



Implementing an ESG Framework

AXON Seminar | March 6th 2024



14,634

**ambitious
member farmers in
the Netherlands,
Germany
and Belgium**

The company is owned by
Zuivelcoöperatie FrieslandCampina U.A.

FrieslandCampina at a glance



14.1 billion
euros revenue



Branches in
29 countries



21,715
employees



15,137
member dairy
farmers

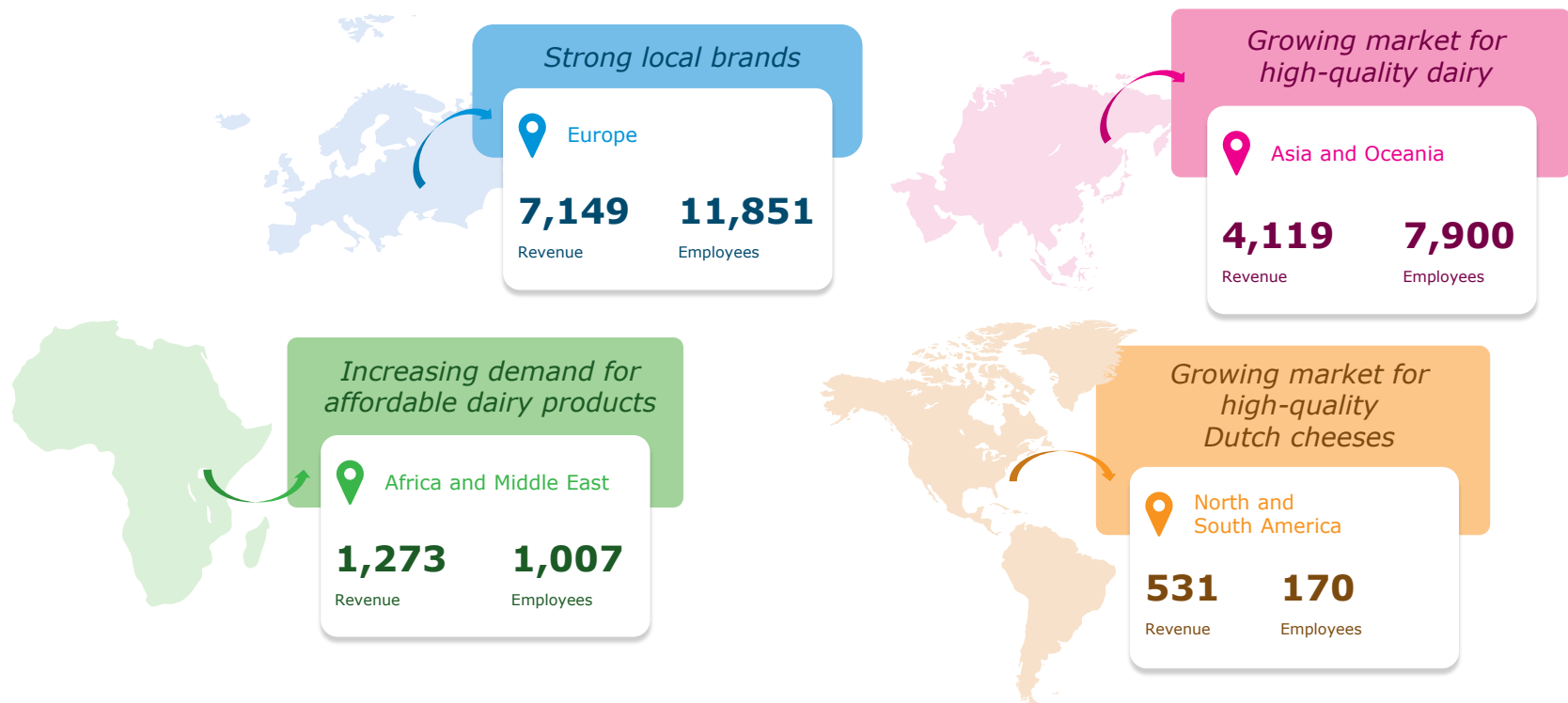


Export to
>100 countries



Every day
millions
of consumers

FrieslandCampina worldwide



Organised in seven business groups



Europe



Retail & Americas



Asia



**Middle East,
Pakistan & Africa**



**Professional &
Trading**



**Specialised
Nutrition**



Ingredients



With nourishing by nature, we have
a compelling purpose and strong
foundation



It all starts with the quality dairy nutrition we offer supporting peoples' health & wellbeing, today and in the future

**1 glass of milk
gives you...**



The calcium of 745g broccoli



The potassium of 1 small banana



The phosphorous of 3 slices of whole meal bread



The protein of 1 egg



The vitamin B₂ of 50g almonds



The vitamin B₁₂ of 50g beef



The iodine of 40g lean fish

But the world around us has some different – critical – views



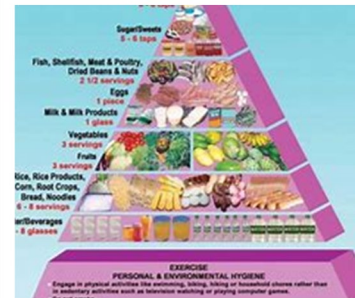
Rising global health issues

- Triple burden of malnutrition
- Food & nutrition (in)security
- Non-Communicable Diseases rising
- Cost of healthcare



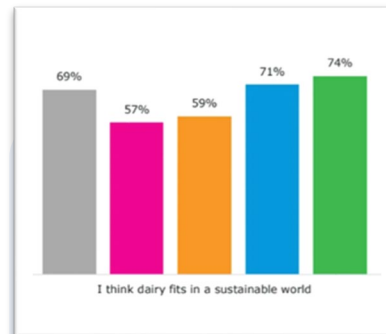
Food industry under scrutiny

- Industry accountable for unhealthy diets
- (ultra) processed foods sentiment growing
- Pressure to improve
- Purpose brands gaining ground



Health authorities & Governments put pressure

- Introducing NPM, taxation, labeling
- Changing dietary guidelines



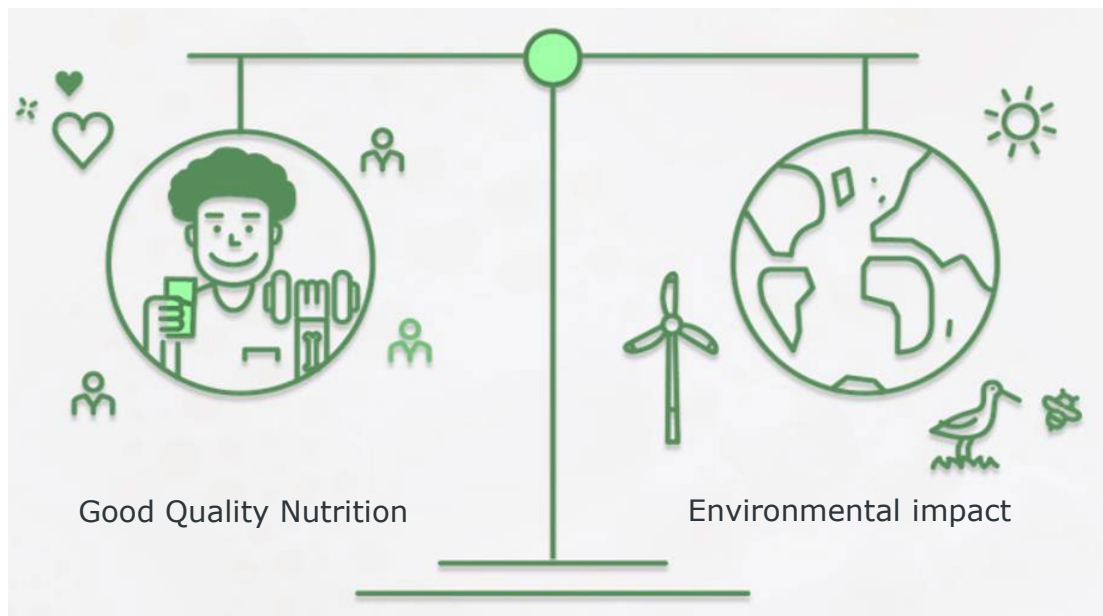
Milk consumption not a given

- Western world: decreasing in younger population
- Developing countries: accessibility & affordability at risk

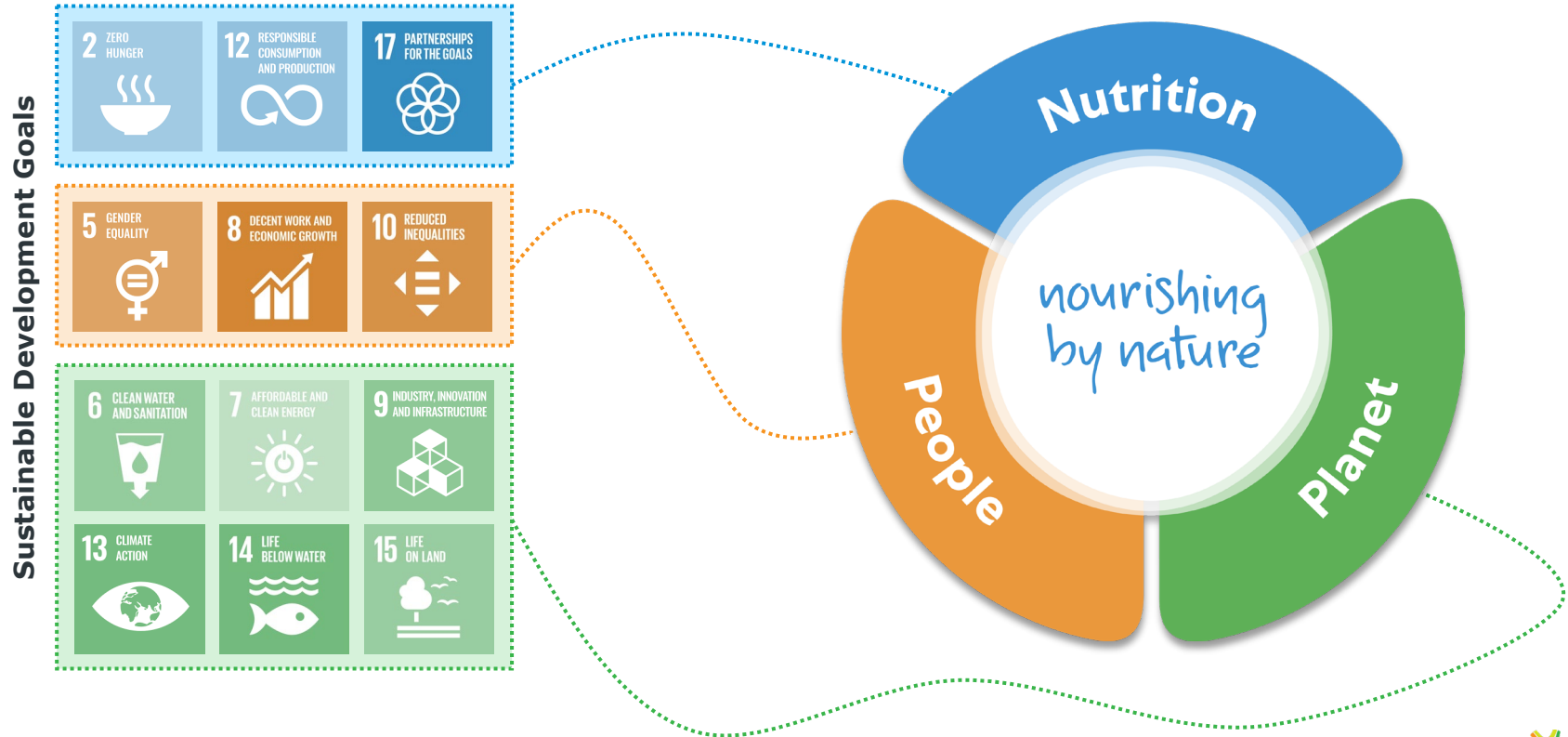
We as FrieslandCampina believe dairy is a nutrition powerhouse and part of a sustainable diet

Milk is an efficient source of nutrition.

Higher nutritional values per serving/kg compensate for higher environmental impact.

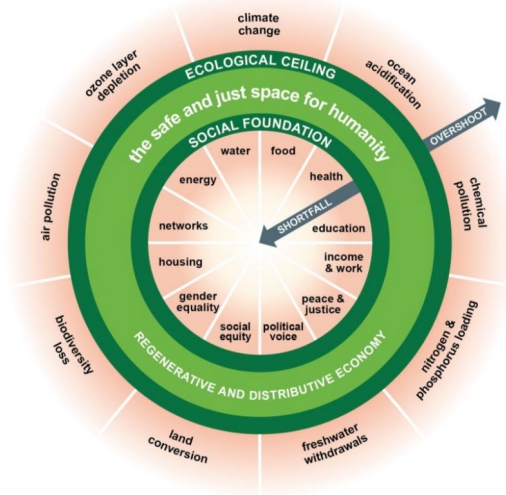


So making an impact is about more than reducing carbon



Our license to win is to provide quality nutrition, produced in balance with planet and people

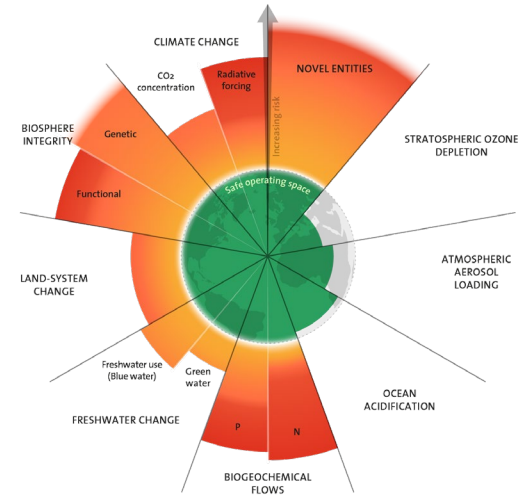
Business needs to find the safe operating space with regards to ecological & social impact



Making a positive impact on people & planet is in our purpose to Nourish by Nature

BUT

6 out of 9 planetary boundaries have already been surpassed – turn around is a must



AND

FrieslandCampina is perfectly positioned (heritage, capability, geography, etc.) to drive the needed change

Sources:

- The Doughnut of social and planetary boundaries of Raworth (2017)
- Stockholm Resilience Centre - Stockholm University based on Richardson et al. (2023), Steffen et al. (2015), and Rockström et al. (2009)

By doing dairy right, FrieslandCampina can make a lasting impact by addressing global challenges

Nutrition



Global worries

- Triple burden of malnutrition
- Non-Communicable Diseases¹
 - Cost of healthcare
 - Personal wellbeing

People



Global worries

- Food security & self-sufficiency
- Rising cost of living vs. income
 - Fairness & equality
- Employee purpose & impact

Planet



Global worries

- Climate change
- Loss of nature and biodiversity
 - Plastic litter

FrieslandCampina can offer solutions

Sustainability Strategic KPI Framework vs. CSRD reporting



Sustainability KPI Framework

- Self defined based on strategy
- FrieslandCampina specific KPIs
- Reports across business sustainability aspects (i.e. from external impact to internal valorisation)
- A selective set based on our business context
- T.B.D. # of KPIs (but expected much less than CSRD)



CSRD reporting

- Mandatory based on legislation
- Generic sustainability KPIs/data points
 - Reports only on external impact
- An extensive set that must be reported
- 73 KPIs/data points (at present, subject to updating)
- For KPIs (not data points) target setting is mandatory from 2025 onwards

Strategic Sustainability KPIs and CSRD KPIs overlap – but not 100%

How do the Sustainability KPIs and CSRD compare?



Total **Nutrition** KPIs¹

Sustainability Global

Sustainability Local

CSRD

Total **People** KPIs¹

Sustainability Global

Sustainability Local

CSRD

Total **Planet** KPIs¹

Sustainability Global

Sustainability Local

CSRD

Total Sustainability KPIs: >120

Sustainability Global : Approx 40

Sustainability Local: Approx 50

CSRD: 71²

*The total number of KPIs is not equal to the sum of global, local and CSRD due to overlap between the groups.
Specification in next slides.*

Our top priorities for a Sustainable Future

Enact our sustainability roadmap to mitigate our impact on climate and the environment, while driving collaboration with our customers on this critical topic.



Nutrition



Deliver high quality, highly nutritious Ingredients to the Early Life, Performance and Active and Medical Nutrition segments while minimizing our impact on the environment

Goodness of Dairy

Access to Nutrition

Zero Food Loss

People

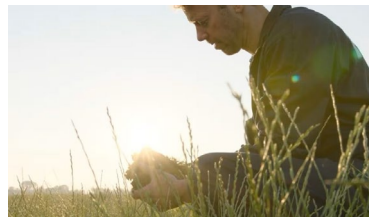


Promote diversity, fairness and inclusion in our offices and production facilities throughout the globe.

Resilient Communities

Empowered People

Planet



Drive collaborations with our customers to enable their sustainability ambitions as well as support our farmers to lower their emissions and positively impact biodiversity and nature.

Climate

Nature

Circularity

Global Ambition

Fundament

Guard product
quality & safety

Practice business
ethics & integrity

Respect
animal welfare

Transparent
reporting

Protect
privacy & security

Practice good
governance

Engage with
stakeholders

Key Priorities for Sustainability 2024



offer to 2024
4% carbon reduction on raw milk by 2025

reliable way of
during greenhouse gas
emissions as



Partner with our key customers and scale beyond

- Finalize our sustainability partnerships with our Top 3 key customers
- Identify customer segments where we are best positioned to scale our collaborations
- Work with Corporate Sustainability to develop the Reg Ag proposition



Embed Sustainability across all Business processes

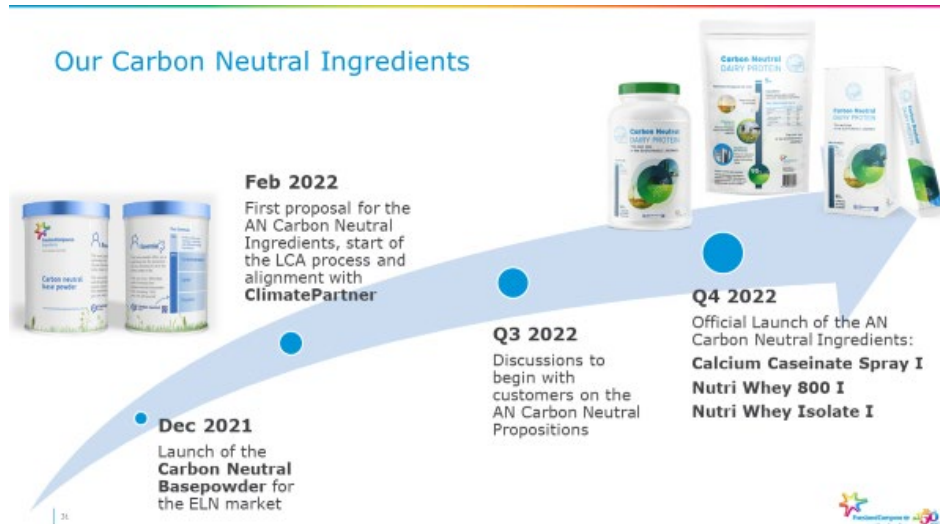
- Develop Sustainability assessment for Innovation and NPD's
- Embed Sustainability perspective in our S&OP process
- Finalize Scope 3 inventorisation and set priorities and ambitions



Develop Structured Approach to Increasing our Circularity

- Create an overview of our side/wastestreams in our FCI production facilities, clarify their exact content (eg minerals), and identify potential higher value opportunities for utilization, and begin outreach towards these industries

Sustainability claims remain risky and complex



News | June 28, 2023

Nestlé to walk away from 'carbon neutral' claims

The world's largest food maker says it wants to instead invest in cutting its greenhouse-gas emissions.

By Dean Best



Swedish court bans Arla's net-zero advertising claim

The court said the claims made by the Arla yogurt and Lurpak butter producer are misleading.

By Andy Coyne



Questions?

