



Independent Assessment Report on FrieslandCampina's marketing practices in Indonesia in 2025 against the FrieslandCampina Corporate Policy for the Marketing of Infant Foods

Introduction and Objectives of Work

Bureau Veritas was commissioned by FrieslandCampina Nederland B.V. ("FrieslandCampina") to provide independent assessment of FrieslandCampina's Operating Company in Indonesia (the 'Operating Company', also referred to as "OpCo" in this document) on their compliance against the following:

- FrieslandCampina Corporate Policy for the Marketing of Infant Foods (May 2025) (the 'Policy').
- The 'Local Code':
 - PMK (Decree of Minister of Health) no 15 year 2014
 - PMK no 39 year 2013
 - PMK no 58 year 2016
 - Government Regulation no. 28 year 2024
 - PERBPOM (NADFC) no. 24 year 2020
 - BPJPH Regulation (halal certification)

Scope of Work and Methodology

The assessment was undertaken in Jakarta, Indonesia, between 17th – 20th June 2025. The audit programme is part of the FrieslandCampina controls on addressing compliance against the Policy for the Marketing of Infant Foods.

The audit was conducted using one lead auditor from Bureau Veritas UK Ltd ("Bureau Veritas"), supported by a local Bureau Veritas audit team member. The Audit Team roles and responsibilities were as follows:

- Lead Auditor, Bureau Veritas UK: the lead auditor managed the OpCo audit programme from start to finish and conducted the interviews during the head office audit and conducted the market audit.
- Auditor, Bureau Veritas Indonesia (local office in OpCo country): a local auditor who supported on the market audit.

The methodology followed for this audit was consistent with audits from previous years with other OpCo's.

During the audit, Bureau Veritas undertook the following activities:

- Reviewed the sustained effectiveness of corrective actions relating to non-conformances raised during previous audits against the OpCo.
- Interviewed FrieslandCampina employees on-site at the country head office and its distributor's employees at their offices and reviewed documentation and records relating to specific areas of compliance with the Policy and the Local Code with reference to 'Covered Products'.
Note - Covered Products are defined per country based on applicable Local Code.
- Visually assessed compliance with the Audit Referentials in retail locations including modern trade, pharmacies, traditional trade, and e-commerce. Bureau Veritas independently selected the retail locations that were visited.

Findings

Any findings identified during the audit have been categorised as per the following:

- **Non-conformance:**
 - A failure to follow a written requirement specified within the Policy
 - A failure to achieve legal or statutory requirements.
 - A purposeful failure of the company to correct nonconformities.
- **Opportunity for Improvement:**
 - A process/activity/document that, while currently conforming to the Policy, could be improved to strengthen the OpCo and/ or Corporate Friesland Campina practices.

Market place coverage: Bureau Veritas visited 170 retail locations in Jakarta, 4 e-commerce sites and 5 social media platforms for visual assessment and interviewed 25 OpCo employees and 2 representatives from a distributor.

Note – it was agreed with the client to remove Health Worker (HW) interviews from the audit agenda since the OpCo has no direct medical marketing and sales activities to Health Care Facilities.

The scope of this audit is: Covered products' which are: 'products primarily intended for infants aged 0-6 months (infant formula) and 6-12 months (follow-on formula). In general it is considered that Indonesian law is equally or more strict than FrieslandCampina Policy with respect to: active Ministry of Health enforcement; promotion and advertising restrictions; relationships with HCPs and HCFs and contact with the public/patients.

Non-conformances

1. *Online marketing practices*

Bureau Veritas visited e-commerce websites to check for compliance with Policy and Local Code. Sellers were observed offering a range of discounts on 15% of the covered product offers sampled. These offers occurred on 2 of the 4 e-commerce / online marketplace sites reviewed. Both of these were linked from the Frisian Flag (frisianflag.com) website and it was noted that the OpCo has a trade agreement with one of the online marketplaces. These promotional activities represent a non-conformance in the marketplace with respect to the Local Code. There was no evidence to suggest that these price reduction promotions were placed at the request of the OpCo.

Opportunities for Improvement:

1. Advertising and promotion to consumers

The approval process for Point of Sales Materials (PoSM) was reviewed. In line with a best practice management systems approach the OpCo may consider creating and maintaining a master list and a record of all Point of Sales Materials (PoSM) and Marketing Materials approvals and shifting from the current relatively informal email based approval method to a more formal method for the purposes of effective, efficient and resilient internal management of approvals.

2. Informational and educational materials intended for health workers

Informational and educational materials intended for health workers were reviewed. These activities are permitted under the Local Code and Policy. However, the OpCo may consider reviewing their approach to the expert medical human resource that is required to substantiate the scientific basis of product claims so that those scientific claims retain credibility and so that brand/OpCo credibility, legitimacy and trust are maintained amongst stakeholders. For example, they may seek external medical expertise (other than in house resource) to support these functions.

3. Informational and educational materials intended for mothers of babies in scope

The OpCo may consider more pro-actively monitoring 3rd party e-commerce, online parent forums, blogger, influencer and product comparison/review sites featuring Frisian Flag covered products to ensure they carry appropriate information about the presumption in Indonesian law for breast feeding (other than where there is a medical reason not to) and do not use inappropriate imagery.

There were a number of areas identified where the compliant practices are well managed and these instances have been summarised in an internal report to FrieslandCampina.

Limitations

Visual (both in-person and virtual) inspections of retail outlets and external stakeholder interviews are conducted on a sample basis and are geographically limited to the cities as specified above. Some of the statements made by external stakeholders (where they have been made) are anecdotal and evidence may not be available to support their claims. Whilst the assessment protocol is designed to provide an objective independent assessment, it remains that in some cases the content of the statements is dependent solely on the credibility of the party presenting the evidence.

This statement is not intended to provide a definitive opinion as to whether the Operating Companies comply with the Policy or the Local Code. Neither the assessment conducted by Bureau Veritas, nor this statement constitutes a guarantee or assurance by Bureau Veritas that infringements against the Local Code or Policy have not taken place.

It is also not within Bureau Veritas's scope of work to provide an opinion or assessment over the appropriateness of the Policy for the implementation of the WHO Code.

Statement of independence, impartiality, and competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 190 years history in providing independent assurance services. Bureau Veritas has implemented a Code of Ethics across its business which ensures that all our staff maintains high standards in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

Our audit team members do not have any involvement in any other projects with FrieslandCampina outside those of an independent audit scope and we do not consider there to be a conflict between the other services provided by Bureau Veritas and that of our audit team. Our team involved in this work has extensive knowledge of conducting assurance over environmental, social, health, safety and ethical information and systems, and has extensive experience of undertaking WHO Code assessment related work.



Bureau Veritas UK Ltd, London

15th December 2025