrity of business decisions or loyalty of the people involved;
- We do not cooperate with, or get involved in, spending or concealing the proceeds of criminal activities of third parties (money-laundering).

Gifts, travel & entertainment

Gifts, travel and entertainment can take many forms such as dinners, tickets or excursions. Examples of gifts that may be less easy to recognize as such are expense payments, discounts, stocks and favours such as loans, free use of assets or services provided for free or at a preferential rate.

Always consider the intent behind the gift, travel or entertainment. Only offer or accept gifts, travel or entertainment that develop or strengthen business relationships (so to or from business relations only) or that show appreciation. Do not give or promise anything of value to any person with the aim to receive favourable treatment or to influence a business decision. Do not ask for or accept anything of value from any person with such aim either. Use your professional judgement at all times.

Only offer or accept a gift, travel and/or entertainment that:

- is **not** in cash or cash equivalents (like a gift card or voucher) is a;
- reasonable complement to the business relation;
- is proportionate to the recipient's position, moderate, at the appropriate time and infrequent;
- is in line with our Compass, the applicable policies, the generally accepted business practices of the country of the recipient, the law in your country and other applicable laws;
- demonstrates good taste and is mindful of your and FrieslandCampina's reputation;
- is done unconditionally and in a transparent way;
- remains below **€50,-** per business relation (per person) in value for gifts and **€150,-** per business relation in value for travel and/or entertainment, or similar amounts appropriate and communicated in your country. When applying these value limits, treat a ticket to an entertainment as a gift and not as entertainment if you or your business relation will not act as host at the entertainment.

Inform your manager if you intend to offer or if you are offered a gift, travel and/or entertainment. You must obtain written approval if you intend to offer or accept a gift, travel and/or entertainment that is not in accordance with the above from the Managing Director of your Operating Company, your Corporate Director, the relative Executive Leadership Team member or the Executive Board. Seek such approval prior to offering or accepting the gift, travel and/or entertainment. In case refusing to accept a gift would insult the giver, please accept politely, report the gift to your Managing Director, Corporate Director, the Executive Leadership Team member or the Executive Board and handover the gift to the company as soon as possible.

In case a gift, travel and/or entertainment represents a value over **€500,-** per business relation, the Managing Director of the Operating Company, the Corporate Director, the Executive Leadership Team member or the Executive Board member must consult with FrieslandCampina's Corporate Director Business Conduct in Amersfoort prior to approving the offer or receipt.

Public officials

Do not offer **any** gift, travel or entertainment to public officials (including employees of government owned companies and organisations and political parties). Exceptions are only possible

- insofar an Executive Board approved policy provides for such exception (e.g. in relation to health care professionals); or
- if pre-approved in writing by your Managing Director, Corporate Director, the relative Executive Leadership Team member or the Executive Board. They will assess whether the circumstances justify an exception, while always respecting the above conditions.

Gifts to people close to public officials (their family members and close advisors) are considered gifts to the public official itself and are therefore not allowed.

No bribery; no facilitation payments

Bribery is offering something of value to a person (for instance a public official or employee of a business partner) with the purpose of influencing an action or decision. Facilitation payments are payments of small amounts to public officials with the aim to get (faster) what you have a right to anyway.

Any improper or dishonest way of doing business, including any form of bribery (direct or indirect) and facilitation payments, is strictly forbidden.

There are no exemptions, unless your life or the life of your family members is in immediate danger or threatened. In such cases, document the incident carefully and report it promptly afterwards to your Managing Director, Corporate Director, the relative Executive Leadership Team member or the Executive Board, whichever is applicable.

Third party payments

In many countries where we do business or want to start or expand our business, we work with third parties, such as agents, consultants or intermediaries. They provide services to our company or can even act on

our behalf. We pay some of these third parties an hourly fee but to some parties we pay commissions. By commissions we mean paying a third party a percentage of the value of services or products to be provided in return for their help, for example in closing a specific deal.
The behaviour of these third parties can become our responsibility, especially in case they violate applicable laws.

Therefore, only enter into an agreement with such third party after it has been screened. Actively check if it does honest business and if it does not engage in improper gifts, travel, entertainment or (other) payments to get things done

Make sure that agreements with such third party contain provisions to properly protect FrieslandCampina and to make the third party adhere to anti-bribery conditions. For further support, please contact your local legal counsel.

While working with such third party, stay attentive to any changes in behaviour. If you have a feeling that things are not right or if you are not sure, make further investigations.

Only make payments to third parties:
→ for services that are, or will be, actually delivered;
→ for amounts that are reasonable in relation to the services delivered;
→ which are properly documented, like with an invoice;
→ properly record the payments in our books and records.

Always be alert to any signs of improper ways of doing business. Some examples of situations where you have to be extra cautious and you have to take action are:
→ a public official requests a specific (third) party to be selected;
→ the third party is owned or operated by (former) public officials or by (former) employees of our customer;
→ the third party service provider (for example an agent) insists on dealing with public officials without your or our participation;

- the third party's (plan for performing the) work is vague and/or suggests to rely on contacts or relationships;
- unusual advance payments;
- the third party suggests that otherwise illegal conduct is acceptable because it is the norm or custom and;
- the third party states that he needs payments to "take care of things" or to "finalise the deal";
- any action that would enable the third party to keep payments out of their books and records, such as cash payments, splitting up payments in smaller amounts, payments to a bank account in the name of a different party and payments to a bank account in another country than where the services were delivered or the party is located.

These are only examples. Make sure you are alert to all kinds of signs of improper ways of doing business.

No money laundering

Money laundering is spending or concealing the proceeds of criminal activities. FrieslandCampina and its employees must take steps to prevent receiving the proceeds of criminal activities, as this can result in the criminal offence of money laundering.

Always be alert to any signs of money-laundering. Some examples of situations where you have to be extra cautious and you have to take action are customers (including distributors) that:

- make payments from a bank account in the name of a party with no apparent connection to the transaction;
- make payments from a bank account in another country than where the customer is established or is operating;
- pay cash while they normally pay electronically;
- split up payments in smaller amounts (below 10K);
- make advance payments when this is not part of the terms agreed with the customer;
- suddenly cancel, abort or amend a transaction and request a refund to a third party, without apparent business rationale;

- have no apparent business activity that is relevant to the purchased goods or the country involved;
- provide address details that are non-existent, do not match our customer information, are potentially false or are merely a correspondence address;
- have difficulty describing the nature of its business or lack general knowledge of the industry;
- order products with a value that is not proportionate to the known volumes or revenues of the customer.

When you are involved in engaging new business partners (suppliers, customers and others) you must follow our Procurement procedures, Customer Acceptance procedures and Business Conduct guidance in relation to the automated business partner screening.

Donations & sponsorships

When donating to humanitarian aid, charities or other non-profit organisations and when entering into a sponsorship the following principles apply.

Only make donations or enter into sponsorships that:
- strengthen or protect the reputation of FrieslandCampina and its brands;
- meet our purpose *nourishing by nature*;
- comply with the principles and rules of the Global FrieslandCampina Events and Sponsorships Policy;
- are transparent;
- are made to the right recipient, at the right time and for the right reasons and;
- are properly recorded in our books and records.

Do not make donations to and do not sponsor (in money, time or products):
- political parties, political activities or related persons;
- religious organisations, religious activities or related persons or military organisations, military activities or related persons.

Do not make donations to or sponsor (in money, time or products) any organisations, activities or related persons that:

- raise public debate in a negative way;
- pose any danger to the safety or health of the participants or the general public or;
- impose any (additional) burden on society or the environment.

Never donate to gain business advantages or obtain personal benefits. We donate without receiving or expecting anything in return.

If you make donations or if you sponsor in your spare time, always make sure that you do not give the impression that FrieslandCampina is involved or is providing support as well.

No excuses

There are no excuses for not doing honest business. Not knowing or pretending not to know, for example, what your third party was doing, is no excuse either.

To avoid any doubt

Never use or allow third parties to bypass this policy and do not bypass this policy by other means. Not acting in accordance with this policy may lead to disciplinary measures, including dismissal.

Raise questions or concerns

We encourage our employees who have concerns about a (suspected) violation of our Compass, to speak up and express concerns. We understand that it takes courage to speak up. That is why we want a company culture without fear of punishment or unfair treatment for raising such concerns. If you are worried that something wrong or dangerous is happening at work, please do not keep it to yourself. FrieslandCampina will not tolerate negative effects when you raise a concern in good faith. You will be protected.

Our **Speak Up procedure** gives you guidance on how to raise concerns.

Royal FrieslandCampina N.V.
Stationsplein 4, 3818 LE Amersfoort
The Netherlands
T +31 33 713 3333

www.frieslandcampina.com