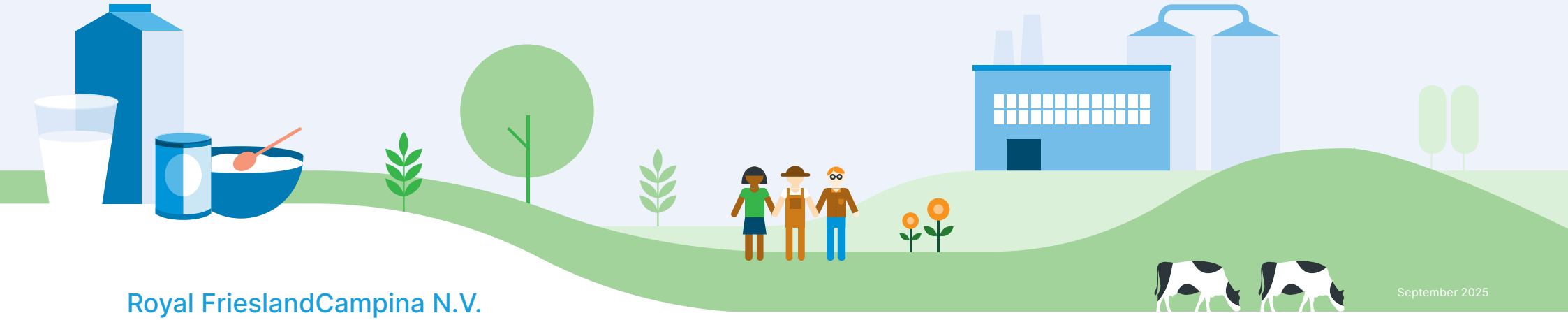
FrieslandCampina
nourishing by nature

FrieslandCampina Climate Plan



Royal FrieslandCampina N.V.

September 2025

Content

Foreword

At FrieslandCampina, everything we do is guided by our purpose: *nourishing by nature*. Through our dairy products, we contribute to food security and food safety for millions of people around the world. We believe that good nutrition is inseparable from care for people, animals, and the planet. Our integrated sustainability strategy – built on the pillars of Nutrition, People and Planet – reflects this belief and helps us to focus our efforts where we can make the greatest impact.

FrieslandCampina, with its roots dating back to 1871, was established in 2009 following a merger between two dairy cooperatives, Friesland Foods and Campina. In 2010, climate neutral growth was set as a strategic goal for 2020. This target was achieved. New targets were set in 2020. In 2022, we published our climate plan, setting out our ambition to achieve net climate-neutral dairy production by 2050. This plan included clear objectives, concrete actions and targets to reduce our greenhouse gas emissions by 2030.

This updated climate plan presents our sharpened 2030 climate targets, validated by the Science Based Targets initiative (SBTi). These science-based targets align with the Paris Climate Agreement's objective to limit global warming to no more than 1.5°C. Alongside our updated targets, we set out the progress made so far and outline our reduction pathway to 2030.

A key update is the distinction between greenhouse gas emissions and its associated targets related to land use and agriculture (Forest, Land and Agricultural emissions, or FLAG) and industrial emissions from combustion of fuels and chemical processes (non-FLAG). In doing so, we follow the guidance of the World Resources Institute Greenhouse Gas Protocol and Science Based Targets initiative.

As FrieslandCampina, we are confident that we can fulfil our purpose while ensuring our climate efforts align with the Paris Agreement goals. We appreciate the dedication of our members, suppliers, governments, NGOs, customers and other partners in working together to lower our environmental impact, and we are eager to continue this journey together to deliver better nutrition with the utmost care for people and the planet.

Sustainability at FrieslandCampina

A healthy, balanced diet is still out of reach for many people worldwide, leading to malnutrition, obesity and micronutrient deficiencies. With our dairy products, we aim to provide millions of people around the world with daily access to safe, high-quality and tasty nutrition.

Milk is unique in its nutritional value. Our role as a dairy producer is to transform raw milk into products that capture this value, tailored to market needs, produced safely and responsibly, and accessible to both consumers and business partners. Producing dairy products however also carries responsibility for our impact on people and the planet. The way we source raw materials, process and market our products is equally important. Food production places increasing pressure on scarce natural resources – and our future as a company and cooperative is closely linked to the health of the natural environment. That is why we pursue social and environmental goals as part of our business objectives.

Our integrated approach enables us to make meaningful progress across the value chain, 'from grass to glass,' as we like to call it. It also requires careful balancing: we cannot address every challenge with the same speed or intensity. Climate action, for example, must go hand in hand with strengthening biodiversity, improving animal welfare, ensuring access to nutrition and sourcing responsibly. Progress in one area should never come at the expense of another. Sustainability is a coordinated effort across multiple dimensions, where we continuously balance impact, feasibility and long-term value.

Sustainability strategy

In 2024, FrieslandCampina consolidated its environmental and social sustainability ambitions into a single, comprehensive framework.
This framework is built around three pillars: Nutrition, People and Planet.
Each pillar includes priorities and action plans, focused on areas where we can create the greatest impact and value.

- **Nutrition** | Delivering the goodness of dairy, improving the nutritional composition of our products where needed and improving access to our products, while avoiding waste of valuable nutrients from milk.
- **People** | Contributing to resilient communities and upholding high standards for a fair and inclusive workplace throughout the value chain.
- **Planet** | Reducing the environmental footprint of our products including packaging, while protecting and enhancing nature.
- **Foundation** |
  The three pillars of Nutrition, People and Planet are supported by a solid foundation. This foundation includes policies, practices and commitments that underpin how FrieslandCampina conducts its business responsibly.

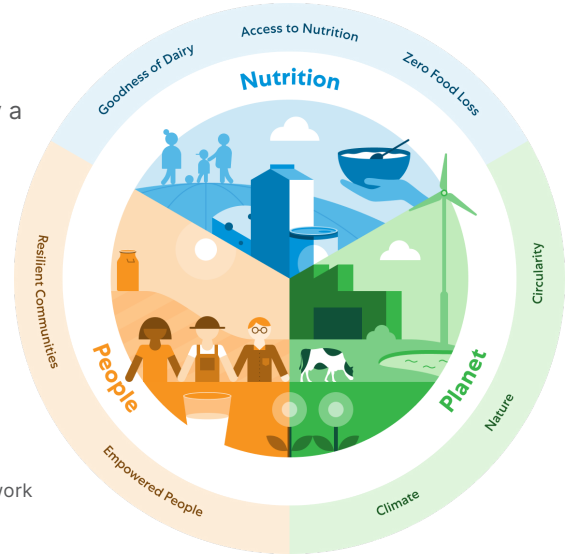


Figure 1: FrieslandCampina Sustainability Framework

Embedding sustainability in our business

The Executive Board of FrieslandCampina holds ultimate responsibility for sustainability, supported by the Supervisory Board and its ESG Committee. The Chief Sustainability Officer, a member of the Executive Board, leads policy development and coordination of all sustainability activities. Individual business groups and departments are responsible for reducing their own greenhouse gas emissions, which are monitored quarterly by the Corporate Sustainability team. Climate targets are embedded into our governance structures, discussed in quarterly business reviews, and incorporated into the long-term incentive plan for senior leadership – driving shared accountability across the organisation.

We have implemented clear policies to guide responsible business conduct across the company, employees, and suppliers, including an overarching Planet Policy, introduced in 2025. This policy sets global principles for managing environmental impacts and climate-related risks, focusing on eliminating fossil-based emissions, minimising non-fossil emissions, and advancing a deforestation-free value chain.

Achieving our sustainability ambitions requires that farmers can invest in sustainable practices on their farms. We actively support this by working towards fair and future-proof income models for the member dairy farmers of FrieslandCampina.

To embed sustainability into our core operations, we have prioritised and integrated it into our business strategy. This is essential for creating value and accelerating progress towards our goals. All business groups, our supply chain, and functions, such as procurement and human resources, have incorporated the sustainability strategy into their business and operational strategies.

This integrated approach ensures that sustainability is not a separate agenda, but a shared responsibility across the organisation and the value chain. It enables better decision making, unlocks innovation, and helps to deliver on our purpose: *nourishing by nature*.

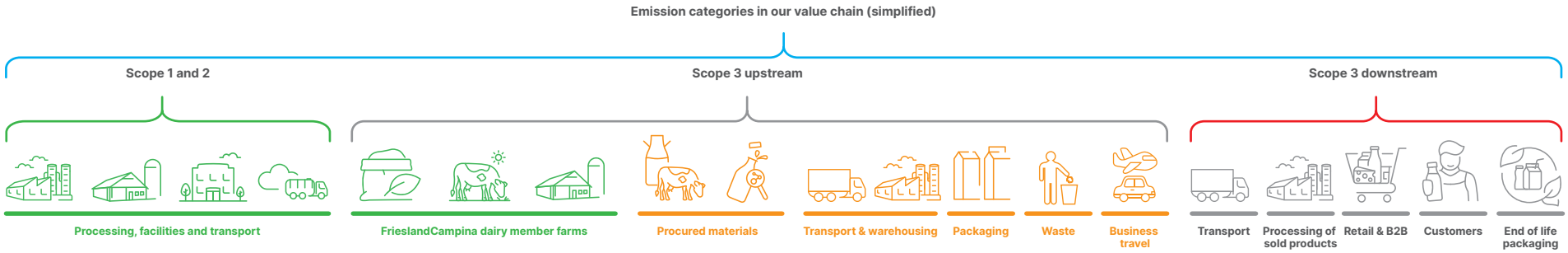


Figure 2: Greenhouse gas emissions throughout the FrieslandCampina value chain

In dialogue with stakeholders

FrieslandCampina's cooperative roots illustrate that more can be achieved together than alone. We are in frequent contact with a wide range of stakeholders, both within and outside of the dairy chain. Through continuous dialogue, we seek to understand stakeholders' perspectives, concerns, and expectations. These interactions help shape our sustainability initiatives, projects, and processes, ensuring that our policies, goals, and approaches reflect the interests and views of those we work with.

Stakeholders are identified based on their influence on FrieslandCampina and the extent to which our actions impact them.

Our most important stakeholders include:

- Member dairy farmers and the cooperative
- Employees
- Customers
- Consumers
- Suppliers
- Banks
- Government bodies and local authorities
- Non-governmental organisations (NGOs) and interest groups
- Nutrition and health experts

Contributing to the Sustainable Development Goals

FrieslandCampina's sustainability strategy and business operations are closely aligned with the **United Nations Sustainable Development Goals (SDGs)**. We focus on eight SDGs where our business and operations can make the greatest contribution.

Figure 3: Our contribution to the Sustainable Development Goals

Our climate journey

FrieslandCampina has worked on sustainability since the merger of Friesland Foods and Campina in 2009. Sustainability reporting has been included for selected topics since 2015 (i.e. emissions from production, transport and member farms) and has been an integral part of the annual report since 2018.

Climate action is embedded within a broader sustainability strategy, reflecting our commitment to creating value for people and the planet. Below is a selection of important sustainability developments over the years.

2010

Climate-neutral growth as strategic goal
Sustainability embedded in the business strategy.

2012

Launch of Foqus planet
Quality and sustainability programme for member dairy farmers, including performance-based rewards.

2015

Introduction of sustainability performance premium
Financial incentives for sustainable farming practices.

2016

Carbon footprint calculation module
Tool to calculate farm-level greenhouse gas emissions (cradle to farm gate).

2017

Development of Biodiversity Monitor
Collaboration with WWF and Rabobank, aimed at measurable biodiversity improvements on farms.

2018

Introduction of 'On the way to PlanetProof' for dairy
Campina dairy products certified by Stichting Milieukeur.

Since 2018

Partnerships with customers on greenhouse gas reduction
Acceleration of emission reduction through customer agreements supporting farmer incentives.

2020

Committed to Science Based Targets initiative
To allow third party validation of our targets.

2022

Climate plan published
Ambition for net climate-neutral dairy by 2050 and SBTi validated reduction targets for 2030.

2023

Updated Foqus planet reward system
Higher rewards for greenhouse gas reduction, up to €1.50 per 100 kg of milk.

2024

Validated SBTi FLAG and non-FLAG targets
Broken down emission targets for scope 1, 2 and 3 into FLAG and non-FLAG emissions, in line with SBTi.

Carbon reduction journey programme with key suppliers
Key suppliers invited to build an emission reduction journey together with FrieslandCampina.

FrieslandCampina's climate approach

The Paris Climate Agreement calls on countries to take action to limit global warming to below 2°C and ideally to maximum 1.5ºC. The general consensus is that 1.5 ºC should be the target, which is also the standard set by SBTi for committed organisations.

Climate action is a central part of FrieslandCampina's Planet sustainability pillar. Our climate plan is embedded in how we, as an international dairy company with a long cooperative tradition, contribute to sustainable nutrition. FrieslandCampina aims for a net climate-neutral dairy chain and a net positive impact on nature by 2050 at the latest. In doing so, we are committed to building a sustainable future for generations to come.

Targets

FrieslandCampina's near-term targets have been validated by SBTi ensuring alignment with the 1.5°C pathway. Targets are divided into targets for FLAG emissions and non-FLAG emissions (= Energy & Industry) as required and validated by SBTi.
To establish these targets, we conducted a full greenhouse gas inventory across scopes 1, 2, and 3, following the Greenhouse Gas Protocol. We applied SBTi's minimum boundaries[1] for emissions included in the target. Significant emission categories are included, while smaller categories are disclosed separately. Our targets are expressed as absolute reduction targets, with separate reduction pathways for FLAG and non-FLAG emissions. Long-term ambitions are being prepared based on scenario modelling and will also follow SBTi reduction pathways.

SBTi Approval

"The Science Based Targets initiative has validated that the science-based greenhouse gas emissions reductions target(s) submitted by Royal FrieslandCampina N.V. conform with the SBTi Criteria and Recommendations (Criteria version 5.1) and the SBTi Forest, Land and Agriculture Guidance. SBTi has classified your company's scope 1 and 2 target ambition as in line with a 1.5°C trajectory".

The official near-term science-based target language:

Energy & Industry
Royal FrieslandCampina N.V. commits to reducing absolute scope 1, 2, and scope 3 GHG emissions from purchased goods and services by 42.13% by 2030 from a 2020 base year.*

FLAG
Royal FrieslandCampina commits to reducing absolute scope 1 and scope 3 FLAG GHG emissions by 30.3% by 2030 from a 2020 base year.**

**The target boundary includes land-related emissions and removals from bioenergy feedstocks.*
***Target includes FLAG emissions and removals.*

Royal FrieslandCampina commits to no deforestation across its primary deforestation-linked commodities, with a target date of December 31, 2025.

(SBTi Approval Letter, 2024)

[1] Target boundary for scope 1 and 2: 95 percent of emissions, Scope 3: 67 percent for both FLAG and Industrial emissions

Our aim for climate: long-term reduction in line with the 1.5°C pathway

By 2050, we aim to reduce emissions in our scopes 1,2 and 3 as much as possible and compensate for any residual emissions that cannot be eliminated.

Based on SBTi criteria, achieving net climate neutrality in line with the 1.5°C pathway, requires:

- Reducing non-FLAG emissions to zero.
- Cutting FLAG emissions by 72 percent from the base year.
- Compensating and removing residual emissions.

Our net climate-neutral ambition involves eliminating non-FLAG greenhouse gas emissions across all scopes by reducing energy use and switching to renewable energy. Biogenic emissions, such as methane from cows, are minimised wherever possible. For residual livestock and soil emissions, we continuously explore ways to sequester, remove, or compensate emissions through measures such as carbon sequestration in soil and biomass, aiming for long-term or permanent storage.

There is ongoing global debate within the climate community about which sequestration and removal methods are most effective, what the best ways to compensate are, and how to account for them. Where appropriate, we take part in this debate. When compensation will be applied, FrieslandCampina prefers solutions within its own value chain, benefiting member dairy farmers and other farmers in the value chain wherever possible.

Due to uncertainty around long-term developments, intermediate targets beyond 2030 have not yet been submitted to SBTi. However, it is reasonable to expect emissions to follow the 1.5°C pathway by 2035–2040 and 2045, to achieve net climate neutrality by 2050.

Near-term targets and reduction

The updated SBTi targets, communicated in January 2025, use a revised 2020 base year. This update reflects SBTi guidance and uses improved 2020 emissions data. While our scope 1 and 2 targets were already aligned with the 1.5°C pathway, these revisions ensure that scope 3 reductions follow a steeper trajectory and cover a larger portion of emissions compared to previous targets. Target boundaries are summarised in the table below.

Table 1: Target boundaries and updated reduction targets

	FLAG	non-FLAG
Target boundaries Scope 1 and 2	100%	100%
Scope 3	78.4%	77.3%
SBTi reduction targets 2020-2030	-30.3%	-42.13%

100 percent of our scope 1 and 2 greenhouse gas emissions are in scope of the SBTi targets. For scope 3, this applies to 78.4 percent of FLAG emissions and 77.3 percent of non-FLAG emissions. Emissions that fall outside the target boundaries are reported in our annual report (see table 2). Although these emissions are not included within the official SBTi scope, we maintain the same reduction ambition for them. Our main focus, however, is on the emissions within the target boundaries. This allows us to concentrate our resources on the largest emission sources, where the impact is greatest and where we can exert the most influence over the relevant sources and suppliers, ensuring emissions are reduced across our value chain.

The figure below shows the emissions within the target boundaries. Note that, in line with the 2024 annual report, we have adopted the Global Warming Potentials (GWPs) for Methane (CH_4) and Nitrous Oxide (N_2O) from the IPCC Sixth Assessment Report (AR6). This has been consistently implemented for both the base year and the intervening years up to the current year. As a result, absolute emissions are lower than previously reported with GWPs from the Fifth Assessment Report (AR5). The reduction targets expressed as the percentage reduction in absolute emissions to be achieved between 2030 and 2020, however, remain unchanged.

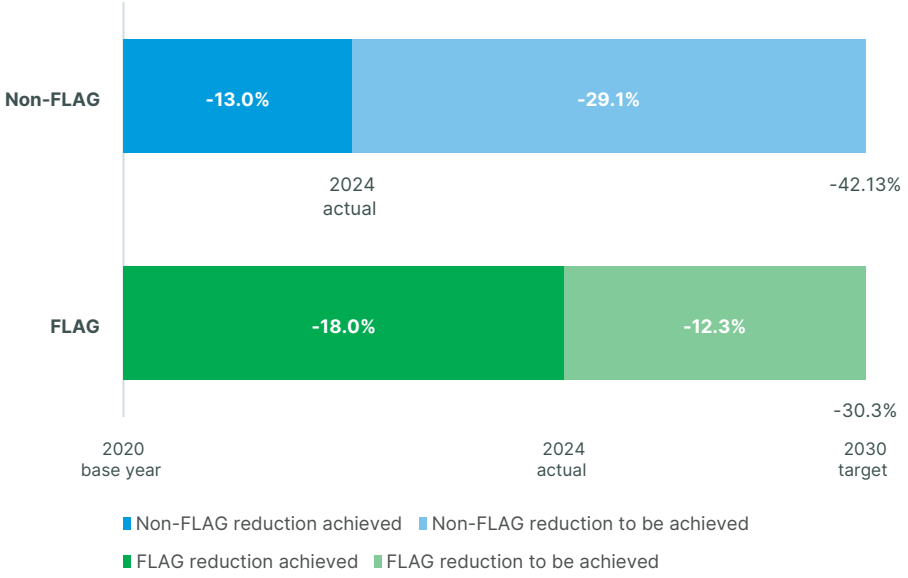


Figure 4: Progress to SBTi targets expressed in percentage reduction achieved and to be achieved

Progress towards targets

Table 2 (next page) provides the breakdown of FrieslandCampina's emissions following the Greenhouse Gas Protocol. As the emissions of scope 3 categories 5-9 and 12-15 are individually less than 0.5 percent of scope 3 emissions, they were consolidated in the annual report for readability purposes. These are reported yearly to CDP[2]. We have included figure 5 that shows how targets submitted, and the shift from AR5 to AR6, relate to the total emissions reported in table 2.

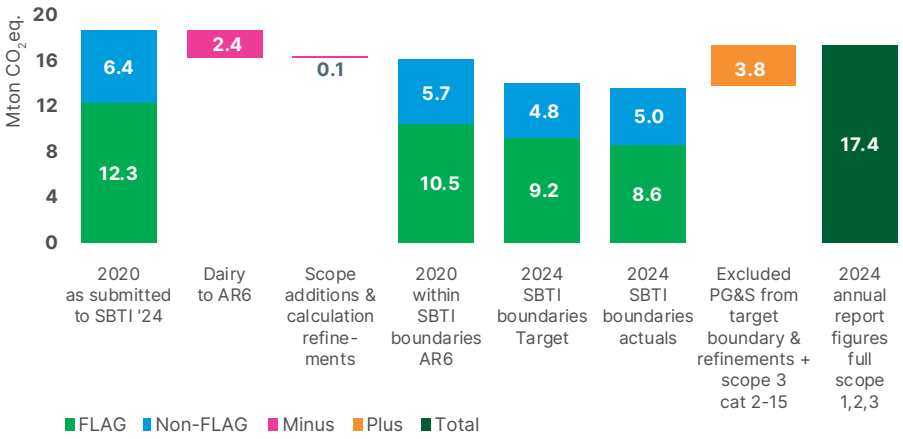


Figure 5: Greenhouse gas emissions overview: total emissions are lower than previously reported up to and including the annual report 2023, due to the change in Global Warming Potentials from the 5th Assessment Report (AR5) to the 6th (AR6). This figure also shows the emissions within SBTi boundaries and how they relate to the total emissions in the annual report.

[2] About Us - CDP: "CDP is a global non-profit that runs the world's only independent environmental disclosure system for companies, capital markets, cities, states and regions to manage their environmental impacts". CDP website 20 September 2025.

Table 2: Total greenhouse gas emissions in kton CO_2eq. in 2024

Scope	2024	FLAG / non-FLAG	In target boundary
Processing & transport	580	non-FLAG	yes
Dairy farms	50	Both (mostly FLAG)	yes
Other scope 1 categories	36	non-FLAG	yes
Total scope 1	**666**		
Market based	1	non-FLAG	yes
Location based	323	non-FLAG	yes
Total scope 2 (market based)	**1**		
Member milk	7,873	Both (mostly FLAG)	yes
Other PG&S (in scope of targets)	5,706	Both (mostly FLAG)	yes (app. 85%)
Other PG&S (not in scope of targets)	1,715	non-FLAG	yes
Total cat 1 Purchased Goods & Services (PG&S)	**15,294**		
Cat 2 Capital goods	130	non-FLAG	no
Cat 3 Fuel- and energy-related activities, not included in scope 1 or scope 2	232	non-FLAG	no
Cat 4 Upstream transport	235	non-FLAG	no
Cat 5 Waste generated in operations	52	non-FLAG	no
Cat 6 Business travel	16	non-FLAG	no
Cat 7 Employee commuting	27	non-FLAG	no
Cat 8 Upstream leased assets	-	non-FLAG	no
Cat 9 Downstream transport	66	non-FLAG	no
Cat 10 Processing of sold products	285	non-FLAG	no
Cat 11 Use of sold products	345	non-FLAG	no
Cat 11a Downstream emissions from fossil fuels distributed but not sold by the company	-	non-FLAG	no
Cat 12 EoL of sold products (intermediate product, if relevant)	63	non-FLAG	no
Cat 13 Downstream leased assets	-	non-FLAG	no
Cat 14 Franchises	-	non-FLAG	no
Cat 15 Investments	9	non-FLAG	no
Total scope 3	**16,753**		
Total scope 1, 2 and 3 (market based)	**17,420**		

Within the FLAG category, we have been able so far to reduce most at the member farms. We run an extensive sustainability programme which includes supporting member farmers through knowledge sharing and financial incentives and rewards; achieving climate action with customers; and unlocking innovations. For other emissions, we have embarked on supplier engagement journeys. Within non-FLAG emissions, we have focused on replacing fossil fuels by using renewable electricity, improved efficiency, renewable energy usage, and packaging circularity.

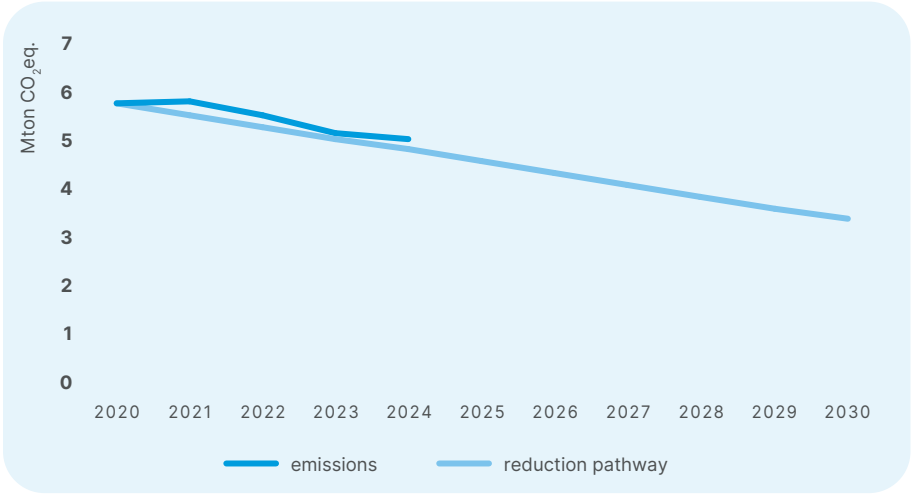


Figure 6: Progress towards reduction target for non-FLAG emissions

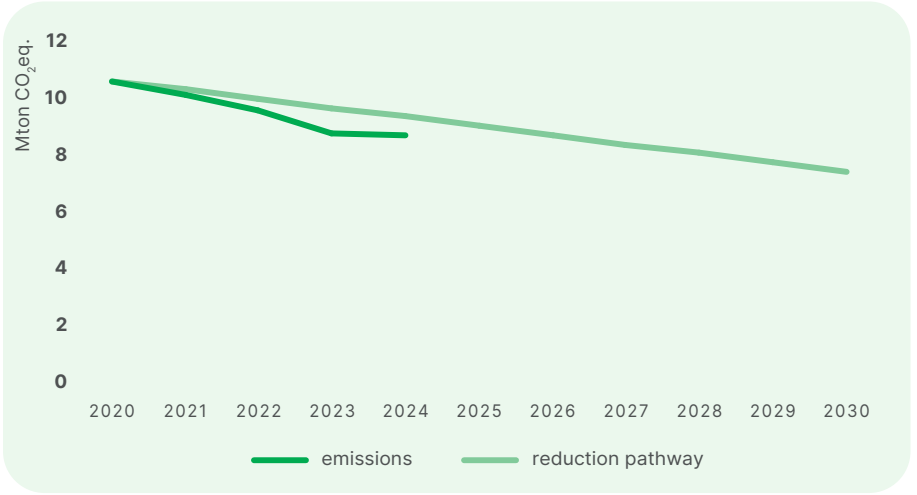


Figure 7: Progress towards reduction target for FLAG emissions

Our categories, plans and actions

While we report on progress towards our climate targets through FLAG and non-FLAG emissions, all scopes include both types of emissions. To make progress we steer on the impact categories (e.g. production locations, member milk, procurement, etc.) rather than on the FLAG/non-FLAG split. We present our progress per impact category and progress towards targets. The emphasis is on the actions to be taken to close the gap for all emission reduction targets towards 2030.

Our strategy for the priority area climate is built on a robust standardised process with a category-specific approach. We are pursuing a category-specific approach to allow for different maturity levels in value-chain transparency. Figure 8 shows the four process steps of this category-specific approach.

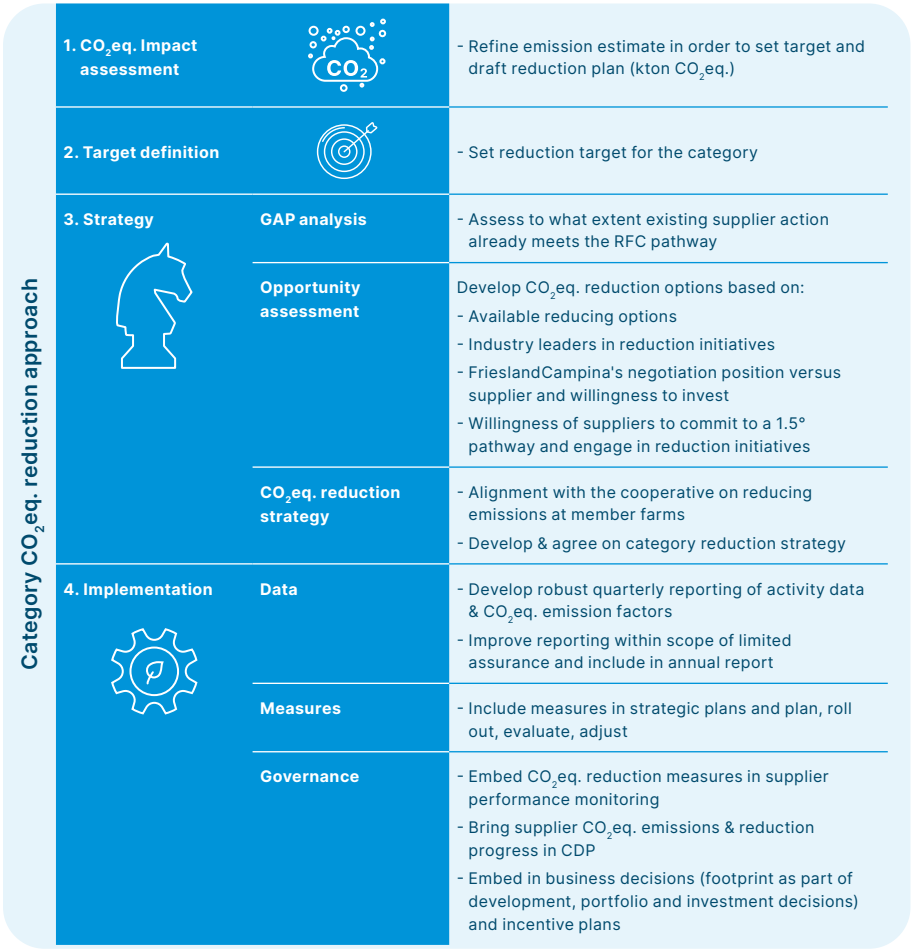


Figure 8: Four-step approach

Table 3 shows an overview of all impact categories and their assessment, definition, strategy and implementation progress. The rest of the chapter will focus on each category.

Table 3: Maturity level emission categories

	1. Impact assessment	2. Target definition	3. Strategy		4. Implementation
Reduction package	**Data quality**		**Opportunity assessment**	**Reduction plan**	
Scope 1 & 2 non-FLAG	●	●	●	●	●
Scope 1 FLAG	◑	●	◑	◔	◔
Scope 3 – member farmers*	●	●	●	●	●
Scope 3 PG&S FLAG	◕	●	◕	◑	◑
Scope 3 PG&S non-FLAG	◑	●	◕	◑	◑
Scope 3 – cat 2-15	◑	○	◑	◔	◔

* Mostly FLAG emissions

To realise the reduction targets, we identified the following decarbonisation levers:

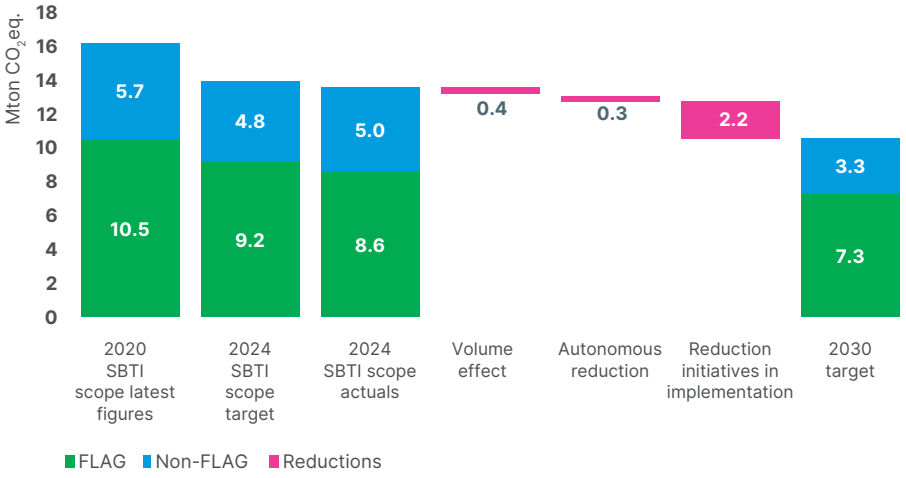


Figure 9: Key decarbonisation levers for achieving reduction targets

Table 4 presents an overview of potential mitigation options. The list is not exhaustive: within each category, several alternatives may be available. The options also differ in their level of maturity. Some are still being investigated, where the potential impact is known, but the timing, uptake and economic viability remain uncertain, while others are already considered ready for implementation, with investment decisions pending at company level or incentives in place at farm level.

Table 4: Mitigation options available

Category	Subcategory	Initiative
Member farms	Animal	• The use of feed and methane inhibitors that result in lower methane emissions from the cows. • Increased longevity of cows leads to more milk produced with fewer cows and youngstock. • Smart breeding: some cows emit more methane and some less. This is a hereditary trait that is predictable. Breeding values are available, and reduction impact will increase once more selection takes place.
	Feed cultivation & purchase optimisation	• Quality of roughage production can still increase although results can vary per year, depending on the weather. • Use of nitrification inhibitors can lower emissions during feed cultivation. • Low CFP feed purchase.
	Manure	• Methane inhibiting in manure storage and oxidation of gases from storage. • Lower and more selective use of artificial fertiliser. • Manure digestion lowers methane emission from manure storage and leads to biomethane: 'green gas'.
	Renewable energy	• Renewable diesel to replace fossil diesel as a transition fuel towards electrification or hydrogen.
	Soil	• Carbon sequestration in soils will increase or maintain soil fertility with a positive effect on productivity. No carbon claims are made in our accounting or reporting at this point.
Packaging	Optimisation & downgauging	• Removing layers of material (aluminium) in packaging and downgauging (less thickness).
	Replacement	• Replacing of packaging formats with lower impact alternatives.
Procurement	Supplier engagement and reduction collaboration	• Collaboration with suppliers on data quality, agree on reduction pathways, allocation of volumes, joint development of products (including packaging).
	Replacement	• Replacing cleaning materials with lower impact alternatives.
	Logistics	• Collaboration with customers and suppliers to lower logistic emissions (electrification, replacement fuels).
Supply Chain	Fossil fuel substitution	• Fossil energy substitution with renewable energy such as biogas, pruning wood, rice husks.
	Electrification	• Electrification of outdated fuel consuming processes through new technologies.
	Energy efficiency	• Reducing energy consumption by improving energy efficiency using energy management systems, improvements in insulation, lighting, cooling and replacing outdated production processes with more efficient technology.
Dairy Development	Joint development and knowledge sharing	• Install micro digestors at small scale farms.
	Productivity improvement	• Change sourcing mix and increase productivity.

Figure 10 shows the range of the mitigation options available towards 2030. The upward potential outside of target boundaries show what can be reduced beyond SBTi targets, with the same logic. Dark blue shows the emission reduction that is available and implemented already or part of the implementation roadmap towards 2030. Light blue shows mitigation options that are not yet in implementation. This includes mitigation options that are under investigation (e.g. awaiting a final emission factor such as methane oxidation), but also options that are available but awaiting investment decisions, e.g. manure digestion at member farms.

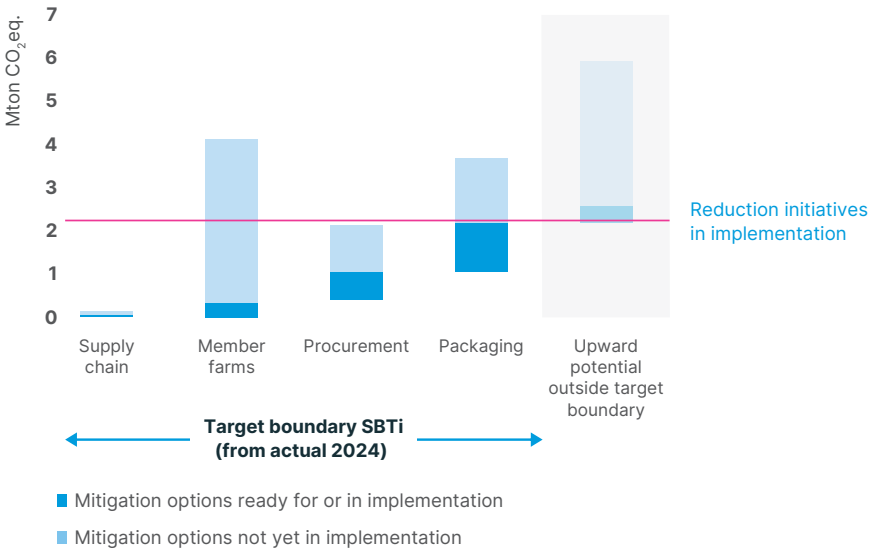


Figure 10: Emission reduction potential towards 2030, subject to implementation

The following section outlines our reduction strategy in more detail, highlighting actions already implemented as well as ongoing activities across scopes 1, 2 and 3.

Scope 1 and 2

As our production and transport emissions have been our focus for quite some time, we have a solid reduction strategy here. Our strategy consists of factory investments to reduce energy consumption, replacing fossil fuels with renewable fuels (including electrification), and supporting the use of renewable electricity produced at member dairy farms.
Our reduction strategy towards 2030 consists of committed projects that will be executed in the coming three years, that add up to 0.12 Mton CO_2 equivalents, and a roadmap that can bridge the remaining gap of 0.05 Mton CO_2 equivalents towards the target.

For our FrieslandCampina farm assets outside the EU, the mitigation options are focused on feed quality improvement (more feed efficiency, as better quality will also reduce enteric methane emissions from cows), manure management and renewable energy.

The progress of our reduction strategy is impacted by supply chain optimisation, which has an important impact on CO_2 emissions. Via this route we have prioritised supply chain optimisation projects to update outdated facilities. Examples are the replacement of old processing plants in Malaysia and Indonesia by new plants. Both have been opened in 2024.
The new facilities for example make use of renewable energy and biomass and will lower the annual emissions by approximately 12 kton.

Energy consumption

A large part of our energy consumption is used for generating heat and steam for our production processes. We aim to make our electricity consumption as green as possible. Heat is mainly created by natural gas and renewable biomass. Where possible, electrification is implemented, for example through the replacement of gas boilers by e-boilers. However, this is not always possible or economically viable. That is why we also look for renewable heat and steam generation, e.g. through the use of biomass. This is part of the supply chain reduction roadmap towards 2030 and 2050.

For renewable energy, we apply the following hierarchy:

- Energy generation on-site;
- Power purchase agreements (virtual), with either member farmers or other suppliers;
- Certificates of origin from member farmers;
- Local certificates of origin from installations in line with additionality principles.

We procure guarantees of origin from our member farmers and stimulate our farmers to install solar and wind energy installations. This ensures that the emissions-reducing actions are truly "additional" and provide a genuine climate benefit beyond what would have happened in a business-as-usual scenario. We also provide these farmers with the opportunity to purchase their electricity through a virtual power purchase agreement, thereby establishing synchronicity between production and consumption. For additional electricity demand, we currently buy certificates of origin (guarantees of origin and International Renewable Energy Certificates) in the country where the consumption takes place and from installations that have started less than 10 years ago. We also prefer solar and wind energy above hydropower.
We are currently defining a sustainable energy strategy that ensures additionality and improves synchronicity of production and consumption.

By 2030 we will still have unabated emissions for energy use. These will be addressed following the reduction pathway after 2030. The energy consumption breakdown is disclosed in the annual report 2024 (p. 60).

Carbon shadow price for CAPEX

To support climate-friendly decision-making, FrieslandCampina has added ‘carbon shadow prices’ to calculations for large investments since 2018. These prices are based on the actual EU-ETS price, the EU CO_2eq. market price, with a minimum of fifty euros per tonne CO_2eq. The idea behind this approach is that the higher the CO_2eq. savings generated by an investment proposal, the higher it scores. This ensures that sustainability becomes a key component in determining the return on investment.

Scope 3

Milk production on member dairy farms

Dairy processing is our core activity, so dairy farming accounts for about 80% of our total greenhouse gas emissions. Member farms supply roughly 75% of FrieslandCampina's dairy products and contribute around 50% of total emissions.
Member dairy farmers work every day to make their farms more sustainable — for example, through increased efficiency, improved roughage (feed) quality, and use and production of renewable energy (anaerobic digestion, solar and wind energy). We have been assessing emissions from milk production on member farms since 2013 and supporting member dairy farmers in reducing their carbon footprints through tools and incentives since 2015.

By combining knowledge, data and financial incentives, we support member dairy farmers in making their operations more sustainable. With tools such as the Annual Nutrient Cycling Assessment, the Measures Tool and the Foqus planet programme, we make sustainability on the farm transparent and achievable. These tools help farmers calculate their emissions, choose appropriate reduction measures, and reward them for their performance.

Since the start of the climate programme for member farms, the emissions on member dairy farms decreased by 22 percent per kg of milk (30 percent in absolute terms), this was partly achieved through a decline in total member milk volume. We see that at the best-performing member dairy farms of FrieslandCampina, greenhouse gas emissions are a quarter lower than the average of all member farms.
This shows that further reduction across all member farmers is possible. By supporting dairy farmers with knowledge and data, and by rewarding them financially for their sustainability results, we help dairy farms to attain the low levels of the leading farms.

Foqus planet: our quality and sustainability incentive system for member farms

With our quality and sustainability programme Foqus planet, we support member dairy farmers in producing the best milk under the best possible conditions. Foqus planet consists of two components. Firstly, the basic requirements concerning hygiene, quality, food safety, and animal welfare. Secondly, Foqus planet sustainable development encourages dairy farmers to further improve the sustainability of their farm in their own way.

Through Foqus planet sustainable development, dairy farmers are encouraged to gradually improve their farms in four areas: climate, biodiversity, animal health and welfare, and grazing. Member dairy farmers decide for themselves how they want to contribute to FrieslandCampina’s sustainability objectives. Their results are measured annually, and based on the result the farmers receive a premium. This premium is funded in part by a cooperative investment and in part by the company.

Foqus planet provides us with data to identify the environmental impact of every individual farm. This enables us to measure sustainability efforts accurately and reward our member dairy farmers accordingly. At this point, farmers receive a reward for their climate action of up to €1.50 per 100 kilogrammes of fat- and protein-corrected milk (see figure 11).

In 2025, FrieslandCampina member dairy farmers received 228 million euros for their sustainability performance in 2024, of which 172 million euros was provided through the Foqus planet Sustainable development programme.

Themes	Indicators	Threshold value (start of bonus)	Bonuses	Top value (maximum bonus)
ANIMAL HEALTH AND WELFARE	Longevity (years + months)	€0,00	5 years and 4 months	7 years and 2 months €0,10
	Calf rearing (KalfOK)	€0,00	70 points	95 points €0,10
CLIMATE	Greenhouse gas emission (gram CO_2-eq/kg milk)	€0,00	1050 g CO_2-eq	725 g CO_2-eq €1,50
BIODIVERSITY	Nitrogen soil balance (kg N/ha)	€0,00	160 kg/ha	20 kg/ha €0,10
	Ammonia emission (kg NH_3/ha)	€0,00	70 kg/ha	35 kg/ha €0,10
	Protein from own land (% of total protein used)	€0,00	45%	80% €0,10
	Permanent grassland (% permanent grassland)	€0,00	40%	100% €0,10
	Nature & Landscape (% total surface)	€0,00	0%	40% €0,10
GRAZING	Grazing	Partial grazing €0,40		Full grazing €1,30

Figure 11: Table for Foqus planet Sustainable development 2025 for member dairy farmers in the Netherlands

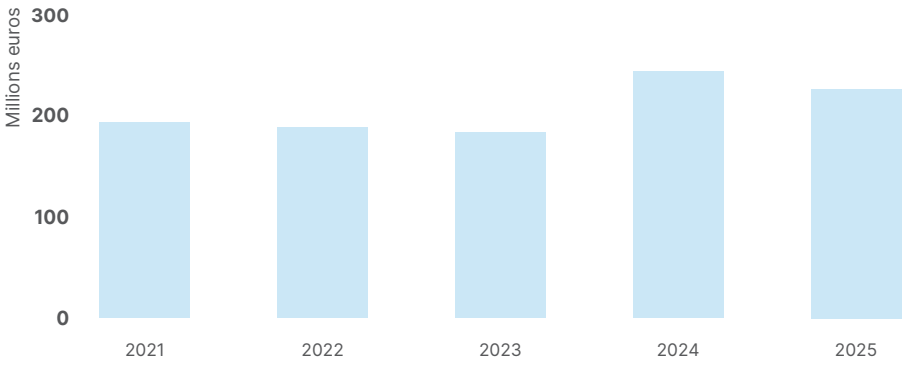


Figure 12: Pay-out to member dairy farmers for sustainability performance in million euros over the years.

Accelerating climate actions with customers

Collaboration is key. We work closely with customers such as Mars, McDonald's, Lidl and Mondelēz to reduce emissions across the value chain. Through joint agreements and incentive mechanisms, we support member dairy farmers in minimising their environmental impact on both climate and nature.

Unlocking innovations for the farm

In collaboration with multiple business partners, we aim to uncover innovations that could reduce the impact on climate and nature. We are running several pilot projects on member dairy farms, focusing on innovations that may help lower emissions. When these innovations prove effective, we work with partners and customers to scale them up across all member farms.

Supplier engagement

Next to our member farms, FrieslandCampina purchases dairy and other materials from suppliers. The associated emissions also need to be addressed. Therefore, FrieslandCampina has implemented a supplier engagement programme. The largest suppliers, based on emissions, have been invited to build an emission reduction journey together with us. With these suppliers we have started to investigate whether these emission factors can be improved (more accurate, clarity on yearly development). As more and more of our key suppliers have SBTi commitments, we investigate the possibilities for collaboration to lower emissions and ultimately sign agreements on how much reduction will be delivered by 2030.

Improve local dairy value chains

Other opportunities in the procured dairy and dairy products category can be found by ensuring that non-member suppliers of raw milk in Belgium, Germany and the Netherlands follow the same standards as our own member dairy farmers. In Belgium, the government is supporting farmers on mitigation options with subsidies, while in Germany the majority of the companies we work with also have SBTi targets. Again, a joint development is to be expected.

Part of the procured dairy is the local sourcing of dairy in countries outside Belgium, the Netherlands and Germany. In these countries, FrieslandCampina sources dairy from local suppliers, often smallholder farmers. Our global Dairy Development activities started in 2014. In this programme global and local teams work together to structurally provide knowledge to and improve the livelihoods of local dairy farmers, building on programmes that started in the 1980s. Just as with the member dairy farmers we look to provide local dairy farmers with the knowledge and tools required for good farming practices (including environmentally sustainable farming), as well as a good living so that they are supported to produce good quality nutrition while producing in balance with the planet.

Circular and fossil free packaging

Next to procured dairy, packaging is a relevant source of greenhouse gas emissions. As FrieslandCampina we continue to work on reducing waste and lowering emission from packaging. Our ambition is to have our complete packaging portfolio fully circular and free of fossil fuel emissions.

Currently our products are packed in a range of different packaging formats such as beverage cartons, carton, cans (tin, aluminium), plastic bottles, bags, pouches (plastic and aluminium foils) and glass. To improve the sustainability of our packaging we are focusing on improving recyclability, sourcing sustainably (e.g. lowering the use of virgin plastics) and limiting waste and pollution. In 2024, 92 percent of our entire packaging portfolio was designed for recycling.

We collaborate with different stakeholders along the value chain to be able to drive the needed change. We are part of several consortia, for instance on setting up a circular stream for business-to-business packaging.

Investments

To achieve the 2030 climate targets on scope 1 and 2, scope 3-member milk and scope 3-other, FrieslandCampina expects a total of between 0.7 and 1.3 billion euros gross in costs until 2030. These are expected costs for the company, excluding costs related to realisation of nature targets.
The expected costs are based on, among other things, investment plans for factories to reduce scope 1 and 2 greenhouse gas emissions. In addition, anticipated costs for scope 3-member milk are based on expected compensation to member farmers via the Foqus planet Sustainable development programme and on estimates to reduce scope 3-other. The cost level is in line with recent years where required reduction of greenhouse gas emissions has been realised. That is why FrieslandCampina does not expect that these costs will have a significant additional impact on the income

statement. The costs to reduce scope 1 and 2 are primarily capitalised as tangible fixed assets on the balance sheet. As in previous years, these investments are combined where possible with necessary replacement or efficiency investments, which are based on detailed roadmaps per production location. The costs to reduce scope 3-member milk and scope 3-other are accounted for in the costs of goods sold.

Offsetting

In line with the Greenhouse Gas Protocol, we do not currently include offsetting in our reduction plans and focus on mitigation plans only. However, offsetting opportunities will be further investigated in the coming years. By 2050, we aim to minimise our emissions to the greatest extent feasible and compensate any remaining emissions that cannot be eliminated. What this exactly entails, will be worked out in the coming years, see also page 10.

Ongoing on-farm initiatives focused on enhancing biodiversity, while also offering potential offsetting opportunities down the line, include the establishment of permanent grasslands and the adoption of agroforestry practices. For permanent grasslands, FrieslandCampina has started a pilot to understand the possibilities of creating carbon credits, in order to make the measure affordable for farmers to implement.

Further actions

FrieslandCampina currently makes no claims on carbon sequestered. This does not mean we are not actively working on improvements on climate and other sustainability topics. For instance, with our Dairy Development activities, we train farmers on how to increase milk productivity, by improving animal health, milking hygiene, animal feeding and water and animal welfare, but we also look at how we can implement micro digestors that use cow manure to generate biogas, fertiliser for the land and fuel for cooking stoves.

Furthermore, local teams are involved in community action such as beach clean-ups, but also in planting trees to help regenerate nature areas and agricultural land. In Pakistan, for example, 15-20 thousand trees were planted at farms and milk collection centres.

Our continued commitment to climate action

In this climate plan, we have set out our approach and progress on climate action. While mitigation options exist across the value chain, we recognise that implementing them is not ‘a walk in the park’ — neither for ourselves, nor for our member farmers or suppliers. Economic feasibility remains essential for all businesses, and supportive government policies and regulations are needed to ensure a level playing field. Once again, collaboration is key. At FrieslandCampina, we remain fully committed to our purpose of *nourishing by nature*, with climate action being, and continuing to be, a central part of that commitment.

Appendix - methodology

In this chapter we explain our assessment of the main Environmental, Social and Governance (ESG) challenges – showing climate mitigation as a major topic for FrieslandCampina, and our methodology for target-setting and reporting.
One of the main sustainability topics for FrieslandCampina is climate change mitigation. This is evidenced by the outcome of the double materiality assessment (for more details, see our annual report).

Methodology and assumptions of greenhouse gas emissions

We report emissions in our direct operations, and from downstream and upstream activities. This includes CO_2, CH_4, N_2O and coolants including hydrofluorocarbons (HFCs) and hydrochlorofluorocarbons (HCFCs).
The factors for global warming potential are based on Intergovernmental Panel on Climate Change (IPCC). For dairy emissions, we currently follow Assessment Report 6 (AR6), and for other emissions, we currently follow Assessment Report 5 and are transitioning to AR6. All greenhouse gas emission calculations are based on the World Resources Institute (WRI) Greenhouse Gas Protocol, and for land-based emission based on the draft Land Sector and Removals guidance.

We determine emission factors based on data availability, with the hierarchy:

- Product specific emission factor, either calculated by us or provided by supplier.
- Volume-based average carbon footprint, provided by emission factor databases.
- Activity-based average carbon footprint, provided by emission factor databases.
- Spend-based emission factors, provided by emission factor databases.

Scope 1 and 2

Following the Greenhouse Gas Protocol, our scope 1 emissions are direct greenhouse gas emissions that occur from sources that are owned or controlled by our company. We use the operational control approach to consolidate our greenhouse gas emissions. This means subsidiaries or other operations in which we have the full authority to introduce and implement our operational policies are included. Scope 1 includes for example emissions from fuel combustion in our production facilities and processes and the use of diesel for our member milk transport in the Netherlands, Belgium and Germany. Emissions from owned dairy farms (Pakistan and Nigeria) and leased assets (those that are accounted for 'on balance' in line with IFRS 16) are also included in scope 1. Our scope 2 emissions are the emissions associated with purchased electricity, steam or heat from external sources used for our own use.

Our main processes where scope 1 and 2 emissions occur are:

- Processing of milk into our products: e.g. fresh milk products (including yoghurts etc.), cheese, whey and other milk- and whey powder products (including infant food).
- Milk collection and transport between production facilities.
- Milk production on owned dairy farms.

Box 1 shows the activity data and emission factors used in scope 1 and 2.

Activity data:

- Energy use for (milk) processing in plants under management of FrieslandCampina, including leased assets.
- Leakage of coolants and nitrous oxide throughout processing facilities.
- Milk transport related to delivery to FrieslandCampina from member dairy farms (member dairy farms are located in Belgium, the Netherlands and Germany) and between plants in this area.
- Milk and feed production in owned farms in Pakistan and Nigeria.

Emission factors scope 1:

- Emission factors per fuel type, either based on generic figures, country figures or plant-specific figures.
- Emission factors per coolant type.
- Emission factors per kg of FPCM or hectare of feed produced, based on country or region figures (owned farms Pakistan and Nigeria).

Emission factors scope 2:

- Electricity: market-based electricity based on national grid emission factors per country unless renewable energy is used proven with virtual Power Purchase Agreements or Guarantees of Origin, both partially from member farmers. Location-based based on country average grid emission factors.
- Heat/steam: specific heat factors per source of heat.

Scope 3

Scope 3 consists of all upstream and downstream emissions. We have inventoried emissions for categories that are stipulated in the Greenhouse Gas Protocol. Purchased Goods & Services (PG&S) is in the is scope of multiple departments (Procurement and Cooperative Affairs).

Our main emission sources include:

- Procured dairy from farms.
- Procured dairy products: similar to emissions from production of milk at member dairy farms and processing of dairy products (produced dairy products).
- Procured packaging materials: the emissions from packaging production, calculated 'cradle to gate'. This includes extraction (ore, oil, bio-source etc.), refinery, transport and processing.
- External manufacturing: the emissions of dairy production (cradle to farm gate) unless this milk is delivered by FrieslandCampina (in which case emissions are included in procured dairy products or member milk) and emissions from processing and transport.
- For raw materials emissions from cultivation and land use (cradle to farm gate) and processing.
- For non-FLAG purchased products: all emissions cradle to our factory gate and if relevant emissions in processing of our products (category 10) or emissions in use-phase (category 11).

See box 2 on page 26 for the activity data and emission factors used in scope 3.

Reporting

FrieslandCampina reports its greenhouse gas emissions in its annual report following the guidance of the Global Reporting Initiative and in line with the Greenhouse Gas Protocol. See corporate website for more information. Also, we annually report to CDP an independent environmental disclosure system. Emissions are consolidated using the operational control approach.

We prioritise the use of primary measured data in our greenhouse gas reporting. We rely mostly on actual data. This goes for our own production data and member milk volumes. In limited cases, where such information was not available or complete, we made use of assumptions and estimates. For example, where supplier-specific emission factors are not yet available, FrieslandCampina calculates scope 3 emissions based on volumes and associated emission factors from databases like Agri-footprint and Ecoinvent. When volumes are not available, e.g. for services, we use economic intensity data (WIOD).

Restatements

Restatements may occur due to data errors, calculation mistakes or methodology updates, such as changes in emission factor sources or improved methods to measure greenhouse gases. In our restatement policy we set thresholds to assess whether a restatement of comparative figures, and/or the base year if applicable, is needed, to maintain comparability. These thresholds may be lowered if the restatement impacts the achievement of targets or commitments, to ensure a fair presentation.

Box 2 shows the activity data and emission factors used in scope 3.

Activity data:

- Dairy delivery to FrieslandCampina from member dairy farms (member dairy farms are only located in Belgium, Netherlands and Germany.
- Dairy delivery to FrieslandCampina from other sources (procured raw milk from non-member farmers, procured dairy products from suppliers.
- Volumes of other materials and purchased goods and services.

Emission factors:

- For dairy from member farms: Emission factors per kg of FPCM calculated for each individual farm in the Centrale Database KringloopWijzer, in accordance with IDF and PEF CR. FrieslandCampina emission factor calculated following the process described in the methodology document. Data on the nutritional composition and carbon footprint of the compound feed are provided by the feed companies that provide the feed to the farmer. The feed companies calculate the carbon footprint of feed according to the EU PEF Category Rules for Feed and supply it via the Feed Database to the Central Database. Part of this footprint for the compound feed are the land use change emissions due to deforestation and conversion. Since 2015, animal feed suppliers can only supply certified soy to member farmers. This certification is based on RTRS certificates (or equivalents). As of 2022 the feed companies use a book-and-claim way of accounting for these emissions by purchasing certificates that ensure an equal amount of soy is produced on land that has not been converted or deforestated for at least 20 years. These so called Satellite Based Land Use Change certificates lower the carbon footprint of the soy used. This is part of the carbon footprint of feed and provided as such to the Central Database directly out of the feed database.
- For non-member dairy: Emission factors per kg of FPCM based on existing databases (FAO and GDP), and own calculations of country averages. FrieslandCampina emission factor calculated following the process described in the methodology document.
- For other procured goods and services: Emission factors per Unit of Measure (e.g. kg or piece) either from verified supplier data, LCA databases (e.g. Ecoinvent, Agrifootprint) and if those are not available economic intensity numbers are used from WIOD with yearly sector specific inflation adjustment.

Improvements:

The WUR Carbon calculation model in the Central Database KringloopWijzer is continuously being improved and new mitigation options are added when they are reviewed, meet the criteria and correct activity data can be used. This process is managed by Wageningen University & Research).

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September 2025