



**FrieslandCampina** n.v.

nourishing by nature

# Modern Slavery Statement 2023

This statement is published in accordance with the California Transparency in Supply Chains Act 2010, section 54 of the United Kingdom Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018. It sets out the steps undertaken by Royal FrieslandCampina N.V. (hereinafter FrieslandCampina), the reporting entity, to combat modern slavery in its operations and supply chain. This statement applies to all FrieslandCampina's subsidiaries<sup>1</sup> for the year ended 31 December 2023.

## **Introduction**

FrieslandCampina respects and supports internationally recognised human rights and believes in respectful and honest business relationships. Combatting modern slavery is covered by our [Human Rights Policy](#).

This statement consists of five sections:

1. Our structure, operations and supply chain;
2. Our policies and governance related to combat modern slavery;
3. Modern slavery risks in our operations and supply chain;
4. Assessing and addressing modern slavery risks; and
5. 2024 Outlook.

All business groups were informed about the statement before publishing. Managing directors in the Americas and the United Kingdom were respectively consulted on the related modern slavery acts.

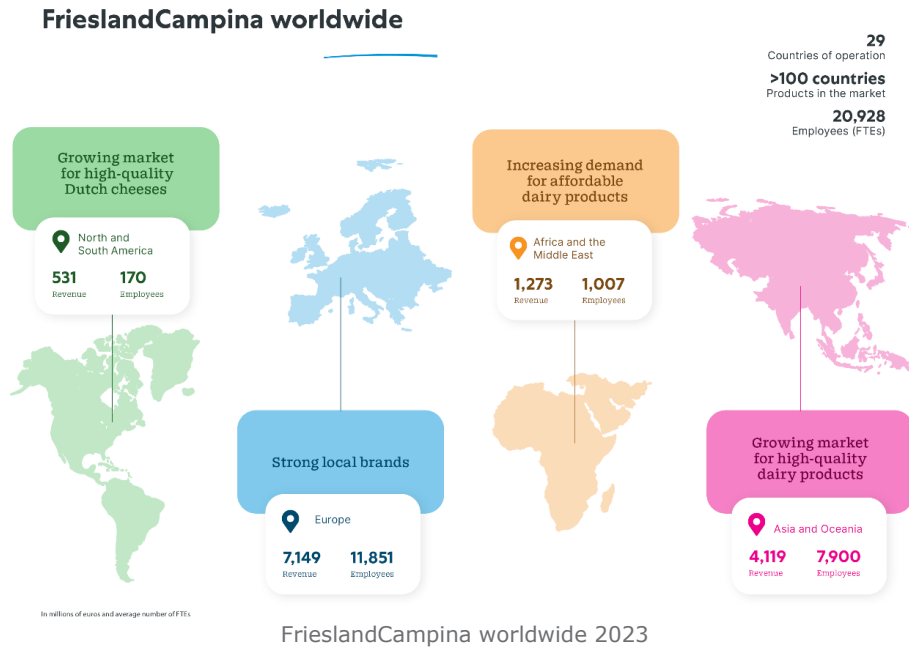
<sup>1</sup> Subsidiaries over which FrieslandCampina has control

## 1. Our structure, operations and supply chain

### Our structure

FrieslandCampina is a public limited liability company fully owned by Zuivelcoöperatie FrieslandCampina U.A., with 14,634 member dairy farmers in the Netherlands, Belgium, and Germany. Through the cooperative, these member dairy farmers jointly own the company.<sup>2</sup>

FrieslandCampina has its registered office in Amersfoort, the Netherlands. In 2023, it had operations in 29 countries<sup>3</sup> and the average number of FTEs was 20,928.



### Our operations

With the purpose nourishing by nature, FrieslandCampina's operations include the collection, processing and production of (1) consumer products, such as milk, yogurt, cheese, infant nutrition and desserts, (2) products for the professional market, such as cream and butter products and (3) ingredients and semi-finished products for producers of infant nutrition, the food industry and the pharmaceutical sector.

FrieslandCampina has many brands presenting in the markets of more than 100 countries, including Australia.<sup>4</sup> In 2023, FrieslandCampina had a revenue of 13.1 billion euros.

<sup>2</sup> More information about FrieslandCampina's governance structure as at 31 December 2023 can be found in [FrieslandCampina's Annual Report 2023](#), page 91.

<sup>3</sup> FrieslandCampina's locations worldwide can be found here: [Contact us - FrieslandCampina Global - FrieslandCampina](#).

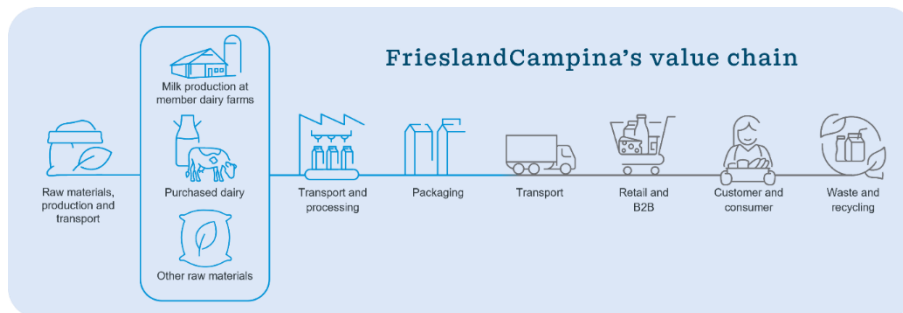
<sup>4</sup> FrieslandCampina's brands worldwide can be found here: [Brands - FrieslandCampina Global - FrieslandCampina](#).



FrieslandCampina's brands

## Our supply chain

FrieslandCampina has an extensive supply chain. Most dairy raw materials are sourced within our own chain from the member dairy farms. Through Dairy Development activities, we work together with more than one hundred thousand dairy farmers in Greece, Hungary, Indonesia, Ivory Coast, Malaysia, Nigeria, Pakistan, the Philippines, Romania, Thailand and Vietnam, to develop the local dairy value chain with high quality milk, increase the income of local dairy farmers and reduce negative environmental impacts.<sup>5</sup> In addition, we purchase raw materials from outside our dairy chain, such as fruit, edible oil, peas, cocoa and materials for packaging.



FrieslandCampina's value chain

<sup>5</sup> More information about Dairy Development can be found in FrieslandCampina's [Annual Report 2023](#), page 63.

## 2. Our policies and governance related to combat modern slavery

### Our policies

#### Human Rights Policy

FrieslandCampina's [Human Rights Policy](#) was adopted by the Executive Board in 2019. The policy was developed based on engagement with internal and external stakeholders, according to the [UN Guiding Principles on Business and Human Rights](#) and the [OECD Guidelines for Multinational Enterprises](#). With the policy, FrieslandCampina takes responsibility towards affected stakeholders throughout the value chain.

The policy specifies our commitments in nine focus areas (including child labour and forced labour), mainly derived from the [International Bill of Human Rights](#) and the [ILO Declaration on Fundamental Principles and Rights at Work](#).

Our internal human rights guidelines interpret the policy and provide practical tips for subsidiaries, such as what the worst forms of child labour are, indicators of potential forced labour (e.g. retention of identity documents) and special attention needed for vulnerable groups (e.g. children, women and migrants).

#### Responsible Supplier Policy

To act within our purpose and to be a responsible business partner, FrieslandCampina adopted a global [Responsible Supplier Policy](#) in 2023. This policy aims to optimise the transparency of environmental and social sustainability matters in our supply chain.

To comply with the Responsible Supplier Policy, suppliers are expected to:

- adhere to our sustainability policies which are applicable to them, including our [Zero Deforestation and Conversion Policy](#) and Human Rights Policy;
- provide, upon request of FrieslandCampina, sustainability data and information;
- implement a sustainability due diligence process, appropriate to the size of their business and value chain, including a grievance mechanism, to identify any negative impacts on environment or human rights within their value chain; and
- if a negative sustainability impact is identified, take appropriate action for prevention, mitigation and remediation.

#### Compass & Speak Up

Our code of conduct, [Compass](#), provides guidelines for proper business behaviour. FrieslandCampina believes in respectful, honest business relations and in showing respect for the world in which we operate. All employees and other people working at our company through an agency, a supplier, as an independent consultant, or in any other position are required to adhere to Compass. Among other topics, Compass covers human rights, including no tolerance of child labour and forced labour.

Our business partners (including suppliers) are required to sign the [Business Practices for Business Partners](#) as a supplement to the contract with FrieslandCampina.

In case an employee or a third party has concerns about potential misconduct (including modern slavery issues) of FrieslandCampina or any of its employees, they are encouraged to raise these concerns. FrieslandCampina [Speak Up Webservice](#) is available 24/7, allowing people to report in their own languages and remain fully anonymous. All reported cases will be screened and dealt with in a confidential manner. High impact cases<sup>6</sup> are monitored by FrieslandCampina's Integrity Committee.

<sup>6</sup> Fraud with a total suspected value above 10,000 euro, or cases that could form a direct threat to FrieslandCampina's integrity and reputation (e.g. breaches of laws by FrieslandCampina as a company or salient human rights cases), or cases that involve an Executive Leadership Team member or -1/-2 employee, or cases in which the reporter can show that management did not take (sufficient) action, or in case deemed necessary by the corporate Speak Up Committee

## Our governance

In 2023, the Executive Board and the Chief People Officer (CPO) oversaw our human rights agenda at the most senior level.<sup>7</sup> As a steering committee, the Social Sustainability Committee monitored the effectiveness and facilitated a consistent approach to respect human rights. The Committee met bi-monthly, chaired by the CPO and including members representing legal, ethics & compliance, procurement, finance, etc.

Following the Committee's decisions, the human rights team designs and executes global human rights programs in its daily activities.

Procurement-related human rights matters are governed by corporate procurement, specifically handled by the procurement ESG team.

The local management teams are accountable for implementing locally oriented programmes and/or suggested measures in the subsidiaries, supported by the human rights team.

<sup>7</sup> In 2024, social sustainability (including human rights) is covered by the updated scope of FrieslandCampina's Sustainability Committee which is a commission of the Supervisory Board.

### **3. Modern slavery risks in our operations and supply chain**

#### **Modern slavery risks in our operations**

At FrieslandCampina, we identify human rights risks (including modern slavery risks) by first looking into the nature and context of operations. Accordingly, some subsidiaries are prioritised for a human rights risk assessment. By the end of 2023, prioritised subsidiaries in fifteen countries<sup>8</sup> have been subject to a risk assessment.

As a result, rights of agency workers in the production line deserve heightened attention. We take that into account when updating relevant strategies. Locally, for instance, in Pakistan there are ongoing initiatives to address risks related to wage payment and working hours of temporary agency workers. In Malaysia, risks associated with foreign contract workers' rights were identified, concerning freedom of association and freedom of movement. The mitigating actions had been taken in 2023.

In 2023, there were three Speak Up cases on human rights, which indicate risks about freedom of association and discrimination.

#### **Modern slavery risks in our supply chain**

FrieslandCampina acknowledges potential severe human rights risks in its supply chain, considering the sectors and geographical areas covered.

Regarding dairy raw materials, in 2020, child labour risk was identified in the Nigeria dairy supply chain, which is directly linked to<sup>9</sup> FrieslandCampina (see pages 7-8 about how we respond).

Some categories of non-dairy raw materials were scoped for human rights focus, such as palm oil (used for coffee creamer, fat powders, toppings and sweetened condensed milk), cocoa, soy, cane sugar and paper & pulp (see pages 7-8 about how we respond).

<sup>8</sup> The fifteen countries are Belgium, Egypt, Germany, Greece, Indonesia, Malaysia, Morocco, the Netherlands, Nigeria, Pakistan, the Philippines, Romania, Saudi Arabia, Thailand and the United Arab Emirates.

<sup>9</sup> The "directly linked to" refers to its meaning in the [UN Guiding Principles on Business and Human Rights](#).

## 4. Assessing and addressing modern slavery risks

### Human rights due diligence in our operations

FrieslandCampina has been embedding human rights due diligence in its operations since 2020, according to the [UN Guiding Principles on Business and Human Rights](#) and the [OECD Due Diligence Guidance for Responsible Business Conduct](#).

In 2023, the methodology for human rights due diligence was further structured. It includes human rights risk assessment at the site level, involving the human rights team, local management team and affected stakeholders. During the conducted assessments, we collected feedback from workers in vulnerable groups (e.g. women, migrants and agency workers).

If a human rights risk is identified, the local management team is accountable for preventing or mitigating such risk, supported by the human rights team and other stakeholders per case. In case of severe risks, more engagement with external experts would be applied.

### Sustainable sourcing

We strive to source all our raw materials from sustainable sources. Our sustainable sourcing and traceability activities are audited every year.

We only purchase raw materials from sustainably managed sources and use [Sedex](#), a collaborative platform, to assess (non-certified) suppliers. We acknowledge the limitations of that approach. Supplier-specific human rights due diligence will be carried out, covered by the implementation of the Responsible Supplier Policy. In 2023, an initial heatmap among our raw materials and sourcing countries was set up.

Examples of how we respond to human rights risks in sourcing:

Raw material	How we respond
Dairy raw materials	<p>FrieslandCampina is a member of the <a href="#">Dairy Sustainability Framework</a>, which aims to create a common framework for sustainable dairy farming across the sector (including aspects related to child labour and forced labour).</p> <p>In Nigeria, a cooperation is initiated among FrieslandCampina, FrieslandCampina WAMCO and the NGO Partner Africa. From 2021 to 2022, a research was conducted by Partner Africa focusing on child labour risk in eight Nigerian dairy producing communities. The research shows that the root cause of the risk is complex that includes socio-cultural, economic and institutional factors. As a next step, mitigating initiatives started in August 2023 and are expected to conclude in 2026, which the local government and local communities are also involved in. The whole project is co-funded by the Netherlands Enterprise Agency (<i>Rijksdienst voor Ondernemend Nederland</i>), referring to the <a href="#">Fund against Child Labour (Fonds Bestrijding Kinderarbeid)</a>.</p>
Palm oil	<p>We only purchase palm oil certified by the <a href="#">Roundtable for Sustainable Palm Oil (RSPO)</a>. A list of our palm oil suppliers can be found <a href="#">here</a> and a list of the mills that supply us further upstream in the palm oil supply chain can be found <a href="#">here</a>.</p>

Cocoa	We only purchase <a href="#">Rainforest Alliance</a> -certified (formerly UTZ) cocoa. Sourcing countries include Ivory Coast and Ghana. Also, we are a member of the <a href="#">Dutch Initiative on Sustainable Cocoa (DISCO)</a> , an initiative actively working on reducing human rights risks in the cocoa industry, such as working towards a living income.
Soy	We are currently covering our purchase of soy with <a href="#">Roundtable of Sustainable Soy credits (RTRS)</a> . These credits are purchased from certified producers who meet the RTRS standards. On top, soy oil purchased for our production locations in Lippstadt and Meppel are <a href="#">ProTerra</a> -certified.
Cane sugar	We are currently covering this with <a href="#">Bonsucro</a> credits purchased from farms that are certified sustainable. To the extent applicable, we improve this by purchasing certified Mass Balance volumes from either <a href="#">Bonsucro</a> or <a href="#">VIVE</a> .
Paper & pulp	A list of paper mills used by our carton suppliers can be found <a href="#">here</a> . A list of paper mills cooperating with our beverage carton suppliers can be found <a href="#">here</a> . Together with our suppliers we have achieved that 99% of our paper & pulp is <a href="#">FSC</a> / <a href="#">PEFC</a> certified.

## Remediation

Access to remedy is one of our focus areas in respecting human rights. Available in multiple languages, our Speak Up procedure is widely and continuously communicated at FrieslandCampina and its subsidiaries via training, town hall activities, etc. Speak Up is also explicitly stated in the [Business Practices for Business Partners](#), as part of our contracts with business partners. In addition, [Speak Up webservice](#) is 24/7 available for stakeholders.

In case FrieslandCampina identifies a negative human rights impact which it has caused or contributed to, either through human rights risk assessment or other means (e.g. Speak Up case-handling), FrieslandCampina will engage with stakeholders to provide for remediation. The remediation process will be further structured in 2024 and 2025.

## Awareness and capacity building

From 2021 onwards, dedicated human rights training is available for our employees. The course guides on how to identify and report (potential) human rights violations, including case studies about child labour and excessive overtime. In 2023, training tailored for production locations was delivered, encouraging people to raise their human rights concerns.

Capacity building is provided for certain projects and functions. For instance, child labour knowledge training was received by the project roles in Nigeria. In 2023, Responsible Supplier Policy training for our internal procurement community started.

## Effectiveness

In 2023, the following key quantitative indicators were applied:

- Increase of 14 percent in assigned employees completing the human rights e-learning. 89 percent of total assigned employees completed the e-learning.
- 80 percent of production locations offered human rights training courses (started in 2023).
- 3 Speak Up cases on human rights (2022:0).



## **5. 2024 Outlook**

Human rights will continuously be part of FrieslandCampina's sustainability roadmap.

In 2024 and 2025, we will expand the application of human rights due diligence to all operating countries. In that process, we will further engage with affected stakeholders. Awareness and role-specific capacity building will continue.

In the procurement process, in 2024 and 2025 the Responsible Supplier Policy will be implemented. Suppliers are expected to deliver input on human rights and to have their own governance covering human rights in their value chain. We are also planning to actively engage with suppliers for understanding and mutual support.

The 2024 human rights progress will be disclosed in the annual report. The sustainability transparency will be improved as aligned with the EU Corporate Sustainability Reporting Directive.

Signed by:

**Jan Derck (J.D.) van Karnebeek**

Chief Executive Officer  
Royal FrieslandCampina N.V.

**Hans (J.G.) Janssen**

Chief Financial Officer  
Royal FrieslandCampina N.V.

This statement was approved by the Executive Board of Royal FrieslandCampina N.V. on 14 May 2024.