



THE WAY WE WORK

CODE OF BUSINESS CONDUCT
JUNE 2019

**“Doing what’s right is one of Fonterra’s
core values that we live by.”**

“It’s fundamental to the way we work and interact with each other, our farmers, our customers as well as our communities. This Code of Business Conduct helps ensure that, no matter where we work in the co-operative, we all have a common understanding of what it means to do what’s right and maintain the highest ethical standards at all times.”

DEBORAH CAPILL
MANAGING DIRECTOR –
PEOPLE & CULTURE



CONTENTS

01	From the Chief Executive Officer	5
02	The Way We Work and Our Values	7
03	Applying The Way We Work	11
04	The Way We Work with Colleagues	15
05	The Way We Work with Customers	19
06	The Way We Work with our Farmer Shareholders	21
07	The Way We Work with Business Partners	25
08	The Way We Work within our Communities	33
09	Need advice about The Way We Work?	37
10	Contacting the Hotline	41

the 1990s, the number of people with a mental health problem has increased in the UK (Mental Health Act 1983, 1990).

There is a growing awareness of the need to improve the lives of people with mental health problems. The Department of Health (1999) has set out a strategy for mental health care in the UK. The strategy is based on the following principles:

- People with mental health problems should be treated as individuals, with their own needs and wishes.
- People with mental health problems should be given the opportunity to participate in decisions about their care and treatment.
- People with mental health problems should be given the opportunity to live in their own homes and communities.

The strategy also sets out a number of objectives for the mental health services, including:

- To reduce the number of people with mental health problems who are admitted to hospital.
- To improve the quality of care and treatment for people with mental health problems.
- To improve the support and services available to people with mental health problems.

The strategy also sets out a number of actions to be taken to achieve these objectives, including:

- Improving the training and skills of mental health professionals.
- Improving the support and services available to people with mental health problems.
- Improving the way in which mental health services are funded and managed.

The strategy also sets out a number of measures to be taken to improve the lives of people with mental health problems, including:

- Improving the housing and living conditions of people with mental health problems.
- Improving the employment opportunities for people with mental health problems.
- Improving the social and community support available to people with mental health problems.

The strategy also sets out a number of measures to be taken to improve the way in which mental health services are funded and managed, including:

- Improving the way in which mental health services are funded.
- Improving the way in which mental health services are managed.
- Improving the way in which mental health services are evaluated.

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01

**FROM THE CHIEF
EXECUTIVE OFFICER**

People are at the heart of what we do and as a Co-operative our founding belief is that we are stronger together.

We're proud of what we do and the goodness we create every day. And we care about the communities and places in which we live and work, and want to leave them in a better way than how we found them.

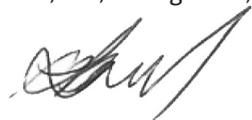
Our Code of Business Conduct is there to help us with our decisions at work. It reflects our values and the way we do things, providing guidance for everyone who is part of our Co-operative around the world.

It is something we live by, not because we have to, but because it's the right thing to do. Doing what's right helps strengthen our connections with our colleagues, farmers, customers and our communities.

Please take the time to read through this information to help guide the work you do every day.

I'm proud to work for a Co-operative full of passionate people who come to work to do their best as we take our milk to the world. We all have a role to play to ensure our Co-op empowers people to create goodness for generations.

You, me, us together, Tātou, Tātou.



Miles Hurrell



02

**THE WAY WE WORK
AND OUR VALUES**

“Our shared values don’t live in a manual,
they help us to evaluate our
decision-making every day.”

PANDUKA AMBANPOLA
GROUP FINANCIAL PLANNING



OUR VALUES

Our values articulate how we act and behave when we are at our best and are underpinned by behaviours that bring them to life.



CO-OPERATIVE SPIRIT

- Put the whole of Fonterra before its parts
- Pitch in; volunteer my knowledge, capability and networks
- Safety first; for me and for others
- Form lasting partnerships
- Promote our reputation and honour our heritage
- Honour what's important to local communities



DO WHAT'S RIGHT

- Do what I say I will
- Treat others as I would expect to be treated
- Speak openly and honestly
- Have the tough conversations
- Have the courage to challenge when things don't seem right



CHALLENGE BOUNDARIES

- Look at the future through customers' eyes
- Keep us one step ahead
- Welcome the unfamiliar; encourage different thinking
- Continuously lift standards; improve quality
- Find a way – invent, improve, solve
- Learn from success and mistakes



MAKE IT HAPPEN

- Create the climate for others to succeed
- Aim high; deliver exceptional results
- Step up; take accountability
- Plan thoroughly; include contingencies
- Persevere and do what it takes
- Celebrate success

03

APPLYING THE WAY WE WORK

The Way We Work starts with each one of us. The single most important thing expected of us is to 'Do What's Right'. If we use this as our compass we will find it easier to make the right decisions and take the best courses of action.

We want everybody in the business to take the actions and make the decisions that will make us a successful Co-operative and provide the best returns for our farmer shareholders. We want people to aim high and achieve exceptional results and we encourage everyone to find ways to keep us ahead of our competitors. But we also want to achieve these things in a way that is honest, ethical and straightforward.

Most days, all of this will come naturally, because we try very hard to provide an environment where the right thing to do is obvious. But sometimes the choice isn't easy, or the best options aren't obvious. We may find that the decisions or actions of others are at odds with what we feel is right, or we observe things that could be in direct breach of The Way We Work, our policies or law. In those situations it's important that we have a Code of Business Conduct to help guide us.

The Way We Work – Code of Business Conduct

The Way We Work is fundamental to our business. It summarises and reflects our Group Policies, which in turn are supported by more detailed standards and guidelines.

The information contained in this booklet provides a comprehensive outline of Fonterra's position across a wide range of internal and external operating practices, our values and expected behaviour and conduct. If you want more information on what is summarised in The Way We Work, you will be able to find it by accessing our Group Policies. You can find these on Fonterra's Policy and Procedure Library (PPL), which you can access via Fonterra's intranet, Milky Way (Milky Way > Quicklinks > Fonterra Group Policies). Some Group Policies are also published on www.fonterra.com

If you would like help to clarify what policies, standards and guidelines are relevant to your role, or if you don't have Milky Way access, talk to your manager or contact the Group Policy team.

What to do?

We encourage our people to speak openly and honestly and to challenge things that don't seem right. If you are uncertain or uneasy about a course of action or a decision, have concerns about dishonest or unethical behaviour or any other action that you don't think meets the standards of behaviour set in The Way We Work, talk with your manager or a member of the Internal Audit team.

Sometimes people worry about speaking up because they think it may cause trouble for them. Rest assured, when concerns are raised, these are treated in confidence. Fonterra does not tolerate anyone creating problems for people who speak up in good faith. When it is clear that illegal or unethical behaviour is taking place, Fonterra expects you to report it.

The Way We Work Hotline

If you are uncomfortable reporting a concern to your manager, you can use The Way We Work Hotline. The Hotline is a confidential service operated for Fonterra by an independent firm. You are not obliged to provide your name or contact details. Information on how to contact the Hotline is provided on page 33 of this booklet.

Compliance

Fonterra is committed to the application of the principles set out in The Way We Work in all countries where we conduct business.

All Fonterra operations must comply with local and cross-jurisdictional legislation and regulatory controls. We expect our suppliers and business partners to uphold the product safety, economic, social and environmental standards aligned with these principles.

Wherever we can, we will support our suppliers and business partners to help improve their practices in these areas.

04

THE WAY WE WORK WITH COLLEAGUES

We expect our people to treat their colleagues as they would expect to be treated.

Our Co-operative Spirit means that we put the whole of Fonterra before its parts, encouraging good teamwork, safety first and knowledge-sharing.

Fonterra aims to provide a working environment where people have the tools and information they need to do a good job. We place great value on our people and go out of our way to ensure they are supported at work, provided with a safe environment, given opportunities for personal development and rewarded fairly.

Fonterra as a global employer

Fonterra is party to a global agreement on labour standards in conjunction with the IUF (International Union of Food, Agricultural and other Allied Workers Associations) and the NZDWU (New Zealand Dairy Workers Union).

This agreement supports the right to organise and bargain collectively. Fonterra recognises the value of being able to choose to bargain collectively and people will not be discriminated against for joining, or not joining, a union.

For more information, ask your manager or refer to the Fonterra, IUF and NZDWU Agreement. You can access it via [Milky Way > Quicklinks > Find a policy/procedure > Human Resources > Employment Relationship > Locate Union and CEA Information > Fonterra, IUF and NZDWU Agreement](#).

Fair treatment

Fonterra does not allow discrimination against any employee or by any employee. We treat people of all ages, races, ethnicities, religious affiliations, genders, sexual orientation or nationalities equally, whether they are an employee, farmer shareholder, stakeholder, supplier or customer.

All job applications are assessed based on the individual's qualifications, experience and achievements.

Opportunities for promotion are based upon merit. To help people progress in their careers, we provide opportunities for ongoing learning and skill development.

Alcohol and drugs

All Fonterra workplaces are drug and alcohol free other than in exceptional circumstances at specified sites. Appropriate governance and approval processes apply.

If you believe you have a problem with drugs or alcohol, we encourage you to have a confidential discussion with your manager or our Global Employee Assistance Provider (EAP) before it impacts on your work. This service is available 24/7.

Global Employee Assistance Provider (EAP)

This service is available to all Fonterra employees. If you would like to talk to a counsellor you can phone the EAP number 24/7.

Child labour

Fonterra does not exploit children under any circumstances.

We comply with the principles of Clause 138 of the International Labour Organisation (ILO) Convention concerning the minimum age for employment.

Getting the balance right

From time-to-time you may be asked to work overtime or take part in projects that add responsibilities on top of your day-to-day work demands. This is part of the 'pitch in' culture that underpins our Co-operative Spirit.

Fonterra recognises the need for people to strike a balance between their work life and their home life. People who achieve this are happier and healthier and so are their families. If you think the demands of your work are impacting unfairly on your personal life and family, raise your concerns with your manager.

Harassment, bullying and victimisation

We do not tolerate any form of harassment (verbal, sexual or physical), bullying or victimisation, either directly (face-to-face) or indirectly. Indirect activity may include email, text messaging/SMS, social media or exposing colleagues to offensive and/or unauthorised images or content intentionally or unintentionally. This activity would also constitute a breach of Fonterra's minimum standards on IT acceptable use.

If you are concerned about any sort of harassment, bullying or victimisation, or you think a colleague is subject to this behaviour, please speak up. You can do this by talking to your manager or by contacting The Way We Work Hotline.

Rewards

Fonterra offers a competitive total rewards framework that engenders an atmosphere of recognition, innovation and challenge. We reward our people fairly and recognise exceptional performance.

Health, safety and wellbeing

We want our people to be healthy, live with balance and go home safely from work every day. Fonterra is committed to full compliance with health and safety legislation wherever we operate. However this is just the beginning.

Fonterra takes a holistic approach to caring for our people and keeping them safe – we support a range of initiatives that encourage overall wellness. There are many opportunities for our people to get personally involved and the benefits extend beyond our workplace, as they are also likely to have a positive impact on family and community.

Fonterra has an established Safe Home System that provides the framework within which we work. It encompasses People, Process and Plant and Equipment. We expect everyone who works with Fonterra, including contractors and visitors, to be aware of and work within our Safe Home System.

We ensure that all employees and contractors are properly trained in health and safety procedures. All events must be reported so we can take the right steps to prevent them from happening again.

The Fonterra Management Team is committed to role-modelling health, safety and wellbeing as part of everyday leadership. This ensures that we create a culture of health, safety and wellbeing at all levels.

Find out more by visiting Fonterra's Health, Safety & Wellbeing portal (Milky Way > Me & Fonterra > Health & Safety), or make contact with your local health, safety and wellbeing representative.

Privacy

Fonterra respects the privacy of our employees, farmer shareholders, customers, suppliers and all other stakeholders whose personal information we may gather in the course of normal business practice. We gather, use and store personal information in accordance with legislative requirements.

05

THE WAY WE WORK WITH CUSTOMERS

Our business is based on building great customer relationships and lasting partnerships.

Customers need to know that when they partner with us, they are not putting their reputations at risk. They trust us to honour our commitments to them by maintaining the highest possible food safety standards and acting ethically, honourably and honestly in relation to product safety, sales, marketing and advertising, children as consumers and infant formula.

Fonterra is committed to developing and providing products that help to meet the nutrition and health needs of our consumers across all their life stages. The nutritional design of our products is evidence-based with sound nutritional expertise and takes into account the different nutritional needs of our consumers.

Food safety and quality

At Fonterra, we make food with an uncompromising commitment to world class standards of safety, quality and integrity. We have a fully integrated supply chain from the farm through to families everywhere. Our Fonterra Food Safety and Quality System ensures that wherever we are located in the world, we can deliver safe, high quality products and services. We leave nothing to chance and challenge ourselves to see the world through the customer and consumer's eyes, producing the safest, high quality dairy products and innovating to create better dairy nutrition choices for tomorrow.

Sales, marketing and advertising

The marketing and advertising of Fonterra products is honest and responsible. We label our products correctly and truthfully and market our products as part of a healthy balanced lifestyle. We do not make false or misleading claims about our products or those of our competitors. We do not promote unsafe or irresponsible consumption and our advertising and marketing avoids messages that could be deemed offensive.

Fonterra respects third party intellectual property rights.

Children as customers

Our products for children provide both nutrition and enjoyment. We are responsible in the way we market dairy-based products for children. In doing so we do not attempt to undermine their parents' or caregivers' right to say what's best for them or try to overrule their good judgement. We do not portray children in unsafe situations.

Infant formula

We support the aim and intent of the World Health Organization International Code of Marketing of Breast-Milk Substitutes (1981) (the Code) and develop, promote and sell products in line with the Code.

06

THE WAY WE WORK WITH OUR FARMER SHAREHOLDERS

As a Co-operative, we have a special relationship with our farmers. They supply the milk to make the products we sell and because they own Fonterra, our role is to ensure we provide the best returns to them.

Farmer loyalty is important to us. There is plenty of competition in the market for milk, so we work hard on our farmer relationships. All of us together make a strong Fonterra and as our farmers rely on us for their livelihoods, it is especially important we give them good, reliable and honest information, telling them about our progress and performance, helping them run better, more competitive on-farm businesses and providing advice to guide their own business decisions.

We are open and honest with our farmers, communicating with them regularly through our app, email, publications, the Farm Source website, farmer meetings and our teams in the field.

All of our assets are owned by our farmer shareholders. We always aim to improve their value and to wisely invest the capital they provide. We truthfully record and report business information, and we protect the Fonterra name and all confidential information provided to us.

Business records

We are all responsible for correctly recording and reporting business information. All financial books, records and accounts accurately reflect the transactions and events and conform to both generally accepted accounting principles and Fonterra's system of internal controls.

Protecting business assets

We are all entrusted with numerous company assets including cash and other financial assets, plant and equipment, inventory and supplies.

We protect Fonterra's assets and resources from loss, damage, misuse or theft in accordance with our Group Policies and supporting documents.

Protecting our name and brands

Our name and brands are valuable. We only use Fonterra's name, brands and logo for authorised business.

Protecting confidential information

We all have a responsibility to protect confidential information in any form, either written or electronic.

Examples of confidential information include:

- > Trade secrets
- > Detailed sales, profit, cost and pricing figures
- > Financial risk management
- > New product or marketing plans
- > Research and development ideas or information
- > Manufacturing processes
- > Formulations
- > Proprietary technical information
- > Information about potential acquisitions, divestments and investments
- > All other non-public business information

We never try to persuade others to give us confidential information from other companies or competitors. When people leave Fonterra, we expect them to continue to keep information confidential.

Recording business information

When we record information we are clear, concise, truthful and accurate. Every time we write a memo, leave a voice mail or send an email we understand that it is not always private. We dispose of documents in accordance with company policy and we never destroy or alter any documents or records in response to any investigation, suspected investigation or unlawful request.

07

THE WAY WE WORK WITH BUSINESS PARTNERS

Around the world, we deal with many different suppliers, agents, consultants and other business partners.

Wherever we work in the world we are expected to maintain the highest standards of integrity and professionalism. Making sure we 'Do What's Right' is always the best practice.

“Wherever we operate, doing the right thing
is always our compass.”

STEVE DEELEY
PROCESS TECHNICAL TEAM LEAD,
CLANDEBOYE SITE



Anti-corruption laws

Wherever we operate, we stick to our value of Do What's Right. We do not use bribes, corrupt payments or kickbacks to secure business or open doors for us, nor do we accept these. It is a serious breach of The Way We Work and our Group Ethical Behaviour Policy to make or receive a bribe, corrupt payment or kickback, or to use a third party to facilitate a bribe, corrupt payment or kickback. You can access the policy via Milky Way (Milky Way > Quicklinks > Fonterra Group Policies).

Any individual or company in the Fonterra Group operating in a foreign country must be aware of, and comply with, local and cross-jurisdictional legislation and regulations, including but not limited to those related to anti-corruption.

Political activities

Fonterra respects our people's right to engage in political activities, to be involved in the political process and to vote. If you choose to express a political opinion when participating in civic or political affairs, you must make it clear they are your personal opinions and not those of Fonterra.

Fonterra resources must not be used to support political parties, causes or candidates and corporate contributions of any kind to a candidate or political party are prohibited. Lobbying activities must comply with all legislative and regulatory requirements.

Competition and antitrust

Fonterra supports free and open competition. We compete for business vigorously and honestly and we acknowledge the cost of violations of antitrust or competition legislation to our reputation as well as the substantial financial penalties that can be imposed on the company and individual employees.

Fonterra is bound by various rules and regulations. Employees and agents must ensure that they are sufficiently aware of relevant competition laws at all times. Fonterra representatives only share information with competitors as is permitted under relevant antitrust legislation.

Conflicts of interest

Conflicts of interest may impact on our ability to conduct business with integrity. They can arise when your work at Fonterra gives you information or influence which could be used to benefit family, friends or companies in which you have a financial or personal interest.

We require all our people to report activities and financial interests that could present an actual or potential conflict of interest.

There are three main areas where you may find yourself in a conflict of interest. Read about them below, and if you need more information to help you identify and resolve actual or potential conflicts of interest, talk to your immediate manager or the Group Policy team.

Financial/business conflicts

People are often keen to do business with Fonterra and may try to smooth the way by offering personal favours, such as discounts. Accepting personal favours, discounts or other benefits is a conflict of interest unless the offer is made available to all Fonterra employees.

As a global organisation, Fonterra has a number of contractual relationships with suppliers, consultants and service providers. You may have a conflict of interest if you are in a position where you are making decisions (e.g. awarding a contract or piece of work) to a company that employs a spouse, partner or immediate family member.

You may have a conflict of interest if you have another form of employment, hold investments or other forms of business interests in certain companies or entities including syndicates or supplying farmer shareholders, or hold the position of Director or similar in certain organisations.

If one of these situations applies, you may require written consent from Fonterra if you intend to continue or commence secondary employment, affiliation or investment.

Personal and family relationships

We do not object to employees forming close personal relationships at work, but we do ask that you ensure any such relationship does not create or appear to create a conflict of interest or unfairly disadvantage or advantage others.

Conflicts of interest cont.

To avoid this, employees in a family or close personal relationship must not have a reporting relationship in the business. If this arises during the course of your career with us, please advise your manager so this conflict can be addressed.

As an employee, you may not be involved in the recruitment and/or appointment of anyone with whom you have a family or close personal relationship, or be involved with remuneration or leave review and approval processes for that person.

Volunteer commitments

Honouring what is important to local communities is a key element of our Co-operative Spirit. At Fonterra, we are proud of the many employees who are active members of their communities, members of representative sporting teams, support local causes, and those who volunteer their time to emergency services and reserve defence forces.

If you are an emergency services or defence forces volunteer, or you represent your community in sports at a national or international level, please talk to your manager about how we can support you to fulfil your commitments without it impacting on your role.

If you have volunteer commitments (including involvement with a political party) you may not use Fonterra's brand, reputation or any aspect of how we do things as part of your volunteer activities or imply that Fonterra is associated with the volunteer activity. If you do, either deliberately or not, it may be seen as a conflict of interest.

When in doubt

If you're unsure about whether a course of action you're considering could be seen as a bribe, corrupt payment or kickback – stop immediately and talk to your manager or Fonterra's General Counsel.

Competitive information

Information about our industry and the markets in which we operate is critical to our competitiveness. We obtain this information legally and share it as appropriate within our company. Theft or misuse of proprietary information is prohibited.

Let us know

The best way to avoid actual or potential conflict of interest situations is to talk the matter through with your manager or the Group Policy team. You can access more information, including an e-learning module and register an actual or potential conflict of interest on the Ethics Portal. You can access the Ethics Portal via Milky Way (Milky Way > Quicklinks > Ethics Portal).

External business practices

Wherever we do business, we deal with companies and individuals who respect and obey the law and demonstrate high business standards. If a situation arises where an external business partner is trying to encourage a Fonterra employee to do something dishonest, illegal or against The Way We Work we will stop doing business with them and cancel any contracts.

Disclosure obligations and securities trading

Fonterra is bound by legislation designed to protect Fonterra and the people who invest in us. This legislation ensures everyone has the same access to the same information at the same time, so nobody can take advantage of inside knowledge to profit unfairly.

To make sure we comply with this legislation, we prohibit disclosure of material information gained through employment with Fonterra before it is made public. We require all employees to comply with the Fonterra Group Disclosure Policy. You can access the policy on Milky Way (Milky Way > Quicklinks > Fonterra Group Policies).

We prohibit all employees from trading in financial instruments of Fonterra or other companies or encouraging others to trade on the basis of material information gained through employment with Fonterra before it is made public.

Trading in any financial instrument of Fonterra requires adherence to the rules of the Fonterra Group Securities Trading Policy. You can access the policy on Milky Way (Milky Way > Quicklinks > Fonterra Group Policies).

Gifts and corporate hospitality/entertainment

When we offer or accept appropriate gifts or corporate hospitality/entertainment, we act with honesty and integrity, respect generally accepted business practices and cultural norms and behave in a manner that is consistent with legislative and regulatory requirements.

The offer and/or acceptance of gifts and corporate hospitality/entertainment valued at USD 100 and over must be recorded in the Gift, Hospitality and Entertainment Register. In addition, gifts and corporate hospitality/entertainment valued at USD 250 and over must also gain your manager's prior written approval and be attached to the registration.

External relations

Fonterra is committed to open dialogue with range of stakeholders, including national and international authorities. This ensures legislation or rules designed to protect consumers are well communicated and integrated into our operating environment and helps to create a healthy competitive environment.

We encourage communication and co-operation with academic and professional bodies, governments and other organisations. Material information is given simultaneously to the financial community. The financial community has access to our financial experts but no one individual or institution is given preferential treatment. Sensitive or material information is only published with the approval of Fonterra's Chief Financial Officer or General Counsel.

Social media

Social media is a great way for us to engage with our stakeholders and to connect and collaborate with colleagues around the globe.

Fonterra and our brands use a number of social media platforms to encourage and enable two-way communication and increase engagement with our brands. We encourage you to participate in this dialogue, however please remain mindful of your responsibilities online and ensure you participate in a respectful, relevant way that protects you and Fonterra's reputation.

External communications and reputation

Fonterra is frequently approached by the media and by interested parties and asked to provide information or to give our perspective on a topic. Often, responses require a good understanding of legal and media issues. To ensure these are professionally handled, all requests are handled by Fonterra Group Communications or the delegated authority applicable to each business.

Fonterra Group Communications plays an important part in maintaining a strong reputation for Fonterra and ensures our customers, community, media and other stakeholders receive accurate information on-time. But we all have a responsibility to ensure Fonterra's reputation is not put at risk and we must speak up if we see or hear something that we feel might damage our Co-operative's reputation. We must do this by ensuring our conduct and behaviour reflects our shared values and our group policies, standards and guidelines and that we don't abuse Fonterra's assets, information systems or brand.

08

THE WAY WE WORK WITHIN OUR COMMUNITIES

‘Co-operative Spirit’ is one of our core values and reflects our commitment to honouring what’s important to local communities wherever we operate.

People the world over have similar expectations of us. They want us to be environmentally responsible and to use resources carefully and well. They want us to use technology responsibly, especially where it involves food safety and animal welfare. When we conduct research they want us to do so within the strictest ethical guidelines.

As a minimum we meet these expectations and are proud to support and engage with local communities.

“It is so satisfying to work alongside our farmers and provide them with a service tailored to their business”

ANNA-LENA WRIGHT
SUSTAINABLE DAIRYING ADVISOR



Responsible dairying

We are committed to safeguarding the resources that our business depends on through reducing environmental impacts across the global value chain, improving efficiency, treating animals with care and respect and supporting the protection and enhancement of the resources and ecosystems that support dairy.

Water

Water is essential to the long-term success of our business and to the health and environment of the communities where we live, work and farm. We depend on freshwater for our operations, for food safety and quality, and our farmer suppliers depend on freshwater to produce high quality milk.

We are committed to preventing water pollution, ensuring that we use water responsibly wherever we operate and supporting the protection and restoration of natural habitats.

In New Zealand, with our farmer suppliers, we are signatories to the Sustainable Dairying Water Accord, which is designed to improve water quality in dairy catchment areas.

Climate and energy

Sustainable and secure energy supply and a suitable climate are critical contributors to our operational activities and business continuity.

We are committed to reducing our energy and emissions intensity, adopting clean technology and building resilience to climate change.

Efficiency and waste

Efficient and effective management of raw materials, waste and hazardous substances helps protect our food safety and quality, gain production and cost efficiencies and ensure that the environmental impacts of our business are minimised.

We are committed to maximising yield, reducing waste, managing hazardous substances responsibly and supporting community waste solutions.

Animals and biosecurity

Healthy, well-cared-for animals are vital to producing safe, high-quality milk.

We are committed to responsible animal welfare practices in accordance with relevant industry guidelines.

Diseases and pests pose an on-going threat to animal health and welfare and general farm resilience. Biosecurity is a set of preventative measures designed to reduce the risk of transmission of infectious diseases and pests to livestock and crops that impact animal, plant and human health, the community, economic livelihoods and the environment.

We are committed to supporting robust standards, innovative solutions and being prepared to respond to any incidents.

Ethical standards in research

Fonterra is committed to producing dairy products that are safe, nutritious and contribute to the health and wellbeing of those who consume them.

In keeping with our commitment to the safety of our products, we will monitor, and where appropriate conduct research on, the health benefits and any potential health hazards of dairy products. Our ethical standards in research require that results are carefully validated.

All research involving humans follows international best practice including informed consent, ensuring all necessary ethics approvals are gained and comply with the highest standard applicable, be it local legislation or the New Zealand Health and Disability Act. All research involving humans is planned and conducted according to the principles outlined in the Declaration of Helsinki (World Medical Association) and the principles of Good Clinical Practice.

We ensure that the welfare of animals used for scientific purposes is respected. All research involving animals follows international best practice and complies with the highest standard applicable, be it local legislation or the New Zealand Animal Welfare Act.

09

**NEED ADVICE ABOUT
THE WAY WE WORK?**

Need advice about The Way We Work?

Most of us get through the working week without seeing or experiencing behaviours that clash with our own sense of what's right. However, there may be times when what we see, hear or experience feels wrong and is clearly not in line with The Way We Work. When this happens it is important to speak up.

At Fonterra we support open and honest communication. We do not want people to turn a blind eye to something that bothers them. Our reputation depends on how honestly we treat one another, our customers, our farmer shareholders, and our communities.

Sometimes people may hesitate to raise an issue because they are worried about 'getting involved' and the potential consequences of this.

That's why we have The Way We Work Hotline. It is an independent service operated by Deloitte and has been designed specifically for reporting issues like theft, fraud, harassment, misconduct or other unethical behaviour that worries you.

You can contact The Way We Work Hotline by using the dedicated telephone number, website, email address, fax or return post. Contact details are on the inside back page of this booklet, including options if English is not your spoken or preferred language.

You may also complete an online disclosure report available on The Way We Work Hotline website, www.thewaywework.deloittedigital.com

Regardless of how you choose to contact the Hotline, Deloitte will not provide your contact details including your name, email address, fax number or postal address to Fonterra without your consent. However, if you use a Fonterra computer and want your identity to remain confidential, please be aware that your Fonterra email records are accessible by others within Fonterra and your email address name may be identifiable.

Furthermore, if as a result of your communication to the Hotline legal action is required, or the police are asked to investigate an accusation of criminal behaviour, you may need to provide a statement or give evidence.

**Need advice about
The Way We Work? cont.**

If your concern involves employment related issues, remaining anonymous may mean it is not possible to conduct a formal investigation that may result in disciplinary action. This is because procedural requirements of employment law require the person accused to know who made the allegation against them.

Once your report has been received, the information you have provided will be reviewed and reported back to Fonterra's ethics team. Fonterra will then decide what action to take about the concern raised.

Fonterra does not allow retaliation for reporting concerns in good faith. Retaliation for good faith reporting is itself a violation of The Way We Work. If you believe you have been penalised for reporting an incident in good faith, you should advise your manager.

Similarly, Fonterra does not allow The Way We Work Hotline to be used as a way to harass colleagues or to threaten them. If you feel this is happening to you, raise your concern with your manager.

10

CONTACTING THE HOTLINE

Contacting the Hotline

Website www.thewaywework.deloittedigital.com
Username fonterra
Password thewaywework
Telephone Assistance is available in the countries below

Country	Freephone	Language
New Zealand	0800 684 361	English
Australia	1800 726 476	English
USA	1866 803 5305	English
Chile	1230 020 8868	English/Spanish
Malaysia	1800 815 262	English
Hong Kong	800 905 337	English
Saudi Arabia	800 861 2519	English/Arabic
UAE	800 0610 1207	English/Arabic
South China	1080 0261 1326	English/Mandarin
North China	1080 0610 0438	English/Mandarin
Brazil	0800 8923 109*	English/Portuguese
Vietnam	1800 1230	English/Vietnamese
Indonesia	0018 036 1070	English/Bahasa
Sri Lanka	011 219 0099**	English/Sinhala
International Direct	+61 3 9999 2094**	English

Email thewaywework@deloittedigital.com

Fax +61 3 9691 8182**

* Freephone service is not available from mobile phones. Callers based in Brazil wishing to use a mobile phone should dial the International Direct number

** Local charges apply

Reply paid post

New Zealand The Way We Work Hotline
PO Box 912028
Auckland Mail Centre
Auckland 1142
New Zealand

Australia The Way We Work Hotline
Reply paid 12628
A'Beckett Street
Melbourne, VIC 8006
Australia



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