

U.S. DAIRY STEWARDSHIP COMMITMENT



About this Resource

The U.S Dairy Stewardship Commitment (Stewardship Commitment) was developed by the Innovation Center for U.S. Dairy® (Innovation Center) to support dairy farmers, cooperatives and processors who voluntarily choose to work across the industry to advance sustainability leadership and transparently report progress.

Retailers and other dairy buyers can use the Stewardship Commitment to track their suppliers' sustainability and continuous improvement efforts and are encouraged to share this story with consumers.

To maintain relevance and value, this Stewardship Commitment resource is updated annually. It is the user's responsibility to refer to the most updated version.

Legal Note

THE INFORMATION, INDICATORS AND METRICS PROVIDED IN THIS STEWARDSHIP COMMITMENT DOCUMENT ARE BASED ON STAKEHOLDER INPUT AND STATISTICAL ESTIMATES, AND NOT ON ACTUAL ASSESSMENTS OF YOUR DAIRY FARM'S OR COMPANY'S OPERATIONS OR BUSINESS NEEDS. AS SUCH, THE INFORMATION, INDICATORS AND METRICS SHOULD NOT FORM THE BASIS FOR DECISIONS WITHOUT FIRST OBTAINING APPROPRIATE PROFESSIONAL, SCIENTIFIC, ENGINEERING AND / OR LEGAL ADVICE SPECIFIC TO YOUR DAIRY FARM OR COMPANY. THE INNOVATION CENTER AND DAIRY MANAGEMENT INC. MAKE NO REPRESENTATIONS, WARRANTIES OR GUARANTEES RELATED TO THE INFORMATION, INDICATORS AND METRICS PROVIDED IN THE STEWARDSHIP COMMITMENT DOCUMENT OF ANY KIND, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIM ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. IN NO EVENT WILL THE INNOVATION CENTER, DAIRY MANAGEMENT INC. OR THEIR AFFILIATED ENTITIES BE LIABLE TO ANY PARTY FOR DAMAGES FOR LOSS OF DATA, LOST PROFITS, OR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING FROM USE OF THE INFORMATION, INDICATORS AND METRICS PROVIDED IN THIS STEWARDSHIP COMMITMENT DOCUMENT, EVEN IF ADVISED OF THE POSSIBILITY.

Download the most up-to-date
Stewardship Commitment at
www.usdairy.com/commitment.



Table of Contents

- 1 Chapter 1**
About the Stewardship Commitment
 - Stewardship Commitment Defined
 - Stewardship Commitment Benefits
 - Dairy Sustainability Alliance®
 - Environmental Stewardship Goals
 - Stewardship Commitment Metrics
 - Stewardship Commitment Metrics at a Glance
- 7 Chapter 2**
Alignment with Recognized Programs
 - Harmonization with Recognized Standards
 - U.S. Dairy and United Nations Sustainable Development Goals
 - Global Dairy Alignment
- 11 Chapter 3**
Stewardship Commitment Adoption
 - Terms of Adoption
- 12 Chapter 4**
Stewardship Commitment Metrics
 - Field Impact
 - Dairy Farm Metrics
 - Processor Impact
 - Processor Stewardship Reporting Tool and LLC
- 17 Acknowledgements**
- 18 Innovation Center Board Companies**

Chapter 1 | About the Stewardship Commitment

Stewardship Commitment Defined

The U.S. Dairy Stewardship Commitment (Stewardship Commitment) is a voluntary, stakeholder-aligned initiative to advance sustainability leadership across the dairy community. It aligns and quantifies industry action on important areas like the environment and animal care to affirm and illustrate U.S. dairy's longstanding values of responsible production, nourishing communities and continuous improvement. Cooperatives and processors that adopt the Stewardship Commitment agree to work collaboratively with diverse stakeholders and follow a rigorous set of standards to demonstrate positive impact. On a broader scale, adopting companies support and contribute to U.S. dairy's ability to track, aggregate and report on national progress.

A Consistent and Credible Voice

By defining sustainability metrics based on globally-recognized standards, the Stewardship Commitment empowers the dairy community to demonstrate impact in a transparent and meaningful way. These metrics are underpinned with voluntary, industry-aligned resources and reporting tools to advance continuous improvement and are developed through an open and collaborative multi-stakeholder process. The Dairy Sustainability Alliance® embodies this approach as the national forum through which dairy farmers, cooperatives and processors converse with customers, non-profits and other key stakeholders to advance the Stewardship Commitment. The result is a consistent voice to enhance consumer trust and communicate progress both within U.S. dairy companies and at national and global levels.

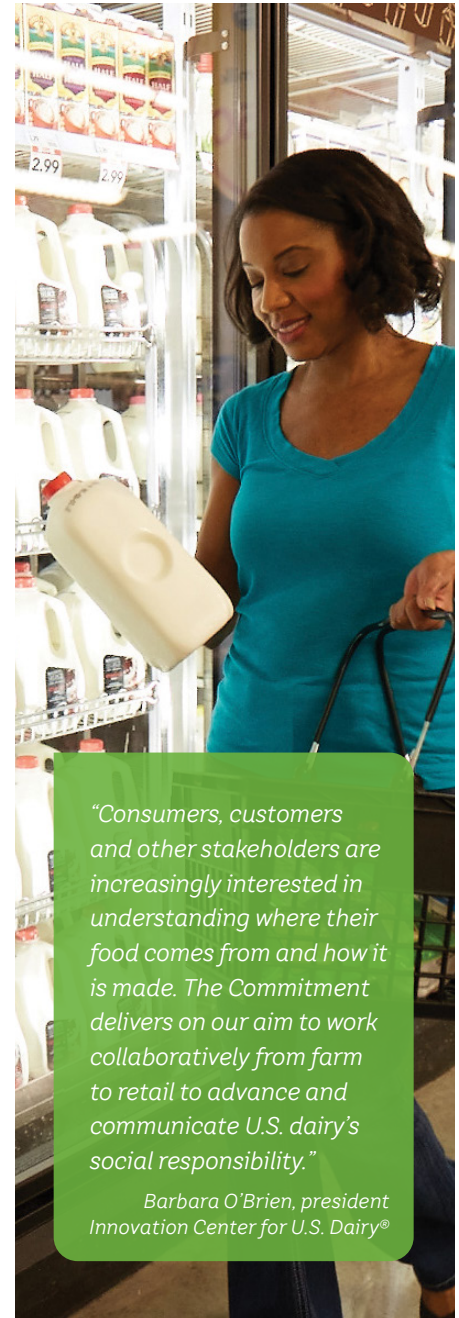
The Stewardship Commitment reflects a shared belief that social responsibility is larger than any single organization or supply chain. Rather, it requires a transparent, collaborative and ongoing effort to work toward the benefit of all. To

reflect these values, dairy companies are encouraged to formally adopt the Stewardship Commitment, while dairy farmers, retailers, community partners and others are encouraged to contribute to and support this effort.

About the Innovation Center for U.S. Dairy® (Innovation Center)

The Innovation Center was established in 2008 under the leadership of America's dairy farmers through Dairy Management Inc.™ (DMI), the non-profit organization that manages the national checkoff program. Led by dairy company CEOs and industry leaders representing over 60 percent of the U.S. milk supply, the Innovation Center provides a pre-competitive forum for the dairy community to identify category-wide priorities and develop recognized industry-aligned tools and resources to advance U.S. dairy's commitment to social responsibility and positive impact. It affirms these values through the U.S. Dairy Stewardship Commitment.

To ensure an inclusive and mutually beneficial approach, the Stewardship Commitment is developed with voices spanning the value chain



"Consumers, customers and other stakeholders are increasingly interested in understanding where their food comes from and how it is made. The Commitment delivers on our aim to work collaboratively from farm to retail to advance and communicate U.S. dairy's social responsibility."

*Barbara O'Brien, president
Innovation Center for U.S. Dairy®*

(acknowledgements on page 17). This collaborative process provides shared value and a common understanding of sustainable dairy. From farm to table everyone benefits – food companies, the dairy community and, most importantly, the millions of people who enjoy dairy every day.

Learn more at www.usdairy.com or contact the Innovation Center at innovationcenter@usdairy.com

Chapter 1 | About the Stewardship Commitment

Stewardship Commitment Benefits

The U.S. Dairy Stewardship Commitment provides a voluntary, stakeholder-aligned platform to define and exhibit sustainability progress. To ensure long-term relevancy and value, it is updated annually to reflect the latest science, insights and priorities. Through these efforts, the Stewardship Commitment provides a collaborative and consistent voice that benefits the entire supply chain from “grass to glass.”

BENEFIT TO ALL

Advances and demonstrates U.S. dairy’s positive social, environmental and economic impact through collaboration across the value chain

BENEFITS TO DAIRY FARMERS, COOPERATIVES & PROCESSORS

Expands business development opportunities

Substantiates U.S. dairy’s leadership in the global marketplace by aggregating and reporting on important social responsibility and environmental stewardship metrics

Simplifies measurement and reporting

- Reduces demands of multiple and overlapping external surveys and reporting requirements
- Employs tools and metrics developed with direct input from U.S. dairy farmers, cooperatives and processors

Saves time and money

Reduces need to invest in developing individual programs and protocols

Validates the combined work of U.S. dairy farmers, cooperatives and companies

Earns recognition for the dairy community's commitment to nourish communities, care for the land, be socially responsible and continuously improve

Ensures dairy's voices are heard and reflected in discussions with key stakeholders

Provides ongoing interaction with customers, nonprofits, government, and other key stakeholders through Dairy Sustainability Alliance® involvement

BENEFITS TO CUSTOMERS & CONSTITUENTS

Builds confidence that U.S. dairy farmers and companies advance key aspects of social responsibility by employing consistent, credible and recognized reporting mechanisms

- Reduces need to develop costly internal assurance programs and validation processes
- Aligns with globally recognized programs and protocols
- Provides measurement and reporting consistency in dairy supply chains
- Offers opportunity for direct input on dairy’s priorities and metrics to contribute to the future of U.S. dairy sustainability



Chapter 1 | About the Stewardship Commitment

Dairy Sustainability Alliance®

The Innovation Center's Dairy Sustainability Alliance® (Sustainability Alliance) illustrates the collaborative, open and transparent process through which the U.S. Dairy Stewardship Commitment is developed. Comprised of over 134 member organizations and more than 350 professionals, Sustainability Alliance members convene to share knowledge and collaborate on issues and opportunities to accelerate progress and contribute to the long-term viability of the industry. Sustainability Alliance members include industry suppliers, cooperatives, processors, retailers, government, dairy checkoff and civil society.

The Sustainability Alliance includes 40 dairy farmer representatives from across the country who provide essential on-farm perspectives and expertise. This dialogue provides the dairy chain with insights from U.S. farmers, who serve as the lynchpin for a sustainable dairy industry, and allows farmers to hear firsthand about downstream opportunities and challenges. All efforts and outcomes of the Dairy Sustainability Alliance's work are voluntary, precompetitive, technology-neutral and made available to the entire industry.

Dairy Sustainability Alliance Involvement

All Dairy Sustainability Alliance members commit to advance socially responsible, economically viable and environmentally sound dairy food systems. The diverse nature of Sustainability Alliance membership and the unique insights each member brings are key to ensuring the Stewardship Commitment reflects the voices of all involved. This is core to the Stewardship Commitment and dairy company membership in the Sustainability Alliance is a key term of adoption. (page 11)

The Dairy Sustainability Alliance meets twice each year to facilitate information exchange and interaction. Workshops and side meetings surround these meetings to inform continuous improvement across an array of sustainability priorities, including animal care, environmental stewardship and processing operations.

Sustainability Alliance meetings occur in the spring and the fall, and convenes over 200 Sustainability Alliance members. Discussion and input sessions are critical, and in 2019 and 2020 members provided feedback and insights to inform proposed Stewardship Commitment metrics and the development of industry goals.

In the fall, Sustainability Alliance members also join the Sustainable Agriculture Summit, which attracts hundreds of professionals from



The U.S. Dairy Sustainability Awards

Launched in 2011, the annual U.S. Dairy Sustainability Awards program serves to recognize and honor outstanding dairy farms, businesses and partnerships for socially responsible, economically viable and environmentally sound practices. These practices, along with countless others throughout the nation, illustrate continuous improvement efforts across the industry that demonstrate U.S. dairy is committed to a more sustainable world.

Learn more about the program and past winners at www.usdairy.com/awards.

national organizations representing dairy, row crops, specialty crops, pork, beef and poultry. Co-hosted by the Innovation Center and Field to Market® (page 7), the Summit aims to strengthen the supply chain network of producers, agribusinesses, retailers and influencers who drive continuous improvement in agricultural sustainability and deliver food, fiber and fuel to a growing world.

Learn more at <http://sustainabilityalliance.usdairy.com>.

Chapter 1 | About the Stewardship Commitment

Environmental Stewardship Goals

Following a year-long consultation process and more than 12 years of collaborative action on environmental topics, the Innovation Center set aggressive new environmental stewardship goals to advance U.S. dairy's role in building a sustainable future. These voluntary goals are designed to be reached by the U.S. dairy community collectively, and progress will be reported in aggregate at the field, farm and processor levels.

Commitment Goals

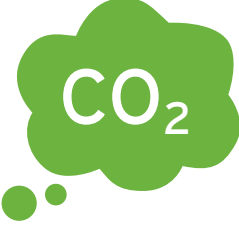


The industry-wide goals announced in 2020 state that by 2050, U.S. dairy collectively (field, farm and processor) commits to:

- Become carbon neutral or better
- Optimize water use while maximizing recycling
- Improve water quality by optimizing utilization of manure and nutrients

The Stewardship Commitment was instrumental in developing these goals. Informed by the highest-ranked environmental priorities of the Stewardship Commitment Materiality Assessment (page 5) and developed with input from the Dairy Sustainability Alliance®, these goals articulate the collective U.S. dairy intention and direction at the field, farm and processor level to pursue dairy as an environmental solution.

Stewardship Commitment metrics will be developed and refined as needed to enable progress tracking against these and future industry goals. Progress against the goals will be reported every five years, beginning in 2025. This reporting will not only document progress but also identify technological and other advancements that can accelerate improvements, enabling nimble adaptation and focus on what can be scaled for impact.

The Innovation Center realizes that not every farmer, cooperative and processor is equipped to achieve each goal individually but can contribute in some way. The U.S. dairy supply chain will work together

INDUSTRY-WIDE GOALS BY 2050		
		
Become carbon neutral or better	Optimize water use while maximizing recycling	Improve water quality by optimizing utilization of manure and nutrients

to identify multiple economically viable pathways for reaching these goals, including:

- Attracting investment and partners to ignite new technology and innovation
- Creating new revenue sources such as manure-based product development and ecosystem services markets
- Expanding science-based research and data collection that closes knowledge gaps, improves analysis and advances practices and technologies that reduce environmental impact in dairy production
- Increasing the utilization and expansion of best practices, resources and tools for farmers, cooperatives and processors

U.S. dairy is committed to provide the world responsibly produced dairy foods that nourish people, strengthen communities and foster a sustainable future. These goals, and those that follow, will demonstrate these values through transparency, collaboration, and action.



Chapter 1 | About the Stewardship Commitment

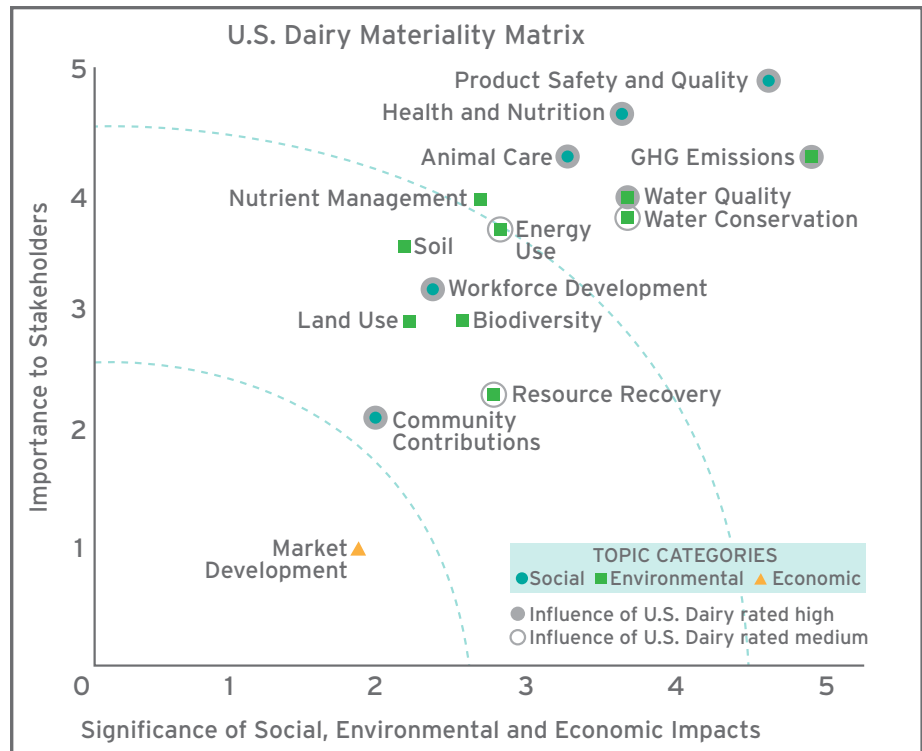
Stewardship Commitment Metrics

The Stewardship Commitment Metrics are voluntary, stakeholder-aligned measures that empower the dairy community to credibly demonstrate sustainability progress. Underpinned by an externally validated materiality assessment, these metrics reflect topics most pertinent to U.S. dairy across three dimensions: (1) significance of impacts, (2) importance to stakeholders, and (3) U.S. dairy's influence on each. The metrics are developed at the field, farm and processor levels to support both individual company and aggregate national reporting.

Metric Development and Oversight

The Innovation Center's Board of Directors (Board), comprised of dairy company CEOs and industry leaders, represents more than 60 percent of the U.S. milk production and sets metric development priorities based on extensive stakeholder input. These priorities are further substantiated through an industry and third-party reviewed and validated materiality assessment.

The Executive Operating Committee (EOC), a subgroup of the Board, oversees the efforts of seven industry-led committees that develop additions and refinements to Stewardship Commitment Metrics for stakeholder review. The EOC also oversees a Stewardship Task Force (Task Force) of dairy cooperative and farmer sustainability leaders – including representative Innovation Center Board CEOs – tasked with advancing the adoption, reporting and credibility of the U.S. Dairy Stewardship Commitment.



Complete Materiality Assessment available at usdairy.com/commitment

A formalized process for metric development and approval is essential to advance credibility and support for the Stewardship

Commitment. The metric development and approval process includes contributions from industry leadership, as well as cross-sector, multi-stakeholder input through the Dairy Sustainability Alliance® and a 60-day publicly available comment and review period. This process is based on the ISEAL principles, which provide widely-recognized guidance for credible sustainability standards. Through the Stewardship Commitment Metric development process, the Innovation Center aims to advance industry-wide adoption and maintain the endorsement and advocacy of dairy customers and third-party stakeholders.

Stewardship Commitment Metric Development: ISEAL Codes of Good Practice



- ✓ 60 days for submission of comments
- ✓ Interested parties have equal opportunity to participate
- ✓ Parties directly affected (e.g. dairy farmers and processors) will be adequately represented
- ✓ All comments will be considered but not necessarily incorporated
- ✓ A written summary of how issues were addressed will be made publicly available
- ✓ Procedures will be established and documented to guide decision making
- ✓ All approved metrics will be published promptly

Chapter 1 | About the Stewardship Commitment

Stewardship Commitment Metrics at a Glance

FIELD		
Priority	Indicator	Metric
Feed Impact	Field to Market® indicators for water, soil, land use and biodiversity	<ul style="list-style-type: none"> The Innovation Center for U.S. Dairy® (Innovation Center) continues to work with Field to Market to ensure the indicators and metrics are useful and relevant to dairy.
	Innovation Center indicators for greenhouse gas (GHG) and energy intensity	<ul style="list-style-type: none"> U.S. dairy's Comprehensive LCA for U.S. Milk is used to measure the GHG and energy intensity of feed production. These metrics mirror those used at the dairy farm and are reported in aggregate.
DAIRY FARM		
Priority	Indicator	Metric
Energy Use	Energy intensity	<ul style="list-style-type: none"> Total energy use (converted to MMBTU)/lb. of milk (FPCM)
GHG Emissions	GHG intensity	<ul style="list-style-type: none"> Total GHG emissions (tonnes CO₂e)/lb. of milk (FPCM)
Water Quantity	Water use (on-farm)	<ul style="list-style-type: none"> Gallons of water withdrawn (for lactating cows)/lb. of milk (FPCM)
Nutrient Management	Nutrient Management Plan	<ul style="list-style-type: none"> Do you implement and maintain a written Nutrient Management Plan? (Y/N)
Animal Care	Farm animal care	<ul style="list-style-type: none"> Do you participate in the FARM Animal Care program? (Y/N)
PROCESSOR		
Priority	Indicator	Metric
Energy Use	Energy intensity	<ul style="list-style-type: none"> Total energy use (converted to MMBTU)/lb. of production output
GHG Emissions	GHG intensity	<ul style="list-style-type: none"> Total GHG emissions (tonnes CO₂e, Scope 1 and 2)/lb. of production output
Water Quantity	Water withdrawal	<ul style="list-style-type: none"> Gallons of water withdrawn by source of water supply/lb. of production output
	Water efficiency	<ul style="list-style-type: none"> Gallons of water withdrawn/lb. of production output
	Water recycling and reuse	<ul style="list-style-type: none"> [Gallons of water supplied that are captured for reuse within the facility + milk water captured for use]/lb. of production output
	Milk water use	<ul style="list-style-type: none"> Gallons of water captured from milk for use within facility/lb. of production output
	Surplus water	<ul style="list-style-type: none"> [Discharge volume - water withdrawn]/lb. of production output
Water Quality	Water discharge and quality	<ul style="list-style-type: none"> Do you have a policy, program or monitoring system that ensures routine compliance with industrial or storm water permit parameters? (Y/N)
Resource Recovery	Waste diversion	<ul style="list-style-type: none"> Percent by weight total waste stream (lbs.) diverted from landfill or incineration without recapturing energy
	Throughput efficiency	<ul style="list-style-type: none"> Total waste stream/lb. of production output
	Resource utilization	<ul style="list-style-type: none"> Food donated or repurposed as animal feed and non-food recycled or composted (lbs.)/total waste stream (lbs.) Food repurposed for industrial uses or compost and non-food repurposed for energy recovery (lbs.)/total waste stream (lbs.) Waste sent to landfill or incineration without recapturing energy (lbs.)/total waste stream (lbs.)
Workforce Development	Human resources	<ul style="list-style-type: none"> Total number of jobs supplied and full-time employees at end of year Indirect and non-monetary benefits available to employees Total number employed during the past year and percentage of employees who have been employed for at least 5 and 10 years
	Worker safety	<ul style="list-style-type: none"> Do you have leading indicators to measure/encourage safe worker behavior? Describe measurement systems employed, and how this has led to a safer workforce. Days of restricted work activity or job transfer (DART) rate <ul style="list-style-type: none"> Explain why this has changed over time.
Community Contributions	Community volunteering	<ul style="list-style-type: none"> Volunteer activities performed by employees
	Monetary & product donations	<ul style="list-style-type: none"> Monetary and product donation activities
	Educational opportunities	<ul style="list-style-type: none"> Describe community educational events per year and the total number of participants.
	Product contributions	<ul style="list-style-type: none"> Servings of dairy donated or consistently supplied to a non-profit organization to feed food insecure people. (For Stewardship Commitment reporting, companies report in lbs.)
Product Safety & Quality	Food safety	<ul style="list-style-type: none"> Do you have validated, verifiable food safety programs and management systems in place? (Y/N) Do you frequently reassess your food safety programs to ensure efficacy and to reflect new food safety tools/practices and ensure continuous improvement? (Y/N)
	Traceability	<ul style="list-style-type: none"> Commitment to voluntary U.S. Dairy Traceability Guidelines (Y/N)

Chapter 2 | Alignment with Recognized Programs

Harmonization with Recognized Standards

To streamline reporting and maintain credibility, the Stewardship Commitment draws upon globally recognized best practices and guidance in sustainability standard and report development. When possible and practical, Stewardship Commitment Metrics align with established measures developed by others to ensure harmonization and prevent duplication.



Dairy Sustainability Framework (DSF)

Provides a global platform to map sustainability programs, identifies priority topics applicable to dairy worldwide and measures progress across the global dairy value chain (page 10).

The Innovation Center is an aggregating member of the DSF and submits national progress for DSF global reporting. The Dairy Sustainability Alliance® serves as the convening body for U.S. stakeholders and Stewardship Commitment Metrics (page 5) provide the measurement and reporting platform for all DSF-recognized dairy companies in the U.S. market.



Field to Market®: The Alliance for Sustainable Agriculture

Convenes a diverse group of stakeholders – including more than 140 grower organizations, leading companies, academia, conservation groups and public sector partners – to define, measure and advance the sustainability of U.S. crop production.

The Innovation Center has a formal partnership with Field to Market to harmonize on-farm sustainability metrics, and is engaged in joint efforts to help dairy farmers answer supply chain questions related to certain aspects of feed production (page 12).



Greenhouse Gas Protocol

As the world's most widely used GHG accounting and reporting standards, the GHG Protocol underpins the Innovation Center Life Cycle Assessment (LCA) and methodology for FARM Environmental Stewardship (page 13) and Dairy Processor (page 15) GHG reporting.

In 2019, Stewardship Commitment farm to processor GHG reporting guidance received the "Built on GHG Protocol" endorsement by The World Resources Institute (WRI) – a first for the agricultural sector. This assures recognition for Stewardship Commitment GHG reporting in supply chain and ESG disclosures, and platforms such as CDP, GRI and SBTi.



International Organization for Standardization

Develops international standards for products, services and systems to ensure quality, safety and efficiency.

The Farmers Assuring Responsible Management™ (FARM) Animal Care program (page 13) is the world's first ISO-compliant livestock animal care program.

The Stewardship Commitment's animal care metric is focused on FARM, which covers 98 percent of the U.S. fluid milk supply.



Global Reporting Initiative™ (GRI)

Provides the most widely used cross-industry sustainability reporting standards for organizational reporting worldwide.

A GRI-aligned materiality assessment (page 5) provides a basis for Stewardship Commitment priorities. When used with Stewardship Commitment metrics, this can help cooperatives, processors and manufacturers with the development of a GRI report.

Where applicable, Stewardship Commitment metrics align with six GRI environmental disclosure standards as well social disclosure related to workforce and product safety.



Science Based Targets Initiative

A collaboration between WRI, the U.N. Global Compact, CDP, and the World Wildlife Fund to develop methodologies and resources that over 1,000 companies have used to set credible, time bound GHG reduction targets.

SBTi cites the GHG Protocol as the definitive reporting standard. Stewardship Commitment GHG reporting guidance is endorsed by WRI, a founder of both the GHG Protocol and SBTi. This assures stakeholders that Stewardship Commitment GHG metrics align and comply GHG Protocol standards and SBTi methodologies.

Chapter 2 | Alignment with Recognized Programs



ESG Criteria

Environmental, Social and Governance (ESG) criteria are non-financial factors used by institutional investors to assess a company's ability to execute its business strategy and create long term value. ESG topics are a growing priority, as investors increasingly see a strong link between corporate sustainability and financial performance. Informed by the Stewardship Commitment Materiality Assessment (page 5), material ESG topics are highlighted in the table below. Individual dairy companies may have other materiality issues, and company specific policies such as pay ratio and board independence are not within scope of this national assessment. The Innovation Center offers guidance to conduct a robust company assessment in the Materiality Guide for U.S. Dairy Companies.

The Sustainable Dairy Partnership

The Sustainable Agriculture Initiative Platform (SAI) convenes over 100 member companies and organizations to advance sustainable agriculture worldwide. As a member of the SAI Dairy Working Group, the Innovation Center collaborates precompetitively 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 SAI Platform Dairy Working Group oversees the Sustainable Dairy Partnership (SDP). Built on the Dairy Sustainability Framework (page 7) and its 11 Global Criteria, the SDP provides a globally relevant yet regionally applicable approach to supply chain assurance and sustainable dairy. Using existing structures and leveraging dairy processor management systems

that are already in place – as well as relationships with farmers – the SDP enables processors to provide evidence and show continuous improvement in marketplace 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), as recognized on the DSF website
- On-farm greenhouse gas measurement and reporting through the FARM Environmental Stewardship platform
- Stakeholder dialog and input through participation in the Dairy Sustainability Alliance®
- Materiality assessment guidance and resources to assist in creating an SDP-recognized assessment

As an additional benefit, adopting companies that wish to directly participate in SAI Dairy Working Group activities are eligible for a reduced SAI membership rate.

ESG Criteria¹ within Stewardship Commitment Metrics







 Environmental (E)	 Social (S)	 Corporate Governance (G)
<p>E1. GHG emissions</p> <p>E2. Emissions intensity</p> <p>E.3 Energy usage</p> <p>E4. Energy intensity</p> <p>E5. Energy mix</p> <p>E6. Water usage</p> <p>E7 Environmental operations</p> <p>E8. Climate oversight/board</p> <p>E9. Climate oversight/management</p> <p>E10. Climate risk mitigation</p>	<p>S1. CEO pay ratio</p> <p>S2. Gender pay ratio</p> <p>S3. Employee turnover</p> <p>S4. Gender diversity</p> <p>S5. Temporary worker ratio</p> <p>S6. Non-discrimination</p> <p>S7. Injury rate</p> <p>S8. Global health and safety</p> <p>S9. Child and forced labor</p> <p>S10. Human rights</p>	<p>G1. Board diversity</p> <p>G2. Board independence</p> <p>G3. Incentivised pay</p> <p>G4. Collective bargaining</p> <p>G5. Supplier code of conduct</p> <p>G6. Ethics and anti-corruption</p> <p>G7. Data privacy</p> <p>G8. ESG reporting</p> <p>G9. Disclosure practices</p> <p>G10. External assurance</p>

NOTE: Those in bold are currently addressed in the Stewardship Commitment.

Chapter 2 | Alignment with Recognized Programs

U.S. Dairy and United Nations Sustainable Development Goals

To transform the world – benefitting all people and the planet we live on – the United Nations launched 17 Sustainable Development Goals (SDGs) in September 2015. The goals aim to drastically decrease poverty, hunger, climate change and inequality by 2030. Food and agriculture has the opportunity to be key levers of action to drive success, and the dairy community is dedicated to being part of the solution. While the work of the dairy community directly or indirectly connects to all 17 goals, the U.S. dairy community is uniquely qualified to contribute significantly to helping achieve the following SDGs.

Goals	Dairy's Contribution
People	<p>ZERO HUNGER</p>  <ul style="list-style-type: none"> U.S. dairy helps play a leading role alleviating hunger and food insecurity by providing hundreds of millions globally with access to safe, affordable and nutritious dairy foods and ingredients. Alongside partners including Feeding America, the Academy of Nutrition and Dietetics, the School Nutrition Association and the Urban Schools Food Alliance, the dairy community is making strides to end hunger and provide a sustainable source of nutrition to youth and vulnerable populations. This includes childhood nutrition through the National School Lunch and Breakfast Programs, reaching over 30 million students, many of whom are in underserved communities, as well as through product donations and charitable giving to food banks and pantries nationwide.
	<p>GOOD HEALTH AND WELL-BEING</p>  <ul style="list-style-type: none"> Dairy foods like milk, cheese and yogurt contribute a unique nutrient package that sets them apart from other foods, which is why they are in their own food group. They provide essential nutrients such as high-quality protein, calcium, phosphorus, B vitamins and more that help promote growth, development and overall health. Dairy foods are the top food source for calcium, vitamin D and potassium, based on what the average American eats (NHANES data); therefore, dairy provides three of the four nutrients of public health concern identified by the <i>U.S. Dietary Guidelines for Americans</i>.
	<p>DECENT WORK AND ECONOMIC GROWTH</p>  <ul style="list-style-type: none"> The dairy community plays an essential role in sustained economic growth and reduced unemployment. In the U.S. market, the dairy community directly provides nearly one million jobs² and contributes \$628 billion annually to the U.S. economy – more than one percent of U.S. gross domestic product (GDP).³ Much of the milk production and dairy product manufacturing occurs in rural communities.
Environment	<p>CLIMATE ACTION</p>  <ul style="list-style-type: none"> U.S. dairy cows generate the fewest greenhouse gas (GHG) emissions per gallon of milk in the world,⁴ and the dairy community is committed to continuous improvement for environmental stewardship. This includes a GHG reporting tool and improvement guidance available to all dairy farmers, guidelines and tools to credibly report GHG intensity and reductions for dairy processing, and a voluntary industry-wide goal of carbon neutral or better dairy production by 2050.
Community	<p>RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  <ul style="list-style-type: none"> The U.S. Dairy Stewardship Commitment provides a stakeholder-aligned, national platform where the dairy community can work collectively on efforts that balance food production with societal impact and environmental stewardship. Through the use of Stewardship Commitment Metrics, U.S. dairy can establish metrics and reporting to transparently demonstrate the responsible use of resources in local communities and throughout the world.
	<p>PARTNERSHIPS FOR THE GOALS</p>  <ul style="list-style-type: none"> It takes everyone working together to define and achieve the ambitions set by the Stewardship Commitment. To ensure an inclusive and mutually beneficial approach, the Innovation Center forges valuable third-party partnerships with organizations such as the Field to Market®, Feeding America and the USDA; and leads the multi-stakeholder Dairy Sustainability Alliance® to unify the dairy community and advance a shared vision of achieving resilient, sustainable food systems.

²<https://www.idfa.org/dairydelivers>

³<https://bit.ly/3oB5KA2>

⁴Greenhouse Gas Emissions from the Dairy Sector. Food and Agriculture Organization. <http://www.fao.org/docrep/012/k7930e/k7930e00.pdf>.

Chapter 2 | Alignment with Recognized Programs

Global Dairy Alignment

Dairy is integral to the lives of billions of people worldwide. In the American diet alone, dairy supplies 58 percent of vitamin D, 51 percent of the calcium and 16 percent of the protein. Further, the livelihoods of approximately one billion people are connected to dairy and seven percent of the world’s land is cared for by the dairy sector.⁵ Thus, dairy has a significant role to play in contributing positive outcomes to address the world’s most pressing challenges, such as nutritional security, poverty reduction, resource scarcity and climate action. As the largest dairy producing country in the world, the U.S. must play a leadership role. This wider context fuels the Innovation Center’s work with leading global dairy, crop and environmental organizations to support shared efforts for sustainable dairy.



A Global Platform for Sustainable Dairy

The linkages between dairy, its societal benefits and the environment are complex. The challenge has been to establish a common global platform to advance sustainability across the diversity of dairy production.

To this end the Dairy Sustainability Framework (DSF), developed by the Global Dairy Agenda for Action (GDAA), was established for dairy organizations worldwide to map

and connect their sustainability activities in a consistent manner. As of November 2020, the DSF has eight aggregators that report national progress on behalf of their sourcing regions and more than 50 member organizations across the world.⁶

The DSF consists of 11 Global Criteria outlining high-level objectives (strategic intents) committed to by the dairy sector. Recognizing the diversity of dairy production systems, the DSF enables regional setting of priorities and measures and the quantification of progress.

On behalf of the U.S. market, the Innovation Center is an aggregating

member of the DSF. In this role, it submits national progress to demonstrate U.S. contributions to sustainable dairy for DSF global reporting. Through the Dairy Sustainability Alliance® the Innovation Center also provides a national convening body for DSF-engaged dairy stakeholders, while the Stewardship Commitment Metrics provide the measurement and reporting protocol for all DSF-recognized dairy companies in the U.S. market. U.S. dairy companies that adopt the Stewardship Commitment are implementing and recognized members of the DSF.

Global Criteria	Stewardship Commitment Alignment
Environment	
Biodiversity	• Feed Impact (page 12)
Greenhouse Gas	• Greenhouse Gas Intensity (pages 14, 15)
Soil	• Feed Impact (page 12)
Soil Nutrients	• Nutrient Management Plan (pages 13, 14)
Waste	• Resource Recovery (page 15)
Water	• Water Quantity (page 14), Water Quality (page 14), Feed Impact (page 12)
Social	
Animal Care	• FARM Animal Care (pages 13, 14)
Product Safety & Quality	• Food Safety (page 15), Traceability (page 15)
Working Conditions	• Worker Safety (page 15), Human Resources (page 15)
Economic	
Market Development	• Foundational to U.S. dairy (page 15)
Rural Economies	• Community Contributions (page 15)

⁵UN Food and Agriculture Association, *The Global Dairy Sector: Facts*. <http://bit.ly/2qds8Rt> (stat includes cows, sheep, goats and buffalo).

⁶<https://dairysustainabilityframework.org/dsf-membership/members/>

Chapter 3 | Stewardship Commitment Adoption

Terms of Adoption

Shaped by farmers and over 50 dairy companies and Dairy Sustainability Alliance® member organizations, voluntary and formal Stewardship Commitment adoption terms were approved by the Innovation Center Board of Directors in 2018. Dairy cooperatives and processors that adopt the Stewardship Commitment must submit a written affirmation statement signed by a senior executive or CEO. At a minimum, adopting companies meet defined criteria for animal care, environmental stewardship, traceability, stakeholder engagement, community contributions and communications. As of November 2020, 28 dairy cooperatives and processors representing 70 percent of the U.S milk supply have adopted the Stewardship Commitment. Participation is updated regularly at www.usdairy.com/commitment.

Cooperative and Processor Terms of Adoption



Companies that, in the exercise of their independent business judgment, decide to adopt the U.S. Dairy Stewardship Commitment, agree to the following:

1. Active membership in the Dairy Sustainability Alliance® and agreement to its terms of membership
2. Enrolled and in good standing with the National Dairy FARM (Farmers Assuring Responsible Management) animal care program and/or sourcing 100 percent of milk from FARM-enrolled farms.
3. Use of Stewardship Commitment Metrics for areas assessed by company as priorities. At a minimum this includes:
 - Dairy cooperatives and processors use the current version of the FARM program for Animal Care reporting
 - Dairy cooperatives use the FARM Environmental Stewardship Sampling Protocol to report on-farm GHG, energy and nutrient management metrics, OR have a timebound goal in place to measure and report these metrics through this protocol
 - Dairy processors report using measurements consistent with methodologies outlined in the Dairy Processor Handbook (e.g. GHG Protocol, EPA Waste Hierarchy) through the Processor Stewardship Reporting Tool
 - Dairy processors commit to adopt and apply the voluntary U.S. Dairy Traceability Guidelines
 - Dairy cooperatives and processors use at least one Community Contributions metric
4. Engagement in Innovation Center volunteer opportunities to discuss and inform future indicators, metrics and reporting needs aimed at telling U.S. dairy's social responsibility story
 - Participate in Commitment-focused initiatives such as voluntary working groups, committees, stakeholder review, etc., and/or inform updates to relevant resources
 - For companies with priorities related to field and feed sustainability, engage with and/or support Innovation Center to advance consistency in field and feed reporting
5. Recognition of U.S. Stewardship Commitment adoption in dairy company's sustainability messaging, customer outreach and on website
6. Acknowledgment of U.S. Stewardship Commitment adoption and agreement with terms through an annual survey



Learn more at usdairy.com/sustainability/commitment.

The Innovation Center for U.S. Dairy follows all applicable antitrust regulations. Each company is encouraged to exercise its own independent business judgment regarding whether or not to participate in this initiative and, if so, how. None of the suggested activities will take any action toward antitrust prohibited subject matters such as pricing, allocation of customers or markets, boycotts or refusals to deal or any other matter that could be construed as a combination in restraint of trade.

Chapter 4 | Stewardship Commitment Metrics

Feed Impact

Every stage of the life cycle contributes to dairy's environmental footprint. To help understand field-level impacts, the Innovation Center works in partnership with leading initiatives in sustainable crop production, measurement and reporting.

Feed Metrics

On average, dairy farmers only grow 35 percent of their cattle feed.⁷ They are, therefore, limited in the ability to collect primary data on two-thirds of the feed supply. However, many aspects of feed production are recognized sustainability priorities for U.S. dairy, and feed falls within the scope of the industry's national goals (page 4). To address feed grown on the farm and that which is purchased, the Innovation Center collaborates with experts in sustainable feed production and partners with Field to Market®: the Alliance for Sustainable Agriculture.

Field to Market is a diverse collaboration working to advance improvement in the sustainability of U.S. commodity crop production, and the Innovation Center participates in its metrics and education and outreach committees.

Because an estimated 45 percent of a dairy cow's feed comes from corn

silage and alfalfa, the Innovation Center and Field to Market focus on enabling U.S. dairy to track sustainable production of these crops through Field to Market's platform. With the Innovation Center's financial support, version 3.0 of Field to Market's Fieldprint® Calculator includes these two key dairy feed crops. The Innovation Center and dairy cooperatives are working with Field to Market to field test the tool and will continue to support Fieldprint projects. Connections to complementary field sustainability resources, including USDA Natural Resources Conservation Service (NRCS) programs, are also being explored.

Field to Market uses USDA data to calculate the environmental impact of feed production for several indicators. The scale varies depending upon the availability of data sets at national, state or Crop



Reporting District levels. Where possible, the dairy community will use these benchmarks in industry reports and tools. Individual companies can work directly with Field to Market to address specific supply chain reporting needs.

As a term of Stewardship Commitment adoption (page 11), companies with priorities related to field and feed sustainability engage with and/or support Innovation Center activities to advance consistency in field and feed reporting.

With the dairy community's active support, the Innovation Center and dairy community will continue to advance sustainability and consistent measurement and reporting for both purchased feed and that grown on-farm.

Indicators	Metrics
<ul style="list-style-type: none"> • Field to Market quantitative outcomes for land use, irrigation water use and soil conservation • Field to Market qualitative indices for water quality, soil carbon and biodiversity • Innovation Center quantitative outcomes for GHG and energy intensity 	<ul style="list-style-type: none"> • The Innovation Center and Field to Market work together to ensure indicators and metrics are useful and relevant to dairy farmers, customers and consumers. • U.S. dairy's Comprehensive LCA for U.S. Milk is used to measure the GHG and energy intensity of feed production. Metrics mirror those used at the dairy farm (pages 14, 15) and are reported in aggregate.
Tools and Resources	
<ul style="list-style-type: none"> • Field to Market, www.fieldtomarket.org: Learn about Field to Market membership. See examples of ongoing projects and how farmers and the supply chain are working together to catalyze continuous improvement. • Fieldprint® Platform, http://bit.ly/2sZkSOH: An assessment framework that empowers brands, retailers, suppliers and farmers to measure environmental impacts in crop production and identify opportunities for continuous improvement. • Natural Resource Conservation Service: Provides technical and financial assistance to farmers. Programs, such as the Resource Stewardship Evaluation Tool (RSET) are available to support and advance sustainable feed production. 	

⁷U.S. Dairy's Environmental Footprint. <http://bit.ly/29gjs5i>.

Chapter 4 | Stewardship Commitment Metrics

Dairy Farm Metrics

Dairy farmers believe stewardship includes leaving the land and surrounding environment better than they found it for the next generation. This culture of continuous improvement is illustrated in the Stewardship Commitment's dairy farm metrics, which provide common and recognized measures that demonstrate farmers' stewardship of the land and the well-being of animals in their care.

The National Dairy FARM Program



The National Dairy Farmers Assuring Responsible Management™ (FARM) program provides the foundation for

the Stewardship Commitment's dairy farm metrics, which are measured and collected on the farm by trained and certified FARM evaluators. Open to all U.S. dairy farmers, co-ops and processors, FARM works with the producer community and industry partners to show customers and consumers that the dairy community is taking the very best care of cows and the environment, producing safe and wholesome milk, and adhering to the highest standards of workforce development.

FARM Animal Care

The Stewardship Commitment's Animal Care metric is measured through the FARM Animal Care Program, currently in use of 98 percent of the U.S. milk supply. As the first ISO-compliant livestock animal care program in the world (page 7), FARM Animal Care demonstrates that dairy farmers raise and care for their animals in a humane and ethical manner. Within the Stewardship Commitment, all adopting companies must be enrolled and in good standing with FARM and/or source from 100 percent FARM-enrolled farms

that are in good standing with the program (page 7).

FARM Animal Care standards focus on appropriate care for all age classes of animals, proper housing, family and non-family employee training, protocol development and implementation, recordkeeping and working with veterinarians and other animal care professionals. The program is updated every three years and is currently in its fourth iteration.



If a needed improvement is identified, action plans must be addressed within a designated timeframe in order for the farm to remain certified.

FARM Animal Care: a three-pronged approach

1. The FARM Animal Care Reference Manual and corresponding educational materials detail the highest standards for animal care.
2. Farmers are evaluated at least once every three years by trained and certified experts. Evaluators provide feedback around areas in which farmers are excelling, as well as those where improvement is needed.
3. Third-party verification ensures program integrity through outside experts, who provide statistically verified data on the implementation of the program.

FARM Environmental Stewardship

FARM Environmental Stewardship (FARM ES) is U.S. dairy's national program to measure and report on-farm environmental progress. Trained second-party evaluators conduct FARM ES assessments on behalf of participating cooperatives and processors. The evaluation provides a comprehensive estimate of a farm's greenhouse gas emissions and energy use and assesses the establishment of a written, implemented and maintained nutrient management plan. These results help farmers identify potential efficiency gains and cost savings in a secure, confidential platform. As a core component of the Stewardship Commitment, FARM ES is a dairy cooperative requirement for company adoption (page 11).

Stewardship Commitment greenhouse gas and energy use metrics are intensity-based per pound of fat- and protein-corrected milk (FPCM)⁸.

⁸Because much of the energy in dairy feed is converted to milk solids (fat, protein, etc.), and not all farms produce milk with standard fat and protein composition, on-farm milk production is normalized to the average content (4% fat, 3.3% protein). Lactose has little impact on the overall calculation. When kept as a constant, FPCM is the same measurement as energy-corrected milk

Chapter 4 | Stewardship Commitment Metrics

At the dairy farm, the scope of these measures include farm and field operations as well as purchased feed. Calculations are based on the Innovation Center’s comprehensive Life Cycle Assessment (LCA) for Fluid Milk. This provides reliable, statistically robust estimates that explain 98 percent of the variability in total carbon footprint.

Water Use on the Farm

Dairy farmers understand the importance of water resources because their prosperity is directly tied to water access, scarcity and excess. The Stewardship Commitment measures water efficiency per pound of fat and protein corrected milk (FPCM) for lactating dairy cows. Through LCA

data collection at over 500 farms nationally, average on-farm water use is 14 gallons per pound of milk (FPCM). While resources to collect this information directly are limited, this aggregate number can serve as a benchmark and be used when reporting on-farm water use.

The U.S. Dairy Environmental Stewardship Goals (page 4) include optimization of water use and recycling as well as demonstrated improvements in the water quality. With a public commitment to report quantifiable progress, additional metrics and resources to demonstrate and progress dairy producer’s water stewardship efforts will be made available in consultation with farmers, experts and other key stakeholders.



Indicators	Metrics
Energy intensity	• Total energy use (converted to MMBTU)/lb. of milk (FPCM)
GHG intensity	• Total GHG emissions (tonnes CO ₂ e)/lb. of milk (FPCM)
Water use (on farm)	• Gallons of water withdrawn (for lactating cows)/lb. of milk (FPCM)
Nutrient Management Plan	• Do you implement and maintain a written Nutrient Management Plan? (Y/N)
Farm animal care	• Do you participate in the FARM Animal Care program? (Y/N)

Tools and Resources

Animal Care

- **Producer Resources**, <https://bit.ly/3708CEX>: Resources include the Animal Care Reference Manual, training materials and farmer tools.
- **Year in Review**, <https://bit.ly/3jGCiFI>: Provides an annual report of FARM progress and details the national results of on-farm assessments.

Environment

- **FARM Environmental Stewardship**, <http://bit.ly/2pRA3Uc>: Resources include fact sheets, data collection templates, an Environmental Stewardship reference manual and training videos.
- **Penn State’s Dairy Water Use Spreadsheet**, <https://bit.ly/2OpuWal>: Allows dairy farmers to estimate their daily on-farm water use deploying simple inputs.
- **PRO-DAIRY Calculator**, <https://bit.ly/2pJHFe0>: Estimates a farmstead’s water use (barns, milking etc.) with provisions for entering other water uses on farm. Based on use inputs, the calculator estimates average daily water use for each month.
- **SnapPlus (Wisconsin)** <https://snapplus.wisc.edu>: Helps farmers make best use of their on-farm nutrients to protect soil and water quality.
- **Newtrient**, www.newtrient.com: Helps dairy farmers and other stakeholders assess manure management opportunities and challenges to make informed decisions. Resources include a catalog of technologies and vendors, and education materials
- **USDA NRCS Comprehensive Nutrient Management Plans (CNMPs)**, <http://bit.ly/29vuGER>: NRCS guidance related to Nutrient Management Plans, including a manual and technical guide.

Chapter 4 | Stewardship Commitment Metrics

Processor Impact

U.S. dairy's social responsibility efforts don't stop at the dairy farm. Dairy processors are taking action to collaborate precompetitively, drive progress and demonstrate positive impact on Stewardship Commitment priorities and the industry's 2050 environmental stewardship goals.

Dairy Processing as a Priority

The Stewardship Commitment provides a comprehensive suite of sustainability metrics to demonstrate industry progress at the processor stage of the supply chain. These metrics and accompanying resources to measure and report progress were developed in collaboration with over 30 dairy processing companies within the Dairy Sustainability Alliance®. Reporting these metrics through the Processor Stewardship Reporting Tool (page 16) is

a Stewardship Commitment Term of Adoption.

Where applicable, processor Stewardship Commitment metrics are aligned with globally recognized and accepted measurement and reporting standards and protocols, such as the GHG Protocol, and EPA Food Recovery and Waste Management Hierarchies.

Dairy Processor Handbook

Detailed measurement and reporting guidance on the processors' Stewardship

Commitment Metrics is provided in the Innovation Center's Dairy Processor Handbook. This Handbook acts as a supplementary resource to the Stewardship Commitment and clearly lays out the necessary information and calculations for the metrics with detailed examples and step-by-step guidance. The Processor Handbook also includes a collection of resources linked to each priority area to provide additional support for measurement and disclosure.

Indicator	Metric
Energy intensity	• Total energy use (converted to MMBTU)/lb. of production output
GHG intensity	• Total GHG emissions (tonnes CO ₂ e, Scope 1 and 2)/lb. of production output
Water withdrawal	• Gallons of water withdrawn by source of water supply/lb. of production output
Water efficiency	• Gallons of water withdrawn/lb. of production output
Water recycling and reuse	• [Gallons of water supplied that are captured for reuse within the facility + milk water captured for use]/lb. of production output
Milk water use	• Gallons of water captured from milk for use within facility/lb. of production output
Surplus water	• [Discharge volume - water withdrawn]/lb. of production output
Water discharge and quality	• Do you have a policy, program or monitoring system that ensures routine compliance with industrial or storm water permit parameters? (Y/N)
Waste diversion	• Percent by weight total waste stream (lbs.) diverted from landfill or incineration without recapturing energy
Throughput efficiency	• Total waste stream/lb. of production output
Resource utilization	• Food donated or repurposed as animal feed and non-food recycled or composted (lbs.)/total waste stream (lbs.) • Food repurposed for industrial uses or compost and non-food repurposed for energy recovery (lbs.)/total waste stream (lbs.) • Waste sent to landfill or incineration without recapturing energy (lbs.)/total waste stream (lbs.)
Human resources	• Total number of jobs supplied and full-time employees at end of year • Indirect and non-monetary benefits available to employees • Total number employed during the past year and percentage of employees who have been employed for at least 5 and 10 years
Worker safety	• Do you have leading indicators to measure/encourage safe worker behavior? Describe measurement systems employed, and how this has led to a safer workforce • Days of restricted work activity or job transfer (DART) rate ▪ Explain why this has changed over time.
Community volunteering	• Volunteer activities performed by employees
Monetary & product donations	• Monetary and product donation activities
Educational opportunities	• Describe community educational events per year and the total number of participants.
Product contributions	• Servings of dairy donated or consistently supplied to a non-profit organization to feed food insecure people. (For Stewardship Commitment reporting, companies report in lbs.)
Food safety	• Do you have validated, verifiable food safety programs and management systems in place? (Y/N) • Do you frequently reassess your food safety programs to ensure efficacy and to reflect new food safety tools/practices and ensure continuous improvement? (Y/N)
Traceability	• Commitment to voluntary <i>U.S. Dairy Traceability Guidelines</i> (Y/N)

Chapter 4 | Stewardship Commitment Metrics

Processor Reporting and Additional Resources

When the Stewardship Commitment was launched in 2018, no mechanism existed for dairy processors to consistently measure and report metrics defined in the Commitment. In collaboration with the dairy processing community, an array of complementary resources and tools were developed to meet these needs.

Processor Reporting Tool

To facilitate aggregated reporting of annual progress on behalf of dairy processors and broader industry efforts, more than 20 dairy processors partnered with Harbor, an environmental, health and safety (EHS) consulting firm, to develop a processor reporting tool based on the Intalex Platform. Intalex is a widely used EHS and quality management software solution used by over 1,300 companies worldwide.

The Processor Stewardship Reporting Tool provides a credible and cost-effective way to calculate and report processor sustainability information on a facility-by-facility basis, while simultaneously supporting U.S. dairy by contributing to aggregate data collection representative of the entire industry.

Every indicator and metric within the Tool is calculated exactly as described in the Dairy Processor Handbook, ensuring complete alignment and consistent measurement and reporting across the dairy processing industry. The Tool captures information on

Stewardship Commitment Metrics at its core, but individual processors can work independently with Harbor (for an additional cost) to expand their company dashboard to measure and report on additional metrics if desired.

Reporting on Stewardship Commitment Metrics through the Processor Stewardship Reporting Tool is a Stewardship Commitment Term of Adoption. Therefore, companies that voluntarily adopt the Stewardship Commitment agree to participate in the Processor Stewardship Reporting Tool.

The Innovation Center Board of Directors created an independent, dairy processor owned LLC (Limited Liability Company) to financially support development and maintenance of the Processor Stewardship Reporting Tool. LLC members voluntarily adopt the Stewardship Commitment and

INTELEX

Resource Recovery

Code	Name
Section: 1 Waste Diversion (12)	
Sub-Section: 1 Waste Data (8)	
<input type="checkbox"/>	IV_RRD_FWHP_Quan * Food Waste Used to Feed Hungry People
<input type="checkbox"/>	IV_RRD_FWFA_Quan * Food Waste Used to Feed Animals
<input type="checkbox"/>	IV_RRD_NFWR_Quan * Non-food Waste that is Recycled or Composted
<input type="checkbox"/>	IV_RRD_FWIP_Quan * Food Waste Used for Industrial Purposes
<input type="checkbox"/>	IV_RRD_FWCO_Quan * Food Waste that is Composted
<input type="checkbox"/>	IV_RRD_NFWE_Quan * Non-food Waste used for Energy Recovery
<input type="checkbox"/>	IV_RRD_WINE_Quan * Waste sent to Incineration without Energy Recovery

Intalex platform software

financially contribute. Costs are evenly distributed across LLC members and enable access to an Intalex license for a significantly reduced rate.

More information on the characteristics of the Processor Stewardship Reporting Tool is found on page 4 of the Dairy Processor Handbook. Organizations with interest in adopting the Stewardship Commitment and joining the LLC should contact Stewardship.Commitment@dairy.org for more information.

Tools and Resources

- **Dairy Processor Handbook**, <https://bit.ly/39Qmm2H>: Supplements the Stewardship Commitment by providing detailed measurement and reporting guidance for processors on each metric, aiding them in credibly and consistently reporting into the Processor Stewardship Reporting Tool.
- **Dairy Nourishes America Toolkit**, <https://bit.ly/3gn8EFs>: Describes four donation models processors can utilize to provide hungry people with nutritious dairy products.
- **Scope 1 & 2 GHG Inventory Guidance**, <https://bit.ly/33UC60F>: Provides detailed GHG accounting and reporting guidance in accordance with the GHG Protocol. Guidance received formal "Built on GHG Protocol" endorsement from WRI.
- **Scope 3 GHG Inventory Guidance**, <https://bit.ly/2V5bucl>: Provides detailed GHG accounting and reporting guidance in accordance with the GHG Protocol. Guidance received formal "Built on GHG Protocol" endorsement from WRI.
- **Materiality Guide for U.S. Dairy Companies**, <https://bit.ly/3ozDXQC>: Assists dairy companies in conducting their own materiality assessment based on the U.S. Dairy Materiality Assessment, which outlines national sustainability priorities.
- **U.S. Dairy Traceability Guidelines**, <https://bit.ly/2JY1X07>: Provides information and guidance to help processors implement traceability protocols and compare current practices to a set of minimum standards.

Acknowledgments | Contributions

The Innovation Center for U.S. Dairy® gratefully acknowledges contributions made by the following:

Farms, Farmers and Cooperatives

Abbey Copenhaver, *NY dairy farmer**
 Agri-Mark Cooperative/Cabot Creamery*[†]
 AJ De Jager, *CO dairy farmer*
 Alise Sjoström, *MN dairy farmer*
 Associated Milk Producers Inc.[†]
 Bateman Mosida Farms, *ID dairy farmers*
 Blue Spruce Farms, *VT dairy farmers*
 Bob Foster, Foster Brothers Farms, *VT dairy farmer*
 Brad Scott, *CA dairy farmer*
 Brian Elspin, *ID dairy farmer*
 Brian Medeiros, Medeiros & Son Dairy, *CA dairy farmer*
 California Dairies, Inc.*[†]
 Cheri De Jong, *TX dairy farmer*
 Dairy Farmers of America, Inc.*[†]
 Dan Scheider, *IL dairy farmer*
 Darigold, Inc.*[†]
 Doug Young, Spruce Haven Farms
 Edge Dairy Farmer Cooperative
 First District Association[†]
 Foremost Farms USA[†]
 Freund's, *CT dairy farmers*
 Glen Easter, *SC dairy farmer*
 Greg Gibson, *WV dairy farmer*
 Harold Howrigan, *VT dairy farmer*
 Jim Biddle, *PA dairy farmer*
 Jim Boyle, *AZ dairy farmer*
 Jim Werkhoven, *WA dairy farmer*
 Joan Maxwell, *IA dairy farmer*
 John Brubaker, *ID dairy farmer*
 Ken Nobis, *MI dairy farmer*
 Kima Simonson, *WA dairy farmer*
 Kevin Moore, *FL dairy farmer*
 Land O'Lakes, Inc.*[†]
 Laurelbrook Dairy, *CT dairy farmers*
 Marilyn Hershey, *PA dairy farmer*
 Maryland & Virginia Milk Producers[†]
 McCarty Family, *KS dairy farmers*
 Michigan Milk Producers Association[†]
 Mitch Breunig, *WI dairy farmer*
 Neil Hoff, *TX dairy farmer*
 Organic Valley/CROPP
 Paul Rovey, *AZ dairy farmer*
 Prairie Farms Dairy[†]
 Quail Ridge Dairy, *CO dairy farmers*
 Riverview, LLP.
 Sutton Rucks, *FL dairy farmer*
 Sam Schwoeppe, *IN dairy farmer*
 Skip Hardy, *NY dairy farmer*
 Select Milk Producers, Inc.[†]
 Steve Ballard, *ID dairy farmer*
 Steve Graybeal, *PA dairy farmer*
 Steve Maddox, *CA dairy farmer**
 Suzanne Vold, *MN dairy farmer**
 Tara Vander Dussen, *NM dairy farmer*
 Tillamook County Creamery Assn.
 United Dairymen of Arizona*[†]
 Will Gilmore, *AL dairy farmer*

Processors, Retailers and Brands

a2 Milk Company
 Agropur
 Albertsons
 Aramark
 Bel Brands USA
 Cayuga Milk Ingredients
 Chobani
 Danone
 Domino's
 Fairlife
 General Mills Inc.
 Glanbia Foods Inc.*
 Great Lakes Cheese[†]
 Hilmar Cheese Company[†]
 HP Hood[†]
 Kraft Heinz Company
 The Kroger Company[†]
 Leprino Foods Company*[†]
 Mars Inc.
 McDonald's
 Publix Super Markets
 Saputo
 Sargento Foods Inc.
 Schreiber Foods Inc.*[†]
 Target Corporation
 The Starbucks Company
 Unilever
 Walmart

Associations and Government

Global Dairy Platform
 Idaho Dairymen's Association
 International Dairy Foods Association[†]
 National Milk Producers Federation*[†]
 Milk Producers Education Program[†]
 State and regional dairy checkoff
 U.S. Dairy Export Council[†]
 U.S. Department of Agriculture
 U.S. Environmental Protection Agency

Community

California Dairy Cares
 California Dairy Research Foundation
 Dairy Strong Sustainability Alliance
 Environmental Defense Fund
 Field to Market
 Manomet, Inc.
 New Mexico State University
 Newtrient, LLC
 Sustainable Agriculture Initiative (SAI)
 The Fertilizer Institute
 The Nature Conservancy
 United Soybean Board
 University of California, Davis
 University of Wisconsin-Madison
 World Wildlife Fund

NOTE: The Stewardship Commitment is a collaborative effort and, as such, its complete content may not reflect the perspective of each individual contributor, and all contributors may not be attributed.

About the Innovation Center for U.S. Dairy®

The Innovation Center for U.S. Dairy® is a forum that brings together the dairy community to address the changing needs and expectations of consumers through a framework of shared best practices and accountability. Initiated in 2008 by dairy farmers through the dairy checkoff, we collaborate on efforts that are important both to us and our valued customers – in areas like animal care, food safety, nutrition and health, the environment and community contributions.

Through the Innovation Center, the U.S. dairy community demonstrates its commitment to continuous improvement from farm to table, striving to ensure a socially responsible and economically viable dairy community. Learn more at www.USDairy.com.

www.USDairy.com • InnovationCenter@USDairy.com

