

Royal FrieslandCampina NV

Headquarters
Netherlands

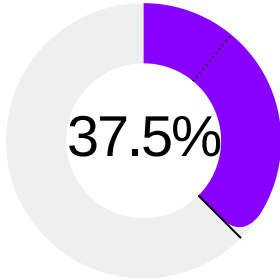
Type of ownership
Cooperative

Estimated percentage of
FrieslandCampina's global F&B sales
from BMS ①¹
26%

Estimated percentage of
FrieslandCampina's global baby food
sales from BMS ①²
98.4%

Countries covered in country studies
China/Indonesia/Viet Nam

© All rights reserved



BMS Marketing
Score 2024 ①³

Average score
Highest score



Country Studies
Score ①⁴

11% 3 countries



Corporate Profile
Score

63.9%

Important:
The research findings regarding companies' performance in this Index are based on information shared by companies or gathered by service providers, in addition to information that is available in the public domain.

The level of detail and comprehensiveness of information shared by companies and gathered through external service providers varied. In the case of limited or no engagement by companies, this Index may not represent the full extent of their efforts. Similarly, in the case of limited data collected by service providers, the findings of this Index may not provide a comprehensive representation of company practices.

ATNI's research and Indexes do not assess compliance with local regulations or laws, but rather assess private sector performance against international standards and guidance.

BMS COUNTRY STUDIES



Country Studies
Score

11% 3 countries

The Country Studies component of the BMS and CF Marketing Indexes 2024 evaluates the extent to which a company's marketing practices align with specific provisions of the Code. The main areas of marketing assessed in the Country Studies for the BMS and CF Marketing Indexes 2024 are online points-of-sale, traditional and online media outlets, and product labels.

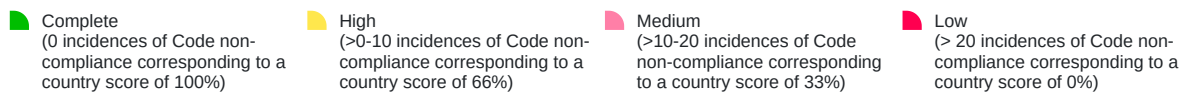
In this iteration, a total of five countries were selected for the assessment. FrieslandCampina sells BMS products in three of these countries (China, Indonesia, and Viet Nam) which together represent around 82% of FrieslandCampina's estimated global BMS sales. The Country Studies results for FrieslandCampina are summarized below for each country and across each marketing channel.

<https://new-l40rlzsq.accesstonutrition.org/app/uploads/2024/03/Assessment-methods-and-scoring.pdf>

Country Studies overview

FrieslandCampina	Country assessments			BMS market ^{1 5}	
	Total incidences of non-compliance across online, traditional media, and product labels ^{1 6}	Number of product labels assessed ^{1 7}	Company brands found	BMS market share	Proportion of FrieslandCampina's global BMS sales
CHINA	69	6	Friso Natura, Friso Prestige, Frisolac Gold	5%	63%
GERMANY	N/A	N/A	N/A	N/A	N/A
INDONESIA	13	3	Frisian Baby Primamil, Frisian Flag Primagro	12%	12%
US	N/A	N/A	N/A	N/A	N/A
VIET NAM	23	8	Friso Gold/Prestige	14%	7%

Code compliance level



- A total of 105 incidences of non-compliant marketing practices for BMS products were found for FrieslandCampina. Non-compliant marketing practices were found across online and traditional media channels assessed in the three countries. A total of 17 BMS product labels were assessed from various FrieslandCampina brands.

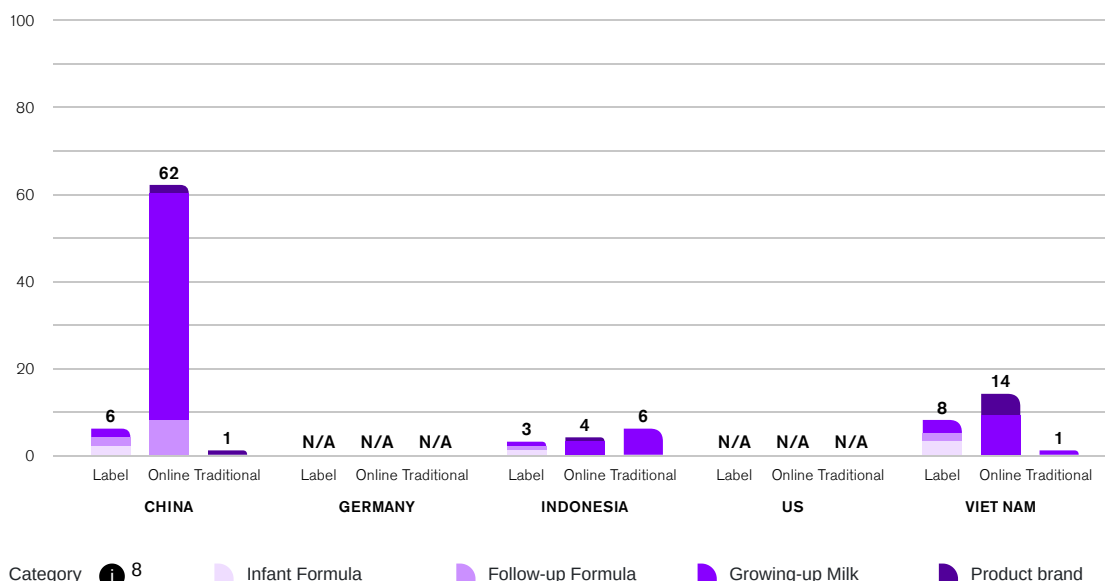
- In China, FrieslandCampina's BMS sales represent around 5% of the Chinese BMS market, and it represents around 63% of the company's global BMS sales. It is also the market in which by far the highest number of incidences of non-compliance were found (69). Most of these observations came from 37 advertisements and promotions related to BMS products found on online media (Weibo), 25 observations were made on online retail channels, and 1 TV advertisement was found. All six product labels assessed contained one or more instances of non-compliance.

- The Indonesian markets represent a smaller proportion of the company's total global BMS sales (12%), and FrieslandCampina's BMS sales represent around 12% of the Indonesian BMS market. A significantly lower number of incidences of non-compliance (13) were found for FrieslandCampina in Indonesia. Four advertisements and promotions related to BMS brands were found online during the research period, six TV advertisements and all three product labels assessed contained one or more instances of non-compliance.

- In Viet Nam, the company has a 14% market share. While this market represents a smaller proportion of the company's global BMS sales (7%), in total 23 incidences of non-compliance were found in Viet Nam. Out of these, 14 were found on online media channels, one print media and none on online retail channels. All eight product labels assessed contained one or more instances of non-compliance.

Observed incidences of non-compliance with the Code per country

Absolute number of incidences of non-compliance



Main in-country findings

FrieslandCampina's highest number of incidences of non-compliance were found in China (69), followed by Viet Nam (23), and Indonesia (13). Across all country assessments, the majority of incidences of non-compliant marketing practices (80 out of 105) for FrieslandCampina were identified through the social listening of online platforms. All of the 17 BMS product labels from various FrieslandCampina brands contained one or more instances of non-compliance. The least incidences were found on traditional media (8). The incidences of non-compliance found online and on traditional media were largely concerning growing-up milks, whereas non-compliant labels were found across all types of BMS.

Online findings

- Most advertisements and promotions related to BMS FrieslandCampina products online were found in China (62), with some observations in Vietnam (14) and Indonesia (4). Among the total incidences of non-compliance found online, 35% were point-of-sale promotions found on online retailer platforms. No observations were made on the online retailer platforms monitored for Vietnam. In total, 25 point-of-sale promotions were found in China and three in Indonesia, most were for growing-up milks. Apart from advertising BMS – a non-compliance with the Code in itself – other common incidences found with those advertisements included incentivizing the purchase of those products through offering giveaways, gifts, and prizes.

- The remaining 52 observations were found on the company's local websites and social media platforms, with the highest number of findings in China (37 – on Weibo) followed by Viet Nam (14 – on Facebook and YouTube) while only one online advertisement was found in Indonesia (on Instagram). In China and Indonesia, an average of two incidences of non-

compliance were identified for each observation, while for Vietnam, this was on average three incidences of non-compliance per observation. Apart from advertising BMS – a non-compliance with the Code in itself – other common incidences found with those advertisements included incentivizing the purchase of those products through offering gifts, discounts and prizes (in China and Viet Nam), as well as providing education and information about infant and young child nutrition and feeding, as found mainly in Viet Nam. Other, but less common, observations include soliciting caregivers in Viet Nam to sign-up to mum clubs. The majority of advertisements also included claims, around 78%-79% of the identified advertisements in China and Viet Nam contained at least one type of claim, this was also observed in the advertisement from Indonesia.

Traditional media findings

- In total, eight BMS advertisements by FrieslandCampina were identified, seven on television (in China and Indonesia) and one in a printed magazine (in Viet Nam). Most advertisements found

were for growing-up milks in Indonesia (6). All eight advertisements had at least one type of claim.

BMS product label

- A total of 17 BMS products labels were assessed for FrieslandCampina, six from China, three from Indonesia and eight from Viet Nam.
- For all FrieslandCampina product labels assessed, at least one incident of Code non-compliance was observed. The average number of incidences of non-compliance per product label was four for all countries.
- Around 88% of all the labels were missing a statement on the importance of exclusive breastfeeding in the first six months and continued breastfeeding for up to two years or beyond. All products contained claims in Indonesia and Viet Nam, in China 5 out of 6 products contained claims. The most common claim was promotional claims, followed by nutritional and health claims. Four products (two in China and two in Indonesia) contained text or images that might idealize the use of breast-milk substitutes. Although the Code does not restrict the use of graphics

for illustrating methods of preparation or for easy identification of products as BMS, it does restrict the use of other images that portray infants and caregivers, their health, and emotions. Most products in the three countries (10 out of 17) did not contain the statement to only use the product on the advice of a health professional before deciding to feed with formula, irrespective of the age at which formula is introduced. Viet Nam was the only country where FrieslandCampina BMS products did not have all the labelling information in the local language for five products.

- It is worth noting that ATNI did not have the resources to collect products from the different markets and take pictures of their labels. In this iteration, ATNI's research was based on product label images from an external provider. For some products, images were not clear enough or did not show all parts of the package, thus ATNI asked the respective companies to provide images of the labels. FrieslandCampina provided images of product labels (as requested by ATNI) to help complete the assessments.

Recommendations

- With a total of 105 incidences of non-compliant marketing practices for BMS products found for FrieslandCampina across online and traditional media channels as well as product labels assessed in the three countries, FrieslandCampina is strongly encouraged to strengthen their marketing policies and ensure their marketing practices comply fully with the recommendations of the Code and all subsequent relevant resolutions, including the guidance supported by WHA resolution 69.9. ATNI has developed a model company policy on the responsible marketing of breast-milk substitutes which can guide companies on how to incorporate Code provisions and align with the latest public health requirements in practice.
- FrieslandCampina is urged to restrict the advertising and promotion of all types of BMS products and brands on all forms of media platforms globally. The company should also refrain from incentivizing the purchase of those products through offering giveaways, gifts, and prizes across all platforms.
- FrieslandCampina is strongly encouraged to take responsibility for monitoring their marketing practices beyond local regulations, according to the principles and the aim of the Code and subsequent relevant

resolutions, and to take steps to ensure this includes online media channels as well as traditional media channels.

- FrieslandCampina is encouraged to look for ways to engage with their industry associations, retailers and/or regulators to ensure that there are no promotions of BMS products in the retail environment, and see that products are appropriately marketed in line with the Code.
- From our research, point-of-sale promotions from FrieslandCampina for growing-up milks were found, and observations on online platforms were also mainly for growing-up milk and brands associated with BMS product advertisements. Based on the WHA resolution 69.9 resolution, the scope of the Code has extended to growing-up milks. Therefore, ATNI urges FrieslandCampina to ensure its commitments include growing-up milks in all markets.
- ATNI is calling on FrieslandCampina to review all incidences of non-compliance identified across all marketing channels, which were shared in detail with the company, and to take corrective action in each of the markets.

BMS CORPORATE PROFILE



Corporate Profile
Score

63.9%

The Corporate Profile component of the BMS and CF Marketing Indexes 2024 evaluates the extent to which a company's policies align with various provisions of the Code, the effectiveness of its related management systems as well as the company's level of disclosure on commitments relating to BMS marketing.

FrieslandCampina's BMS marketing commitments were assessed across 11 topics that cover different aspects of the Code on which the company scored an average of 78%. This score is equivalent to the company's initial overall Corporate Profile score before a geographic penalty (if applicable) is applied to each BMS product type. The final Corporate Profile score considers how the company's BMS marketing commitments are applied for the different BMS product types sold by the company, and across different markets. As FrieslandCampina sells infant formula, follow-up formula, and growing-up milks, the company's application of BMS commitments was evaluated for each product type, as shown in the next section on 'Geographic application of BMS commitments by product type'. The scores and findings on each topic are described in further detail in the section below on 'BMS Commitments by Topic'.

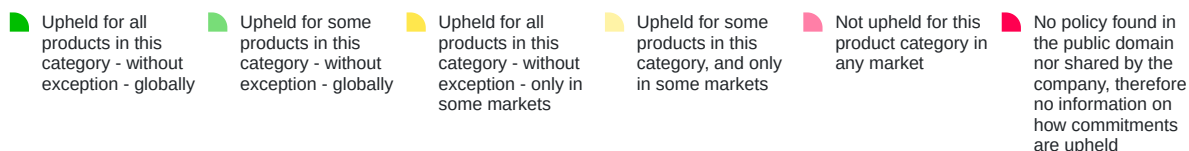
<https://new-l40rlzsq.accesstonutrition.org/app/uploads/2024/03/Geographic-penalty.pdf>

Geographic application by FrieslandCampina of BMS commitments by product type

The table below shows the percentage of product sales where commitments are upheld and the geographic penalty applied to each type of BMS. The penalty ranges from 0% up to 90% depending on whether a company fully upholds its BMS marketing commitments in all or none of the countries in which it operates, respectively, where national Code regulations are absent or less stringent than the company's policies and standards.

Corporate Profile score before penalty ⁹	Product type	Percentage of FrieslandCampina's global sales from markets where BMS commitments are upheld ¹⁰	Geographic penalty applied	Final Corporate Profile score
78.2%	Infant formula ¹¹	100%	0%	63.9%
	Follow-up formula ¹²	96%	3.6%	
	Growing-up milk ¹³	5%	85.5%	

Commitments are upheld



ATNI referred to FrieslandCampina's policy "Corporate Policy for the Marketing of Infant Foods v2 (2021)" to assess how the company's BMS marketing commitments are upheld for each product type and in which markets. Euromonitor retail sales estimates were used to calculate the proportion of FrieslandCampina's global product sales covered per BMS product type.

Infant formula

The company upholds its commitments for this product type globally, including formulas for special medical purposes even where local Code regulations are absent or weaker than the company policy. Therefore, no geographic penalty is applied for this product type.

This is a notable improvement in the company's application of its BMS marketing policy compared to the last assessment in 2021 when the policy was only upheld for infant formula where there are no local Code regulations or where local regulations have the same provision as in the company's policy, but that provision is less detailed than the policy.

Follow-up formula

Commitments are upheld for all follow-up formula products, including formula for special medical purposes, in markets where local Code legislation covers these products. This represents 96% of the company's global follow-up formula sales due to the exclusion of some markets. The corresponding geographic penalty for this product type is 3%.

To further improve the scope of the company's policy, ATNI encourages FrieslandCampina to uphold its BMS commitments in marketing all follow-up formula, including formulas for special medical purposes, in all markets, irrespective of the product scope of local Code legislation.

Growing-up milk

Commitments are upheld for all growing-up milk products, including formula for special medical purposes, in markets where local Code legislation cover these products. This represents 5% of the company's global growing-up milk sales due to the exclusion of several markets. The corresponding geographic penalty for this product type is 85.5%. This is evident from the country assessments where the majority of observed incidences of non-compliance were attributed to growing-up milk products.

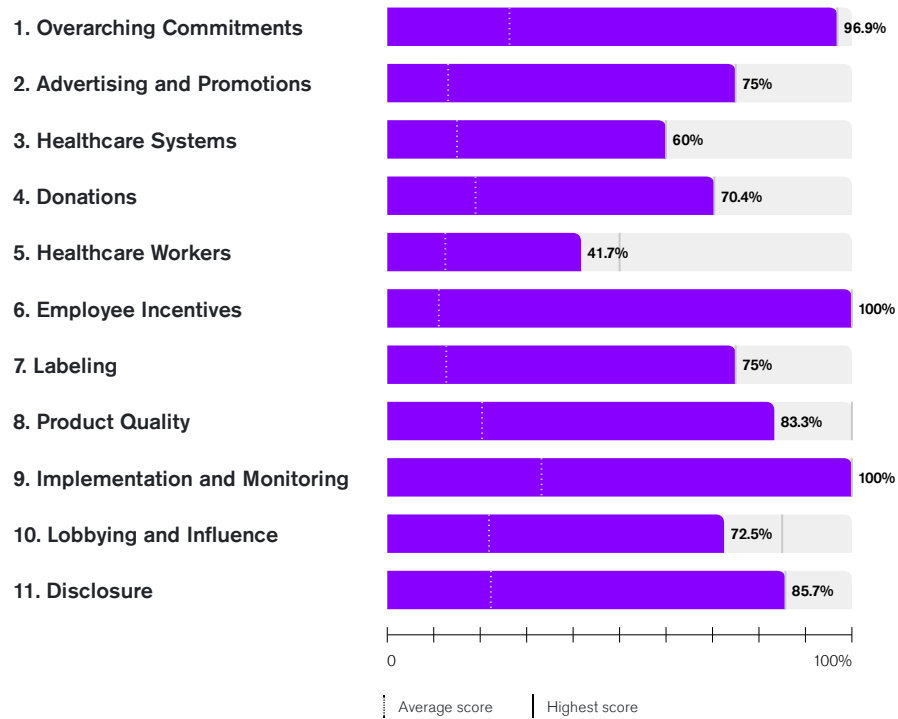
To further improve the scope of the company's policy, ATNI encourages FrieslandCampina to uphold its BMS commitments in marketing all growing-up milks, including formulas for special medical purposes, in all markets, irrespective of the product scope of local

Code legislation.

Based on the company's application of its BMS

commitments to the different BMS product categories across its global markets, the final Corporate Profile score is 64%.

Topics Overview



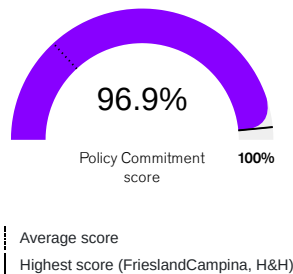
These represent the initial overall scores before applying the penalty.

BMS commitments by topic

Most topics include assessments on both policy commitments and management systems, except for the topic on 'Implementation and Monitoring', which mostly considers management systems, and the topic 'Overarching Commitments', which considers policy commitments only. A separate topic assesses the level of disclosure and transparency practiced by companies on the different aspects of the Code.

1. Overarching Commitments

This topic consists of policy commitment indicators only.

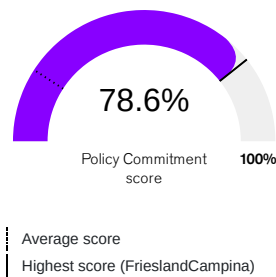


Policy Commitment

- FrieslandCampina's overarching commitments to the Code have not changed since the 2021 assessment. The company continues to clearly state its support for exclusive breastfeeding in the first six months and continued breastfeeding to two years or beyond, as well as for the introduction of appropriate complementary foods from the age of six months.
- Although compared to the other companies assessed, FrieslandCampina's overarching commitments are almost fully aligned with the principles of the Code, the company still does not fully acknowledge the specifications to the Code provided by the World Health Assembly (WHA) in resolution 69.9 and the accompanying guidance on ending the inappropriate promotion of foods for infants and young children. WHA resolution 71.9, which calls for continued implementation of the recommendations of this guidance has not been acknowledged by the company either.
- FrieslandCampina was one of the two companies that received a full score on the new indicator that assessed whether companies apply their BMS marketing commitments to all types of formula, including formulas for special medical purposes.

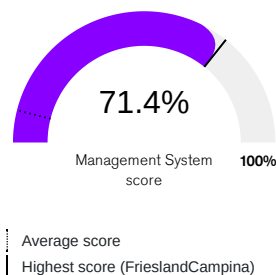
2. Advertising and Promotions

This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.



Policy Commitment

- FrieslandCampina's commitments relating to advertising and the promotion of BMS are relatively well-aligned with the principles of the Code. The company scored on all indicators except for indicating not to distribute articles or gifts that promote the use of BMS to caregivers.
- Compared to the last assessment in 2021, several of the indicators in this section have been adapted to capture companies' explicit commitments in digital environments too, such as advertising on social media and point-of-sale promotions in online retail stores, as well as establishing contact with caregivers through baby clubs and social media groups – all actions that are not compliant with the Code. The company showed commitments on these indicators.
- Indicators were also revised to ensure accurate and complete inclusion of all recommendations of the guidance on ending the inappropriate promotion of foods for infants and young children supported by WHA resolution 69.9, for example by adding indicators to address cross-promotion of BMS products and educating caregivers on infant and young child feeding, both of which BMS companies should not do according to the Code. FrieslandCampina was the only company that included clear commitments addressing cross-promotion. Regarding educating caregivers, FrieslandCampina did not fully score on this since it did not explicitly commit to not directly nor indirectly provide education on infant and young child feeding to caregivers in any setting.
- FrieslandCampina is encouraged to consider the gaps identified to revise its policy to better align with the requirements of the Code.

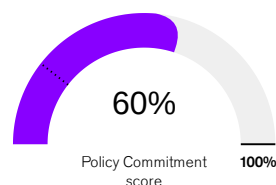


Management System

- FrieslandCampina is the company that scored the highest on management systems in this topic. The company shared – under non-disclosure agreement (NDA) - global staff training materials and local procedure manuals developed by the company to guide its employees on the responsible marketing of BMS as outlined in the company's related policy(ies). However, the company did not fully score on management systems as it did not show evidence of providing instructions to staff and procedures to implement commitments on gift distribution. However, in regard to the commitments met by the company on public advertising and promotion of BMS that are in line with the Code, the guidance provided by the company to follow and apply these commitments is clear, complete and consistent across different markets, thus FrieslandCampina scores on those elements.

3. Healthcare Systems

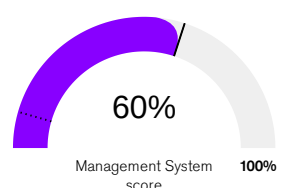
This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.



Average score
Highest score (H&H)

Policy Commitment

- FrieslandCampina's policy commitments relating to marketing BMS throughout the healthcare system, have not changed since the 2021 assessment and are relatively well-aligned with the requirements of the Code, except with Article 6.4 on paying personnel to work in the healthcare system which companies should not do according to the Code.
- Compared to the last assessment in 2021, indicators were slightly revised to ensure an accurate assessment of recommendation 6 of the guidance supported by WHA resolution 69.9 to evaluate whether companies have explicit commitments in place not to use health facilities to host events of any kind nor to give out gifts or any other offering to caregivers of infants and young children, to avoid conflicts of interest. FrieslandCampina was one of the two companies that showed commitments indicating that they would not use health care facilities to host events, contests, or campaigns by explicitly mentioning in its publicly available policy that health care facilities are not used to host events, contests or campaigns concerning covered products, for the display of covered products, placards or posters concerning covered products or for the distribution to consumers of material related to covered products provided by them or one of their distributors involved in the marketing of covered products. The company sets a good example by outlining the marketing materials it covers and mentioning that this commitment extends to its distributors as well. The company, however, did not show commitments to not giving gifts or any kind of offerings to caregivers through healthcare systems.
- FrieslandCampina is encouraged to consider the gaps identified to revise its policy to better align with the requirements of the Code.



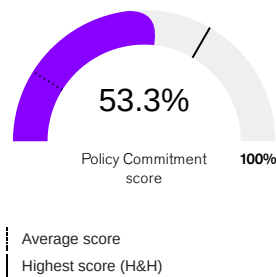
Average score
Highest score (FrieslandCampina, Nestlé)

Management System

- FrieslandCampina shared – under NDA- global staff training materials and some local procedure manuals developed by the company to guide its employees on the responsible marketing of BMS as outlined in the company's related policy(ies). The company does not fully score on management systems as it does not have all Code provisions in place. However, in regard to the commitments met by the company on marketing BMS throughout the healthcare system that are in line with the Code, the guidance provided by the company to follow and apply these commitments is clear, complete and consistent across different markets, thus FrieslandCampina scores on those elements. Although it is one of two companies among the 18 assessed that score the highest on management systems in this topic, these can be improved by providing more concrete examples of what company personnel should or should not do in each context.

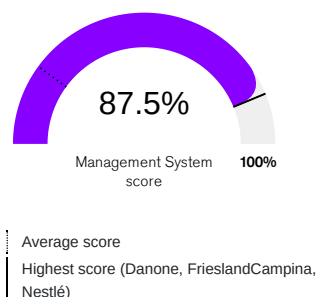
4. Donations

This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.



Policy Commitment

- Compared to the last assessment in 2021, commitments on donations of BMS are now assessed in a separate topic and across several indicators, to ensure a more accurate assessment of the specific requirements relating to BMS donations
- FrieslandCampina showed Code compliant commitments stating that it will not provide BMS donations in humanitarian settings and emergencies unless officially requested by a competent government authority of the country affected by the emergency or by the designated emergency response coordinating body acting on behalf of the government. Although the company showed its commitment to meeting most of the required criteria for BMS product donations in emergencies, it did not provide evidence that it will not donate expired or nearly expired products and did not commit to ensuring that donated BMS products will not display company brands.
- The company also shows explicit commitments regarding not distributing BMS product donations or low-cost supplies for use outside of the social welfare institutions (e.g., food banks and orphanages.) where infants and young children require them.
- However, FrieslandCampina continues to provide BMS product samples for research and product evaluation purposes while the Code does not allow their provision to healthcare institutions under any circumstances and for any reason, even if the products are not directly provided to consumers or patients.
- FrieslandCampina also falls short of meeting the Code requirements on donations by allowing the provision of educational materials and/or practice-related items to healthcare professionals, which is specifically addressed in recommendation 6 of the guidance supported by WHA resolution 69.9 to avoid due to potential conflict of interest.
- FrieslandCampina is encouraged to consider the gaps identified to revise its policy to better align with the requirements of the Code.

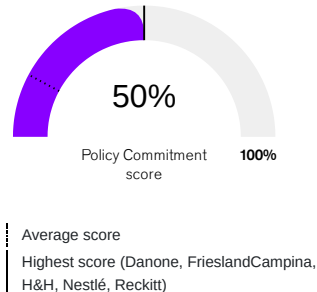


Management System

- The company shared – under NDA - global staff training materials and some local procedure manuals developed by the company to guide its employees on the responsible marketing of BMS, as outlined in the company's related policy(ies). The company does not fully score on management systems since it does not have all Code provisions in place. However, regarding the commitments met by the company on donations that are in line with the Code, the guidance provided by the company to follow and apply these commitments is clear, complete and consistent across different markets, thus FrieslandCampina scores on those elements.

5. Healthcare Workers

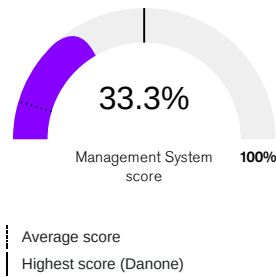
This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.



Policy Commitment

- FrieslandCampina's policy commitments relating to marketing BMS to healthcare workers, which are relatively well-aligned with the requirements of the Code, have not changed since the 2021 assessment.
- Compared to the last assessment in 2021, a new indicator was introduced for this topic to specifically assess the instructions provided to healthcare workers on the appropriate preparation of powdered formulas and if these are based on WHO/FAO guidelines and Codex Standards as referenced by WHA resolutions 58.32 and 61.20. Similar to the other companies, FrieslandCampina did not score on this indicator.
- FrieslandCampina however is one of only four companies out of the 18 assessed to explicitly state that any material which contains information about formula use provided to health workers will include information on the social and financial implications of formula use and the health hazards of inappropriate feeding methods, unnecessary or improper use of BMS and their inappropriate preparation, as per the requirements of the Code.
- Two other indicators were slightly revised to ensure an accurate assessment of recommendation 6 of the guidance supported by WHA resolution 69.9 to evaluate whether companies have explicit commitments in place not to offer any financial or material inducements (no gifts or incentives of any form or value) to healthcare workers or their families, and not to sponsor any scientific meetings, fellowships, study tours, and research grants for health professionals, to avoid conflicts of interest. Similar to the 2021 assessment, and like most of the BMS companies assessed in this Index, FrieslandCampina did not score on these indicators that capture the Code commitments that specifically relate to WHA resolution 69.9.
- FrieslandCampina is encouraged to consider the gaps identified to revise its policy to better align with the requirements of the Code.

Management System

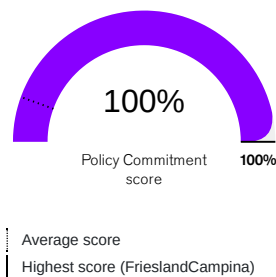


- FrieslandCampina shared – under NDA - global staff training materials and some local procedure manuals developed by the company to guide its employees on the responsible marketing of BMS as outlined in the company's related policy(ies). The company does not fully score on management systems as it does not have all Code provisions in place. However, in regard to the commitments met by the company on marketing BMS to healthcare workers that are in line with the Code, the guidance provided by the company to follow and apply these commitments is clear, complete and consistent across different markets, thus FrieslandCampina scores on those elements. However, these can be improved by providing more concrete examples of what company personnel should or should not do in each context.

6. Employee Incentives

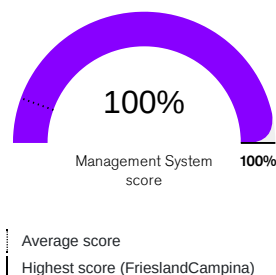
This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.

Policy Commitment



- FrieslandCampina policy commitments that address the incentives of company employees involved in BMS marketing, which are well aligned with the requirements of the Code, have not changed since the 2021 assessment.
- FrieslandCampina was the only company to obtain a full score as it was the only company found to explicitly state that sales representatives would not receive bonuses based on the volume or value of sales (clarifying the different forms of sales measures) for products covered by the company's BMS marketing policy, and that quotas for the sale of these products are also not permitted.

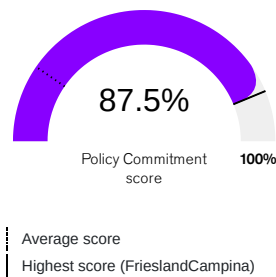
Management System



- FrieslandCampina presented as evidence multiple clear examples (under NDA) of instructions to staff on how to interpret and apply relevant commitments on bonus calculations. Examples shared included local training materials with Do's and Don'ts for new employees and reminders to employees about non-compliant activities amongst others. In addition, the company offers KPIs that stimulate compliance with FrieslandCampina Corporate Policy and Guideline. The company fully scored on management systems as it had all Code provisions in place and the guidance provided by the company to follow and apply these commitments is clear, complete and consistent across different markets.

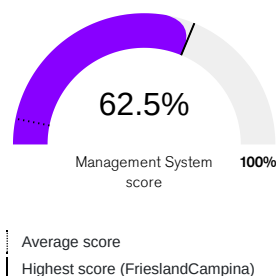
7. Labeling

This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.



Policy Commitment

- FrieslandCampina's policy commitments relating to the labeling of BMS products, which are relatively well-aligned with the requirements of the Code, have improved since the 2021 assessment as the company now commits to include all necessary information in line with the Code article 9.2 on the labels/inserts of its BMS products that are covered by its BMS marketing policy.
- Compared to the last assessment in 2021, the information required by the Code on labels of powdered formula is assessed in more detail to evaluate whether companies have specific commitments covering each requirement as per WHA resolutions 58.32 and 61.20. FrieslandCampina was one of two companies found to have explicit commitments on requirements for powdered formula labels, such as stating the hazards of inappropriate preparation and using graphics to illustrate appropriate methods of preparation, the company fully scored on this indicator.
- The company was found to have explicit commitments on all the commitments described in Article 9 of the Code. However, some commitments relating to the Code labeling requirements strengthened by the guidance on ending the inappropriate promotion of foods for infants and young children that is supported by WHA resolution 69.9 were not found such as including on its BMS products labeling a statement on the importance of exclusive breastfeeding in the first 6 months of life and continued breastfeeding for up to 2 years or beyond.
- Furthermore, FrieslandCampina was the only company found to publicly and explicitly meet all requirements from recommendation 4 of WHA 69.9. In addition, FrieslandCampina was one of the three companies that showed commitments not make any health or nutrition claims on products for infants or young children except where specifically provided for in national legislation requirements set out by the national authorities
- FrieslandCampina is encouraged to consider the gaps identified to revise its policy to better align with the requirements of the Code.

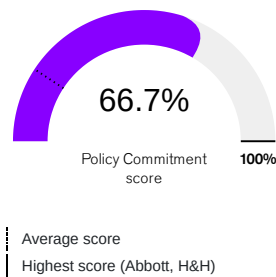


Management System

- FrieslandCampina provided evidence of some procedures in place to implement commitments set out in its BMS marketing policy that relate to labeling, by outlining the steps involved in the approval process for labels, which involves various business units. This ensures that all relevant stakeholders contribute to the approval process, thereby enhancing the robustness of the labeling standards. This represents a good practice example for procedures related to labeling standards.

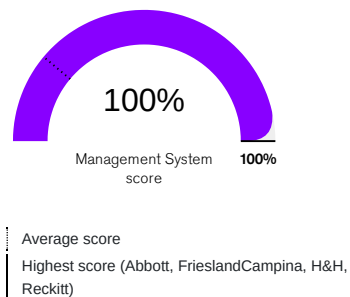
8. Product Quality

This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.



Policy Commitment

- Compared to the BMS/CF Marketing Index 2021, companies' commitments on this topic are evaluated in more detail to ensure their commitments relating to Article 10 of the Code are accurately assessed.
- In this iteration, FrieslandCampina did not have a full score on this topic since not all relevant Codex standards relating to the quality of BMS products were explicitly stated.
- FrieslandCampina is encouraged to consider the gaps identified to revise its policy to better align with the requirements of the Code.

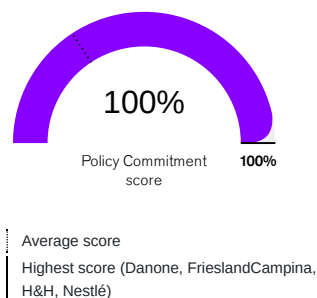


Management System

- FrieslandCampina shared – under NDA - global staff training materials and local procedure manuals developed by the company to guide its employees on the responsible marketing of BMS as outlined in the company's related policy(ies). The company was one of four companies among the 18 assessed found to have clear procedures on implementing the applicable Codex standards that the company has explicitly listed.

9. Implementation and Monitoring

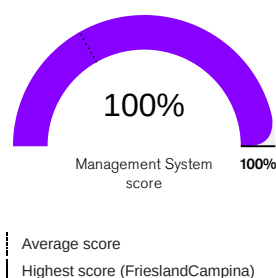
This topic consists of policy commitment indicators and management system indicators. The policy commitment indicators contribute to 20% of the topic score, while 80% of the weight of the score is attributed to management system indicators.



Policy Commitment

- FrieslandCampina's policy commitments relating to monitoring compliance of its marketing practices to the principles of its BMS marketing policy have not changed since the 2021 assessment. The company was found to have all commitments assessed in place. These commitments, which specifically pertain to Article 11 of the Code, remain publicly disclosed.

Management System

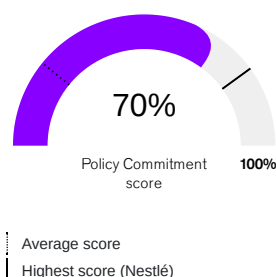


- Compared to the 2021 assessment, FrieslandCampina has improved its score showing all management systems in place. The company shared – under NDA - global staff training materials and some local procedure manuals developed by the company to guide its employees and contractual third-parties on the responsible marketing of BMS as outlined in the company's related policy(ies), as well as effective monitoring and management of incidences of non-compliance with the company policy(ies). The company also clearly assigns executive responsibilities and oversight to ensure the effective implementation of its BMS marketing policy.
- FrieslandCampina was the only company found that showed evidence of clear guidelines on the process for taking corrective action in the event an observed non-compliance incident is confirmed and had guidelines for employees and all relevant third parties on potential corrective actions that can be taken.

10. Lobbying and Influence

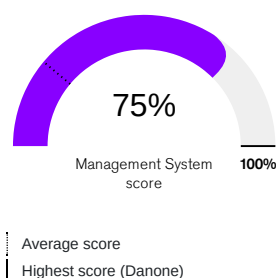
This topic consists of policy commitment indicators and management system indicators. Each set of indicators contributes an equal weight of 50% each to the topic score.

Policy Commitment



- Compared to 2021, FrieslandCampina has improved its score as it now has a publicly available policy (2022) on responsible advocacy which is also applied when engaging on issues relating to BMS and the Code. Based on this policy, FrieslandCampina covers some commitments assessed in this topic.
- Similar to most companies, FrieslandCampina did not show commitments not to undermine or support existing public policy frameworks, the work of WHO or similar agencies, and Government efforts to develop regulations to implement the Code in full nor commitments including a statement prohibiting CoI which clearly apply to lobbying.

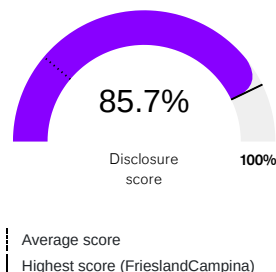
Management System



- Based on FrieslandCampina's related policies, the company clarifies that the company's Board has oversight of its policy on responsible advocacy and that it names an executive function with the responsibility of implementing this policy. The company also provides clarity on control mechanisms in place (e.g. reporting to the Board, internal audits). However, no evidence was found in the public domain, nor provided by the company, that the company's Board has oversight of its lobbying positions and activities. To receive a full score on this topic, FrieslandCampina is encouraged to improve on this aspect.

11. Disclosure

This topic consists of disclosure indicators only.



Disclosure

- In regard to commitments that were found for FrieslandCampina that are in line with the Code, the level of disclosure on these commitments and on the company's compliance with its BMS marketing policy is high and has improved since the 2021 assessment. The company now has evidence of responses to any third-party reports on alleged cases of non-compliance with the Code published in the last two years. The company also publicly discloses complaints made to the company by other stakeholders and publishes independent audits to a certain extent (only the summary).
- Areas, where FrieslandCampina can improve on this topic, include disclosing how it internally assessed compliance with commitments related to donations, labelling, quality and lobbying. The company should also publish the full auditor reports, and not just summaries of them.
- Since the last BMS/CF Marketing Index 2021, a few indicators have been added to further assess companies' level of disclosure in lobbying on BMS marketing issues and the Code. Similar to the 2021 assessment, FrieslandCampina falls short in disclosing all lobbying-related activities. Although FrieslandCampina publicly discloses following OECD principles for transparency and integrity in lobbying, The Transparency International Standards for Lobbying Regulation and the Responsible Lobbying Framework, ATNI advises the company to also follow other key public policy frameworks in private sector engagement and lobbying such as the principles of the Code WHO framework of engagement with non-state actors, among others.
- FrieslandCampina is encouraged to consider the gaps identified in its level of disclosure and have this information available and easily accessible in the public domain.

Footnotes

1. BMS stands for breast-milk substitutes which include any milks (or products that could be used to replace milk, such as fortified soya milk alternatives), in either liquid or powdered form, that are specifically marketed for feeding infants and young children up to the age of three years. These include: - Infant formula (IF) - Follow-up formula (FUF) - Growing-up milk (GUM) It is important to note that the Code never made exceptions to formulas for or special medical purposes therefore these products are also included within the scope of ATNI's studies. Bottles and teats however are not included in ATNI's assessments as these products generally would not be manufactured by food and beverage companies.
2. Less than 5% of FrieslandCampina's global baby food sales are derived from complementary foods.
3. The Country Study score and Corporate Profile score each contribute to 50% of FrieslandCampina's BMS Marketing Index score.
4. This represents the average score of three country assessments: China, Indonesia, and Viet Nam.
5. Based on 2021 Euromonitor retail sales estimates.
6. Incidences of non-compliance include non-compliant labels and observations from online and traditional media.
7. Where companies engaged, these numbers should represent the number of products confirmed to be marketed in these countries as communicated by the companies to ATNI. It is possible however that the number of products and brands assessed are not representative of each of the assessed markets, due to limitations in data collection and limited company engagement.
8. - Infant formula is a BMS product intended for infants younger than six months of age. - Follow-up formula is a BMS product intended for older infants between six months up to one year of age. - Growing-up milks or toddler milks are BMS products intended for young children between one to three years of age. - Product brand relates to observations where no age is specified on a product or no specific product is promoted, but the observation is associated with a BMS brand.
9. This is the company's average score on the 11 topics.
10. Euromonitor retail sales estimates (2021 data) were used to calculate the proportion of companies' global product sales covered per product type. It is important to note however that the underlying data used for the calculations may not be fully representative of the company's markets. Euromonitor International intelligence is used under license. Although Euromonitor aims to correct inaccuracies of which it is aware, it does not warrant that the data will be accurate, up-to-date or complete as the accuracy and completeness of the data and other content available in respect of different parts of the content will vary depending on the availability and quality of sources on which each part is based.
11. Product weighting: 45%
12. Product weighting: 35%
13. Product weighting: 20%