

# FrieslandCampina

The Netherlands



|                                  | Weight      | Score      |            |
|----------------------------------|-------------|------------|------------|
|                                  |             | 2018       | 2016       |
| BMS 1: Corporate Profile         | 50%         | 51%        | 31%        |
| BMS 2: In-country assessment     | 50%         | 0%         | 17%        |
| <b>Total</b>                     | <b>100%</b> | <b>25%</b> | <b>24%</b> |
| Impact on the Global Index score |             | -1.1       | -1.14      |

## BMS 1: Corporate Profile analysis

### Application of policy

| Product type                           | Product made | Policy scope | Geographic coverage | Stance on local regulations  |
|--|--------------|--------------|---------------------|--|
| <b>Infant formula: 0-6 months</b>      | ✓            | ✓            | All markets         | Where there are no regulations, the company follows its own policy. Where local regulation exists but is weaker than its own policy, it follows local regulations, except when certain provisions covered by the Code are missing. |
| <b>Complementary foods: 0-6 months</b> | N/A          | N/A          | N/A                 |  |
| <b>Follow-on formula: 6-12 months</b>  | ✓            | ✓            | All markets         |  |
| <b>Growing-up milks: 12-24 months</b>  | ✓            | ✗            | Out of scope        | Out of scope   |

N/A: FrieslandCampina derives less than 5% of its total baby food sales from complementary foods.

### Initial Corporate Profile score

| Section                                | Article | Topic  | 2018       | Score 2016 |
|--|---------|--|------------|------------|
| 1                                      | Intro   | Overarching commitments                            | 100%       | 69%        |
| 2                                      | 4       | Information & education                            | 67%        | 75%        |
| 3                                      | 5       | The general public and mothers                     | 83%        | 90%        |
| 4                                      | 6       | Healthcare systems                                 | 80%        | 97%        |
| 5                                      | 7       | Healthcare workers                                 | 83%        | 100%       |
| 6                                      | 8       | Persons employed by manufacturers and distributors | 83%        | 100%       |
| 7                                      | 9       | Labeling   | 90%        | 86%        |
| 8                                      | 10      | Quality  | 100%       | 100%       |
| 9                                      | 11      | Implementation                                     | 93%        | 69%        |
| 10                                     |         | Lobbying (policy and objectives)                   | 13%        | 0%         |
| 11                                     |         | Disclosure   | 26%        | 13%        |
| <b>Initial Corporate Profile score</b> |         |  | <b>74%</b> | <b>72%</b> |

### About the company<sup>1</sup>

|  |  |
|--|--|
| <b>Baby food global market share (2016)</b>                                  | < 10%  |
| <b>Percentage of baby food revenues out of total F&amp;B revenues (2016)</b> | 20-30%   |
| <b>Key global brands</b>   | Friso, Frisian Flag, Dutch Lady/Bella Holandesa, Frisolac, Frisomel, Frisogrow |

<sup>1</sup> Source: Derived from Euromonitor International: Packaged Food, 2017 Edition

# FrieslandCampina



## Analysis

### Overarching commitments

FrieslandCampina's updated policy strengthens the company's overarching commitments. As a result, it now scores 100% on this section of the methodology. FrieslandCampina explicitly acknowledges the importance of The International Code of Marketing of Breast-milk Substitutes (The Code) and also the subsequent World Health Assembly (WHA) resolutions. The company states explicit support for exclusive breastfeeding for the first six months, its support for breastfeeding for two years or more and of the introduction of appropriate CF from the age of six months.

### Policy commitments on marketing

In September 2017, FrieslandCampina revised its policy which now aligns more fully to the wording of the articles of The Code. The company does not now distinguish between higher and lower-risk countries and has standardized its approach for all countries, in that it states that its policy applies equally in higher and lower-risk countries. It is the only company to take this stance. Where local legislation is absent or omits provisions of the Code, it commits to apply its own policy. Where local legislation exists and contains all provisions of the Code but is weaker than the Code, the company follows the local legislation. Where any provisions of local legislation are less detailed, the company follows its own policy. FrieslandCampina is encouraged to apply its policy in all cases where regulations are weaker than the Code.

The products covered by FrieslandCampina's policies are limited. The company should extend its policy to products for children up to 36 months of age<sup>2</sup>. This age threshold is to align with the clarified definition by the WHA resolution 69.9, now covering products up to 36 months of age. This would more clearly align with the company's support for the WHO recommendation that infants continue to be breastfed up to two years of age or beyond, while also being fed with appropriate CF from six months.

Its new policy is now more aligned to the Code and subsequent WHA resolutions. It strengthened its commitments to state the implications and hazards of the use of formula in information and educational materials, and prohibit contact of any kind with pregnant women or with mothers of infants or young children by its marketing personnel. FrieslandCampina also strengthened its commitments to prohibit the use of pictures or text that may idealize the use of infant formula and to collaborate with governments in their efforts to monitor the application of the Code. Overall, the policy commitments related to Articles 5, 7, 8 and 10 are fully in line with The Code.

Despite the major improvements, to bring its policy fully into line with The Code, FrieslandCampina could:

- Broaden and specify standards related to providing information to healthcare workers, parents and other caregivers that powdered infant formula may contain pathogenic micro-organisms. This standard should also be expanded to labels, which should include an explicit warning that the product may contain pathogenic micro-organisms.
- Strengthen its commitments related to donations of information and educational materials, and equipment in health care systems. To comply with WHA 69.9, the company should rule out making such donations.

### Management systems

FrieslandCampina provided evidence of comprehensive global management systems that ensure it upholds its policy commitments. FrieslandCampina has updated its instructions to staff which provide clear guidelines on interpreting and applying its corporate policy and clearly demonstrate it has good employee training programs. Nevertheless, by the time ATNF concluded its research, the company had not yet updated its procedures to bring them fully into line with its new policy and as a result scores on Articles 4, 5, 6, 7 and 8 are lower than in 2016.

### Policy commitments on lobbying

In 2016, FrieslandCampina did not score on any of the indicators relating to this topic. The company now commits to seek to ensure that trade associations and industry policy groups to which it belongs operate to the same standards. However, it still does not disclose a policy to guide its lobbying on BMS issues.

### Disclosure

FrieslandCampina has improved its disclosure since 2016 by publishing more information about relevant accountability mechanisms. However, overall, the company discloses less information than some of its peers. FrieslandCampina could improve its transparency by disclosing auditors' reports, its membership of associations related to BMS and more information about its lobbying activities.

<sup>2</sup> This age threshold is to align with the clarified definition in the WHA resolution 69.9, now covering products up to 36 months of age.

## Final Corporate Profile score

|   |            |     |     |     |
|---|------------|-----|-----|-----|
| Product type weighting                          | 60%        | N/A | 20% | 20% |
| Product type                                    | IF         | CF  | FOF | GUM |
| Initial score                                   | 74%        | –   | 74% | 0%  |
| Score with geographic penalty (0% - no penalty) | 74%        | –   | 74% | 0%  |
| Score with regulatory penalty (-15%)            | 63%        | –   | 63% | 0%  |
| <b>Final Corporate Profile score</b>            | <b>51%</b> |     |     |     |

**Research:** The research was undertaken by ATNF between August – September 2017, based on documents available in the public domain or provided by the company by the end of October. Any documents published since are not reflected in the score. FrieslandCampina engaged actively in the research process.

**Methodology used:** The 2018 ATNI Global Index BMS Marketing Corporate Profile methodology was the basis for assessment, developed with extensive input from the ATNI Expert Group, and available at [www.accesstonutrition.org](http://www.accesstonutrition.org).

**Product scope:** In line with the WHO definitions set out in The Code and its statement of July 2013, the 2018 Global Index scores are based on whether companies restrict marketing of their BMS products in line with the recommendations of The Code and relevant WHA resolutions. These include complementary foods and beverages identified as being suitable for infants up to six months of age, any type of milk-based formula or follow-on formula (also called follow-up formula) or growing-up milk (also called toddler milk) identified as being suitable for infants and young children up to 24 months of age. ATNF also calculated, for BMS 1, what each company's score would have been had their compliance with WHA 69.9 also been included, i.e. including formulas marketed as suitable for infants up to 36 months age and complementary foods for young children from 6-36 months of age. Companies' scores in the next Global Index will be based on these scores.

**Initial Corporate Profile score:** This score is based on an initial analysis of the company's policy, management systems and disclosure, as set out in the ATNI 2018 BMS Marketing methodology. It reflects the extent to which its policies are aligned with The Code and subsequent WHA resolutions (up to but not including WHA 69.9), its policy commitments on lobbying, the scope and strength of its

management systems, and extent of its disclosure (but not yet taking into account the product scope).

**Weighted scores:** The initial Corporate Profile score is adjusted according to: i) which types of countries the policy applies to (the score is reduced by 25% if the policy applies only in higher-risk countries for a particular product type); ii) where local regulations are weaker than its policy, whether the company complies with local regulations or its own policy (the score is reduced by a further 15% if it does not commit to following its own policy in these circumstances). The scores under each product type show the level of compliance each company achieves for that product type. If the company does not apply its policy to any product category it scores zero. This is also the case if it does not disclose its policy.

**Final Corporate Profile score:** This is the final score weighted according to whether the company's policy applies to each type of BMS product being assessed for the 2018 Global Index. That is, using the scores after the relevant penalties have been applied: (IF score \* IF weighting) + (CF score \* CF weighting) + (FOF score \* FOF weighting) + (GUM score \* GUM weighting). If a company derives less than 5% of its baby food revenues from CF, it is not scored for that product type. The 25% weighting for CFs is re-allocated to IF, i.e. its score for IF is multiplied by a weighting of 60%.

**Adjustment to Global Index score:** For those companies included in the 2018 Global Index, the total possible adjustment relating to the Corporate Profile is 0.75, 50% of the maximum possible adjustment of 1.5. The final Corporate Profile score represents the level of compliance with the ATNI methodology; the adjustment is based on the level of non-compliance. Therefore, the calculation for the adjustment is:  $0.75 \times (100\% - \text{final CP score})$ .

## Preliminary analysis of compliance with WHA 69.9

For the assessment of compliance with WHA 69.9 in the next Index, the BMS 1 Corporate Profile will comprise two parts. Firstly, the BMS module will retain the same structure as the current methodology but indicators that relate to the new recommendations will be adjusted to reflect them. Then a second module will be added – the CF module – to assess companies' marketing of CF for infants and young children between 6-36 months of age. This module will only be applied to companies that derive more than 5% of their total baby food sales from CF for children 6-36 months. The new module will also assess companies' policies and management systems that relate to CF for infants and young children between 6-36 months of age. All sections will carry equal weight, i.e. 16.67% each. The final BMS 1 score will combine the scores for each module. The BMS module will carry 95% of the weight and the CF 6-36 module will carry 5% of the weight. This reflects the fact that whereas The Code is designed to protect breastfeeding and deter inappropriate marketing of BMS products that might discourage breastfeeding, WHA 69.9 is not designed to deter marketing of CF 6-36 in general but rather to ensure that they are not marketed in such a way as to discourage breastfeeding or raise brand awareness for BMS products made by the

same company via cross-marketing. Moreover, it is intended to prevent conflicts of interest in health facilities all throughout health systems.

**Initial assessment of the company's application of WHA 69.9**

For the 2018 Global Index, the BMS 1 assessment does not include analysis of companies' compliance with the provisions of WHA 69.9. However, analysis has been conducted to determine companies' progress in implementing this resolution. FrieslandCampina has very few commitments in place which relate to the provisions of WHA 69.9 that apply to formulas. The company should adopt a policy which reflects the relevant adjustments introduced by WHA 69.9. As the company derives less than 5% of its sales from CF, it has not been assessed on related indicators.

**FrieslandCampina analysis**

|                          |     |
|--------------------------|-----|
| Score Including WHA 69.9 | 73% |
| BMS score (100% weight)  | 73% |
| CF score                 | NA  |

## BMS 2: In-country assessment in Nigeria

Note that Friesland Campina does not sell its products in Thailand. This company's assessment is based only on the Nigeria study.

|   | Thailand | Nigeria   | Total     |
|---|----------|-----------|-----------|
| <b>Total number of BMS products assessed</b>                      |          | <b>4</b>  | <b>4</b>  |
| Infant formula  | N/A      | 3         | 3         |
| Complementary foods   | N/A      | –         | –         |
| Follow-on formula   | N/A      | 0         | 0         |
| Growing-up milks  | N/A      | 1         | 1         |
| <b>Total incidences of non-compliance identified</b>              |          | <b>25</b> | <b>25</b> |
| Infant formula  | N/A      | 11        | 11        |
| Complementary foods   | N/A      | –         | –         |
| Follow-on formula   | N/A      | 0         | 0         |
| Growing-up milks  | N/A      | 13        | 13        |
| Formula, age not specified  | N/A      | 1         | 1         |
| <b>Ratio of incidences of non-compliance by products assessed</b> |          | 6.3       |           |
| <b>Level of compliance</b>  |          | Low       |           |
| <b>Aggregate score</b>  |          |           | 0%        |
| <b>Adjustment to Global Index score (out of 0.75)</b>             |          |           | -0.75     |

Note that the final adjustment to the Global Index score based on the in-country assessments is calculated as follows:  
 $0.75 \times (100\% - \text{aggregate in-country score})$ .

### Key to levels of compliance

**Complete:** No incidences of non-compliance found

**High:** Fewer than or equal to 1 incidence of non-compliance by number of products assessed

**Medium:** Between 1.1 and 2 incidences of non-compliance by number of products assessed

**Low:** More than 2.1 incidences of non-compliance by number of products assessed.

## Product brands

**Nigeria** Friso, Peak, My Boy

### Article 4: Information and education, all materials including donations of equipment

- Overall, three incidences of non-compliance with Article 4 were found. Two of its products were referenced on two materials published by FrieslandCampina observed in public areas at healthcare facilities.
- One piece of equipment (a growth chart) was also found with Friso branding.

### Article 5: Advertising and promotion to the general public and mothers

- Overall, 18 incidences of advertising and promotion were found for FrieslandCampina products. (Note that data based on recall is not included in the score). These were all price promotions on one online retail site, for both infant formula as well as growing-up milk.
- Only one woman interviewed recalled seeing an advertisement on television she believed to be for a FrieslandCampina product but none recalled having been given a sample of one of the company's BMS products.

### Article 6: Healthcare systems (promotion within)

- No incidences of non-compliance were observed in relation to this Article.
- None of the mothers interviewed reported that a healthcare worker had recommended that she use a FrieslandCampina product and no healthcare workers reported that a company representative had contacted them to provide product samples to mothers.
- None of the healthcare workers reported receiving or being offered a gift by FrieslandCampina and only one reported an offer of financial support or to sponsor an event.

### Article 9: Labeling

- All of FrieslandCampina's product labels and/or inserts were found to be non-compliant with The Code and/or local regulations in Nigeria. For example, three carried a health or nutrition claim, and none included a warning that the product might contain pathogenic micro-organisms. Some were missing the wording in appropriate local languages and three had a baby, photograph, drawing or other graphic representation that idealizes or promotes the use of breast-milk substitutes. Two omitted a statement on the need for healthcare worker advice on the proper method of use and the same two did not carry a warning that incorrect preparation or mixture would be hazardous to infants.

## In-country assessment: Summary of methodology &amp; scoring

**Research:** The research was undertaken by Westat, a U.S.-based health and social science research company, under contract to ATNF, working with a local partner in each country.

**Methodology used:** The methodology is based on the first edition of the NetCode protocol: Research Protocol for Periodic Surveys to Assess the Level of Compliance with The Code and Relevant National Measures. Full details of the methodology are available in the Westat reports for each country.

**Data collection methods:**

- Interviews with pregnant women and mothers of infants in healthcare facilities.
- Interviews with healthcare workers in health facilities.
- Identification of informational and educational materials produced by BMS manufacturers in healthcare facilities and retail stores.
- Identification of promotional materials produced by BMS manufacturers in healthcare facilities.
- Identification of adverts and point-of-sale promotions by BMS manufacturers in retail stores and on online retail sites.
- Analysis of product labels and inserts of all available BMS products on the local market, in a large and small size where available.
- Media monitoring, including various forms of traditional and new media.

**Definitions used:**

Westat's studies included the following types of products, following the definitions used in The Code and WHA 69.9.

- BMS products include: Infant formula (for infants less than 6 months of age); follow-on formula – sometimes called follow-up formula – (for infants 6-12 months of age); growing-up milk (for children 12-36 months of age); CF when recommended for infants less than six months of age and bottles and teats.
- CF marketed as suitable for young children from 6-36 months of age.

While Westat analyzed and presents data including CF 6-36 months, ATNF has only based companies' BMS 2 results on their scores relating to compliance with The Code and all resolutions up to but not including WHA 69.9, i.e. excluding results relating to CF 6-36 months and formulas marketed as suitable from 24-36 months of age.

- Definitions of non-compliance with The Code's recommendations: 2015 NetCode Protocol, WHO and other authoritative sources (such as the Helen Keller Institute) and local regulations in each country. Full list of definitions available as an Annex to the Westat reports.

**Location:** Bangkok, Thailand, and Lagos, Nigeria.

**Sampling:**

- Healthcare facilities: Selected with probability proportionate to size from a sample frame of eligible facilities.
- Women and healthcare workers: Selected on a probability basis within each healthcare facility.
- Retailers: Three traditional retail stores near healthcare facilities selected on a purposive basis and major online retailers in each country identified with advice from local partners.
- Advertising: Various traditional media were monitored, such as television and print by a specialist agency in each country. Additional monitoring of online media was undertaken by local partners.
- 330 women and 99 healthcare workers were interviewed in Thailand, and 315 women and 98 healthcare workers in Nigeria.
- Products: BMS and CF products were first identified through searches on online retailers and visits to 'brick and mortar' retailers. As many products as possible were purchased, in a large and small size pack where available. Not all products shown on online retail sites were in fact available for sale.

**Fact-checking with companies:**

Once data collection was completed, each company was asked to confirm that the products assessed were products intended for each market (i.e. parallel imports were excluded). They were also asked to confirm which online retailers they have commercial relationships with. Point-of-sale promotions on online retail websites were only included where the companies confirmed they have commercial relationships. If companies did not respond to ATNF's request, the results from these online retailers were included in the assessment.

**Scoring:** For an explanation of how the scores were calculated, see the [ATNF BMS Marketing methodology](#).



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### Note

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country-specific regulations related to marketing of these products. Westat is responsible for the analysis of the data related to compliance with the BMS marketing standards and for preparation of summary reports that have been incorporated by ATNF into the scoring of company performance for the Access to Nutrition Index.

### Westat disclaimer

Westat, with its local subcontractors in Thailand and Nigeria, was responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country-specific regulations related to marketing of these products. Westat is responsible for the analysis of the data related to compliance with the BMS marketing standards and for preparation of summary reports that have been incorporated by Access to Nutrition Foundation (ATNF) into the scoring of company performance for the 2018 Access to Nutrition Global Index. Westat and its local subcontractor engaged with healthcare facilities, mothers of infants who attended those facilities, healthcare workers at the facilities, and retailers as part of the data collection and analysis process.

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