

FONTERRA
FINAL ASSESSMENT OF BMS CALL TO ACTION SIGNATORIES



Fonterra Co-operative Group Limited
109 Fanshawe St, Auckland, New Zealand
www.fonterra.com

2 December 2020

Attention: Meridian Institute and CTA Signatories

Dear Sir / Madam

Re: Breast-milk Substitute Call to Action

Thank you for your email of 1 July 2020 and the invitation to join the Call to Action ("CTA").

At Fonterra, we share the CTA signatories' aim that all infants and young children be optimally breastfed and eat a healthy diet. We believe breastmilk is the superior food for infants and we continue to build on and strengthen our commitment to the WHO International Code for the Marketing of Breast-milk Substitutes (the "Code").

Fonterra is committed to doing the right thing. We support the WHO recommendation that breastfeeding should be exclusive for the first six months of an infant's life, and that infants receive safe and appropriate complementary foods with continued breastfeeding up to two years of age and beyond. We also believe that if mothers are unable to breastfeed, for medical or other reasons, then they should have access to a safe and nutritious alternative.

We ensure that our policies and practises are Code-aligned for products formulated as suitable for infants from birth to 12 months old in the three countries we sell in – New Zealand, China, and Malaysia - as permitted by local competition law.

In the interests of transparency and continued dialogue, we have taken this opportunity to provide CTA, members of the public, our partners, and customers with information on our position and policies. These are available on our website Fonterra.com.

The CTA request for long term cessation of the marketing of milk products to young children, on the assumption that they are breast-milk substitutes, is a key area in which there are differing perspectives and is why we cannot commit to full Code alignment for product formulated for young children aged 12 to 36 months.

Signatories' assessment

Ask 1: Publicly commit your company to full compliance with the International Code of Marketing of Breast-milk Substitutes and subsequent resolutions (the Code) globally (including covering of breast-milk substitutes up to 36 months of age), and disclose a concrete plan for achieving this goal by 2030 at the latest, with delineation of clear incremental steps.

The company does not make the requested commitments.

FONTERRA
FINAL ASSESSMENT OF BMS CALL TO ACTION SIGNATORIES

Signatories' assessment

Ask 2: As a first step towards full Code compliance, by the end of 2020, for a company that has a BMS marketing policy in place (as is the case for Fonterra), ensure that your current policy and practices (including promotion to consumers and healthcare providers) are Code-aligned and for products marketed as suitable for infants between birth and 12 months of age, extend them to all countries, and commit to upholding your policy in all jurisdictions even where regulations are absent or less stringent than your policy. In countries where national law is more stringent than your policy, adherence to national law always takes precedence.

The company commits to ensure that its policies and practises are Code-aligned for products formulated as suitable for infants from birth to 12 months old in the three countries it sells in. To fully meet this request, the company would need to add that it commits to upholding its policy in all jurisdictions even where regulations are absent or less stringent than its policy. Further evaluation is needed to determine if its current policy, or forthcoming changes to that policy, fully align with the WHO Code.

Fonterra sells milk products for young children in several markets where we do not sell products formulated for infants. In line with dietary recommendations in New Zealand and around the world we support the provision of cows' milk as an appropriate and important food after one year of age. It is our position that milk products formulated for the specific needs of young children over one year of age, are not substitutes for breastmilk as they are not suitable as a sole source of nutrition. These milk products are a substitute for cows' milk, where nutrients like iodine and iron are added to provide additional important nutrition benefits beyond those found in the natural composition of cows' milk. These products are intended to supplement the normal diet.

Fonterra currently supports, and will continue to support, the adoption and implementation of national Code legislation. As a member of the Australia New Zealand Infant Nutrition Council (INC), Fonterra supported the extension of the scope of New Zealand's WHO Code provision, The Infant Nutrition Council's Code of Practice for the Marketing of Infant Formula in New Zealand from 0-6 months to 0-12 months.

Signatories' assessment

Ask 3: Commit to support the adoption and implementation of national legislation fully aligned with the Code in order to create a level playing field for all companies.

Fonterra states that it currently supports, and will continue to support, the adoption and implementation of national Code legislation. To fully meet this request, the company would need to add that it supports national legislation fully aligned with the Code.

We are proud of the commitment we have made to WHO Code compliance and welcome any opportunity for continuous improvement, including feedback from ATNI. We continue to review our internal activities to ensure we are not compromising our commitment to the WHO recommendations. We do, however, believe that there are other important measures that have a significant impact on breastfeeding commencement and duration, such as maternal education and paid parental leave. Contributors to breastfeeding rates are multifactorial and these may be as - if not more - effective than widening the age group for marketing restrictions.

FONTERRA
FINAL ASSESSMENT OF BMS CALL TO ACTION SIGNATORIES

Signatories' assessment

Ask 4: Agree to provide information on your company's policies and practices to the Access to Nutrition Initiative (ATNI) as requested, recognizing ATNI as an independent actor responsible for monitoring companies' progress toward their plans for achieving Code compliance.

The company appears to make the requested commitment. Fonterra states that it welcomes any opportunity for continuous improvement, including feedback from ATNI, and that in the interests of transparency and continued dialogue, they have taken this opportunity to provide CTA, members of the public, partners, and customers with information on their position and policies.

Fonterra is not currently included in ATNI's 2021 BMS Marketing Index. It may be included in future Indexes.

Thank you again for the invitation to be part of this important dialogue. We have given it considerable thought and discussion. At this stage whilst we are committed to upholding the aim and intent of the Code in **all** our business practises and commit to our practises being Code-aligned for product from birth to 12 months, we are not able to officially provide a roadmap for products suitable for young children from 12-36 months of age given Fonterra's position on the definition of breast-milk substitutes.

We are proud of our operating principles and pleased to make them public. We look forward to a continued discussion with the signatories. Our WHO code ambassador Sally Collins, Regulatory Manager, would welcome any further dialogue and she can be reached at sally.collins@fonterra.com.

Yours sincerely,



Judith Swales

Chief Executive Officer - APAC