

Our strategy and plans

Our Co-operative's strategy is to enhance people's lives through convenience, health and wellbeing by unlocking the goodness of NZ milk.

WE AIM TO

Prioritise the Farmgate Milk Price

Grow Foodservice

Strengthen Consumer

Move towards higher value products in ingredients

THE VALUE WE'RE AIMING TO CREATE BY 2030

Average Farmgate Milk Price range for the decade
\$6.50-\$7.50
 per kgMS

Operating Profit
40-50%
 increase from FY21

Group ROC
~9-10%

~\$1b
 invested in sustainability

~\$1b
 invested in moving milk into higher value products

~\$1b
 intended to be distributed to shareholders after asset sale

~\$2b
 available for a mix of investment in further growth and return to shareholders

Make progress towards 2050 aspiration to be

Net Zero Carbon

~\$160m
 per annum invested in R&D, up ~50% from FY21


Note: The figures in this section are targets that we are aiming to achieve only. They should not be taken as forecasts or as a guarantee of returns to shareholders. They are subject to successfully completing a number of business initiatives, and assumptions, each of which could materially affect the actual outcomes. The target years assume long-term average levels of price relativity and lag pricing impacts, and individual years are likely to vary from this assumption. The key assumptions and risks relating to these targets are set out in the Appendix to the booklet *Our Path to 2030*. Please also refer to the important cautions and disclaimer at the beginning of the booklet *Our Path to 2030*.

OUR PLANS


Focus on
NZ Milk

 Sharpen portfolio

- Sell Chile business
- Explore ownership structure of Fonterra Australia, one option is an IPO

 Continue our shift to higher value

Be a leader in
Sustainability


 Make the most of our operational footprint and invest in sustainability


 Support further on-farm change to stay in front of customer expectations


 Bring our NZ dairy story to life


Be a leader in dairy
Innovation & Science

 Prioritise innovation, IP, simplification and digitisation

 Extend further into health and wellbeing

 Embed culture to drive high performance

 Develop our people capabilities for a changing and technological world

 Create competitive advantage through nutrition solutions