

Lee Stewart

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# New Zealand Agricultural Climate Change Conference

Celebrating sustainability in the dairy sector

WORLD MILK DAY



Our Purpose  
guides  
everything  
we do

## OUR PURPOSE

Our Cooperative,  
Empowering people  
to create goodness for generations  
You, me, us together  
Tātou Tātou

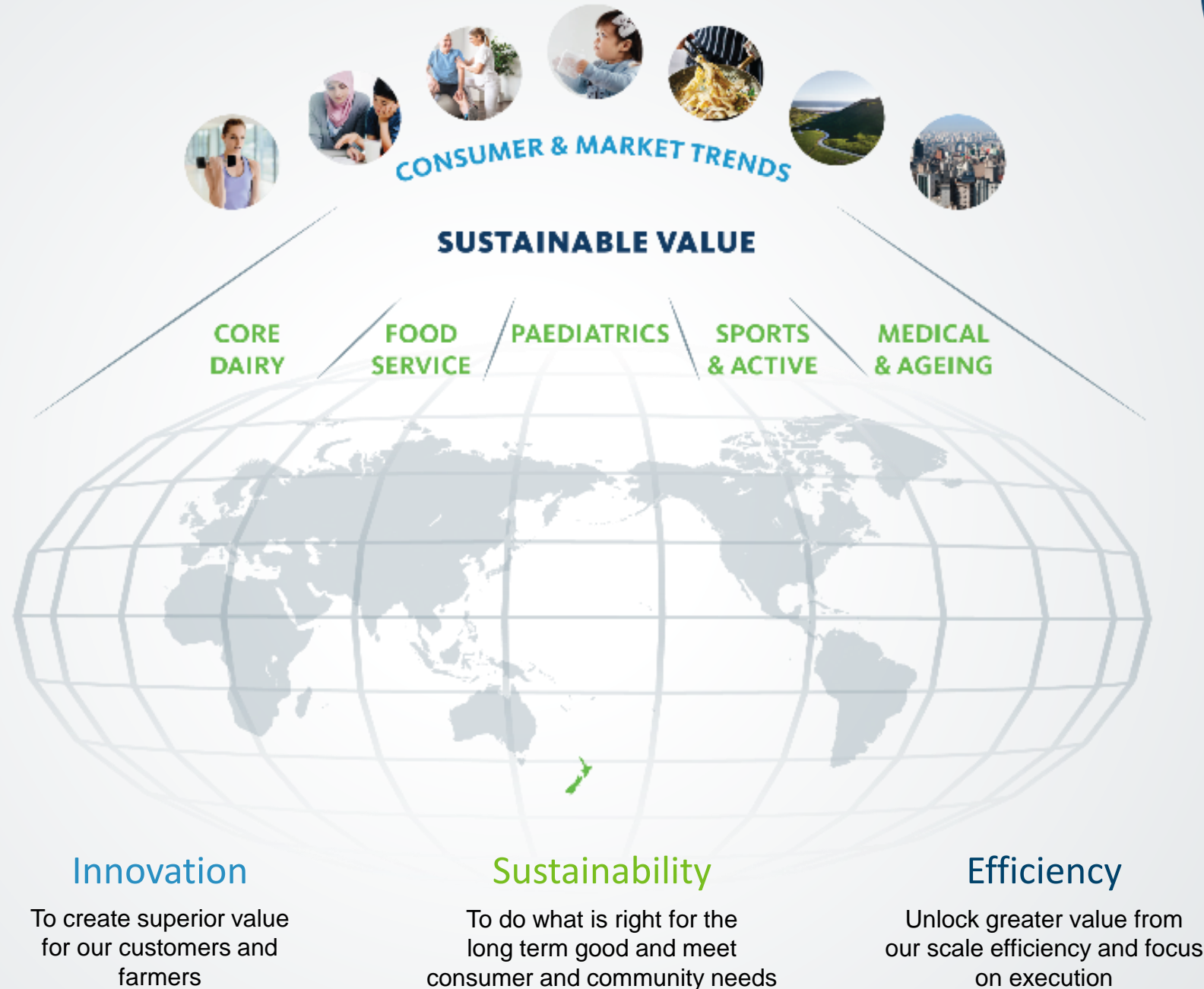


Dairy for life

# Our Strategy

Our strategy focuses on using New Zealand milk to meet market needs.

We will create sustainable value for our customers and farmers through innovation, sustainability and efficiency.



Dairy for life

# Global sustainability challenges are shaping future context for customer and consumer behaviour.

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8m

Tonnes of plastic ends up  
in the  
ocean each year

91%

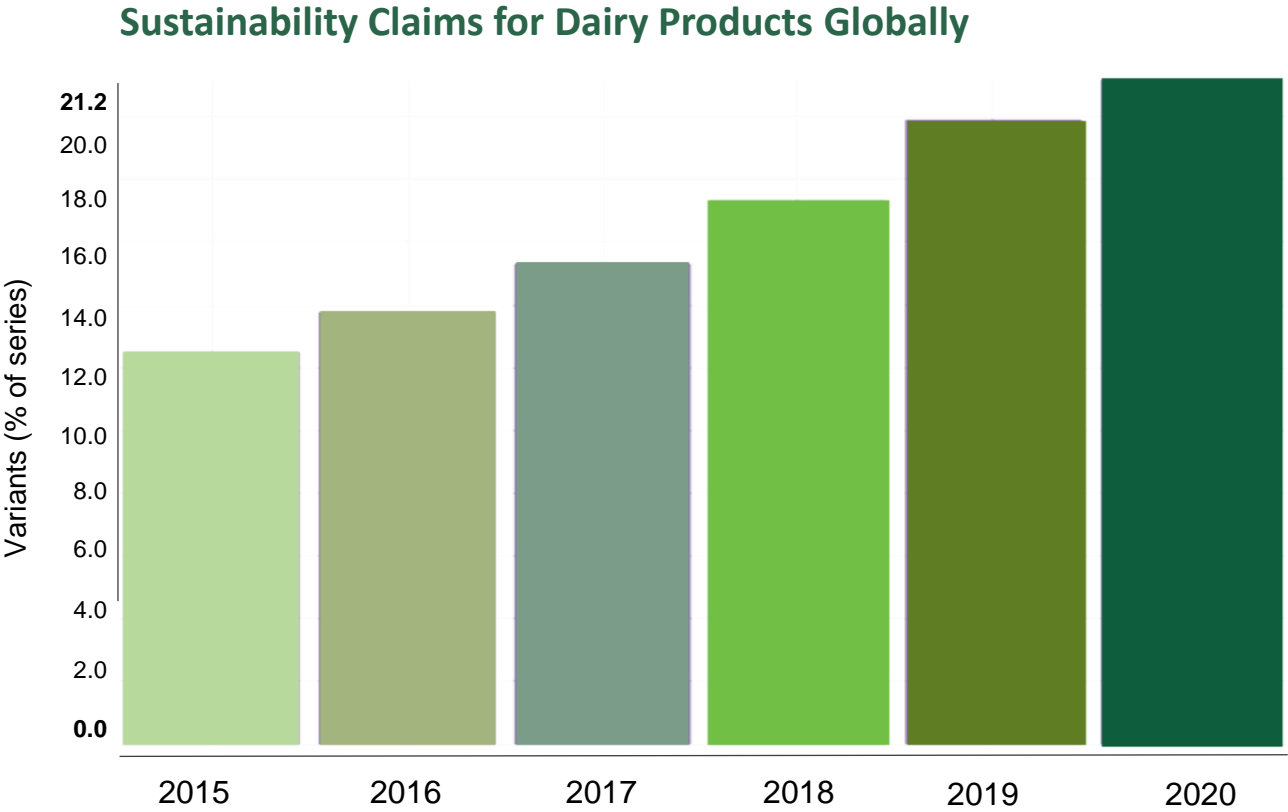
Of the world's population live  
in places where air quality  
exceed WHO guideline limits.

63%

Consumers concerned  
about sustainability.

# Contributing to growth in the dairy category

**Sustainable dairy** product launches increased by 83% from 3,000 in 2014 to 5,500 in 2020



Increased consumer & stakeholder interest is now informing our customers' responses.



Our customers are setting more ambitious commitments to reduce emissions in their supply chain

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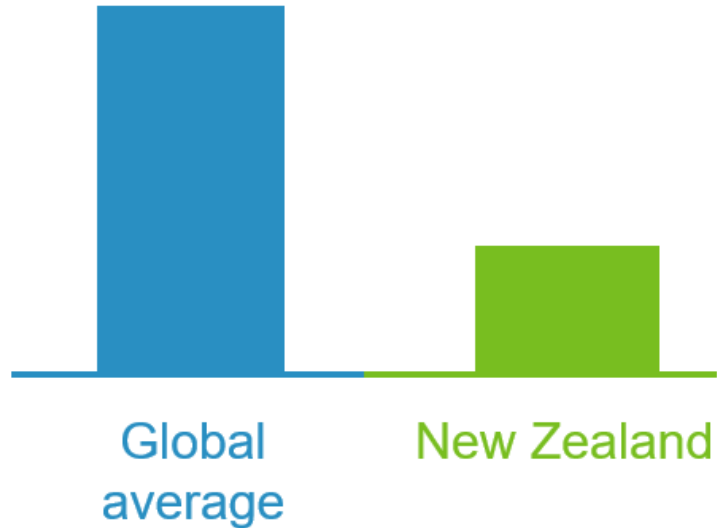
Dairy for life

How are we  
responding?



We start from a great base: Fonterra NZ has an on-farm carbon footprint of one third of the global average

### On-farm Carbon Footprints



### What makes New Zealand on-farm dairy emissions so efficient?



Pasture-based farming system



Long sunshine hours



Plentiful rainfall



Good grass and soil



Animal health and welfare

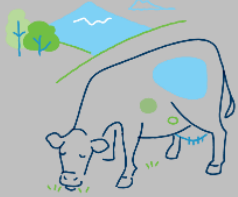


Renewable energy

# Our commitments across our value chain

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**Low-Carbon  
Dairying**



**Innovative  
Solutions**



**Working Towards  
Net Zero  
Emissions**



**Sustainable  
Product Solution**





Dairy for life

# The Co-operative Difference

## Supporting and recognising sustainability on-farm

### The Co-operative Difference

- Explains existing farm requirements and likely future on farm requirements and trends
- Covers environment, animal welfare, milk quality, people, and prosperity
- Recognises farmers who go above these requirements.
- Premiums for sustainability performance of up to 10c per kgms from 2021



# Farm Environment Plans



- Individually tailored plans
- Identify environmental risks on farm
- Outline an action plan for managing risks
- Capture good management practices
- One-on-one delivery
- Can aid in meeting regulatory requirements
- Developed with in-field GIS data capture

## Low-Carbon Dairying



## Innovative Solutions



## Working Towards Net Zero Emissions



## Sustainable Product Solution



# Partnering on Innovative Solutions.

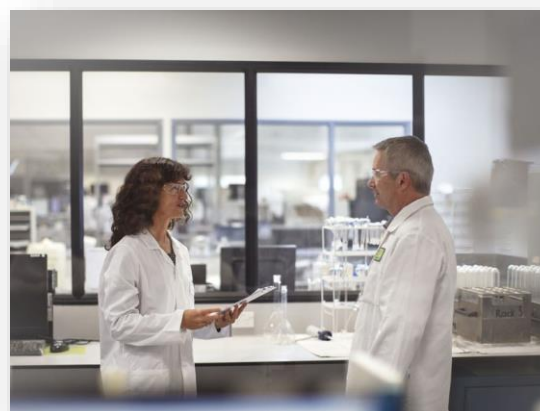
## Sea Forest Partnership

In Australia, we are partnering with Sea Forest to understand the risks and practical considerations of using **seaweed to reduce methane emissions** in commercial dairy herds.



## Kowbucha™

Working with the Pastoral Greenhouse Gas Research Consortium (PGgRC) we are investigating whether new dairy fermentations, which we are calling **Kowbucha™, could be used to reduce methane emissions from cows.**



## Plantain Trial

Fonterra and Nestlé are teaming up with DairyNZ to expand a promising plantain trial to help improve waterways and reduce on-farm greenhouse gas (GHG) emissions.



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## Low-Carbon Dairying



## Innovative Solutions



## Working Towards Net Zero Emissions



## Sustainable Product Solution



# Decarbonisation Commitments – TA 10% Coal Reduction



- **30%** reduction in absolute emissions by **2030** (FY18 baseline)
- No new coal boilers to be installed
- Prioritise the phase out of coal use by **2037**
- **Net Zero** emissions by **2050**, on the way to using **100% renewable energy for all manufacturing**



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**Low-Carbon  
Dairying**



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Solutions**



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**Sustainable  
Product Solutions**



# Sustainable Product Solutions.



Anchor  
carbonzero™



NZMP Organic Butter  
carbonzero™ certified



Simply Milk



Product Transparency

Another step today for a **better tomorrow**

Anchor Specialty Milks now **carbonzero™**



**Anchor Organic milk has  
gone carbonzero™**



NZ's  
FIRST  
**CARBON  
ZERO  
MILK**



NEW

## Introducing... **Our NEW Plant Based Bottle!**

1. Innovative NEW plastic made from Sugarcane
2. Low Carbon bottle
3. 100% kerbside recyclable
4. First Plant Based Milk bottle in New Zealand!
5. Incremental to our current range of standard Anchor 2L Blue



# Provenance.org is a platform that enable us to tell meaningful sustainability stories through verified & trusted information



Working together to reduce our carbon footprint

Our new bottle with a lower carbon footprint

Bonsucro

Using a renewable and natural resource

Using a renewable and natural resource

Bonsucro

Kerbside recyclable

Making a low-carbon, easy to recycle milk bottle

99%+ RECYCLABLE PACKAGING

Focusing on grass-fed

The same Anchor milk from grass-fed cows

FONTERRA GRASS FED

Measuring our wider carbon footprint

Our wider carbon footprint reduction journey

CARBON MEASURED

We are focusing on

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- Working alongside our farmers
- Collaborating with external bodies
- Offering more choice and transparency to consumers
- Partnering with our customers in emissions reduction projects

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Ngā mihi  
Thank you.