

Koninklijke FrieslandCampina

The Netherlands

| | Weight | Score |
|----------------------------------|--------|-------|
| BMS 1: Corporate Profile | 50% | 31% |
| BMS 2: In-country assessment | 50% | 17% |
| Total | 100% | 24% |
| Impact on the Global Index score | | -1.14 |

BMS 1: Corporate Profile analysis

Application of policy

| Product type | Product made? | Policy scope ¹ | Which policy applies? | Geographic coverage? ² | If local regulations are weaker than own policy in higher-risk countries, follows: ^{**} |
|---------------------------------|---------------|---------------------------|--|-----------------------------------|--|
| Infant formula: 0-6 months | ✓ | ✓ | FrieslandCampina Guidelines + IFM RRC ³ | All countries | Local regulations |
| Complementary foods: 0-6 months | ✓ | ✓ | FrieslandCampina Guidelines* + IFM RRC | Higher-risk countries | Local regulations |
| Follow-on formula: 6-12 months | ✓ | ✓ | FrieslandCampina Guidelines + IFM RRC | Higher-risk countries | Local regulations |
| Growing-up milks: 12-24 months | ✓ | ✗ | Out of policy scope | Out of policy scope | Local regulations |

The policy applies to any joint ventures, including those where the holding is less than 50%

* Complementary foods (CF) are covered to a limited degree by IFM but FrieslandCampina Guidelines explicitly say that CF are not covered by the policy. This is because sales of these products are limited to only one country, Greece.

** Friesland Campina commits to complying with local regulations in all countries.

Initial Corporate Profile score

| Section | Article | Topic | Score |
|---------------------------------|---------|--|-------|
| 1 | Intro | Overarching commitments | 69% |
| 2 | 4 | Information & education | 75% |
| 3 | 5 | The general public and mothers | 90% |
| 4 | 6 | Health care systems | 97% |
| 5 | 7 | Health workers | 100% |
| 6 | 8 | Persons employed by manufacturers and distributors | 100% |
| 7 | 9 | Labeling | 86% |
| 8 | 10 | Quality | 100% |
| 9 | 11 | Implementation | 69% |
| 10 | | Lobbying (policy and objectives) | 0% |
| 11 | | Disclosure | 13% |
| Initial Corporate Profile score | | | 72% |

For explanation see page 3.

Final Corporate Profile score

| Product type | Weight | Final score |
|--|--------|-------------|
| Initial Corporate Profile score | | 72% |
| Infant formula (0-6 months) | 35% | 62% |
| Complementary foods (0-6 months) | 25% | 0% |
| Follow-on formula (6-12 months) | 20% | 46% |
| Growing-up milks (12-24 months) | 20% | 0% |
| Total weighted Corporate Profile score | | 31% |

For explanation see page 3.

¹ The assessment does not include analysis of whether the company's policy extends to teats and bottles.

² Higher-risk countries are countries which have, 'more than ten per 1,000 under-five mortality rate' or 'more than 2% acute malnutrition (moderate and severe wasting) in under-fives' according to data from UNICEF.

³ International Association of Infant Food Manufacturers: Rules of Responsible Conduct.

Koninklijke FrieslandCampina

Analysis

Overarching commitments

FrieslandCampina's policy explicitly acknowledges the importance of The International Code of Marketing of Breast-milk Substitutes (The Code) but not subsequent World Health Assembly (WHA) resolutions. While the company states explicit support for exclusive breastfeeding for the first six months it does state its support for breastfeeding for two years or more. It does however explicitly state support for introduction of appropriate complementary foods from the age of six months.

Policy commitments on marketing

FrieslandCampina's policy commitments are set out in several documents including FC Standard, FC Guideline and FC Q&A, a document that provides detailed guidance and instructions to staff. These commitments are wide-ranging and comprehensive, and exceed the weaker standards laid down in the IFM RRC. Furthermore, in its comprehensive 'FC Guideline', the company sets out clearly any specific regulatory requirements by country that go beyond its own policies which staff must ensure compliance with.

The products covered by FrieslandCampina's policies are limited. The company should therefore extend its policy to products for children up to 24 months of age and apply that policy consistently globally, rather than only in higher-risk countries. It should also explicitly include provisions relating to complementary foods for infants up to six months in its policy commitments. This would more clearly demonstrate 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 complementary foods from six months of age. The company should also commit to upholding its own policy in countries where regulations are weaker than that policy.

Overall, FrieslandCampina's 'Guideline' and related policy documents are strong. FrieslandCampina's policy commitments related to health care workers (Article 7), persons employed by manufacturers and distributors (Article 8) and quality (Article 10) are fully in line with The Code. Most policy commitments relating to Articles 4, 5, 6, 9 and 11 are also compliant with The Code. However, the company could strengthen its policy commitments by adjusting and expanding its own global policy in the following areas:

- Specify the requirements that need to be met in order for the company to donate informational or educational equipment or materials to health care systems.
- Broaden and specify standards to bring them fully into line with WHA resolution requirements related to providing information to health workers, parents and other care givers 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.⁴
- Make a commitment to collaborate with governments in their efforts to monitor the application of The Code.

FrieslandCampina demonstrates industry best practice in terms of how it sets out which Key Performance Indicators (KPIs) can and cannot be used as a basis for calculating performance management, salary and bonuses.

Management systems

FrieslandCampina provided evidence of comprehensive global management systems. The company provided clear, well-structured documents that outline responsibilities for implementation and compliance of its policies, standards and procedures. Furthermore, FrieslandCampina has developed clear instructions for staff on how to interpret and apply its corporate guidelines and clearly demonstrated it has good training programs for employees. In addition, FrieslandCampina has industry leading procedures on labeling as it is the only company among those assessed that has clear global and unified instructions for staff and includes all procedures relating to Articles 9.1 - 9.4 and WHA resolutions 63.23 and 58.32. It also commissions external audits of compliance with its own policies and local regulations.

Policy commitments on lobbying

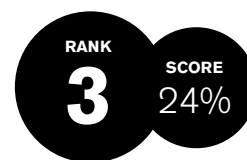
FrieslandCampina does not disclose a policy to guide its lobbying on BMS issues, nor does it score on any of the other indicators relating to this topic.

Disclosure

The company discloses a general and limited version of its, 'Corporate Standards for Marketing of Infant Foods' and its whistleblowing regulations and procedures. FrieslandCampina submitted a large number of documents under a non-disclosure agreement. If more of these were public, FrieslandCampina would greatly improve its transparency and consequently score better on the disclosure indicators.

⁴ This refers to WHA resolution 58.32 which requires that: i) labels of powdered infant formula include an explicit warning that the product may contain pathogenic micro-organisms and must be prepared and used appropriately and; ii) that health workers, parents and other care givers are provided with information that powdered infant formula may contain pathogenic micro-organisms and must be prepared for use appropriately. This is a topic of dispute with some of the companies; see the Global Index 2016 report chapter on BMS for further discussion.

Koninklijke FrieslandCampina



Corporate Profile methodology & scoring

Research: The research was undertaken by ATNF between June – August 2015, based on documents available in the public domain or provided by the company up to the end of July. Any documents published since then are not reflected in the score. FrieslandCampina engaged actively in the research process.

Methodology used: The BMS Corporate Profile methodology was the basis for assessment, developed with extensive input from the ATNI Expert Group, and available at www.accessstonutrition.org.

Product scope: In line with the WHO definitions set out in The Code and its statement of July 2013, the 2016 Global Index assesses whether companies restrict marketing of certain 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.

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 BMS methodology. It reflects the extent to which its policies are aligned with The Code and subsequent WHA resolutions, 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 by the 2016 Global Index.

Adjustment to Global Index score: For those companies included in the 2016 Global Index, the total possible adjustment relating to the Corporate Profile is 0.75, fifty percent 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: $0.75 \times (100\% - \text{final CP score})$.

BMS 2: In-country assessments in Vietnam and Indonesia

| | Vietnam | Indonesia | Total |
|---|-----------|------------|------------|
| Total number of BMS products assessed | 9 | 6 | 15 |
| Infant formula | 3 | 2 | 5 |
| Complementary foods | 0 | 0 | 0 |
| Follow-on formula | 3 | 2 | 5 |
| Growing-up milks | 3 | 2 | 5 |
| Formula, age not specified | 0 | 0 | 0 |
| Total incidences of non-compliance identified | 13 | 101 | 114 |
| Infant formula | 2 | 6 | 8 |
| Complementary foods | 0 | 0 | 0 |
| Follow-on formula | 2 | 4 | 6 |
| Growing-up milks | 5 | 84 | 89 |
| Formula, age not specified | 4 | 7 | 11 |
| Ratio of incidences of non-compliance by products assessed | 1.4 | 16.8 | |
| Level of compliance | Medium | Low | |
| Aggregate score (Vietnam and Indonesia) | 33% | 0% | 17% |
| Adjustment to Global Index score (out of 0.75) | | | -0.62 |

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 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

Products

| | |
|------------------|---|
| Vietnam | Friesland Campina markets BMS products under the brand names Friso, Dutch Lady, Dutch Baby, and Frisolac. |
| Indonesia | Friesland Campina markets BMS products under the brand names Frisian Flag and Frisolac. |

Article 4: Information and education for mothers and pregnant

- Overall, Friesland Campina placed fourth out of the six companies assessed for its level of compliance in both countries, with six incidences of non-compliance found in total.
- All six items were found in Indonesia and all were related to growing-up milk. They did not contain all the language specified by The Code.

Article 5: Advertising and promotion to the general public including mother and pregnant women

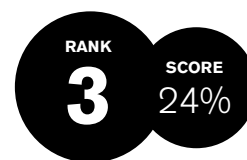
- Overall, Friesland Campina placed third out of the six companies assessed for its level of compliance in both countries on Article 5, with 98 observed incidences of non-compliance in total (note that data based on recall is not included in the score).
- In Vietnam, the formal media monitoring conducted during the study by specialist company Andi identified no advertisements for covered products on the advertising media monitored – radio, TV and print and online newspapers. However, three adverts were found on online media.
- Over 13% of the women interviewed in Vietnam recalled seeing an advertisement on television for what they believed to be a FrieslandCampina product. A smaller number recalled seeing such an advert on the internet or through social media.
- In Indonesia, again, over 13% of the women interviewed recalled seeing an advertisement on television for what they believed to be a FrieslandCampina product. A smaller number also recalled seeing such an advert on the internet or through social media.

- Media monitoring in Indonesia carried out by Nielsen and the local study team detected 30 advertisements for FrieslandCampina products. The majority (16) were on the internet and 24 of the 30 were for growing-up milk.
- Four point-of-sale promotions were identified in the 114 stores visited in Vietnam. By contrast, 61 promotions for FrieslandCampina covered products were identified in the 111 stores visited in Indonesia. The vast majority of these (52) were for growing-up milk and seven of the remainder did not specify a single product.

Article 6: Health care systems (promotion within)

- Overall, FrieslandCampina was placed third out of the six companies assessed for its level of compliance in both countries on Article 6 (note that recall-based figures are not included in the company's score).
- Three of the 814 women (<0.1%) interviewed in Vietnam recalled that a health care worker had recommended that they use a FrieslandCampina product.
- None of the 114 health care workers interviewed recalled any visits by a FrieslandCampina representative to talk to the women or distribute samples.
- Three of the 856 women (<0.1%) interviewed in Indonesia also recalled that a health care worker had recommended that they use a FrieslandCampina product.
- Three of the 111 healthcare workers (<0.1%) interviewed recalled visits by a FrieslandCampina representative to talk to the women or distribute samples.

Koninklijke FrieslandCampina



Article 9: Labeling

- Overall, Friesland Campina was placed fourth out of the six BMS companies assessed for its level of compliance in both countries, with a total of ten products with non-compliant labels.
- In Vietnam, six labels were non-compliant on the nine products assessed.
- In Indonesia, four labels were non-compliant on the six products assessed.

In-country assessment methodology & scoring

Research: The research was undertaken under contract to ATNF by Westat, a US-based health and social science research company.

Methodology used: The Interagency Group on Breastfeeding Monitoring (IGBM) Protocol, entitled 'Estimating the Prevalence of Violations of The Code and National Measures' from 2007. Adapted to local context. Used with permission from UNICEF.⁵

Data collection methods:

- Interviews with pregnant women and mothers of infants in health facilities.
- Interviews with healthcare workers in health facilities.
- Identification of informational materials produced by BMS manufacturers available in health facilities and retail stores.
- Identification of sales promotions by BMS manufacturers in retail stores.
- Analysis of product labels and inserts of all available products on the local market.
- Media monitoring.

Definitions used:

Drawn from The Code and subsequent guidance issued by WHO in July 2013.⁶

- Covered products include: infant formula (for infants less than six months of age); follow-on formula – sometimes called follow-up formula – (for infants 6-12 months of age); growing-up milk (for children 12-24 months of age); complementary foods when recommended for infants less than six months of age and bottles and teats.

- Non-compliance with The Code's recommendations: IGBM Protocol, WHO and other authoritative sources (such as the Helen Keller Institute). Available as an Annex to Westat reports.

Location: Urban Hanoi and urban Jakarta.

Sampling:

- Health facilities: selected with probability proportionate to size from a sample frame of eligible facilities.
- Women and health care workers: selected on a probability basis within each health facility, as were health care workers.
- Retailers: Three retail stores near health facilities selected on a purposive basis. All identified BMS products were selected for analysis of labels and inserts.
- Advertising: Two most widely used traditional media channels monitored, such as television and print, as well as online media, by a specialist agency in each country. Additional monitoring of online media undertaken by local partners (ISMS and Polling Center).
- Over 800 women and 125 health care workers were interviewed in each country, and over 110 retail stores were visited in each country.

Scoring: For an explanation of how the scores were arrived at, see the BMS chapter and Annex of the 2016 Global Index report.

About the company⁷

- FrieslandCampina is the fifth largest BMS manufacturer globally with 3% market share in baby food.
- In FY2014 the company generated worldwide revenues of \$1.7 bn from baby food.
- Growing-up milks are the largest baby food product by sales.
- FrieslandCampina's portfolio consists of the brands Friso, Dutch Lady, Frisian Flag, Peak, NoyNoy and My Boy.
- The company's market focus is Asia Pacific. China is a major market for FrieslandCampina in the region; it also makes and sells products in Hong Kong, Malaysia, Indonesia and Vietnam. Its other key markets are the Netherlands, its home markets, and Greece.

Documents assessed in the Corporate Profile methodology

- FrieslandCampina Corporate Standard for the Marketing of Infant Foods
- FrieslandCampina Whistle-blowing Regulations
- FrieslandCampina Whistle-blowing Procedure
- FrieslandCampina Code of Conduct
- Company website, <https://www.frieslandcampina.com/en/>
- More than 15 documents submitted to ATNF under NDA
- FrieslandCampina Facebook, <https://www.facebook.com/FrieslandCampina>
- FrieslandCampina Twitter, <https://twitter.com/friesIndcampina>
- FrieslandCampina Youtube, <https://www.youtube.com/user/frieslandcampina>
- Friso website, <http://www.friso.com/>
- Friso website Vietnam, <http://www.friso.com.vn>
- Friso website Indonesia, <http://www.friso.co.id/>
- Friso Indonesia Facebook, Friso Indonesia Facebook
- Friso Indonesia Twitter, <https://twitter.com/frisoid>
- Friso Indonesia Youtube, <https://www.youtube.com/user/FrisoIndonesia>
- Friso Vietnam Facebook, <https://www.facebook.com/Frisovietnam>
- Friso Vietnam Youtube, <https://www.youtube.com/user/suafrisovietnam>
- IFM Rules of Responsible Conduct

⁵ UNICEF's permission to use the IGBM protocol does not imply endorsement of the methodology used or the results of the survey.

⁶ http://www.who.int/nutrition/topics/WHO_brief_fufandcode_post_17July.pdf

⁷ Source: Euromonitor, a market research provider

Koninklijke FrieslandCampina

ATNF disclaimer

As a multi-stakeholder and collaborative project, the findings, interpretations, and conclusions expressed in the report may not necessarily reflect the views of all companies, members of the stakeholder groups or the organizations they represent or of the funders of the project. This report is intended to be for informational purposes only and is not intended as promotional material in any respect. This report is not intended to provide accounting, legal or tax advice or investment recommendations. Whilst based on information believed to be reliable, no guarantee can be given that it is accurate or complete.

Note

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breastmilk 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.

The user of the report and the information in it assumes the entire risk of any use it may make or permit to be made of the information. NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS ARE MADE WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION ARE EXPRESSLY EXCLUDED AND DISCLAIMED.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall Access to Nutrition Foundation, nor any of their respective affiliates, have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.

Westat disclaimer

Westat, with its local subcontractors in Vietnam and Indonesia, was responsible for the collection of data related to company compliance with the International Code of Marketing of Breastmilk 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 and its local subcontractors engaged with health facilities, pregnant women and mothers of infants who attended those facilities, health workers at the facilities, and retailers as part of the data collection and analysis process.

The user of the report and the information in it assumes the entire risk of any use it may make or permit to be made of the information. NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS ARE MADE WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION ARE EXPRESSLY EXCLUDED AND DISCLAIMED.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall Access to Nutrition Foundation, Westat, nor any of their respective affiliates or contractors, have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.