





MANAGING CARBON

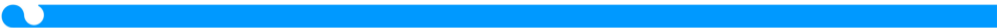
August 1, 2011 Climate Change & Business Conference Andrew Ferrier, CEO Fonterra Co-operative Group



4.4 MILLION



Page 2



Confidential to Fonterra Co-operative Group

19 PER CENT



Page 3

Confidential to Fonterra Co-operative Group

25 PER CENT



Page 4

Confidential to Fonterra Co-operative Group

MORE OSTRICHES THAN COWS?



Page 5

Confidential to Fonterra Co-operative Group

MANAGING EMISSIONS



- Energy consumption down by 13.9% per tonne of product
- 92% of waste reused or recycled
- 330,000 tonne reduction in emissions

Page 6

Confidential to Fonterra Co-operative Group

ON FARM



- Agricultural emissions down by 8.5% per litre of milk
- 1.4 million tonne reduction in CO₂e

WHAT'S EATING FARMERS?



1.1KG PER LITRE





4.4 million cows
20 billion litres of milk
85 origin sites
90 origin stores
11 origin ports
280 destination ports
100+ destination stores
5,000 customers
Millions of consumers

9

Page 9

Confidential to Fonterra Co-operative Group

INFORMING DECISIONS



- Supply chain optimisation
- Warehouse upgrades
- Tanker fleet investments

Page 10

Confidential to Fonterra Co-operative Group

SUPPORTING RESEARCH



- \$45 million in research
- Aim to cut emissions by 10% per unit of production

Page 11

Confidential to Fonterra Co-operative Group

WHERE TO NOW?



- On-going investment in research towards the development of new technologies to mitigate agricultural emissions.
- Programmes to support suppliers to make the best use of economically viable emissions management techniques and system changes
- Programmes to further target energy efficiency and supply chain optimisation
- Development of emissions benchmarks and reporting systems to support carbon footprint reporting and target setting outside of our New Zealand operations.

Page 12

Confidential to Fonterra Co-operative Group

WHAT'S POSSIBLE?



30% per litre by 2030

MORE MILK BUT NOT MORE EMISSIONS

EMISSIONS EFFICIENCY, COMPETITIVE ADVANTAGE





Page 15



Confidential to Fonterra Co-operative Group