

California Transparency in the Supply Chain Act Statement

FrieslandCampina Ingredients North America – Financial Year 2017

Introduction

FrieslandCampina Ingredients North America Inc and its subsidiary, Creamy Creations LLC., (hereinafter together referred to as “FrieslandCampina Ingredients North America”), are committed to fighting modern slavery and human trafficking in its supply chain. FrieslandCampina Ingredients North America believes in respectful, honest business relations and in showing respect for the world in which we operate. This means that we follow not only the letter but also the spirit of laws applicable to our activities. FrieslandCampina Ingredients North America respects and supports internationally recognized human rights for all stakeholders, such as the right of employees to join legal trade unions. FrieslandCampina Ingredients North America does not tolerate child labor and forced labor and contributes to the elimination of these wherever it can.

This statement sets out the steps taken by FrieslandCampina Ingredients North America during the financial year 2017 to ensure that no such modern slavery or human trafficking is taking place.

Company structure

FrieslandCampina Ingredients North America is a dairy company that is predominantly active in North America. Its head offices are located in Paramus, New Jersey. FrieslandCampina Ingredients North America is an (indirect) subsidiary of Koninklijke FrieslandCampina N.V. (“Royal FrieslandCampina”), a globally active dairy company.

Our Business

FrieslandCampina Ingredients North America is a company that offers trustworthy, relevant and nourishing dairy products. Every day FrieslandCampina Ingredients North America provides consumers and businesses with dairy products containing valuable nutrients.

In the United States, FrieslandCampina Ingredients North America primary market activities are undertaken in business-to-business markets. The Ingredients business group is a global leader in dairy and plant-based ingredients and solutions, providing great nutrition and taste for a high quality of life. In close cooperation with customers and through the exchange of in-depth expertise, the business group Ingredients helps customers to win in the market especially in the areas where nutrition matters most, such as for infants, elderly people, for delivering performance and medical nutrition. FrieslandCampina Ingredients North America serves the food, beverage, pharmaceutical and feed industries with natural, value-added ingredients and dedicated innovations. FrieslandCampina Ingredients North America employs approximately 160 people.

Our Supply Chains

The products that are marketed by FrieslandCampina Ingredients North America are purchased from FrieslandCampina Netherlands BV. Approximately 70% of products are produced in the Netherlands. The rest is produced in Australia, New Zealand and the United States. FrieslandCampina Ingredients North America procures goods and services in respect of its operations from sources around the world.

Our Policies

- Our Code of Conduct, *Compass*

FrieslandCampina Ingredients North America applies a Code of Conduct, [Compass](#), to its own operations as well as to those of their procurement business partners. This Code of Conduct sets out what it expects in terms of responsible business conduct regarding safety, protection of human rights and protection of our planet. All employees are required to sign for adherence to *Compass* and all new employees receive training in respect of *Compass*. FrieslandCampina Ingredients North America moreover regularly provides toolkits with additional training in respect of subjects covered by *Compass*.

- Our Business Practices for Business Partners

FrieslandCampina Ingredients North America expects all of its business partners to abide by the same standards and principles. Upon engaging in a business relationship with a third party procurement business partner, such a business partner of FrieslandCampina Ingredients North America is required to comply with and sign for Royal FrieslandCampina’s [Business Practices for Business Partners](#) policy.

- Our Whistle-Blowing Policy

Employees from FrieslandCampina Ingredients North America, as well as third parties, may voice any concerns that they may have with regard to any non-compliance with Compass or with the Business Practices for Business Partners, including concerns that relate to modern slavery and human trafficking. The procedure for addressing concerns is described in our [Speak Up Procedure](#).

Our Due Diligence Processes

FrieslandCampina Ingredients North America wants to establish and maintain fair and mutually challenging relations with reliable business partners that apply standards similar to the ones FrieslandCampina Ingredients North America maintains and contribute to our goals and integrity commitments. FrieslandCampina Ingredients North America regularly evaluates business partner relations in order to ensure this.

FrieslandCampina Ingredients North America validates the identity of all our permanent employees and ensure that they have the legal right to work in the country they work in.

Royal FrieslandCampina is a member of SEDEX, an online worldwide collaborative platform for sharing responsible sourcing data on supply chains. This platform is used to share our ethical practices with our suppliers and customers. Royal FrieslandCampina moreover is a member of the Dairy Sustainability Framework. This Framework aims to create a common framework for sustainable dairy farming and also includes aspects relating to basic human rights (including prevention of human trafficking and modern slavery). Royal FrieslandCampina participates in the SAI Platform for sustainable agricultural initiatives. The SAI Principles and Practices for Sustainable Dairy Farming have been implemented in Royal FrieslandCampina's operations.

Royal FrieslandCampina applies the ISO 26000 guideline in respect of corporate social responsibility to its operations. This Guideline provides practical guidance on ways to integrate the principles, subjects and issues into existing strategies, systems, practices and processes of a company. Royal FrieslandCampina has opted to have its self-declaration verified by an independent external party every three years. The verification is based upon the NPR9026+C1:2012 and provides answers to 40 questions on corporate social responsibility. LRQA (Lloyds Register) verifies Royal FrieslandCampina's self-declaration and checks whether the self-declaration is drawn up in conformity with the applicable guideline.

Next Steps

Currently, Royal FrieslandCampina and FrieslandCampina Ingredients North America do not carry out separate risk assessments in respect of its suppliers with respect to modern slavery and human trafficking and no key performance indicators are used for measuring the effectiveness of its compliance programme; however, they do carry out audits in respect of - inter alia - QA. Royal FrieslandCampina intends to develop a specific policy in respect of human rights and modern slavery, including impact assessments, audits, monitoring and evaluation measures (such as key performance indicators (KPIs) to measure our performance of the anti-slavery and human trafficking actions undertaken to address the issues found in our supply chain risk mapping exercise).



Signed by R. Dieperink, President & CEO FrieslandCampina Ingredients North America