

Particulars

About Your Organisation

1.1 Member Name

Fonterra Co-operative Group Ltd

1.2 Membership Number

4-0082-10-000-00

1.3 Membership Sector

Consumer Goods Manufacturers

1.4 Membership Category

Ordinary

1.5 Country

New Zealand

2.0 Does your company or organisation produce, process, consume or sell any palm oil or any products containing derivatives of palm oil?

Yes

2.1 Please select ALL the palm oil-related activity(ies) that describe your company or organisation as multiple selections are allowed. ACOP reporting is NOT limited to the primary sector of the member's RSPO membership. You will be required to complete the relevant ACOP section based on your selection(s).

- ☐ I own and operate oil palm estate(s)
- ☐ I represent a palm oil Independent Smallholder farmer Group
- ☐ I own and operate palm oil mills
- ☐ I own and operate palm kernel crushing plants - Processors and/or Traders
- ☐ I trade or broker palm oil, palm kernel oil or related products - Processors and/or Traders
- ☐ I am a refiner of palm oil or palm kernel oil - Processors and/or Traders
- ☐ I am a processor of intermediate (B2B) palm oil, palm kernel oil or related fractions/derivatives - Processors and/or Traders
- ☐ I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products - Processors and/or Traders
- ☒ I manufacture final consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors - Consumer Goods Manufacturers
- ☐ I retail final consumer (B2C) products containing palm oil, palm kernel oil or related products - Retailers
- ☐ I operate food retail outlets that use palm oil, palm kernel oil or related products - Retailers
- ☐ I am a conservation and environmental NGO supporting the sustainable development of the palm oil industry
- ☐ I am a social and human development NGO supporting the sustainable development of the palm oil industry

Consumer Goods Manufacturers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- ☒ Food Good Manufacturer - own brand
- ☒ Food Good Manufacturer - third-party brand
- ☐ Home & Personal Care Good Manufacturer - own brand
- ☐ Home & Personal Care Good Manufacturer - third-party brand
- ☒ Ingredient Manufacturers
- ☐ Biofuels
- ☐ Other

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2.0 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil, palm kernel oil and related products consumed, to enable the RSPO to accurately calculate uptake of individual members, sectors and RSPO members as a whole. ACOP reports without reported volume data will be considered as incomplete and will not be accepted. Incomplete ACOP reports may lead to suspension or termination of RSPO membership.

2.1 Please list down all operations and subsidiaries using palm oil, palm kernel oil and related products that are owned and/or managed by the member, including those under Group Membership

Fonterra Co-operative Group Limited
Saudi New Zealand Milk Products Co
Fonterra (Japan) Ltd

2.1.1 In which markets does your company sell goods with palm oil and oil palm products?

Europe, North America, Malaysia, Indonesia, Africa, Latin America, Rest of the World

DL.2.0 In order to facilitate ease of reporting and transparency, RSPO members operating within the palm oil demand supply chain can now choose to report palm oil and palm oil product volumes on:

an aggregate level (as in previous ACOP reporting cycles)

2.2 Total volume of RSPO-certified (IP, MB, SG and RSPO Credits/Book and Claim) and Non RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products

Description	Tonnes
Total volume of crude palm oil (tonnes)	18954.00
Total volume of crude palm kernel oil (tonnes)	1449.00
Total volume of palm kernel expeller (tonnes)	0.00
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	9721.00
Total	30124.00

2.2.1 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	91
Palm kernel oil-based derivatives and fractions	9

2.3 Please estimate the regional distribution of your company's uncertified and certified palm oil, palm kernel oil and related products sales (as declared in Question 2.2) in the following countries/regions.

Countries/Regions	Percentage
Europe	0
North America	0
Malaysia	0
Indonesia	11
China	0
India	0
Latin America	0
Africa	0
Rest of World	89

2.4 Volume of RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products in the year:

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	140.00	0.00	0.00	65.00
RSPO Credits from Independent Smallholder	0.00	0.00	0.00	0.00
Mass Balance (MB)	2262.00	524.00	0.00	4367.00
Segregated (SG)	16552.00	925.00	0.00	5289.00
Identity Preserved (IP)	0.00	0.00	0.00	0.00
Total	18954.00	1449.00	0.00	9721.00

2.4.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.4) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based

Description	Percentage
Certified Palm oil-based derivatives and fractions	91
Certified Palm kernel oil-based derivatives and fractions	9

2.5 According to the volume information you have provided in Question 2.2 and Question 2.4, your company's certified palm oil and palm oil products uptake is:

100.00%

2.5.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake. This may include your usage of RSPO Credits to cover gaps in certified uptake, changes due to business environment, variations due to stock positions or efforts to support independent smallholders beyond volume commitments.

Fonterra ceased the manufacture of the product containing palm in Egypt in 2024, reducing the volume distributed in Africa to 0% (based on manufacturing regions as proxy). The non-RSPO volumes relate to our usage of RSPO credits to cover gaps in certified uptake.

2.6 Please estimate the regional sales volume distribution of your company's RSPO certified palm oil, palm kernel oil and related products (as declared in Question 2.4) in the following countries/regions:

Countries/Regions	Percentage
Europe	0
North America	0
Malaysia	0
Indonesia	11
China	0
India	0
Latin America	0
Africa	0
Rest of World	89

3. TimeBound Plan

3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification?

2008

3.2 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2008

3.2.1 If the previous target year has not been met, please explain why.

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3.3 Which year did your company begin (or expects to begin) using only RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2015

3.3.1 If the previous target year has not been met, please explain why.

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3.4 Which year did your company begin (or expects to begin) using only RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2019

3.4.1 If the previous target year has not been met, please explain why.

We continue to make substantial strides towards our target, consistently attaining approximately 98+% RSPO-certified sustainable palm. In 2024, we are upholding our commitments under an updated palm standard, which includes the aspiration to source segregated supply certification for the palm products we procure. We persist in our dialogues regarding transition strategies with our regional markets, addressing the challenges, barriers, and opportunities in advancing towards this 100 percent segregated supply target. The non-RSPO volumes are linked to our use of RSPO credits to bridge the gaps in certified consumption.

4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- ☒ Challenging reputation of palm oil
- ☐ Confusion among end-consumers
- ☒ Costs of changing labels
- ☐ Difficulty of applying for RSPO Trademark
- ☒ Lack of customer demand
- ☒ Limited label space
- ☐ Low consumer awareness
- ☐ Low usage of palm oil
- ☐ Risk of supply disruption
- ☐ Others

Others

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5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

- ☐ Participation in RSPO Working Group or Task Forces
- ☐ Support Independent Smallholders (ISH)
- ☐ Contribute to the RSPO Smallholder Trainer Academy
- ☐ Financial contribution to the RSPO Smallholder Support Fund
- ☐ Direct investments in Smallholder Certification projects
- ☐ Involvement/direct investments in Jurisdictional/Landscape approach
- ☐ Direct/collective investments in conservation and restoration initiatives
- ☐ Financial contribution to support members with Remediation and Compensation (RaCP) process, direct/collective investments in conservation and restoration initiatives
- ☐ Allocating FTE to promote the production or consumption of certified sustainable oil palm products
- ☒ Specific policies and action plans by the member to promote CSPO production or consumption in the upstream or downstream supply chain, including target dates or broader policies that include such efforts
- ☐ No activities planned
- ☒ Others

Other

In 2024, we have carried forward the updates made to our Palm Product Standard in 2022. This has reinforced our plan of driving for 100% RSPO-certified segregated palm as a basic requirement. To accomplish this, we persist in identifying and scrutinizing any circumstances where supply does not meet the new standard. Any exceptions to the standard necessitate approval from our palm governance group and must come with a transition plan. We are continuing to embed knowledge and understanding of the actions necessary to meet our Palm Product Standard, through training sessions with relevant teams, such as Procurement.

Challenges and Support

1.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- ☐ Awareness of RSPO in the market
- ☐ Difficulties in the certification process
- ☐ Certification of smallholders
- ☐ Competition with non-RSPO members
- ☒ High costs in achieving or adhering to certification
- ☐ Human rights issues
- ☒ Insufficient demand for RSPO-certified palm oil
- ☐ Low usage of palm oil
- ☐ Reputation of palm oil in the market
- ☐ Reputation of RSPO in the market
- ☒ Supply issues
- ☒ Traceability issues
- ☐ No challenges faced
- ☒ Others

Others

Cost and complexity in the supply chain makes it difficult to secure a segregated supply from palm oil suppliers in certain regions. This is usually caused by a lack of demand experienced by our suppliers. We continue to work with suppliers to improve traceability and supply chain performance.

1.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- ☐ Communication and/or engagement to transform the negative perception of palm oil
- ☒ Engagement with business partners or consumers on the use of CSPO
- ☐ Engagement with government agencies
- ☒ Engagement with peers and clients
- ☒ Promotion of CSPO through off product claims
- ☐ Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- ☐ Promotion of physical CSPO
- ☐ Providing funding or support for CSPO development efforts
- ☐ Research & Development support
- ☒ Stakeholder engagement
- ☐ No actions taken
- ☐ Others

Others

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1.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

<https://modernslaveryregister.gov.au/statements/AhbDRgLaK5Apo2E/pdf/>

<https://www.fonterra.com/content/dam/fonterra-public-website/fonterra-new-zealand/documents/pdf/forest-and-agriculture-products-sourcing-and-procurement-global-standard-public.pdf>

<https://view.publitas.com/fonterra/annual-report-2024/page/155>

<https://www.fonterra.com/content/dam/fonterra-public-website/fonterra-new-zealand/documents/pdf/terms-and-conditions/fonterra-supplier-sustainability-code-of-practice.pdf>
