



FrieslandCampina 
nourishing by nature

Compliance Status Report 2024

FrieslandCampina Corporate Policy
for the Marketing of Infant Foods

Contents

About this report	3
Responsible marketing of infant foods	4
Our Policy for the marketing of infant foods	5
Continuous improvement	6
Highlights from our Management system for compliance	6
Follow up actions from the 2023 report	6
Main activities 2024	7
Public reporting	7
Raising awareness	8
ATNI BMS index 2024	8
Our 2024 Performance	9
Key figures and achievements	9
Feedback on performance	9
External compliance complaints	10
Internal monitoring	10
Internal compliance complaints	10
Compliance complaints handling	10
Self-assessments	10
FrieslandCampina Speak Up	10
Bureau Veritas compliance audit	11
Bureau Veritas audit programme	11
Recommendations for improvement	12
Summary of non-conformances	12
Looking ahead	13



About this report

At FrieslandCampina, we remain steadfast in our commitment to supporting the health and development of infants and young children through responsible and ethical marketing practices. Our Policy for the Marketing of Infant Foods reflects our dedication to promoting and protecting breastfeeding, while ensuring that when breast milk is not an option, high-quality, safe, and nutritious alternatives are available.

In 2024, we continued to build on the foundations laid in previous years, strengthening our internal systems and external collaborations to uphold the highest standards of compliance. Through rigorous internal assessments and independent external audits, we have monitored our marketing activities to ensure alignment with our Policy.

This fourth annual compliance status report provides a transparent overview of our performance in 2024. It includes a summary of reported allegations, findings from audits and assessments, and the actions taken to address non-conformances. It also highlights the progress we have made in enhancing our practices and outlines areas for further improvement.

By continuously learning and adapting, we aim to ensure that our marketing practices not only meet regulatory requirements but also reflect our broader mission of nourishing a better planet. Through this report, we reaffirm our commitment to ethical marketing, consumer trust, and the well-being of the youngest members of society.

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Ensuring the health and development of infants and young children is a responsibility we take very seriously at FrieslandCampina. Our unwavering commitment to ethical marketing practices and our robust compliance program reflect our dedication to this cause. I am immensely proud of how FrieslandCampina, as a company, is leading these efforts and making a positive impact on the lives of the youngest members of our society.”

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Harvey Uong
President Specialized Nutrition

Responsible marketing of infant foods

At FrieslandCampina, we recognize the profound impact that early-life nutrition has on lifelong health and development. Our commitment to responsible marketing is rooted in our belief that every child deserves the best start in life. We are responsible for our marketing practices. Therefore, it is important that we market our foods for infants and young children in the most responsible way. The aim and principles of the World Health Organization's International Code of Marketing of Breast-milk Substitutes ('the WHO Code') and relevant World Health Assembly (WHA) resolutions, as implemented in local legislation and reflected in our Policy, are well rooted in our company's way of working.

We firmly support the WHO recommendation that exclusive breastfeeding is the optimal way to nourish infants during the first six months of life, and that breastfeeding should continue alongside safe and appropriate complementary feeding up to two years of age or beyond. When breastfeeding is not possible or chosen, we are committed to providing safe, high-quality, and nutritionally appropriate alternatives, produced and marketed with the utmost care and responsibility.

Responsible marketing has long been embedded in our company's culture and operations. Over the years, we have continuously evolved our standards, strengthened our internal compliance systems, and engaged in transparent reporting to ensure that our practices reflect both global expectations and local realities. In 2024, we continued to build on this legacy, reinforcing our commitment to ethical marketing that protects and promotes breastfeeding, while ensuring that our foods for infants and young children are used appropriately and based on adequate information.



Our Policy for the marketing of infant foods

FrieslandCampina's Policy for the Marketing of Infant Foods is the cornerstone of our commitment to responsible marketing. It is based on the principles of the World Health Organization's International Code of Marketing of Breast-milk Substitutes and relevant WHA resolutions, ensuring that our marketing practices support and protect breastfeeding while guiding the appropriate use of our foods for infants and young children when necessary.

The Policy applies globally to all FrieslandCampina entities, subsidiaries, and partners involved in the marketing of infant and young child nutrition products. It is designed to ensure consistent, high standards across all markets, regardless of local variations in regulation. Where national legislation or local codes implementing the WHO Code impose stricter requirements, we apply the higher standard.

The Policy defines "covered products" as, at a minimum, infant formula and formula for special medical purposes for infants from birth to six months. In many countries, our Policy also extends to follow-on formula, young child formula, and/or infant cereals, in alignment with local legislation or codes.

To support effective implementation, our Policy includes ten Guiding Principles for Compliance, aligned with the aim and principles of the WHO Code. These Guiding principles provide clear direction for employees, distributors, and partners, aiming for responsible communication and ethical behavior in all marketing activities.

Our Management System for Compliance underpins the Policy, enabling harmonized processes, continuous monitoring, and consistent application across all markets. This system fosters a culture of accountability and continuous improvement, helping us adapt to evolving developments.



Highlights from our Management system for compliance

Governance	By defining clear roles and responsibilities at every level of our organization, and appointing dedicated Topic Leaders to oversee local implementation, we ensure effective governance and operational efficiency. This structured approach not only enhances accountability but also ensures the harmonized execution of our Policy.
Education & Training	We have implemented a comprehensive company-wide training program that operates on both global and local levels. Our global e-learning courses are available in multiple languages, ensuring accessibility for all. Additionally, training is provided to colleagues and direct partners in the various countries, offering valuable insights from a local perspective.
Monitoring	We conduct self-assessments within our Operating Companies using a standardized tool, ensuring consistency and thoroughness. Additionally, we collaborate with external auditors to monitor compliance with our Policy, providing an extra layer of oversight and integrity.
Handling allegations	We actively receive, review, and address external allegations from all sources. Our Speak Up System allows external stakeholders and employees to raise compliance concerns. This system supports anonymous submissions, ensuring confidentiality and encouraging open communication. Our robust internal complaint handling process ensures that all complaints are thoroughly investigated and responded to.
Reporting	We maintain a corporate compliance database for centralized reporting of all findings related to our Policy. Each year, we publish a report on FrieslandCampina's compliance status to raise awareness and highlight the progress we've made in advancing compliance.
Continuous improvement	Each year, the Executive Board endorses recommendations for improvement based on the previous year's performance and provides guidance to the business for effective implementation. We regularly review and evaluate our Policy to identify opportunities for enhancement.
External engagement & disclosure	We have a Policy on Responsible Advocacy that all employees engaging in advocacy on behalf of FrieslandCampina must follow. We also publish a list of trade associations and industry policy groups that FrieslandCampina participates in on our website. Each year, we release a compliance status report to enhance transparency regarding our marketing practices for foods for infants and young children, including recommendations for improvement.

Continuous improvement

We have laid down harmonized processes in all areas to continuously improve compliance with our Policy. All elements of our Management system for compliance aim to support continuous improvement.

Follow up actions from the 2023 report

Based on the findings from our performance in 2023, we identified some key areas for improvement. Several actions have been taken to further strengthen the internal processes of our management system for compliance.

- Reviewing and updating our Policy and internal Guideline
- Streamlining the corporate compliance database
- Implementation of a global process with clear roles and responsibilities for regularly identifying and assigning target employees, including newcomers, and for monitoring completion of the mandatory e-learning

Main activities 2024

We have carried out several activities in 2024 as part of our continuous improvement mechanism and commitment to transparency and interaction with external stakeholders.

Public engagement	Enhancing Compliance	Monitoring and Reporting
- Engage with ATNI around the publication of the BMS index of 2024 - Publish the external annual compliance status report 2023 - Publish the Bureau Veritas assurance statement of Vietnam compliance audit 2023	- Handle compliance complaints received in the Business Groups - Solve non-compliances observed in the Business Groups - Organize refresher trainings on the Policy	- Report to the Executive Board and the Business Groups about the compliance status 2023 - Carry out the Bureau Veritas compliance audit in Greece and Malaysia in 2024 - Carry out self-assessment on compliance in all Operating Companies

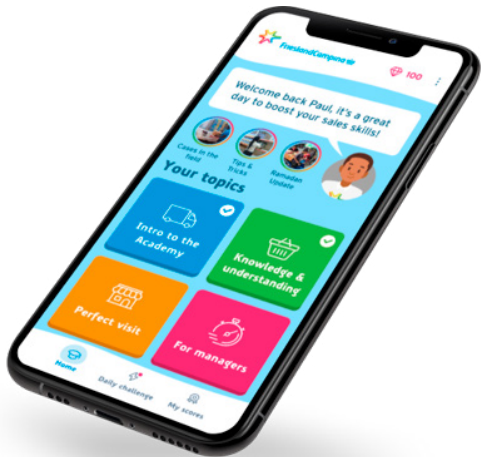


Public reporting

We demonstrate our dedication to transparency by publishing essential compliance documents on our [corporate website](#). This includes the annual compliance status report detailing monitoring outcomes and Bureau Veritas' assurance statements from the compliance audits. We also share a directory of trade associations and industry groups that FrieslandCampina is affiliated with and a stakeholder dialogue [policy](#) and [table](#).

Raising awareness

A company-wide training programme on marketing of infant foods is in place, both on global and on local level. We provide comprehensive trainings for employees, distributors, and partners to ensure they understand and adhere to the Policy. These trainings cover the principles of responsible marketing and the importance of breastfeeding. Training is provided to colleagues and direct partners in the countries to give the local perspective. In addition, we have several global e-learning available in different languages.



Basic global e-learning

The introductory e-learning course covers the WHO Code and our Policy, detailing our ten Guiding Principles for compliance and the importance of adhering to these rules. This training is mandatory for all FrieslandCampina employees, whether directly or indirectly involved in foods for infants and young children, including top management.

Advanced global e-learning

The advanced global e-learning delves deeper into our ten Guiding Principles for compliance, demonstrating how to apply them in practical, day-to-day situations. This training is specifically designed for FrieslandCampina staff involved in the communication, marketing, and sales of our infant foods.

ATNI BMS index 2024

In the 2024 ATNI BMS Index, FrieslandCampina ranked first among 18 companies assessed. We were recognized for our comprehensive policies and management systems related to the marketing of infant foods. Notably, FrieslandCampina's extensive training program for employees on the Policy was highlighted as a key strength. FrieslandCampina's commitment on the global application of the Policy to infant formula, including formulas for special medical purposes, was recognized by ATNI as a notable improvement. In addition, our explicit Policy commitments in digital environments, such as advertising on social media and point-of-sale promotions in online retail stores, were also highlighted by ATNI. FrieslandCampina's label approval procedures were mentioned for representing a good practice example to implement commitments set out in the company labelling standards.

The ATNI assessment identified alleged non-compliances in Vietnam, Indonesia, and China. These non-compliances were related to product labeling and promotional practices that, while compliant with local legislation and our Policy, did not meet the broader scope of ATNI's assessment criteria. ATNI's criteria are more stringent and comprehensive, leading to a larger number of non-compliances being identified. Despite these findings, FrieslandCampina's overall performance was considered strong due to its proactive measures and transparent reporting.

Our 2024 Performance

Key figures and achievements

- 7460 employees, partner staff and distributor personnel were trained locally.
- 1334 and 1038 employees completed the basic and advanced global e-learning, respectively.
- No compliance complaints were received via our Speak Up system.
- 10 non-conformances were observed in three countries in total.

What kind of non-conformances were observed?

Promotion to the general public	8	
Interaction with health workers	0	
Persons employed by distributors & partners	0	
Internal organisation	2	

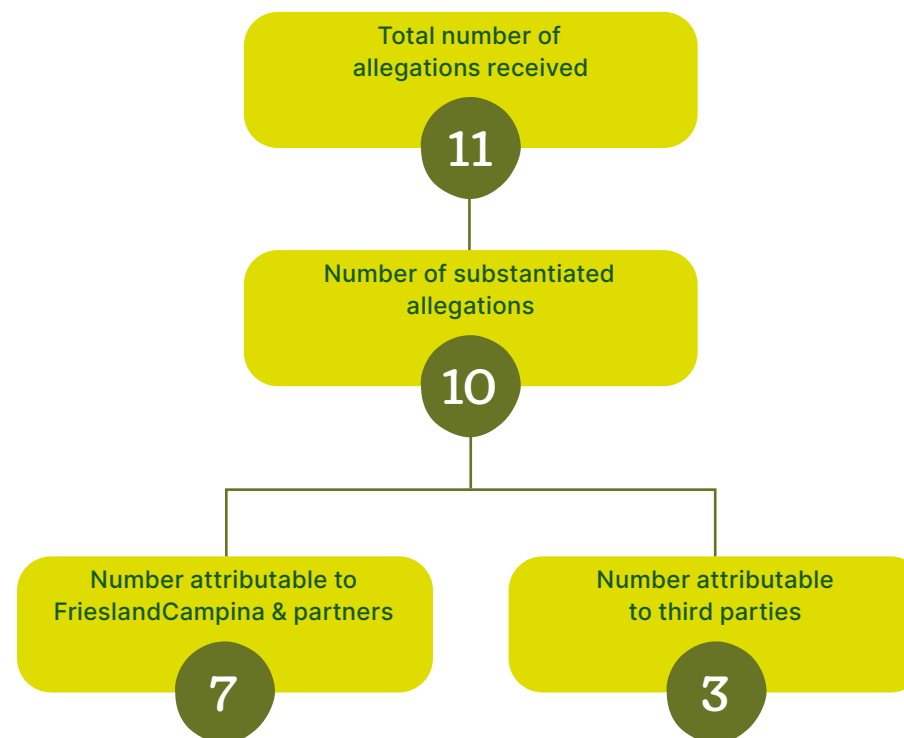
How were the non-conformance observed?

External compliance complaints	4	
Bureau Veritas audit	3	
Internal monitoring	3	
Speak Up	0	

Feedback on performance

There are different ways on how we receive feedback on our performance. Each of these feedback mechanisms play a crucial role in maintaining high standards and improving the overall performance of our organization.

External Feedback	Internal Feedback
Compliance complaints received from external parties	Self-assessments conducted by each Operating Company
Audits conducted by independent third-party auditors	Monitoring through internal programs like "Speak Up" and the corporate alert system



External compliance complaints

In 2024, four Operating Companies received five compliance complaints from competitors. No complaints were received from NGOs or local government agencies. Four complaints were confirmed to be valid, pertaining to the marketing and promotional practices of covered products to consumers and to promotion in a health care facility. Three complaints were attributed to activities conducted by third parties, thus not initiated by FrieslandCampina. In response to all verified complaints, root cause analysis was carried out and corrective measures were taken, which involved corrections to cease the non-compliant activities and communicating to third parties about the provisions of the Policy and adherence to the WHO Code. In addition, employees received reminders of the Policy and Guidelines to prevent recurrence.

Compliance complaints handling

FrieslandCampina has established a standardized procedure for addressing complaints from external sources. This process includes a decision tree to ensure comprehensive evaluation and action on all reported issues. Substantiated complaints are managed locally by the relevant Operating Company or globally if they impact multiple entities, using the FrieslandCampina corporate alert system. Additionally, all external complaints are recorded in the corporate compliance database to maintain oversight and ensure accountability and follow-up.

Internal monitoring

In 2024, all Operating companies active in providing infant foods undertook self-assessments, revealing a total of three non-conformances in three countries. One non-conformance was related to promotion of covered products to the general public. Two non-conformances were related to the internal organization; one non-conformance was related to including covered products in overall sales bonuses and one non-conformance was related to expired MoH vetting codes on covered product on shelf.

Internal compliance complaints

In 2024, no compliance complaints concerning our infant food marketing practices were received through Speak Up.

Self-assessments

We recognize the importance of monitoring our marketing practices. Our Policy requires each Operating Company to conduct an annual self-assessment to ensure their activities and processes align with our Policy. This reflective practice is essential for continuous improvement and maintaining compliance in our marketing efforts.

FrieslandCampina Speak Up

FrieslandCampina offers a platform called Speak Up for stakeholders and employees to raise concerns when our actions are not in line with the FrieslandCampina Business Practices, Compass for good business conduct, or applicable laws. This includes compliance issues related to our Policy for the Marketing Infant Foods and adherence to national legislation or local codes implementing the WHO Code. The service ensures confidentiality and is accessible 24/7 in multiple languages, allowing for both open and anonymous submissions of complaints.

Bureau Veritas compliance audit

In 2024, Bureau Veritas has carried out compliance audits in Greece and Malaysia. Interviews with FrieslandCampina employees and distributor staff responsible for sales and marketing were done. Assessments of e-commerce and visits of retail stores and of health care facilities were carried out. Interviews with health workers were carried out in Malaysia only.

For both OpCo's the audits showed that overall awareness of the requirements of our Policy and the local legislation is good and that the number of non-conformances were reduced compared to the previous audit executed in 2019 and 2021, respectively. Several opportunities for improvement and several areas of risk have been identified. No non-conformances were observed in Greece. For Malaysia three non-conformances have been observed in different areas. A root cause analysis has been carried out and corrective action plans have been developed.

Area of non-conformance	Description	Corrective action plan
Promotion to the general public	- Price promotions on Covered Products on two e-commerce platforms by independent re-sellers and in one physical retail store. There was no evidence to suggest that these price reduction promotions were placed at the request of the Operating Company. - Special displays in multiple physical stores which contained covered products. - An OpCo representative recommended Covered Products in a Careline call with a member of the general public.	- Price promotions were removed and regular reminders of the Policy are communicated. Monitoring of e-commerce platforms and notifications are sent when non-conformances are observed. - Seek alignment on definition of special display in home shelf including covered products. (refresher) training to Careline staff, including careline script update, and monitoring of random calls.
Promotion to consumers in health care facilities	Detailing materials have been given to HCPs in electronic form but were not provided to the Ministry of Health for review.	To investigate whether electronic materials must be submitted to MoH for vetting, as the current vetting guideline only describes a process for vetting of printed materials.
Internal organization	The trade sales team targets include covered products with a specific value target.	The targets will be aligned with the provisions of the Policy.

Table: Summary of 2024 external audit findings and corrective actions (Malaysia)

Bureau Veritas audit programme

Since 2014, we have implemented a corporate audit program that engages the external auditing firm Bureau Veritas to independently evaluate the compliance of our infant foods business with the Policy. These external compliance audits are a crucial part of our compliance program, conducted regularly across all our Operating Companies that sell foods for infants and young children. The audits help raise awareness about the importance of adhering to our Policy and to identify deviating practices that need to be addressed. Additionally, the involvement of independent third-party auditors provides an objective perspective on our marketing practices, reflecting how they might be perceived externally.

Assurance statements from the Bureau Veritas compliance audits that took place in Greece and Malaysia in 2024 are available on our [corporate website](#). The statements contain a summary of the non-conformances and opportunities for improvement for each of the Operating Companies audited.

Summary of non-conformances

In 2024, there were ten non-conformances observed: four from external compliance complaints received locally, three from self-assessment and three from the external compliance audit. Most non-conformances (eight) were observed around promotion to the general public. Corrective actions have been planned for all identified issues. Three out of four substantiated allegations originating from external compliance complaints could be attributed to activities initiated by third parties. There was a decrease in the number of non-conformances detected during the Bureau Veritas compliance audits in Greece and Malaysia compared to the previous audits in those Operating Companies. The internal self-assessment conducted by Operating Companies reported a decreased number of findings compared to last year. There were no reports made through the Speak Up system.

Recommendations for improvement

Continuous improvement is essential, and reviewing internal processes is key to our progress. Based on the 2024 findings, it is recommended to enhance marketing compliance and improve our management system through the following actions:

- Launch and roll-out of the revised Policy across all Operating Companies. This will ensure that all employees and third-party partners are aware of and adhere to the updated guidelines. A comprehensive roll-out will reinforce the importance of compliance and provide clarity on the updated standards.
- Update internal guidelines and training materials to align with the revised Policy. Ensure that these materials are accessible in multiple languages and tailored to local contexts. Updated training materials will help employees understand and implement the revised Policy effectively, reducing the risk of non-compliance.
- Strengthen monitoring mechanisms for third-party activities and improve communication regarding compliance expectations. Given that several complaints were attributed to third-party activities, enhancing oversight and communication will help mitigate these issues.
- Continue with conducting regular refresher training sessions for employees, particularly those involved in sales and marketing. Continuous education will help maintain high awareness levels and prevent recurrence of non-compliant activities.
- Improve monitoring of e-commerce platforms and physical retail stores to ensure compliance with the Policy. Regular checks and prompt notifications of non-conformances will help maintain adherence to the Policy in all sales channels.



Looking ahead

At FrieslandCampina, our commitment to providing optimal nutrition for infants and young children remains unwavering.

Our fourth annual compliance status report reflects on our current practices, incorporating feedback from stakeholders and monitoring results. It highlights the progress we have made and identifies areas for continuous improvement.

Strengthened Policy Updates: We will regularly review and update our Policy for the Marketing of Infant Foods to align with future policy and market developments. This proactive approach will help maintain uniform standards of compliance and ethical marketing.

Increased Transparency: We will continue to enhance transparency by publishing annual compliance reports. These reports will provide insights into our compliance status and improvement efforts.

Expanded Training Programs: Continuous education and training for employees, distributors, and partners will remain a priority. We will further develop comprehensive training modules that cover the latest Policy and ethical marketing guidelines, ensuring all stakeholders are well-informed.

Enhanced Use of Digital Tools: We will investigate advanced digital tools and analytics to enhance Policy application and monitor marketing activities more effectively. This could include using AI to support building a knowledge base for employees and to track online and offline marketing practices, ensuring alignment with the Policy and regulatory requirements.

By focusing on these areas, FrieslandCampina aims to ensure that its marketing of foods for infants and young children remains responsible and ethical, supporting the health and well-being of infants and young children worldwide.

We pledge to continue our efforts to improve compliance, fostering collaboration with all stakeholders. Recognizing the collective nature of responsible marketing, we must ensure continuous engagement with both contracted and non-contracted parties. This collaborative approach is essential to address the challenges of today and advance infant nutrition and health. The transparent sharing of our compliance journey underscores our commitment to continuous improvement and responsible marketing conduct.



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