

# U.S. Dairy Stewardship Commitment Alignment with Global Standards

To ensure consistency in sustainability measurement and reporting, customers, investors, NGOs and others largely expect and implement globally recognized sustainability standards and protocols. The Stewardship Commitment draws upon best practices and guidelines in these standards to establish credibility, enhance value and relevancy in U.S. dairy sustainability reporting, and advance support and endorsement in the marketplace. Stewardship Commitment alignment with sustainability standards and protocols is outlined below.



The **Dairy Sustainability Framework** (DSF) maps and connects sustainability activities worldwide to report collective progress. The DSF consists of 11 global sustainability criteria (e.g. greenhouse gas emissions, animal care) and enables regional setting of priorities and measurements against these criteria. To demonstrate U.S. contributions to sustainable dairy and enhance global leadership, the Innovation Center serves as an aggregator to collect and submit national data for DSF reporting.

Membership in the DSF is a supplier requirement from many global companies. In the U.S. market, Stewardship Commitment metrics provide the measurement and reporting platform, and companies that adopt the Stewardship Commitment are recognized DSF members.



GREENHOUSE GAS PROTOCOL

The **GHG Protocol** has become the default set of standards and marketplace expectations to measure and report greenhouse gas emissions. This protocol provides the world's most widely used GHG accounting and reporting standards and underpins the Innovation Center's Life Cycle Assessment for U.S. Milk. Through doing so, it provides the GHG accounting framework behind the Farmers Assuring Responsible Management Environmental Stewardship (FARM ES) tool, and therefore the Stewardship Commitment's on-farm GHG metrics. Also, the protocol provides the methodology for the dairy processor GHG metric – as outlined in the Stewardship Commitment's Processor Handbook and GHG Inventory Guidance – for use in the Stewardship Commitment's Processor Stewardship Reporting tool.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The **Science Based Targets Initiative** (SBTi), a collaboration between CDP, the U.N. Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF), develops methodologies and resources that over 4,500 companies have used to set GHG reduction targets. An emissions target is defined as “science-based” if it is developed in line with the scale of GHG emissions reductions required to limit global warming to 1.5°C above pre-industrial levels.



- SBTi methodology cites the GHG Protocol as the definitive accounting standards for measuring and reporting against science-based targets. Comprehensive, dairy farm-to-processor GHG accounting and reporting guidance received the formal “Built on GHG Protocol” mark of endorsement from WRI, one of the founding organizations of the GHG Protocol. This mark assures customers and other key stakeholders the Stewardship Commitment's GHG metrics and accompanying FARM ES and processor reporting tool are aligned and comply with GHG Protocol standards and SBT methodologies.



Sustainable Dairy Partnership  
Business to Business

The **Sustainable Agriculture Initiative** (SAI) convenes over 100 companies and organizations to advance sustainable agriculture practices worldwide. As a SAI member, the Innovation Center collaborates pre-competitively with U.S. and international customers, dairy companies and national programs to provide U.S. perspectives and advance recognition of industry-aligned U.S. programs, including the Stewardship Commitment.

The **Sustainable Dairy Partnership** (SDP) was developed by SAI. Leveraging existing structures and management systems – as well as relationships with farmers – the SDP enables dairy processors to show evidence and continuous improvement in supply chain reporting. Companies that adopt the Stewardship Commitment have already taken steps towards implementing the SDP, including:

- Animal Care requirements through the FARM Animal Care Program
- Membership in Dairy Sustainability Framework (DSF)
- Greenhouse gas and nutrient management plan reporting through FARM Environmental Stewardship
- Stakeholder dialog through participation in the Dairy Sustainability Alliance®
- Aligned resources to assist in creating a robust, SDP-recognized materiality assessment



**CDP** (formerly Carbon Disclosure Project) oversees a global disclosure system for climate change and is used by the majority of Fortune 500 companies. CDP reporting is often influenced by investors and shareholders, and primarily takes place by publicly traded companies. However, suppliers to these companies are often asked to provide CDP-aligned GHG information to aid in corporate disclosure, and an increasing number are undertaking their own CDP reporting as well. The “Built on GHG Protocol” mark of endorsement from WRI signifies Stewardship Commitment GHG metrics can be used in CDP reporting and therefore in supplier requests for CDP-aligned measures.



The **International Organization for Standardization** (ISO) develops international standards for products, services and systems to ensure quality, safety and efficiency. The FARM Animal Care program is the first livestock animal care program in the world to comply with ISO Animal Welfare Management/General Requirements for Organizations in the Food Supply Chain. The Stewardship Commitment’s animal care metric is based on FARM Animal Care. FARM’s ISO compliance assures dairy customers – both domestic and internationally – the program meets strong, globally recognized animal welfare standards.



The **Global Reporting Initiative** (GRI) provides the most widely used cross-industry sustainability reporting standards for organizational reporting worldwide. As applicable, Stewardship Commitment metrics align with GRI environmental disclosure standards as well as social disclosure related to workforce and product safety. Additionally, the Innovation Center has published a materiality assessment of sustainability priorities for U.S. dairy that is fully aligned with GRI guidelines. When used with Stewardship Commitment metrics, this can help cooperatives, processors and manufacturers with the development of a GRI report.

- Robust guidance was created in 2019 to aid companies in developing a GRI-aligned materiality assessment. It leverages Innovation Center’s assessment and dairy companies’ adoption of the Stewardship Commitment to bolster credibility and simplify the materiality assessment development process.



The **ISEAL Alliance** is a global organization for credible sustainability standards. Stewardship Commitment metrics are developed through an open and transparent process based on ISEAL Codes of Good Practice, which provide widely recognized guidance for stakeholder input and sustainability metric development. The practices include documented procedures to guide decision making, a 60-day publicly available stakeholder comment and review period, and a written summary of how comments are addressed.



The Environmental Protection Agency (EPA) **Waste Management Hierarchy** and **Food Recovery Hierarchy** provide nationally recognized guidance to aid organizations in repurposing waste and by-products for their best possible use. Recognizing that no single waste management approach is suitable for managing all materials in all circumstances, the hierarchies place emphasis on reducing, reusing and recycling as key to sustainable materials management.

- “Resource Recovery” processor metrics in the Stewardship Commitment are based on the EPA hierarchies. Comprehensive guidance to use these hierarchies in processor reporting is outlined in the Dairy Processor Handbook.



The methodology behind the Innovation Center’s Life Cycle Assessment for U.S. Milk was recognized by the United Nations (UN) **Food and Agriculture Organization** (FAO) and is now the standardized UN approach for conducting LCAs across all livestock globally. Within FAO, the **Livestock Effects Assessment Program** (LEAP) works toward developing guidelines for environmental performance assessments based on international best practices. An Innovation Center representative co-chairs this team, and FARM ES provides the basis for calculation of the Stewardship Commitment’s on-farm GHG metric. This is the only GHG calculator developed using peer-reviewed science from an LCA methodology officially recognized by LEAP.