



FrieslandCampina 
nourishing by nature



Royal FrieslandCampina Planet Policy

August 2025



Version	1.0
Date of application	29-8-2025
Author	Chief Sustainability Officer
Approving body	Executive Board
Target audience	This policy is intended for all stakeholders who influence or are impacted by our environmental footprint, including but not limited to employees, customers, suppliers, investors, regulatory bodies, local communities, and civil society organizations.
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Previous versions	N/A
Repository	This policy is publicly accessible via our official website, on the page titled "Our Policies and Commitments." This repository serves as the central location for all externally communicated policies, including our environmental commitments, ensuring transparency and accountability for all stakeholders.



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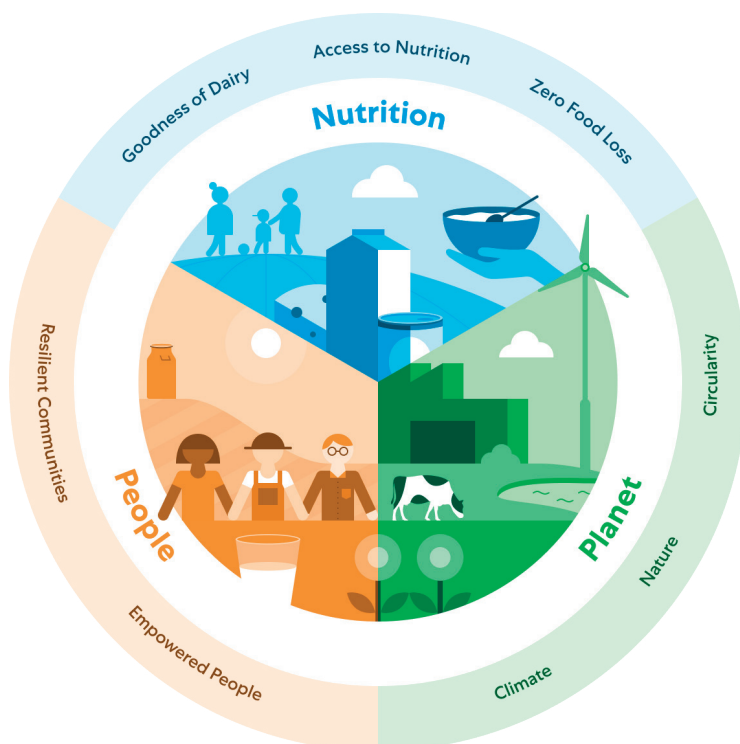
1. Objectives and scope

At Royal FrieslandCampina, the guiding purpose is nourishing by nature. This means delivering maximum nutritional value with the least possible impact on climate and nature. Achieving this purpose requires a strong focus on Environmental, Social, and Governance (ESG) topics, along with a firm commitment to delivering on sustainability goals. This is what we call Doing DAIRY Right. Our efforts are organized under three strategic pillars: People, Planet, and Nutrition.

The Planet pillar represents the program covering the environmental topic and aims to ensure that dairy production is in harmony with nature. The long-term ambition is to reach a net positive environmental impact by 2050. This involves operating within planetary boundaries by minimizing negative environmental effects and enhancing positive contributions across the full value chain.

This policy outlines how environmental impacts, risks, and opportunities arising from all operations under our direct control are managed. It applies to all FrieslandCampina manufacturing sites and non-manufacturing sites (offices, R&D facilities), logistics activities (such as transport and milk collection), and logistics sites (warehouses and distribution centers). The policy is applicable to all FrieslandCampina employees, as well as individuals working on a temporary or outsourced basis. It also extends to joint ventures where FrieslandCampina maintains operational control. Furthermore, we encourage our partners throughout the value chain, even those outside our direct control, to align with the principles outlined in this policy. Specific requirements can apply to suppliers, for this supplier specific policies are referenced in this document.

By setting clear global principles and standards, the Planet Policy ensures that all activities are aligned with FrieslandCampina's purpose and long-term sustainability goals.



2. Principles

2.1 Generic principles

This paragraph includes generic principles that apply across the Planet Pillar:

- **Executive team oversight:** the executive team maintains oversight of our environmental agenda, in line with FrieslandCampina's global ESG strategy. This includes regular reviews of our environmental priorities, based on assessments of environmental impacts, risks, and opportunities, as well as targets and base years, in alignment with CSRD and CSDDD requirements.
- **Risk assessment:** We maintain oversight of the management of key environmental risks, including regular evaluations of the effectiveness of our risk management and internal control systems. This also includes risks and opportunities related to our business's dependency on ecosystem services, such as water availability for feed and forage, and the impact of heat stress on animals.
- **Progress transparency:** FrieslandCampina ensures ongoing monitoring and transparency regarding progress on our committed Planet KPIs and other public environmental goals, through annual reporting under limited assurance.
- **Compliance:** We ensure compliance with applicable environmental regulations.
- **Compensation and Credits Principles:** Our primary goal is to reduce environmental impacts within our value chain. Compensation measures are considered in two specific cases:
 - **Ongoing Impacts:** When impacts persist until mitigation actions are fully implemented. This is used temporarily, while actively pursuing improvements within the value chain.
 - **Residual Impacts:** When impacts are beyond our control. These compensations may take a more structural form.

We distinguish between two types of compensation:

- **Insetting:** Indirect compensatory actions within the value chain. These are only permitted when there is verified evidence that the impact occurs within the value chain.
- **Offsetting:** Mitigation beyond the value chain. This is allowed only in exceptional cases and must be supported by credible proof (e.g., credits or certifications verified by independent third parties).

Communication regarding these measures should be transparent, and they should never be used to make sustainability claims.

- **Responsible partnerships:** We want to establish and maintain collaborative relationships with industry players who apply our environmental standards and contribute to our goals and commitments. For the member farmers this is part of the cooperative Rules of Practice. [The Responsible Supplier Policy and Business Practices Statement](#) specify in detail how our suppliers should act if they want to provide FrieslandCampina with their products and/or services. To ensure these standards are upheld, we integrate environmental criteria into our supplier due diligence processes. This includes the use of third-party assessment platforms such as EcoVadis and CDP, which help us evaluate suppliers on key sustainability metrics. These assessments inform our procurement decisions and support continuous improvement across our supply chain.



2.2 Climate principles

Climate mitigation

Achieving a net positive environmental impact begins with the pursuit of climate-neutral dairy. Our climate program is built on the following principles:

- **Science-Based Targets initiative (SBTi) alignment:** FrieslandCampina aligns its near-term emission reduction targets with the Science Based Targets initiative (SBTi), ensuring our pathway is consistent with limiting global warming to 1.5°C, in line with the Paris Agreement.
- **Gradual elimination of fossil-based CO₂ emissions:** With regard to emissions related to fossil we focus on energy efficiency, electrification, and a transition to renewable energy sources to significantly cut fossil-based emissions.
- **Minimised non-fossil emissions:** Specifically reducing methane emissions from dairy cattle or and manure management. Residual emissions that cannot be eliminated will be addressed through carbon removals, such as soil carbon sequestration. Only when no in-value-chain solutions are available will compensation outside the value chain be considered.
- **Deforestation- and conversion-free value chain:** We aim for a deforestation- and conversion-free value chain, with a focus on the key primary commodities palm oil, soy and paper. This is also part of our SBTi-validated targets.

For a detailed overview of how these principles are translated into concrete emission reduction actions, please refer to our [Climate Plan](#).

Climate change adaptation

In addition to mitigation, FrieslandCampina recognizes the need to proactively adapt to a changing climate, evolving regulatory landscapes—such as carbon taxes—and shifting consumer expectations. Climate adaptation is embedded in our broader enterprise risk management framework. Beyond reducing our own climate impact, we continuously monitor how climate change affects our operations and supply chain. It informs the development of strategies to mitigate risks and seize opportunities related to water scarcity, evolving agricultural regulations regarding GHG or land use, and carbon pricing or taxation. Our climate risk assessments cover both FrieslandCampina's own operations and those of our suppliers. Transition risks, including regulatory changes and market shifts, are managed through decarbonization initiatives across the entire value chain, ensuring resilience and long-term competitiveness.

2.3 Nature principles

Nature is a fundamental part of our business and is key to our license to operate and succeed. The following principles guide our efforts to protect biodiversity and contribute to nature-positive outcomes:

- **Kunming-Montréal Global Biodiversity Framework alignment:** FrieslandCampina aligns its nature targets and actions with the Kunming-Montréal Global Biodiversity Framework. We aim to reduce our negative impacts on nature to such an extent that the positive contributions of our activities outweigh any remaining harm. 'Nature' is defined as living ecosystems, species, genetic diversity, and the supporting natural processes, along with non-living elements such as water, air, soil, and climate.



- **Natural capital risk assessment as the base:** We base our nature targets on a natural capital risk assessment aligned with the Taskforce on Nature-related Financial Disclosures (TNFD). This includes biophysical, financial, and reputational risks. We also apply the Science Based Targets Network (SBTN) framework to identify and manage operational pressures and drivers of nature loss.
- **Primary focus to high-risk areas:** Operations located in biodiversity-sensitive areas are prioritized for monitoring and mitigation. These sites are regularly evaluated and addressed within our strategic planning. This includes water use in water stressed areas.
- **Nature Integration:** Biodiversity considerations are integrated into decision-making at the farm level, as well as in procurement and production practices. See below a few examples:
 - **Farm-level practices:** we support land restoration at member farms aiming to increase and maintain landscape elements which provide habitat to local species.
 - **Procurement practices:** we ensure that sourcing, production, and financial investments do not contribute to the gross conversion of natural ecosystems. Supplier compliance is managed by our [Zero Deforestation and Conversion Policy](#).
 - **Production practices:** we commit to minimizing any pollution that may arise from the production processes. When waste is generated, we focus on managing it responsibly to prevent environmental harm.

2.4 Circularity principles

By maximizing circularity in the use of resources, FrieslandCampina limits emissions, reduces waste and minimizes the use of virgin materials, benefiting both climate and biodiversity. Our circularity approach focuses on the following areas:

- **System transitions:** Shifting from linear to circular systems both in agricultural value chain practices and the production of our products in using materials, water, nutrients, and energy. This means using resources as efficiently as possible, shifting to non-fossil sources, promoting recycling and recovery as much as possible. We aim to close resource loops as much and as locally as possible to minimize waste. Among the practices included are:
 - **Food loss prevention:** we are committed to minimizing food losses throughout operations. The company employs optimized processes to convert raw materials into high-value, nutritious food products as efficiently as possible. Where possible, products are developed with extended shelf life to further reduce the risk of food waste and avoid loss of valuable natural resources.
 - **Circular packaging:** we are committed to using circular and net climate-neutral packaging, supported by dedicated programs to reduce material use, increase recyclability and integrate recycled content into packaging design.
- **Value chain collaboration:** Most resource cycles are inherently global, which means some inefficiencies, losses, and environmental impacts are impossible to tackle on our own. That is why we work closely with partners across the value chain to accelerate circular innovation and bring solutions to scale.



3. Accountability, monitoring and governance

The Executive Board is accountable for the FrieslandCampina way of working and therefore for the executing of and compliance with the principles as set out in this policy. The Chief Sustainability Officer (/Director Sustainability Strategy & Customer Partnerships) is responsible for drafting, updating and changing this policy.

We measure and monitor our environmental performance and report on such performance in our Annual Report, in monthly meetings on supply chain sustainability and planet review meetings as well as in the Quarterly Business Reviews. This in accordance with applicable sustainability reporting rules and standards (including those under the Corporate Sustainability Reporting Directive).

In line with global policy guidelines, this group policy is ultimately approved by the FrieslandCampina Executive Board. The policy will be reviewed annually to ensure it remains relevant and effective.

4. Stakeholder impact

This policy incorporates input that we received from our internal and external stakeholders, and we will use our environmental performance and impacts, risks and opportunities as further input for our dialogues with them in line with the [FrieslandCampina policy on responsible advocacy](#).

Following global trends, stakeholder input and company strategy, we are continuously working to develop our ESG strategy, commitments, programs, and value propositions. The outcomes will be considered in the annual review of this policy. The policy is available to all external and internal stakeholders via the FrieslandCampina website. We communicate this policy to our stakeholders via our corporate website and engage with a wide range of stakeholders on the topics described in this policy. The policy impacts our key stakeholders as following:

- **Employees:** FrieslandCampina engages employees on environmental issues and ensures that those responsible for adhering to this policy have the relevant skills and competencies.
- **Value chain stakeholders:** (like suppliers, customers, consumers and financial institutes): we acknowledge that the successful implementation of this policy requires value chain partnerships. As such, the policy defines the rules on how we want to play our role in the markets.
- **Societal stakeholders:** NGOs and nutrition and health experts: this policy supports wider societal goals to combat climate change, protect biodiversity and consume in balance with our planet. This might also affect the nutritional, health and social aspects of our product portfolio. Where trade-offs are unavoidable, we aim to mitigate negative effects.

