

# Media release

UNDER EMBARGO TILL 11AM  
18 July 2019

## NO NEW COAL BOILERS FOR FONTERRA

Fonterra is shaving eleven years off its coal target, as it announces a new commitment to reduce its reliance on coal.

This commitment is the latest in a series of targets the Co-operative has set as it looks to embed sustainability at the heart of everything it does.

These targets include:

- Reducing emissions by 30% across all its manufacturing operations by 2030 and achieving net zero by 2050;
- Reducing water use by 20% across manufacturing sites by 2020;
- A tailored Farm Environment Plan for every Fonterra farmer by 2025;
- 100% recyclable, reusable and compostable packaging by 2025;
- Powering its Stirling site in Otago with electricity rather than coal.

Robert Spurway, Chief Operating Officer for Global Operations, says that from today Fonterra has put a stop to installing any new coal boilers or increasing capacity to burn coal.

“One of the emerging themes in our strategy review is that sustainability will be at the heart of everything we do. As part of this we want to step up our efforts to help New Zealand transition to a zero-carbon economy,” says Mr Spurway.

“Our farmer owners are already some of the most efficient producers of milk in the world. We need to match them in making sure our manufacturing operations and wider supply chain are as efficient as possible.”

Mr Spurway says getting out of coal is not as easy as flicking a switch.

“Transitioning Fonterra’s sites away from coal requires a staged approach. We’re determined to go as fast as we can but there are a number of practical challenges we have to overcome.

“For example, right now New Zealand’s energy infrastructure in some parts of the country simply isn’t set up to handle our requirements. Either there aren’t alternatives to coal available or, if there are, they are not at the scale needed.

“There are also cost challenges. Transitioning to cleaner fuels will require additional investment and we need to balance this with remaining competitive. It’s right to take a staged approach.

“We know we can’t do it alone,” says Mr Spurway. “More can be achieved through partnerships and business working together, like the Climate Leaders Coalition and Sustainable Business Council, to find ways to achieve a zero-carbon economy.”

Fonterra’s manufacturing operations are on track to meet its targets to reduce emissions by 30% across all its operations by 2030 and achieve net zero by 2050.

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Fonterra has 32 manufacturing sites across the country, of which about 40% of its current processing energy is from coal. The rest is from natural gas, electricity and wood.

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**About Fonterra**

*We're a global dairy nutrition company owned by 10,000 farmers and their families. We've built our expertise on the legacy of the thousands of farmers who've made New Zealand a world leader in dairy. With a can-do attitude and a collaborative spirit, we're a world leading dairy exporter. Our 22,000 people share the goodness of dairy nutrition with the world through our innovative consumer, foodservice and ingredient solutions brands, and our farming and processing operations across four continents.*

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