

FrieslandCampina

Gifts and Hospitality policy



We do not give anything of value to a person to influence a business decision

Why this policy?

At FrieslandCampina we want to do business in the right way. Business decisions must be based on merit, not on personal favours. Gifts and hospitality should therefore not influence our business decisions. This policy aims to give you guidance on how to deal with gifts and hospitality.

By only offering and receiving gifts and hospitality in an appropriate and transparent way, we aim to preserve the trust of our stakeholders, customers and consumers, and safeguard our good reputation. Engaging in dishonest business practices can have serious consequences for our company and the employees involved, including fines and imprisonment.

What are gifts and hospitality?

Gifts and hospitality can take many forms. Gifts can be a bottle of wine, a box of chocolates, sample products or tickets. Less obvious examples of gifts are discounts, expense payments and loans or services provided for free or at a preferential rate. Hospitality can be dinners, drinks, concerts, sport events, excursions, entertainment, travel or hotel stays.

Example – Offer of bank

You work in the finance team of your OpCo. One of the local banks that your OpCo uses approaches you and offers you personally a favourable interest rate and free extra services in view of the longstanding relationship they have with FrieslandCampina. This offer should be seen as a 'gift' and be assessed in accordance with this policy.



Our rules

When you intend to offer or accept a gift or hospitality, check whether it complies with the following conditions. If the gift or hospitality does not comply with one or more of the conditions, you will need approval (see below).

- **For the right reason:** Only offer or accept gifts and hospitality that intend to develop or strengthen business relationships. Do not give or promise anything to a person to influence a business decision or receive favourable treatment. Similarly, do not ask for or accept anything with such intent.
- **No cash:** Gifts should not be in cash or cash equivalents (e.g. gift cards or vouchers).
- **Unconditionally:** Gifts and hospitality should not create any obligation or expectation of something in return.
- **At an appropriate time:** Avoid offering or receiving gifts or hospitality during negotiations, tender processes or disputes.
- **Infrequent:** Gifts and hospitality between the giver and receiver should not be too frequent. Do not offer to or accept from the same person or company more than once within a 12-month period.
- **Transparent and documented:** Gifts and hospitality should be given and received openly and properly documented to avoid any questionable purposes.
- **Reputation:** Ensure that gifts and hospitality demonstrate good taste and are mindful of your and the company's reputation.
- **Maximum value:**
 - Gifts: below €50 per person
 - Travel and/or entertainment: below €150 per person
 - Or similar amounts communicated in your country.
- **Not to public officials:** Do not offer any gift or hospitality to public officials. See further below.
- **Compliant with local laws:** Gifts and hospitality must comply with relevant local laws. Check with your legal counsel when necessary.

You get or give an entertainment ticket: gift or hospitality?

When applying the value limits, treat a ticket to an entertainment event (e.g. concert or theater) as *entertainment* if you or your business relation will act as a host. Treat it as a *gift* if you or your business relation will not act as a host at the entertainment.

Example – how to apply the rules

In December you receive a bottle of champagne with New Year wishes. It is from the current supplier of certain products that FrieslandCampina buys. You are in a tender procedure to conclude a new contract in which this supplier is one of the bidders. However, you already know this supplier for many years. It is also the first time this year you receive a gift from them. You have checked the value and it is € 40,-. Can you accept the gift?

No. Most of the conditions are fulfilled: the value of the gift is below € 50, it is infrequent and demonstrates good taste. However, it cannot be excluded that this gift will influence you in the tender process. You will therefore need approval from your Managing Director if you want to accept the gift.

Approval and informing Manager

Always inform your direct manager if you intend to offer or accept a gift or hospitality.

If you want to offer or accept a gift or hospitality that does not comply with the conditions mentioned above, you need written approval from your Managing Director or Corporate Director. The Managing Director or Corporate Director will assess whether there is a risk that the gift or hospitality will unduly influence business decisions, taking into account the factors mentioned above.

If a Managing Director or Corporate Director intends to offer or accept a gift or hospitality that does not comply with the conditions, they need written approval from the relevant Executive Team member.

Afraid that a refusal will insult the giver?

If you believe that refusing to accept a gift would insult the giver, please accept politely, report what happened to your Managing Director or Corporate Director and hand over the gift.

Public officials

We have stricter rules regarding public officials. Do not offer any gift or hospitality to public officials. Exceptions are only possible:

- if an Executive Board approved policy provides for such exception (e.g. in relation to health care professionals)
- if pre-approved in writing by your Managing Director or Corporate Director. They will assess whether the circumstances justify an exception, always respecting the conditions mentioned above.

What are public officials?

They include:

- individuals working for government bodies, which can be national governments (e.g. ministries), regional governments (e.g. provinces) or local governments (e.g. municipalities)
- individuals working for state-owned enterprises (e.g. state hospitals or utilities companies)
- politicians or individuals working for political parties
- family members, advisors or associates of them.

Speak Up

We encourage employees to speak up about any suspected violations of Compass. We strive for a culture without fear of punishment or unfair treatment for raising concerns. If you are worried about something wrong happening at work, please report it. You will be protected. Our Speak Up procedure will guide you on how to raise concerns.

“ One of our vendors invited me for a weekend in a golf resort. I was really excited, but also felt that it would have an impact on my professional relationship with them. After discussing the invitation with my manager, I realized that I could not accept it. I declined politely.

