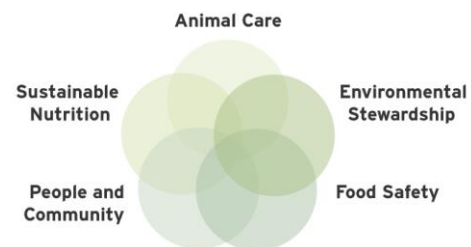


## THE U.S. DAIRY STEWARDSHIP COMMITMENT: U.S. DAIRY'S SOCIAL RESPONSIBILITY PLEDGE

The U.S. Dairy Stewardship Commitment ("Commitment") is U.S. dairy's social responsibility pledge, developed and championed by the Innovation Center Board of Directors. This pledge documents U.S. dairy's social responsibility progress and positively positions the industry and its products within today's challenging global environment. The Commitment clearly demonstrates the industry's unified approach to sustainability reporting and a philosophy of continuous improvement through a multi-stakeholder, transparent, and pre-competitive process. By defining voluntary, stakeholder-aligned measures based on globally-recognized standards and incorporating programs developed over the last decade, the Commitment empowers the U.S. dairy community to demonstrate impact and global leadership.

The Commitment reflects years of work by U.S. dairy against key priorities of the Innovation Center (see right). **It positions U.S. dairy to report our progress and tell our story in a unified and consistent way, with the aim of earning and building trust in U.S. dairy across our broad array of customer, stakeholder, and consumer audiences.**



## FACTS AND ACCOMPLISHMENTS TO DATE

- Dairy cooperatives and processors adopting the Commitment represent 68% of U.S. milk production.
- LLC-funded processor tool for reporting and aggregation of Commitment metrics developed and operational.
- Commitment priorities, metrics and reporting provide foundation for 2050 environmental stewardship goals.
- Companies that adopt the Commitment automatically recognized as Dairy Sustainability Framework (DSF) members. Adopters not expected to report individual U.S. progress to the DSF, as the Innovation Center reports aggregate progress on behalf of U.S. market.
- Sustainable Agriculture Initiative (SAI) integration of Commitment within Sustainable Dairy Partnership (SDP), an internationally recognized, regionally applicable, and unified sustainable sourcing assessment for use by dairy buyers and suppliers. As multiple

leading dairy customers (e.g., Nestle, Mars, Danone, and Coca-Cola) commence SDP assessments in 2020, the Commitment is recognized and supported for SDP implementation.

- Companies adopting Commitment eligible to join SAI platform at half-price membership rate for dairy workstreams.
- Commitment's GHG metrics and on-farm measurements through FARM Environmental Stewardship (Commitment adoption term for cooperatives) received formal "**Built on GHG Protocol**" mark from World Resources Institute and may be used in CDP reporting and requests for CDP-aligned disclosures.
- FARM Animal Care, a Commitment term of adoption for all cooperatives and processors, is first livestock animal care program in the world to comply with ISO Animal Welfare Management/General Requirements for Organizations in the Food Supply Chain.
- Commitment metric development process meets credibility standards of **ISEAL Alliance**.
- U.S. Dairy Stewardship Commitment Materiality Assessment completed May 2019 in accordance with Global Reporting Initiative (GRI) methodologies confirms Commitment priority areas. Guidance developed to aid dairy companies in their own GRI-aligned assessment.
- Commitment adoption terms/programs directly contribute to seven United Nations Sustainable Development goals.
- Annual survey of company executives adopting Commitment confirms continued Commitment participation and reporting.

## FUTURE MOMENTUM

- It has never been more important or urgent for U.S. dairy to clearly communicate who we are and what we stand for.
- U.S. dairy has built critical mass in the Stewardship Commitment as a credible social responsibility pledge for fostering trust across key dairy audiences: business, NGO and consumers.
- The Commitment provides a foundation to articulate and build upon **our positive impact on people, planet and communities**.
- Industry leaders have called for a single pledge, relevant to consumers, that all of industry could use.
- **The opportunity:** More fully and aggressively leverage this industry asset, the only comprehensive, widespread U.S. dairy social responsibility platform, to be that proactive pledge with relevant and simple messaging that breaks through with key audiences and around which the dairy community rallies.