

Statutory Information 2021



**Good
Together**
from one generation
to the next



Dairy for life



IMAGE:
Kiri, Alan, Te Kaihou & Michael, Bay of Plenty

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COVER IMAGE:
Lana & Kiri, Bay of Plenty

Statutory Information
FOR THE YEAR ENDED 31 JULY 2021

Co-operative Status

In accordance with section 10 of the Co-operative Companies Act 1996, the Directors of Fonterra Co-operative Group Limited (Fonterra) unanimously resolved on 26 August 2021 that the Company was, for the year ended 31 July 2021, a co-operative company. The opinion was based upon the fact that:

- Throughout that period the principal activities of the Company have been the activities stated in clause 1.3 of the Company’s constitution:
 - the manufacture and sale of butter, cheese, dried milk, casein, or any other product derived from milk or milk solids supplied to the Company by its shareholders;
 - the sale to any person of milk or milk solids supplied to the Company by its shareholders; and
 - the collection, treatment, and distribution for human consumption of milk or cream supplied to the Company by its shareholders.
- Each of the Company’s principal activities are co-operative activities (as defined in section 3 of the Co-operative Companies Act 1996).
- Throughout that period not less than 60 per cent of the voting rights attaching to shares in the Company have been held by transacting shareholders (as defined in section 4 of the Co-operative Companies Act 1996).

Employee Remuneration Framework

A well-designed remuneration framework helps the Co-operative attract and retain talent, and both motivates and recognises the role our people play in the success of Fonterra.

Fonterra’s remuneration framework for salaried staff is based on a ‘total remuneration’ approach, which is consistent with best practice globally. This includes base salary, benefits (superannuation and insurance), and variable remuneration (incentives).

The amounts we pay to our employees are benchmarked against comparable companies in relevant markets, using information obtained from independent remuneration consultants. Adjustments to packages may occur on a cyclical basis, such as an annual salary review, or on an as-needed basis to recognise additional responsibilities.

The framework is designed to take into account budget targets and restraints, market conditions, internal equity, and governance factors such as local legislation, as well as taking into account individual performance.

- Fonterra’s incentive programmes are designed to drive performance by:
- focusing on Fonterra’s primary objective of maximising returns for its farmer shareholders;
 - promoting collaboration and a one team approach to achieve Fonterra’s goals;
 - establishing targets which are challenging yet achievable; and
 - linked to team (such as business unit) and Group performance.

At the end of each financial year, performance is reviewed, and incentive payments are approved by the Appointments and Remuneration Committee at its discretion. The Appointments and Remuneration Committee retains absolute discretion in respect to payments for all incentive schemes.

Further detail on Fonterra’s remuneration framework can be found at page 07 of the Corporate Governance Statement.

Employee Remuneration

Fonterra operates in a number of countries where remuneration market levels differ widely. During the year ended 31 July 2021, the number of employees, not being Directors of Fonterra, who received remuneration, incentives, and other benefits (including superannuation and allowances etc) exceeding \$100,000 was as follows:

REMUNERATION RANGE (\$)		NEW ZEALAND HEAD OFFICE ¹	REGIONAL NEW ZEALAND ¹	OFFSHORE ²	CESSATIONS ³	TOTAL
100,000	110,000	64	1,477	150	58	1,749
110,000	120,000	70	759	232	42	1,103
120,000	130,000	59	658	240	40	997
130,000	140,000	50	584	197	28	859
140,000	150,000	51	246	143	13	453
150,000	160,000	47	150	128	12	337
160,000	170,000	52	122	88	11	273
170,000	180,000	36	91	93	13	233
180,000	190,000	33	61	70	11	175
190,000	200,000	28	52	69	7	156
200,000	210,000	29	46	41	9	125
210,000	220,000	25	34	35	7	101
220,000	230,000	21	21	36	2	80
230,000	240,000	18	17	28	2	65
240,000	250,000	22	21	25	3	71
250,000	260,000	19	11	22	4	56
260,000	270,000	18	7	15	4	44
270,000	280,000	16	11	19	1	47
280,000	290,000	8	4	32	1	45
290,000	300,000	7	1	19	0	27
300,000	310,000	16	9	9	1	35
310,000	320,000	11	1	11	1	24
320,000	330,000	8	4	10	0	22
330,000	340,000	8	8	10	0	26
340,000	350,000	7	8	15	0	30
350,000	360,000	2	2	7	1	12
360,000	370,000	8	5	3	0	16
370,000	380,000	1	1	10	0	12
380,000	390,000	1	2	7	0	10
390,000	400,000	6	3	7	1	17
400,000	410,000	4	1	6	0	11
410,000	420,000	6	1	2	0	9
420,000	430,000	2	1	4	0	7
430,000	440,000	3	2	3	0	8
440,000	450,000	3	0	5	1	9
450,000	460,000	4	0	6	1	11
460,000	470,000	2	3	4	0	9
470,000	480,000	4	0	4	1	9
480,000	490,000	2	1	3	0	6
490,000	500,000	0	0	1	0	1
500,000	510,000	2	2	4	0	8
510,000	520,000	2	1	3	3	9
520,000	530,000	0	1	3	0	4
530,000	540,000	1	1	3	1	6
540,000	550,000	0	0	3	0	3
550,000	560,000	0	1	1	0	2

Employee Remuneration CONTINUED

REMUNERATION RANGE (\$)		NEW ZEALAND HEAD OFFICE ¹	REGIONAL NEW ZEALAND ¹	OFFSHORE ²	CESSATIONS ³	TOTAL
560,000	570,000	2	0	2	1	5
570,000	580,000	0	0	2	0	2
590,000	600,000	2	0	0	1	3
600,000	610,000	1	1	1	1	4
610,000	620,000	1	0	1	1	3
620,000	630,000	1	0	0	0	1
650,000	660,000	0	0	3	0	3
660,000	670,000	0	0	1	2	3
670,000	680,000	1	0	2	0	3
680,000	690,000	1	0	2	0	3
690,000	700,000	0	1	1	0	2
700,000	710,000	0	0	1	1	2
710,000	720,000	1	0	1	1	3
730,000	740,000	1	0	1	1	3
780,000	790,000	0	0	2	0	2
800,000	810,000	0	1	0	0	1
810,000	820,000	0	1	0	0	1
820,000	830,000	0	0	0	1	1
830,000	840,000	0	0	1	1	2
850,000	860,000	0	0	1	0	1
870,000	880,000	1	0	0	0	1
880,000	890,000	1	0	0	0	1
900,000	910,000	1	0	0	0	1
910,000	920,000	1	0	1	0	2
920,000	930,000	0	0	1	0	1
930,000	940,000	1	0	0	0	1
940,000	950,000	0	0	1	0	1
970,000	980,000	1	0	0	0	1
980,000	990,000	0	0	1	0	1
990,000	1,000,000	1	0	1	0	2
1,000,000	1,010,000	0	0	0	1	1
1,050,000	1,060,000	0	0	1	1	2
1,130,000	1,140,000	0	0	1	0	1
1,140,000	1,150,000	0	0	0	1	1
1,170,000	1,180,000	0	0	1	0	1
1,250,000	1,260,000	0	0	0	1	1
1,270,000	1,280,000	0	0	1	0	1
1,370,000	1,380,000	0	0	1	0	1
1,640,000	1,650,000	1	0	0	0	1
2,030,000	2,040,000	1	0	0	0	1
2,090,000	2,100,000	1	0	0	0	1
2,170,000	2,180,000	0	0	1	0	1
2,520,000	2,530,000	0	0	1	0	1
3,220,000	3,230,000	0	0	1	0	1
4,280,000	4,290,000	1	0	0	0	1
Totals		798	4,435	1,861	294	7,388

1 Includes employees employed in New Zealand during the reporting period.

2 Includes employees employed in an offshore operation during the reporting period. Amounts paid in foreign currency have been converted at the average conversion rate for the period. As Fonterra has a significant offshore population, the number of offshore employees exceeding the fixed figure of \$100,000 increases if the New Zealand dollar currency weakens significantly. Should the New Zealand dollar strengthen against those markets' currencies, these same individuals may not be reported in future lists.

3 Cessations include employees that have been terminated or retired during the reporting period. The amounts paid to former employees include salary and bonuses for the current period, prior period bonuses that have been paid in the current period and termination entitlements including those arising from employment arrangements entered into by legacy companies prior to the formation of Fonterra.

Within New Zealand, employees who received remuneration, incentives, and other benefits (including superannuation and allowances etc) exceeding \$100,000 were based throughout the country as follows:

	TOTAL
Auckland	1,142
Bay of Plenty	158
Canterbury	616
Manawatu – Whanganui	353
Northland	204
Southland	220
Taranaki	714
Waikato	1,737
Rest of New Zealand	89
New Zealand total	5,233

In addition to being a significant employer in New Zealand, Fonterra also has employees in markets around the world. Those who received remuneration, incentives, and other benefits (including superannuation and allowances etc) exceeding \$100,000 were based in markets around the world as follows:

	TOTAL
Australia	1,002
Greater China	224
Europe	126
Latin America	85
New Zealand	5,233
Rest of Asia	289
Rest of World	63
United States	72
Cessations	294
Global total	7,388

Remuneration of Directors

The Directors' Remuneration Committee, comprising six shareholders elected in accordance with the Constitution, makes recommendations for shareholder approval as to the level of Elected Directors' fees. Elected Directors are those Directors elected by shareholders in accordance with clauses 12.2 and 33.4 of the Constitution.

At the Annual Meeting of shareholders held on 5 November 2020, shareholders approved, on the recommendation of the Directors' Remuneration Committee, the following amounts of remuneration to apply to Elected Directors from the date of that Annual Meeting of shareholders.

Chairman	\$430,000 per annum
Directors	\$175,000 per annum
Discretionary additional payments to the Chair of permanent Board Committees (except when the Chair is the Chairman of the Board of Directors)	\$35,000 per annum

The Board has approved payment of the discretionary additional payment, at the prevailing approved rate, to the Chair of permanent Board Committees.

The Board has discretion to set the fees for Directors appointed under clause 12.4 of the Constitution (Appointed Directors). In the period to 31 July 2021 the Board applied the same remuneration levels as above to the Appointed Directors.

The Appointments and Remuneration Committee and the Chairman of the Board of Directors has the discretion to allocate a discretionary pool of up to \$75,000 per annum for fees for Directors remuneration for additional duties, workload and responsibilities. In the period to 31 July 2021 the Board has approved a payment to Mr Goldsack of \$35,000 from the discretionary pool in recognition of his additional workload as Chair of the Capital Structure Committee (a non-permanent committee).

Fees paid by subsidiary or associate companies in respect of Fonterra Directors or employees appointed by Fonterra as Directors of those companies are payable directly to Fonterra.

Directors Remuneration

The total remuneration and value of other benefits (not including superannuation contributions, if applicable) received by each Director in the 12-month period from 1 August 2020 to 31 July 2021 are scheduled below:

	BOARD FEES	COMMITTEE CHAIR FEES	TRAVEL ALLOWANCE	DISCRETIONARY POOL	TOTAL REMUNERATION (\$)
Clinton Dines	175,000	–	–	–	175,000
Brent Goldsack	175,000	12,070 ¹	–	35,000	222,070
Leonie Guiney (Chair of the Safety and Risk Committee)	175,000	35,000	–	–	210,000
Bruce Hassall (Chair of the Audit and Finance Committee)	175,000	35,000	–	–	210,000
Holly Kramer (Chair of the Appointments and Remuneration Committee)	175,000	22,929 ¹	–	–	197,929
Andrew Macfarlane (Chair of the Co-operative Relations Committee)	175,000	22,929 ¹	–	–	197,929
Peter McBride (Chairman of the Board of Directors from November 2020)	362,327 ¹	–	–	–	362,327
John Monaghan (Chairman of the Board of Directors until November 2020)	114,115 ¹	–	–	–	114,115
John Nicholls	175,000	–	–	–	175,000
Cathy Quinn	129,231 ¹	–	–	–	129,231
Donna Smit	175,000	–	–	–	175,000
Scott St John (Chair of the Milk Price Panel)	175,000	35,000	–	–	210,000

1 Indicates a part year.

Quoted Financial Products Held at Balance Date

In accordance with Rules of the Fonterra Shareholders' Market (FSM) Rule 2.7.1(d), the following table identifies the Quoted Financial Products in which each Director has a Relevant Interest as at 31 July 2021:

	FSF UNITS ¹	CO-OPERATIVE SHARES	RETAIL BONDS	
			FCG030	FCG040
Brent Goldsack	3,493	457,815	–	–
Leonie Guiney	–	1,198,824	–	–
Andrew Macfarlane	147,041	1,885,990	–	–
Peter McBride	–	7,090,320	–	–
John Nicholls	930	2,215,164	–	–
Cathy Quinn	–	444,280	1,000,000	9,000,000
Donna Smit	9,959	1,281,277	–	–

1 Units issued by the Fonterra Shareholders' Fund may be converted to Co-operative shares.

A 'Relevant Interest' in Fonterra securities which is required to be disclosed is explicitly defined in the Financial Markets Conduct Act 2013.

To qualify as an Elected Director under the Fonterra Constitution a person must be a shareholder, a shareholder of a company that is a shareholder, a member of a partnership that is a shareholder, or have a legal or beneficial interest in, or a right or entitlement to participate directly in the distributions of, a body corporate that is a shareholder of Fonterra.

Given the variety of ways that farmer shareholders can organise their interests, it is possible for Fonterra Elected Directors to have an interest in Co-operative shares without this being a 'Relevant Interest' as defined in the Financial Markets Conduct Act 2013.

All current Elected Directors have Relevant Interests in Co-operative shares. Some Elected Directors also have interests in Co-operative shares which are not within the definition of 'Relevant Interest' in the Financial Markets Conduct Act 2013, and those interests are not disclosed above.

Entries in the Interests Register

Directors' interests in transactions

General disclosures of interest

The following general disclosures of interest were made in the period from 1 August 2020 to 31 July 2021:

Brent Goldsack	Better Eggs Limited	Chair and Director
	Power Farming Holdings Limited	Director
Holly Kramer	Bain Advisory Council	Member
	Endeavour Group Limited	Non-executive Director
	<i>Lendi Pty Limited</i>	<i>Chair and Director (ceased April 2021)</i>
	The Ethics Centre	Independent Non-executive Director
Andrew Macfarlane	<i>ANZCO Farmer Nominee Limited</i>	<i>Director (ceased August 2020)</i>
	<i>MRB Securities Limited</i>	<i>Director (ceased July 2020)</i>
Peter McBride	<i>South East Hort Limited</i>	<i>Managing Director (ceased October 2020)</i>
John Nicholls	<i>FEP Dashboard Limited</i>	<i>Director (ceased October 2020)</i>
Cathy Quinn	Fletcher Building Industries Limited	Director
	Fletcher Building Limited	Director
	Kintyre Trust	Trustee
	MinterEllisonRuddWatts	Consultant
	<i>New Zealand Treasury Advisory Board</i>	<i>Board Member (ceased November 2020)</i>
	Pin Twenty Limited	Director and Shareholder
	Thistlehurst Dairy Limited	Director and Indirect Shareholder
	Tourism Holdings Limited	Director
	<i>St Jude's Trust</i>	<i>Trustee (ceased December 2020)</i>
	Rangatira Limited	Director
Scott St John	University of Auckland Council	Pro-Chancellor
	ANZ Bank New Zealand Limited	Director
	<i>Butland Medical Foundation</i>	<i>Trustee (ceased June 2021)</i>
	Fisher and Paykel Healthcare Limited	Chairman
	<i>University of Auckland Council</i>	<i>Chancellor (ceased June 2021)</i>

During the financial year there were no notices from Directors requesting to disclose or use information received in their capacity as Directors which would not otherwise have been available to them.

Securities dealings of Directors

The following entries were made in the Interests Register during the year.

New Disclosures

Directors disclosed the following holdings of securities during the year.

DIRECTOR	RELEVANT INTERESTS IN CO-OPERATIVE SHARES	RELEVANT INTERESTS IN FSF UNITS	RELEVANT INTERESTS IN RETAIL BONDS		RELEVANT INTERESTS IN WHOLESALE BONDS	
			FCG030	FCG040	FCG AT 5.90% MATURING 25 FEBRUARY 2022	FCG AT 5.08% MATURING 19 JUNE 2025
Cathy Quinn (on appointment on 5 November 2020)	444,280	–	1,000,000	9,000,000	2,050,000	14,510,000
Andrew Macfarlane (on 28 June 2021)	1,072,689	9,317	–	–		

Entries in the Interests Register CONTINUED

During the year, Directors disclosed in respect of section 148(2) of the Companies Act 1993 and/or section 297 of the Financial Markets Conduct Act 2013 that they (or their associated persons) acquired or disposed of a relevant interest in financial products as follows:

Co-operative share transactions

DIRECTOR	NUMBER OF SECURITIES ACQUIRED	NUMBER OF SECURITIES DISPOSED	CONSIDERATION \$	DATE
Leonie Guiney	50,000 ¹	50,000 ¹	–	3 August 2020
Donna Smit	1,124 ³		–	1 October 2020
Donna Smit	582 ⁴		2,316	6 October 2020
Donna Smit	2,887 ⁴		11,490	6 October 2020
Brent Goldsack	2,678 ⁴		10,658	6 October 2020
Brent Goldsack	48,000		192,960	7 October 2020
Peter McBride	7,418		29,746	7 October 2020
Peter McBride	4,231		16,966	8 October 2020
Peter McBride	42,693		171,626	8 October 2020
Peter McBride	46,703		187,279	9 October 2020
Peter McBride	27,080		108,862	9 October 2020
Peter McBride	14,088		56,634	14 October 2020
Brent Goldsack	6,730		27,189	15 October 2020
Peter McBride	24,359		98,654	15 October 2020
Peter McBride	2,494 ²	2,494 ²	10,000	15 October 2020
Peter McBride	4,924 ¹	4,924 ¹	19,745	15 October 2020
Donna Smit	18,230		73,996	15 October 2020
Donna Smit	9,655		39,489	19 October 2020
Donna Smit	419		1,714	21 October 2020
John Nicholls	2,300		10,120	10 November 2020
John Nicholls	10,000 ¹	10,000 ¹	–	22 December 2020
John Nicholls	10,000 ¹	10,000 ¹	–	22 December 2020
John Nicholls	22,000		96,570	29 December 2020
Donna Smit	2,090		9,677	19 April 2021
Donna Smit	697		3,227	19 April 2021
Donna Smit	1,542		7,139	19 April 2021
Donna Smit	118		550	20 April 2021

1 Transferred between related entities.
2 Transferred between non-related entities.
3 Conversion of Units to Shares.
4 Farm Sources Dollars for Shares offer.

Unit transactions

DIRECTOR	NUMBER OF SECURITIES ACQUIRED	NUMBER OF SECURITIES DISPOSED	CONSIDERATION \$	DATE
Donna Smit		1,124 ¹	–	1 October 2020
Andrew Macfarlane	1,574		6,107	15 October 2020
Donna Smit	642 ²		–	23 February 2021
Brent Goldsack	3,493 ²		–	23 February 2021
John Nicholls	930 ²		–	23 February 2021

1 Conversion of Units to Shares.
2 Acquired as part of the Contract Fees for Units programme.

Retail Bond transactions

DIRECTOR	NUMBER OF SECURITIES ACQUIRED	NUMBER OF SECURITIES DISPOSED	CONSIDERATION \$	DATE
Cathy Quinn	1,000,000 ^{1,2}	1,000,000 ^{1,2}	–	21 December 2020
Cathy Quinn	9,000,000 ^{1,3}	9,000,000 ^{1,3}	–	21 December 2020

1 Transferred between related entities.
2 FCG030.
3 FCG040.

Capital Note transactions

There were no transactions by Directors (or their associated persons) in Capital Notes reported during the period from 1 August 2020 to 31 July 2021. No current holdings of Capital Notes have been advised by Directors (or their associated persons).

Subsidiary Company Directors

The following companies were subsidiaries of Fonterra as at 31 July 2021. Directors as of this date are listed below. Those who resigned during the year are denoted with an R. Alternate Directors are denoted with an A.

Assessment Labs Limited: B K Connolly, J Swales	Fonterra Ingredients Limited: G A Duncan, B M Ryan
Canpac International Limited: B M Ryan, P D Wynen	Fonterra LATAM Brands Limited: A J Cordner, G A Duncan
Dairy Industry Superannuation Scheme Trustee Limited: M A Apiata-Wade, B J Kerr, B M McCarthy, T P McGuinness, D W C Scott, A K Williams, P D Wynen	Fonterra Limited: M R Cronin, A R van der Nagel (R), F S Whineray
Fonterra (Delegated Compliance Trading Services) Limited: G A Duncan, S D T Till	Fonterra PGGRC Limited: G A Duncan, J P Hill
Fonterra (International) Limited: G A Duncan, C E Rowe	Fonterra TM Limited: G A Duncan, S D T Till
Fonterra (Kotahi) Limited: R G Carlyle, F S Whineray	Glencol Energy Limited: G A Duncan, P D Wynen
Fonterra (Middle East) Limited: G A Duncan, C E Rowe, P D Washer (R)	GlobalDairyTrade Holdings Limited: G A Duncan, C E Rowe
Fonterra (New Zealand) Limited: G A Duncan, C E Rowe	Kotahi GP Limited: D G Boulton, R G Carlyle, B M Ryan, F S Whineray
Fonterra (North Asia) Limited: G A Duncan, S D T Till	Lactanol Limited: G A Duncan, B M Ryan
Fonterra Brands (New Zealand) Limited: M R Cronin (R), B Henshaw, J Swales	MIH Limited: R J Allen, G A Duncan
Fonterra Commodities Limited: G A Duncan, B M Turner	Milktest GP Limited: R J Allen, R J van Boheemen, P G Brown, G B McCullough, R G Townshend, T A Winter
Fonterra Dairy Solutions Limited: G A Duncan, R McNickle	MyMilk Limited: C W Fergusson, K F Shaw
Fonterra Equities Limited: G A Duncan, S D T Till	New Zealand Dairy Board: G A Duncan, C E Rowe
Fonterra Farming Ventures Limited: G A Duncan, C E Rowe	New Zealand Milk (International) Limited: G A Duncan, R M Kennerley
Fonterra Finance Corporation Limited: G A Duncan, S D T Till	New Zealand Milk Brands Limited: G A Duncan, S D T Till

Subsidiary Company Directors CONTINUED

NZAgbiz Limited: R J Allen, G A Duncan	Fonterra (Europe) Coöperatie U.A. [Netherlands]: M Boyd, G A Duncan, H E Huistra
RD1 Limited: R J Allen, G A Duncan	Fonterra (France) SAS [France]: H E Huistra
SAITL Limited: G B McCullough, T A Winter	Fonterra (Ing.) Limited [Mauritius]: A Aggarwal, T Chow, M R Robins, B M Ryan (R)
Tangshan Dairy Farm (NZ) Limited: M R Cronin, G A Duncan	Fonterra (Japan) Limited [Japan]: C L M Courtois, K Kumagai, K Kumagai, A Okuyama, B M Ryan (R), Y Saito, K A Wickham
Whareroa Co-Generation Limited: G A Duncan, P D Wynen	Fonterra (Korea) Limited [Korea]: G A Duncan, J Murney (R), Y Saito
Anchor Insurance Pte. Limited [Singapore]: G A Duncan, S S Herbert, C E Rowe, H N Toh (A)	Fonterra (Logistics) Limited [United Kingdom]: M Boyd, G A Duncan, G R Sharma
Annum (Malaysia) Sdn. Bhd. [Malaysia]: R M Kennerley, J Oh (R), S S Rapaka, V Sivaraja (R), V Tang	Fonterra (Mexico) S.A. de C.V. [Mexico]: L Barona Mariscal (A), F R Camacho (A), J P Coote (R), G A Duncan, E P G R Gil (A), J A Del Rio
Australasian Food Holdings Pty. Limited [Australia]: R Dedoncker, G A Duncan	Fonterra (SEA) Pte. Ltd. [Singapore]: A Aggarwal (R), H Gowans, R Kumar
Bonland Cheese Trading Pty. Limited. [Australia]: R Dedoncker, G A Duncan	Fonterra (Thailand) Limited [Thailand]: A Aggarwal (R), R Kumar, K Vunthanadit
Comercial Dos Alamos S.A. [Chile]: E Becker, A Rabie, A L Raddatz Vargas, R Waldspurger (R)	Fonterra (USA) Inc. [United States]: N R Christiansen, C L M Courtois, J P Coote (R), G A Duncan, J H Lees, B M Ryan (R)
Comercial Santa Elena S.A. [Chile]: J Barria Pina, C F Osorio Bascur, S T Perez	Fonterra Australia Pty. Ltd. [Australia]: R Dedoncker, G A Duncan
Dairy Enterprises (Chile) Limitada [Chile]: A J Cordner, G A Duncan, J P Egaña Bertoglia, R Lavados McKenzie, R Sepúlveda Seminario,	Fonterra Brands (Asia Holdings) Pte. Ltd. [Singapore]: S Goh, J Swales
Dairy Partners Americas Brasil Limitada [Brazil]: S Aparecido Flavio, R de Oliveira Carrelas, F Carvalho Goncalves, R Gurrero Leal (R), F Spinelli (R), M G Guerreiro Pinheiro, L L Rangel	Fonterra Brands (Australia) Pty. Ltd. [Australia]: R Dedoncker, G A Duncan
Dairy Partners Americas Nordeste-Produtos Alimenticios Limitada [Brazil]: S Aparecido Flavio, R de Oliveira Carrelas, F Carvalho Goncalves, M G Guerreiro Pinheiro, F Liani, R Guerrero Leal (R), F Spinelli (R), L L Rangel	Fonterra Brands (Far East) Limited [Hong Kong]: A Aggarwal, G A Duncan, P D Washer (R)
Dairymas (Malaysia) Sdn Bhd [Malaysia]: R M Kennerley, J Oh (R), S S Rapaka, V Sivaraja (R), V Tang	Fonterra Brands (Guangzhou) Ltd. [China] (in liquidation): T T Lye, P A Turner, K A Wickham
Darnum Park Pty. Limited. [Australia]: R Dedoncker, G A Duncan	Fonterra Brands (Hong Kong) Limited [Hong Kong]: A Aggarwal, W Y Chan, G A Duncan, P D Washer (R)
Fonterra (Beijing) Farm Management Consulting Company Limited [China]: A Aggarwal, G A Duncan, G Yuan, P D Washer (R), X Xu (R)	Fonterra Brands (Malaysia) Sdn Bhd [Malaysia]: R M Kennerley, J Oh (R), S S Rapaka, V Sivaraja (R), V Tang
Fonterra (Brasil) Limitada [Brazil]: R F Aracil Filho, B de Luca Zanatta	Fonterra Brands (New Young) Pte. Ltd. [Singapore]: A Aggarwal, S Goh, Y Li, C Lin, Y Lin, J Ling, P D Washer (R)
Fonterra (Canada), Inc. [Canada]: J P Coote (R), G A Duncan, B Kipping, B M Ryan	Fonterra Brands (Singapore) Pte. Ltd. [Singapore]: S Goh, C C Pheng (R), J Swales
Fonterra (China) Limited [Hong Kong]: M R Cronin, G A Duncan	Fonterra Brands (Thailand) Ltd. [Thailand]: P Chaychotchaoen, R M Kennerley, S Pronanunt, P A Richards (R), S Totana
Fonterra (CIS) Limited Liability Company [Russian Federation]: E Grishina	Fonterra Brands (Viet Nam) Company Limited [Vietnam]: S Arfelt, R M Kennerley, P Richards (R)

Fonterra Brands Indonesia, PT [Indonesia]: D M Irfani, S S Rapaka (R), C A Salinas Robeson, G Thiagarajan	Fonterra Brands Lanka (Private) Limited [Sri Lanka]: R M Kennerley, T Salpitikotala, V Sivaraja
Fonterra Brands Manufacturing Indonesia, PT [Indonesia]: M A Nasution, S S Rapaka (R), C A Salinas Robeson, T A Siswanto, G Thiagarajan	Fonterra Brands Myanmar Co. Ltd. [Myanmar]: G A Duncan, P Richards (R), C D Wickramanayake
Fonterra Brands Phils. Inc. [Philippines]: R Cook, C Ferrer, R M Kennerley, R A Mendoza, G Santiago, L De Velez	Fonterra Chile SpA [Chile]: A J Cordner, G A Duncan, J P Egaña Bertoglia (A), R Lavados (A), R Sepúlveda Seminario
Fonterra Commercial Trading (Shanghai) Company Limited [China]: A Aggarwal, C Cao, G A Duncan, J Ruan (R), P D Washer (R)	Fonterra Commercial Trading (Tangshan) Company Limited [China]: C Cao, G A Duncan, J Ruan (R), P D Washer (R)
Fonterra Egypt Limited [Egypt]: A Anwar, G A Duncan	Fonterra Europe Manufacturing B.V. [Netherlands]: D Krabbe, B M Ryan
Fonterra Europe Manufacturing Holding B.V. [Netherlands]: G A Duncan, H Huistra	Fonterra Foodservices (USA), Inc. [United States]: N R Christiansen, J P Coote (R), G A Duncan
Fonterra Global Business Services Asia Sdn Bhd [Malaysia]: J Oh (R), S S Rapaka, V Sivaraja (R), V Tang	Fonterra Hangu (HK) Limited [Hong Kong]: G A Duncan, G Yuan
Fonterra India Private Limited [India]: A Aggarwal, H D Gowans, S G Mathews	Fonterra Ingredients Australia Pty. Ltd. [Australia]: R Dedoncker, G A Duncan
Fonterra Investments Pty Ltd [Australia]: R J Dendoncker, G A Duncan	Fonterra Middle East FZE [United Arab Emirates] (in liquidation): G A Duncan, S Penfold
Fonterra Milk Australia Pty. Ltd. [Australia]: R Dedoncker, G A Duncan	Fonterra Tangshan Dairy Farm (HK) Limited [Hong Kong]: G A Duncan, X Xu (R), G Yuan
Fonterra Venezuela, S.A. [Venezuela]: G A Duncan, F C Ortega Becea	Inversiones Dairy Enterprises S.A. [Chile]: A J Cordner, G A Duncan, J P Egaña Bertoglia (A), R Lavados (A), R Sepúlveda Seminario, A S Vega (A)

Key Ingredients, Inc. [United States]: N R Christiansen, J P Coote (R), C L M Courtois, G A Duncan, J H Lees, B M Ryan (R)
Kotahi Logistics Australia Pty Limited [Australia]: D Ross, J J Ryan, A Wright (R)
Milk Products Holdings (North America) Inc. [United States]: N R Christiansen, J P Coote (R), C L M Courtois, J H Lees, B M Ryan (R)
New Tai Milk Products Co. Ltd. [Taiwan]: A Aggarwal, T Chow, C Lee, G Lee, K Lee, M R Robins, P D Washer (R)
New Zealand Milk (Australasia) Pty. Ltd. [Australia]: R Dedoncker, G A Duncan
New Zealand Milk (Barbados) Ltd. [Barbados]: N R Christiansen, G A Duncan, F Spinelli (R)
New Zealand Milk (LATAM) Ltd. [Bermuda]: G A Duncan, F Spinelli
New Zealand Milk Products (Ethiopia) SC [Ethiopia]: A B Abubeker, M B Abubeker, G Amade (R), F Spinelli (R), M Woodward
Newdale Dairies (Private) Limited [Sri Lanka]: R M Kennerley, T Salpitikorala, V Sivaraja
NZMP Fonterra Nigeria Limited [Nigeria]: G A Duncan, H Huistra
Prolesur S.A. [Chile]: M P Campbell, H Covarrubias Lalanne, S Diez Arrigada (A), S Jimenez, J P Matus Pickering (A), C Perez-Cotapos Subercaseaux (A), R Sepúlveda Seminario (A), G V Verela Alfonso, A S Vega (A), K A Wickham
Sociedad Agrícola y Lechera Praderas Australes S.A. (“Pradesur”) [Chile]: E Becker, A Rabie, A L Raddatz Vargas, R Waldspurger (R)
Soprole Inversiones SA [Chile]: M P Campbell, H Covarrubias Lalanne, S Diez Arrigada (A), S Jimenez, J P Matus Pickering (A), C Perez Cotapos Subercaseaux (A), R Sepúlveda Seminario (A), G V Varela Alfonso, A S Vega (A), K A Wickham
Soprole S.A. [Chile]: M P Campbell, H Covarrubias Lalanne, S Diez Arrigada (A), S Jimenez, J P Matus Pickering (A), C Perez Cotapos Subercaseaux (A), R Sepúlveda Seminario (A), G V Varela Alfonso, A S Vega (A), K A Wickham
Tangshan Fonterra Dairy Farm Limited [China]: A Aggarwal, G A Duncan, Q Jiang, P D Washer (R), X Xu (R), G Yuan
United Milk Tasmania Pty. Limited [Australia]: R Dedoncker, G A Duncan

Directors’ indemnity and insurance

Fonterra has given indemnities to, and has effected insurance for, Directors and executives of the Company and its related companies, in accordance with section 162 of the Companies Act 1993, and clause 35 of Fonterra’s Constitution, which, except for specific matters that are expressly excluded, indemnify and insure Directors and executives against monetary losses as a result of actions undertaken by them in the course of their duties. Among the matters specifically excluded are penalties and fines that may be imposed for breaches of law.

Analysis of Shareholding

Analysis of Fonterra’s shareholding as at 31 July 2021:

FCG Largest Recorded Share Holdings¹

NAME	NUMBER OF SHARES	% OF SHARES
Fonterra Farmer Custodian Limited	107,420,162	6.65
Ellis-Lea Farms (2000) Limited – Lamorna	1,326,453	0.08
Cumberland Dairy Farm Limited	1,029,128	0.06
Singletree Dairies 2013 Limited	1,012,776	0.06
Silverdale Farm Limited	973,679	0.06
Southern Pastures (Manako Farm) Limited Partnership	962,757	0.05
Coringa Park Dairies Limited	944,423	0.05
E F Deadman Limited	936,808	0.05
Stewart Partnership Limited	922,500	0.05
Arlanda Limited	920,033	0.05
Moffitt Dairy Limited	910,713	0.05
Rangitata Dairies Limited Partnership	902,623	0.05
Baytown Investments Limited	890,348	0.05
Mcbain Farms Limited	867,790	0.05
Auchenbrae Farm Limited	852,456	0.05
Mildara Dairy Limited	841,654	0.05
Cookstin Dairies Limited	839,600	0.05
Bel Group Limited - Ashton	836,353	0.05
Ellis-Lea Farms (2000) Limited – Grandview	831,143	0.05
Premier Dairies Limited	824,788	0.05

1 The FSM Rules, which reflect the rules of the NZX Main Board, require that Fonterra’s annual report contain the names and holdings of persons having the 20 largest holdings of Co-operative shares on the register of Fonterra as at a date not earlier than two months before the date of the publication of the annual report. The list above complies with the FSM Rules and sets out the list of the 20 largest shareholders on the register as at the appropriate date. There is a separate requirement in the FSM Rules to disclose in the annual report those persons who have a ‘Relevant Interest’ (as defined in the Financial Markets Conduct Act 2013) in Co-operative shares in excess of five per cent, where this information has been provided to Fonterra. Accordingly, the list of the 20 largest holdings of Co-operative shares is not required to show, and does not purport to show, the top 20 holdings of ‘Relevant Interests’ in Co-operative shares which may be owned or controlled by a person or entity and their associated entities. Other people or entities may have ‘Relevant Interests’ in a greater number of Co-operative shares than those listed above. However, it is not possible for Fonterra to accurately determine those interests, nor is it a requirement of the FSM Rules for those interests to be reported in the annual report, except where Fonterra has been advised that a person has a ‘Relevant Interest’ in excess of the five per cent threshold.

Substantial Product Holders

According to notices given to the Company under the Financial Markets Conduct Act 2013, as at 31 July 2021, the substantial product holders in the Company and their relevant interests are noted below. The total number of Co-operative shares on issue as at 31 July 2021 was 1,613,357,879.

SUBSTANTIAL PRODUCT HOLDERS	NUMBER OF VOTING SECURITIES	DATE OF MOST RECENT NOTICE
Fonterra Farmer Custodian Limited	111,816,183	30 July 2018
FSF Management Company Limited	111,735,183	30 July 2018

More than one ‘Relevant Interest’ can exist in the same voting financial products. Fonterra Farmer Custodian Limited holds Co-operative shares for the Fonterra Shareholders’ Fund (Fund), of which FSF Management Company Limited is the Manager. These two notices therefore refer to substantially the same Co-operative shares. The Custodian also holds some Co-operative shares for the Registered Volume Provider in respect of the Fund.

FCG Fonterra Co-operative Shares

Analysis of Fonterra Co-operative Shares as at 31 July 2021:

FROM-TO	HOLDER COUNT	%	HOLDING QUANTITY	%
1–50,000	968	10.52	27,708,200	1.72
50,001–100,000	2,390	25.97	183,837,074	11.39
100,001–200,000	3,278	35.62	465,254,429	28.84
200,001–400,000	2,051	22.29	561,620,406	34.81
400,001 and over	515	5.6	374,937,770	23.24

Analysis of Capital Note and Retail Bond Holding

Analysis of Fonterra’s Capital Note Holding as at 4 August 2021:

FCGHA Capital Notes

FROM-TO	HOLDER COUNT	%	HOLDING QUANTITY	%
1–1,000	9	1.47	3,974	.00
1,001–5,000	25	4.07	68,405	.07
5,001–10,000	203	33.06	1,444,664	1.41
10,001–100,000	353	57.49	10,184,325	9.93
100,001 and over	24	3.91	90,817,886	88.59

100,001 and over includes Fonterra’s holding of 67,435,575.

Analysis of Fonterra’s Retail Bond Holding as at 4 August 2021:

FCG030 \$350 million Retail Bond issue

FROM-TO	HOLDER COUNT	%	HOLDING QUANTITY	%
5,000–9,999	34	7.98	206,000	0.06
10,000–49,999	240	56.34	5,382,000	1.54
50,000–99,999	42	9.86	2,386,000	0.68
100,000–999,999	75	17.61	28,249,000	8.07
1,000,000 and over	35	8.22	313,777,000	89.65

FCG040 \$150 million Retail Bond issue

FROM-TO	HOLDER COUNT	%	HOLDING QUANTITY	%
5,000–9,999	54	9.91	314,000	0.21
10,000–49,999	346	63.49	7,074,000	4.72
50,000–99,999	67	12.29	4,089,000	2.73
100,000–999,999	61	11.19	15,156,000	10.10
1,000,000 and over	17	3.12	123,367,000	82.24

FCG050 \$100 million Retail Bond issue

FROM-TO	HOLDER COUNT	%	HOLDING QUANTITY	%
5,000–9,999	8	3.69	60,000	0.06
10,000–49,999	149	68.66	3,486,000	3.49
50,000–99,999	24	11.06	1,475,000	1.48
100,000–999,999	19	8.76	5,471,000	5.47
1,000,000 and over	17	7.83	89,508,000	89.51

Current Credit Rating Status

Standard & Poor’s long-term rating for Fonterra is A- with a rating outlook of stable. Fitch’s long-term and short-term default rating is A with a rating outlook of stable. Retail Bonds have been rated the same as the Company’s long-term rating by both Standard & Poor’s and Fitch. Capital Notes, which are subordinate to other Fonterra debt issued, are rated BBB+ by Standard & Poor’s and A- by Fitch.

Exchange Rulings and Waivers

NZX Limited (NZX) has ruled that Capital Notes (FCGHA) are debt securities as defined in the NZX Main Board/Debt Market Listing Rules (Listing Rules). This means that where Capital Notes are quoted on NZX’s Debt Market, Fonterra is not required to comply with certain Listing Rules which apply to an issuer of quoted equity securities.

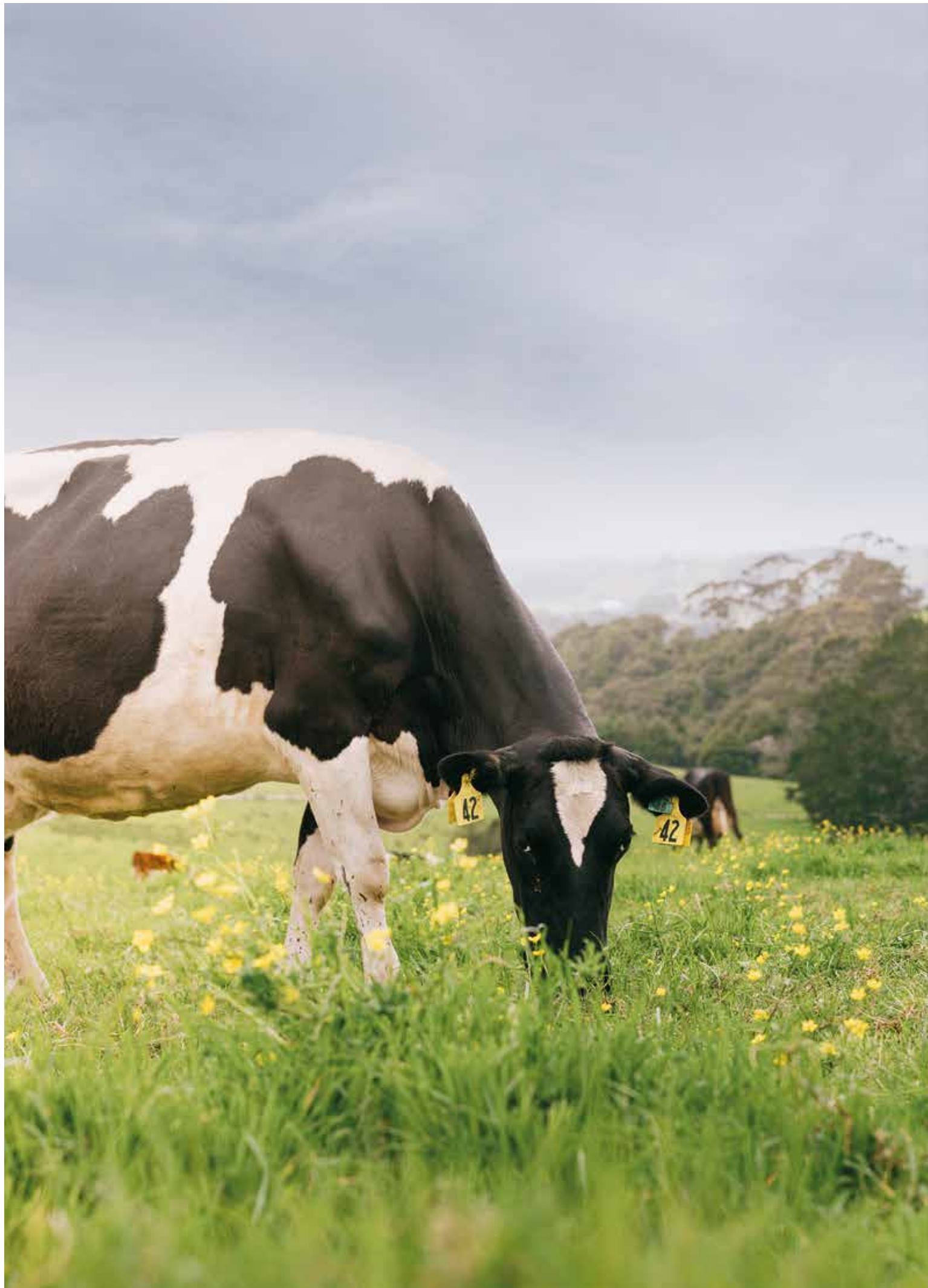
NZX Trading Halts

On 5 May 2021, NZ RegCo, at the request of Fonterra, placed a trading halt on its ordinary shares and units in the Fund. Fonterra was preparing to announce to the market details relating to the commencement of its consultation to change its capital structure. The trading halt had been requested to allow Fonterra to make the announcement to the market and allow shareholders and unit holders to review and consider the materials. This announcement was made on 6 May 2021 and included notice that the size of the Fund would be temporarily capped by suspending shares in the FSM from being exchanged into units in the Fund. The trading halt was lifted on 7 May 2021.

Stock Exchange Listings

Fonterra’s Co-operative shares are listed and quoted on the FSM (operated by NZX Limited for Fonterra) under the code ‘FCG’. Fonterra has three issues of retail bonds listed and quoted on the NZDX under the codes ‘FCG030’, ‘FCG040’, and ‘FCG050’. Fonterra also has an issue of capital notes listed and quoted on NZDX under the code ‘FCGHA’ and a Euro Medium Term Note Programme listed on the Singapore Stock Exchange.

As at 31 July 2021 there were 1,613,357,879 Fonterra Co-operative shares on issue.



Our 2021 Suite of Reports

Our Annual Review is a concise summary of our environmental, social and economic activities and performance. It is supported by a suite of supplementary reports where stakeholders can find more detailed information most relevant to them. This represents another step on our journey towards more integrated reporting.



OUR REPORTS ARE AVAILABLE FROM
[FONTERRA.COM/NZ/EN/INVESTORS.HTML](https://fonterra.com/nz/en/investors.html)

Sustainability Performance
Report 2021



Corporate Governance
Statement 2021



Statutory Information
2021



Annual Review
2021



Financial Statements
2021



Farmgate Milk Price
Statement 2021



Business Performance
Report 2021



