Fonterra: Doing Good Together through community investment and impact



Fonterra is a dairy co-operative owned by thousands of New Zealand dairy farmers and their families. Being a purpose-led organisation with a presence throughout New Zealand, Fonterra recognises its responsibility to give back to the communities within which it operates. Through its philosophy of 'Doing Good Together', Fonterra is investing in initiatives that care for people, the environment and the long-term sustainability of regional New Zealand.

"We believe in the goodness of milk, which is packed with nutrients that help people lead a healthy life, so it was natural for us to think about how we can play to this strength in supporting communities," said Simon Tucker (Director Global Sustainability, Stakeholder Affairs and Trade).

Several years ago, Fonterra undertook a review of its social impact strategy by identifying and prioritising impact areas to redefine its purpose (Why), objectives (What), and approach (How) to create a significant positive impact in communities. As a result, a Doing Good Together framework was formed, which determines the key focus areas for impact:

- 1. Putting good quality nutrition in the hands of those who need it most
- 2. Protecting and regenerating the environment
- 3. Keeping our communities strong



Beneath these pillars sit four hero programmes that support social causes, including food security, rural mental health and wellbeing, and protecting and regenerating the environment.

The four hero programmes which operate across Aotearoa are:

- 1. **KickStart Breakfast** in partnership with Sanitarium and Ministry of Social Development, providing Anchor milk and Sanitarium Weet-Bix to 1,400+ schools.
- Feeding New Zealand Communities in partnership with New Zealand Food Network (NZFN) and Feed Out, providing targeted donations of nutritious dairy products to food hubs, food banks and other agencies.
- **3. Hapori** in partnership with Trees for Survival and Community Foundations, supporting local and regionally-focused initiatives.
- **4. Supporting Rural Communities** in partnership with Rural Support Trust and Surfing for Farmers, focusing on rural mental health and wellbeing.

Having a clear strategy with a focus on key areas has enabled the Co-op to establish a consistent approach to deliver greater social impact.



Results and Impact of Fonterra's Doing Good Together Programmes in FY23

Collaborating to support those in need

KickStart Breakfast is a joint initiative between Fonterra, Sanitarium and the Ministry of Social Development. It is the only national breakfast programme open to all public schools and has been delivering Anchor[™] Milk and Sanitarium Weet-Bix[™] to New Zealand schools since Term 1, 2009.

Four thousand volunteers support schools to run their breakfast clubs and together, more than 60 million* breakfasts to have been served to tamariki (children) and rangatahi (young people) since the programme began. KickStart Breakfast is Fonterra's longest running community programme, and a great example of a government, business and community initiative.



In July 2020, New Zealand Food Network (NZFN) was established with primary funding from the Ministry of Social Development to address the growing food security challenges being exacerbated by the pandemic, and Fonterra became a founding donor. This strategic partnership allows both organisations to leverage their individual strengths while collectively making a significant impact for food hubs, food banks and other agencies that provide kai support throughout Aotearoa.

In addition to donating products that would have been supplied to restaurants and other food outlets, which were closed due to COVID, surplus stock from the Kickstart Breakfast programme was donated to support families while schools were also closed. Through working together, openness and trust were established between the teams. Post the pandemic, NZFN shared some new challenges they were facing. There was a decrease in donations from food producers, as regular customers re-opened, and very small amounts of protein donated.

Supply was also unpredictable throughout the year, which made it difficult for food hubs and food banks to provide nutritionally balanced food parcels. NZFN needed protein that was easy to store, nutritious and shelf stable. The relationships built over COVID allowed the two organisations to work together on a solution that addressed the NZFN's unique need while also aligning with Fonterra's Doing Good Together purpose, its expertise and resources.

As a solution, Fonterra began a planned programme of donating consumer-ready milk powder that was suitable for including in food parcels. These donations, coupled with ongoing one-off additional donations of surplus product, saw the dairy Co-op donate over 150 metric tonnes of Anchor milk powder in FY23.

Anchor 1kg milk powder packages are an ideal product as each kilogram provides 32 serves of dairy nutrition, the pack is light, easy to store and shelf stable for 12+ months. In powder form, it provides flexibility to be used in a range of ways, from mixing with breakfast cereal, adding to tea and coffee, mixed for drinks, or baking.



The Feeding New Zealand Communities partnership has since expanded to include Feed Out a charitable organisation that partners with dairy farming families to allow them to donate a portion of the milk they produce. Fonterra's Feeding New Zealand Communities Programme has donated nearly 30 million serves of dairy nutrition since 2020 (as at the end of December 2023). Fonterra continues to work with NZFN and partners to develop strategies that prioritise long-term outcomes for the communities they operate in.

Looking ahead, Fonterra plans to extend support to social supermarkets, an initiative led by Foodstuffs North Island, giving people facing food security challenges greater choice and dignity. The NZFN will support this initiative by delivering allocated dairy products to these social supermarkets across the North Island, many of which are existing NZFN food hubs.

Lessons and takeaways for similar community impact initiatives

- 1. Establish your why, what and how this was hugely valuable, enabling the team to consolidate previously existing support and focus on key initiatives at scale, for greater impact.
- 2. Impact Based Materiality Assessing if your organisation's desired impact in community (expertise, resources) is aligned to the company's strengths.
- 3. Long-term viability Fonterra used the ISO standards 26000 as assessment criteria to track success.
- Stakeholder Engagement Fonterra engaged with employees, farmers, the New Zealand public and key stakeholders to learn others' views, build support and get buy-in to a culture around community.

About Fonterra

Fonterra is a New Zealand dairy Co-operative made up of everyday good people who work together to do good things, including supporting communities in need with the natural goodness of dairy, working to protect and regenerate the environment, and providing the care and support that keeps communities strong. To learn more about Fonterra's community investment and impact, watch this <u>SBC webinar recording</u> or view Fonterra's Doing Good Together page <u>here</u>.

About SBC

SBC is a member organisation that connects businesses, partners, and sectors to create impact that no single business could achieve alone. We work with executives and sustainability professionals to maximise their positive impact for communities, stakeholders and the environment. We hold our members to account by asking them to meet commitments. We deliver impact by championing members to be at the leading-edge of sustainability and inspire other businesses to take action.

