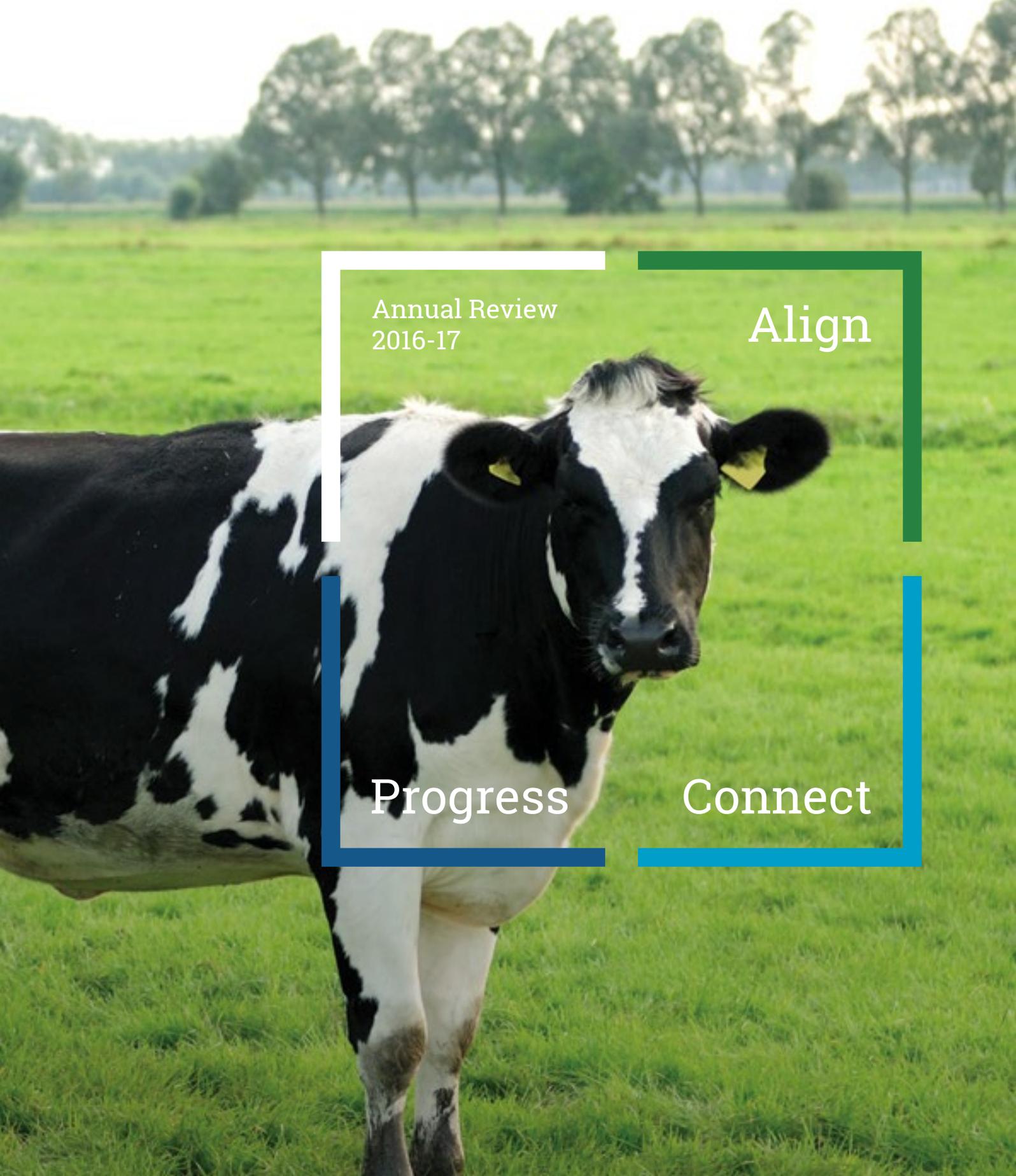




Dairy Sustainability Framework



Annual Review
2016-17

Align

Progress

Connect



Increasingly consumers are asking to know more about where their food comes from. They want to know that it's not just safe, affordable, healthy, nutritious and tasty. They now want to be reassured that the food they feed to their families and friends has been produced in a way that does not harm the environment nor diminish biodiversity. They want to know that it has been produced in a way that is respectful of the animals that it comes from and the farmers that produce it.

In short they want to know that their food has been produced in a sustainable and responsible way.

The Dairy Sustainability Framework (DSF) is how the dairy value chain can meet these needs at a global level. It serves to align, connect, and accelerate the sector's efforts toward efficient food production and reducing environmental impacts.

The DSF embraces the value of pre-competitive collaboration and aims to pursue efforts in support of the DSF Vision.

Dairy Sustainability
Framework Vision:

A vibrant dairy sector committed to continuously improving its ability to provide safe and nutritious products from healthy cattle, while:

1. Preserving natural resources
2. Ensuring decent livelihoods across the industry

➤ Message from the Chairman



The Dairy Sustainability Framework (DSF) has been developed through a global collaboration within the dairy sector. The sector recognizes that like all agriculture, it utilizes natural resources and has associated impacts that can be continually improved through the adoption of best practices and new ways of thinking.

The dairy sector also recognizes the incredible role that it can play in supporting the delivery of the United Nations Agenda 2030 and the Sustainable Development Goals.

The dairy value chain is actively working to align itself under the 11 Sustainability Criteria of the DSF. Each Criteria has a supporting statement of Strategic Intent – the dairy sector’s aspirational goal for that criteria. It is these Criteria and Intents on which the DSF membership will report and the DSF will track the aggregate continuous improvement being made by the sector as a whole.

The DSF does not operate in isolation. It is collaborating and forming aligned partnerships with existing global dairy (and other) sustainability initiatives to share best practices and to ensure that through alignment the DSF can report on the progress being made.

The DSF is inclusive in that it is free to join and operates across the entire dairy value chain. The process of development within the DSF is transparent and collaborative with the members, recognizing that different geographical regions have varied sustainability priorities.

Importantly, the DSF is now engaging with emerging dairy nations on their sustainability programmes – an important aspect of the DSF as it encourages continuous improvements to be made at all levels.

The DSF is currently working with the membership to identify high-level indicators for the 11 Criteria. These form the basis by which the DSF will report progress, at a global aggregate level.

With the first two indicators already launched and a further five (of the 11) being launched in 2017, the DSF has made significant and positive progress towards achieving its goal of demonstrating that the dairy sector is a sustainable and responsible member of the global agriculture sustainability story.

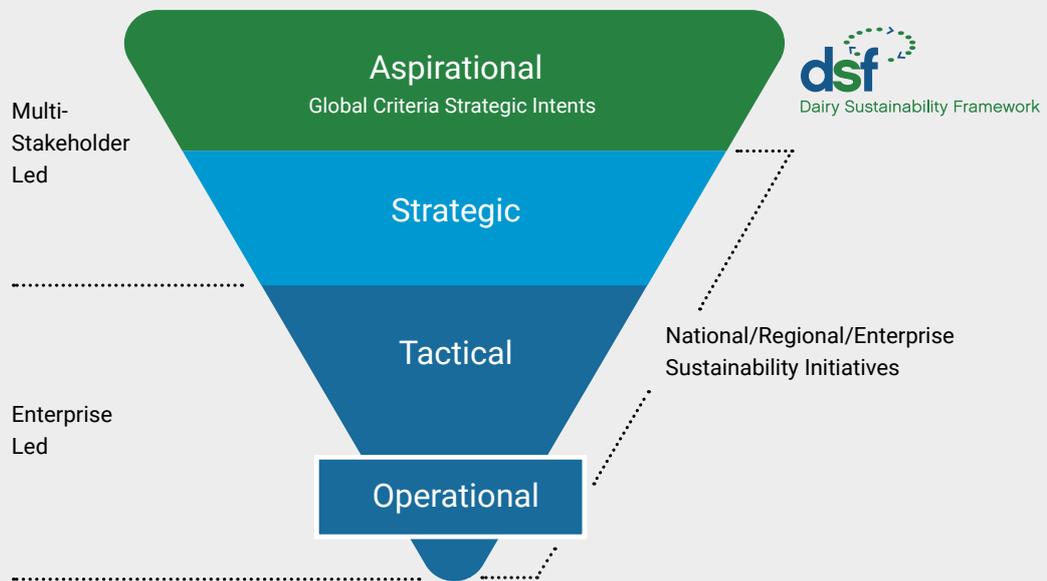
The dairy sector is determined to establish itself as a leader in demonstrating its role as a sustainable and responsible producer of high quality nutrition that delivers the essentials for a better life.

We are proud that the DSF is also being seen as a model of best practice for agricultural frameworks and would like to take this opportunity to thank our members and advisory groups for the dedication they have shown in making the DSF successful.

A stylized, handwritten signature of Donald Moore in black ink.

Donald Moore

> Dairy Sustainability Framework Goals



The process of setting goals is hierarchical. The DSF is responsible for establishing and maintaining the 'aspirational goals' for the global dairy sector. These goals were set through a consultative process and were revalidated in the past 12 months. The statements of Strategic Intent define what is desirable for improvement under each of the 11 criteria of the DSF.

Strategic Goals that will be implemented by DSF Aggregators and DSF members are quantitative in nature with improvement targets and measurements specified within a desired time-frame. These Goals are developed in consultation with a wide range of stakeholders to ensure they are responding to the concerns and values of the community they serve.

Tactical and Operational Goals are specific to a particular organization's processes or location. They are developed in a similar way, or are a result of the setting of strategic goals within an organisation. Importantly they are aligned and support the delivery of the strategic and aspirational goals of the dairy sector. Tactical and Operational Goals tend to be more detailed, having a higher degree of focus at the milk production and processing level where there is a direct responsibility by a DSF member.

Through the development of the Aspirational Goals, the DSF sets out the direction for the global dairy sector. The DSF members, operating at the Strategic, Tactical and Operational levels, develop more focused programs to deliver in an aligned way. Through this alignment, the DSF members provide the quantification of continuous improvement in support of the DSF aspirational goals.

The DSF established 11 Global Criteria accompanied by statements of Strategic Intent. Together these define the dairy sector's aspiration for what is desirable for improvement.

By establishing and tracking Indicator Metrics for each criteria, the DSF can report aggregate performance of the membership.

The Members of the DSF endorse the 11 Global Criteria. Members then prioritize the criteria subject as a result of a materiality analysis and implement initiatives that focus on the delivery of the Strategic Intent for those criteria.

The DSF tracks initiatives being implemented for all 11 Criteria. Details on these initiatives are available to members via the secure Member's portal, allowing for collaboration and sharing of good practices. The current number of initiatives is indicated in the graphic below.



Greenhouse Gas Emissions

GHG emissions across the full value chain are quantified and reduced through all economically viable mechanisms.

51 Initiatives



Soil

Soil quality and retention is proactively managed and enhanced to ensure optimal productivity.

7 Initiatives



Working Conditions

Across the dairy value chain, workers operate in a safe environment, and their rights are respected and promoted.

9 Initiatives



Soil Nutrients

Nutrient application is managed to minimize impacts on water and air, while maintaining and enhancing soil quality.

15 Initiatives



Biodiversity

Direct and indirect biodiversity risks and opportunities are understood, and strategies to maintain or enhance it are established.

16 Initiatives



Product Safety & Quality

The integrity and transparency of the dairy value chain is safeguarded, so as to ensure the optimal nutrition, quality, and safety of products.

20 Initiatives



Waste

Waste generation is minimized and, where unavoidable, waste is reused and recycled.

17 Initiatives



Market Development

Members along the dairy value chain are able to build economically viable businesses through the development of transparent and effective markets.

15 Initiatives



Animal Care

Dairy animals are treated with care, and are free from hunger and thirst, discomfort, pain, injury and disease, fear and distress, and are able to engage in relatively normal patterns of animal behavior.

17 Initiatives



Water

Water availability, as well as water quality, is managed responsibly throughout the dairy value chain.

18 Initiatives



Rural Economies

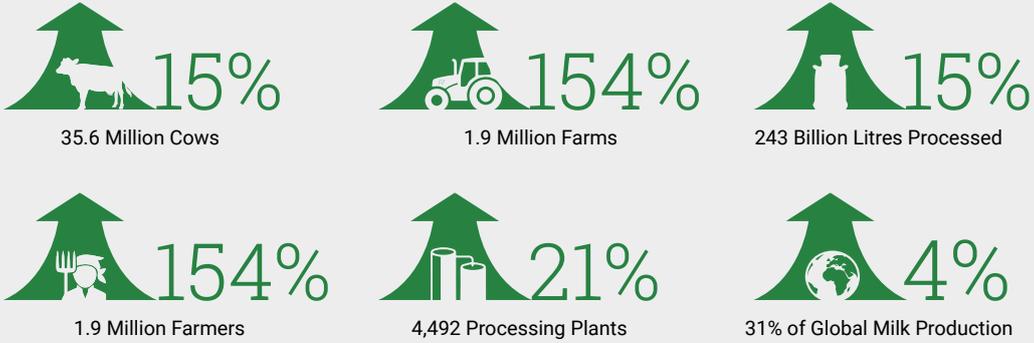
The dairy sector contributes to the resilience and economic viability of farmers and rural communities.

15 Initiatives

> DSF Snapshot

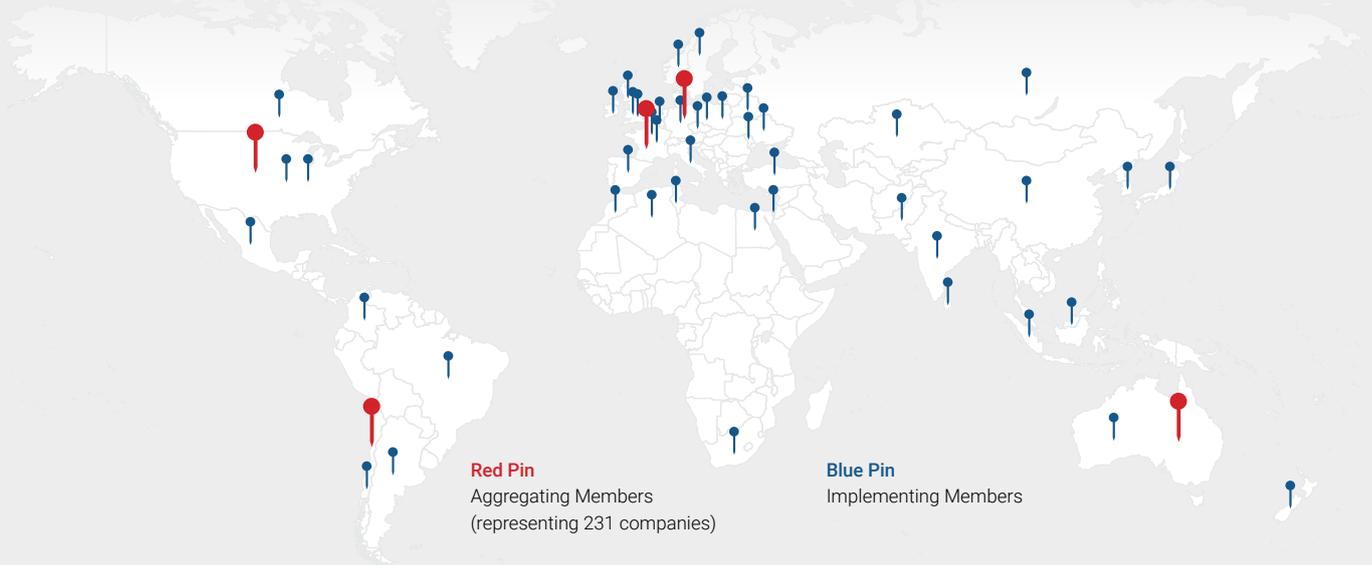
DSF by the Numbers

The DSF continues to gain new Members with organizations across the dairy value-chain appreciating the flexibility of the framework to adapt to their unique requirements as well as the collaboration and support of a network of colleagues across the globe.



Global Coverage

Locations of our aggregating and implementing members and their operations.



Aggregating membership allows countries, regions or even small groupings of dairy sector organizations who are collaborating on sustainability programs to register and report through one coordinating organization.

Membership Growth



Collaborating with Other Frameworks

The strength of the DSF model lies in the ability for existing dairy initiatives in different regions to align with the DSF criteria, thereby providing the capability for those initiatives to connect and aggregate their progress into global reporting by the DSF.

Dairy Asia is a multi-stakeholder partnership committed to and building a sustainable dairy sector in Asia. Dairy Asia represents 13 countries with a combined population of over 3 billion people.



The DSF is proud to have signed a Memorandum of Understanding (MOU) with Dairy Asia. The DSF is assisting Dairy Asia to develop the programs necessary to implement targeted and measurable improvements in each of the 13 countries to maximize sustainable dairy production.

Indicators of Progress

Crucial to the ability of the DSF to report progress against the Global Criteria is the development of high level Indicator Metrics.

In 2016 the DSF launched the first two of these metrics for Animal Care and GHG Emissions.

During 2017, the DSF worked with the University of Arkansas, members and wider stakeholder groups including a public consultation to identify Indicator Metrics for a further five of the 11 Global Criteria.

The final four indicators will be developed by 2019.



Maturity Model

With the success of the DSF at the aggregate level, groups have sought to understand how the DSF model could be used as a basis to streamline compliance issues between large buyers and sellers of dairy products and ingredients globally.

In 2017, the DSF Governors commissioned the Dairy Working Group of the Sustainable Agriculture Initiative (SAI) to evaluate how a suitable model could be established that would increase efficiency of processes in areas such as reduced surveys/audits and a mutual recognition of the process undertaken by suppliers.



This model will build upon the foundation established by the DSF and become an option available for Members.

➤ Sustainability Development Goals and the DSF

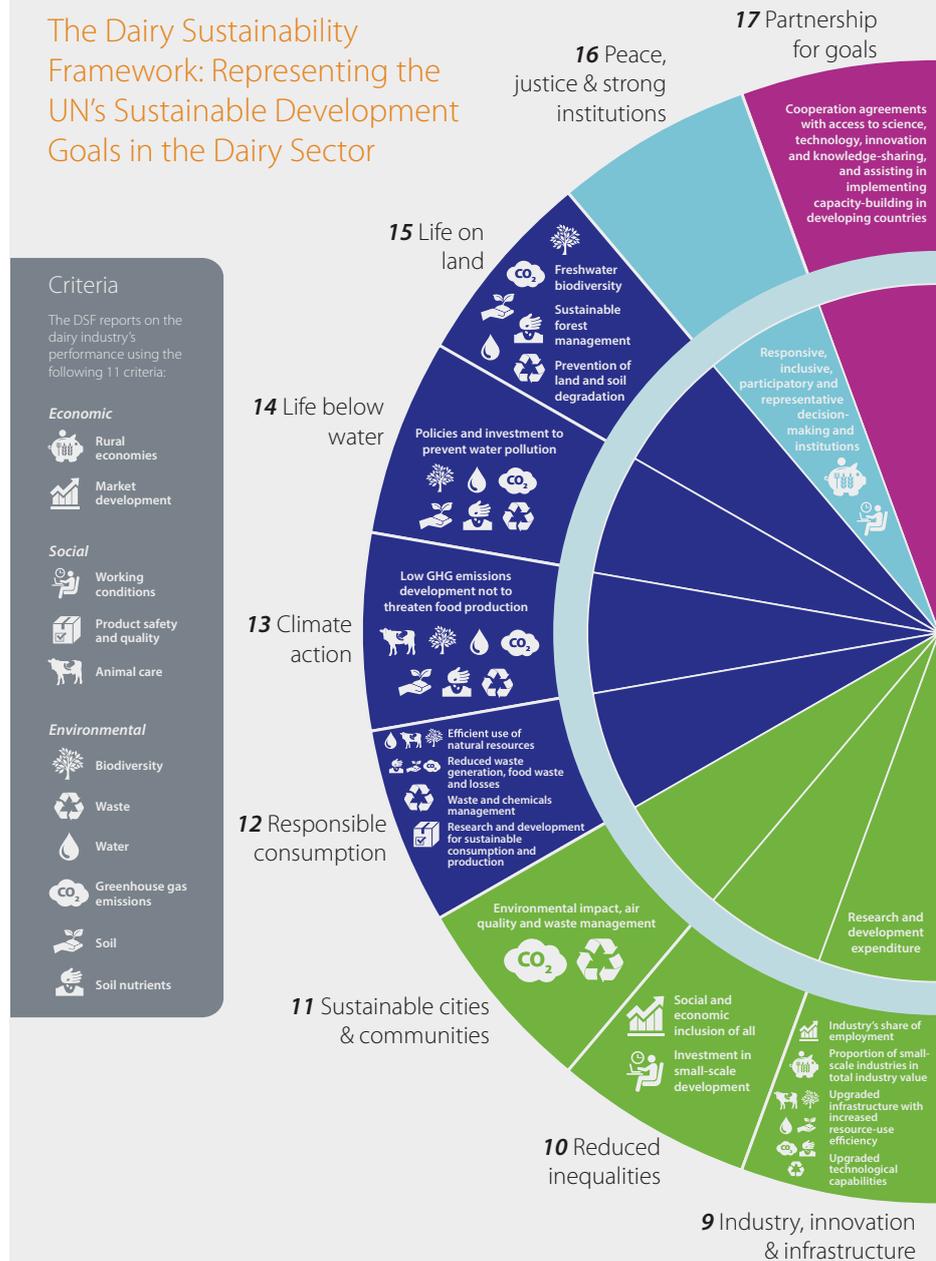
The 2015 launch by the United Nations of Agenda 2030 and the Sustainable Development Goals challenged national governments and the private sector to review their sustainability activities.

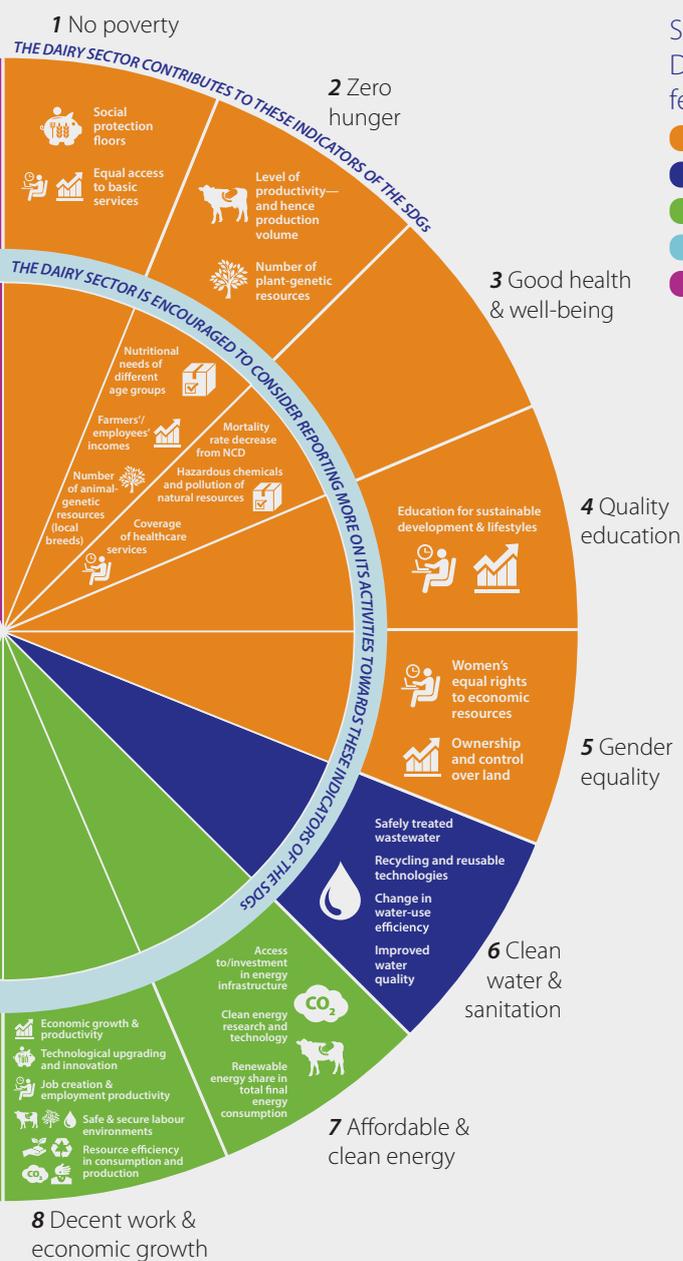
By setting these goals, the UN is striving to achieve balance across five dimensions – People, Planet, Prosperity, Peace and Partnership.

In 2016 the DSF supported Rabobank in a review that demonstrates how the DSF Global Criteria map to the SDGs.

The document, available on the [DSF Website](#) provides an important resource for the sector (and external stakeholders) to align their DSF 'actions' in relation to the Goals.

The Dairy Sustainability Framework: Representing the UN's Sustainable Development Goals in the Dairy Sector





Sustainable Development Goals featured in 5 Ps

- People
- Planet
- Prosperity
- Peace
- Partnership



Rabobank

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Jeremy Hill

Former President & Chairman
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Ian Halliday

Managing Director
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Dr Ariel Londinsky

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> DSF Member Companies

Aggregating



Implementing



Affiliate





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