



**Sustainable
Dairy
Partnership**
Business to Business

October 2020

SUSTAINABLE DAIRY PARTNERSHIP

Executive summary



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01

What is the Sustainable Dairy Partnership?



The Sustainable Dairy Partnership (SDP) is a sustainability approach for use in the commercial relationships between dairy customers (buyers) and their suppliers (processors).

THE SDP SYSTEM INCLUDES



Requirements

that must be met by dairy processors and their supplying farms.



An assurance model

that provides buyers with confidence in the sustainability of the dairy products they buy from processors.

The SDP system was developed through a multi-stakeholder process that included dairy processors, industry associations, and dairy buyers. It was created with the goal of driving continuous improvement in dairy sustainability. In order to achieve this goal, the SDP allows processors to leverage work already being done as part of industry sustainability initiatives, national programmes, voluntary certifications and regulatory compliance.

This executive summary provides processors and buyers who are interested in participating in SDP with details on what is required to participate and the benefits of participation.

For a high-level summary of SDP see: <https://saipatform.org/sustainable-dairy-partnership/>

02

SDP Guiding Principles

The SDP approach focuses on the management system dairy processors use to meet sustainability performance goals. Processors are required to have sustainability management systems that cover their tier 1 farms. By focusing on the management systems of dairy processors, the SDP's assurance system eliminates duplication and costs associated with multiple audits.

The sustainability performance areas which must be covered by a processors management system are based on the Dairy Sustainability Framework (DSF).

In addition to these DSF criteria, a processor's management system must also cover the SDP Foundational Elements.

As part of developing and implementing a management system that meets SDP requirements, processors must evaluate the DSF criteria and determine which criteria their operations impact and which criteria are important to their stakeholders. This process, called a materiality assessment, is an essential part of the SDP approach. Unlike a 'one size fits all' approach, materiality assessments help ensure that processors are focusing their sustainability efforts in the areas that are most relevant to their operations. Once a processor has completed a materiality assessment, they take action to address the most pressing sustainability issues at their supplying farms identified by the assessment.

DSF HAS 11 CRITERIA IN THE FOLLOWING AREAS:



GHG Emissions



Soil Nutrients



Waste



Water



Soil



Biodiversity



Market Development



Rural Economies



Working Conditions



Product Safety and Quality



Animal Care

03

How does SDP work with existing programmes?

The SDP allows processors to leverage work already being done as part of industry initiatives, voluntary certifications and regulatory compliance – this benefits processors by minimising the resources needed to meet the SDP requirements.



For example, processors who are reporting on their sustainability programmes using frameworks like GRI or ISO26000 can use this reporting to meet specific SDP requirements on reporting. Farm participation in national programmes on animal welfare, GHG reduction or other issues can all be considered as part of the action processors are taking to address sustainability issues.

There are already numerous sustainability initiatives in the dairy industry and every processor operates in a unique context with unique sustainability challenges. Therefore, SDP does not attempt to create a one-size-fits all sustainability solution by specifying the actions that processors and farms must take to be considered sustainable. Instead it creates a unified approach to gathering and reporting information on sustainability in dairy supply chains. Buyers benefit from this approach because SDP provides a framework for standardising information on the different ways processors are addressing sustainability.

04

SDP Requirements

SDP is based on the continuous improvement principle that a processor makes progress in their sustainability efforts over time.

SDP is different from certifications and pass/fail audit schemes. The SDP requirements are not met all at once but are instead designed to ensure that processors are progressively building and improving management systems that include setting sustainability goals, implementing programmes and reporting on progress.

Generally, the SDP Requirements do not set specific thresholds or targets a processor must meet (e.g. they do not require GHG emission below a certain threshold or specify a waste reduction target). Because SDP allows processors to define goals and set targets based on their unique operations, in consultation with external stakeholders each processor's sustainability goals and targets may look different. For example, a large processor whose farms primarily have housed cattle may have aggressive goals related improving soil health, while a while a small processor whose farms are mostly pasture based may have very different goals related to soil. The SDP requirements outline a systemic way for processors to define, measure progress and report on sustainability goals. Through the SDP, processors and buyers both benefit from this unified approach to reporting on sustainability in their supply chains.



The SDP Requirements include 4 Foundational Elements. Unlike other SDP Requirements, this subset of Requirements is different in that they are prescriptive and outline actions which are prohibited as well set the expectations that processors must ensure their farms are meeting relevant laws.

The Foundational Elements cover:

COMPLIANCE WITH LOCAL LEGISLATION



— Farms must be in compliance with laws that relate to the 11 DSF criteria.

ANIMAL CARE



— SDP recognises 5 freedoms of animal welfare.

— SDP prohibits use of tail docking.

— SDP Prohibits dehorning of adult animals without use of anaesthesia or analgesic.

HUMAN RIGHTS



— SDP prohibits the use of child labour, forced/bonded labour and harsh or inhumane treatment of workers.

— SDP requires a safe and hygienic working environment.

DEFORESTATION



— SDP defines deforestation as:

- Deforestation of primary forest or areas of high conservation value.
- Development in high carbon stock forest areas.
- Development on peatlands regardless of depth.
- Burning to clear land for new developments or to re-plant existing developments.

— SDP requires mitigation of risk of deforestation through a stepwise approach. Processors must determine the presence of deforestation in their supply chain, both on farm and feed off farm, and take action to prevent deforestation.

SDP's requirements are organised into 5 stages. The stages reflect the sustainability management system processors must have in place, and how processors should use the management systems approach to make improvement at the farm level.



STAGE 1

Commit to sustainability

Endorsement of the Dairy Sustainability Framework membership commitments, including 11 DSF Criteria and Foundational Elements.

STAGE 2

Prioritise what matters

Implementation of Foundational Elements, including meeting legal requirements and conducting a materiality assessment.

STAGE 3

Set goals and act

Implementation of a management system to meet SDP requirements.

STAGE 4

Continuously improve and report

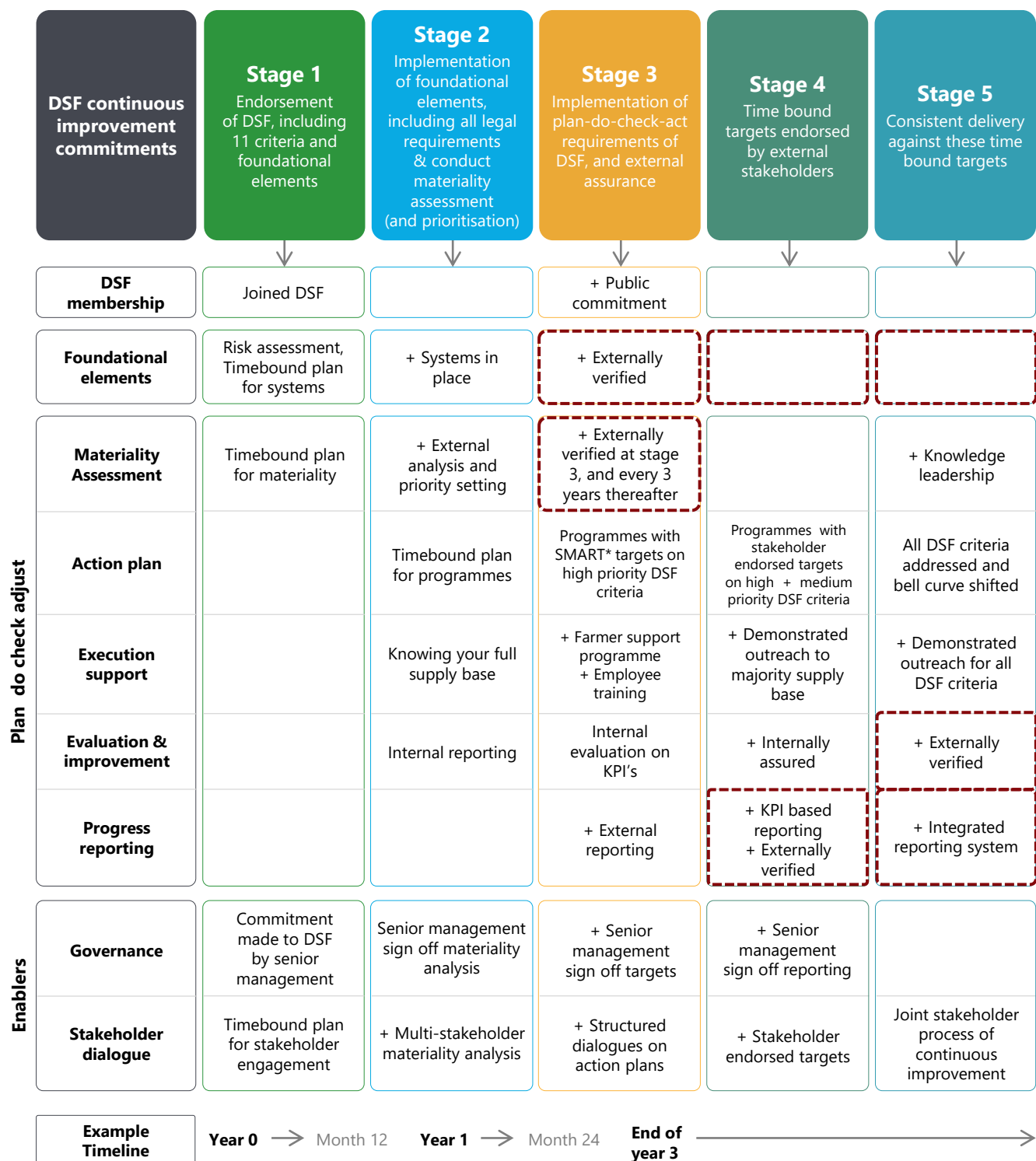
Set time bound targets for sustainability commitments that are endorsed by external stakeholders.

STAGE 5

Achieve results

Consistent delivery against these time bound targets.

Within each stage, SDP requirements are organised by subject, such as creating an action plan to address sustainability issues, implementing programmes to execute on this action plan and reporting on the progress being made. This combination of stages and subjects is organised into the SDP Stages Matrix. The requirements and stages are related and build upon each other as a processor moves through the 5 stages and makes progress on their sustainability journey.



 Indicates external verification required

+ Indicates that the requirements from the preceding stage(s) must also be met

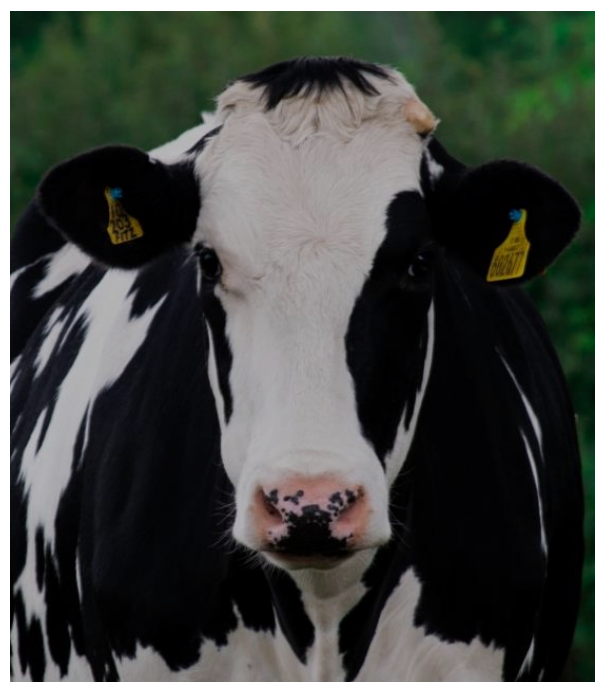
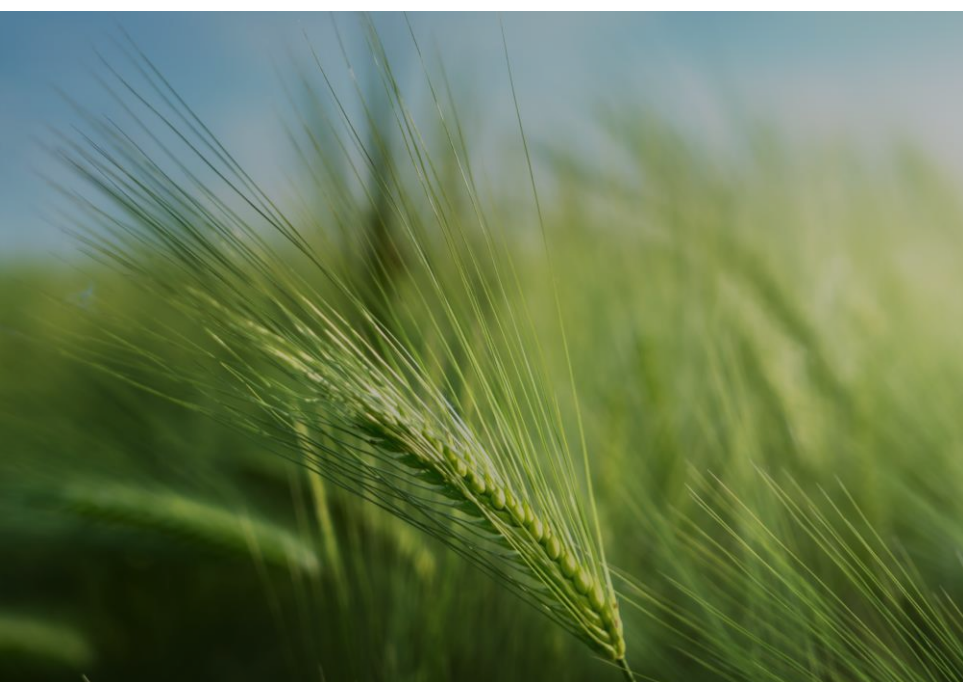
*SMART = Specific, Measurable, Achievable, Relevant, Timebound

05

The SDP Report

The SDP Report is the report provided to buyers or other stakeholders who request information about the processor's commitment to SDP. This report is completed by a processor to convey the stages which they have completed, the SDP requirements they have met and progress towards their targets.

The SDP report has an integrated summary that provides an overview of the performance of the processor and the scope of their operations covered by SDP.



06

The SDP Assurance System

The SPD has an assurance system that is designed to provide buyers with confidence that processors are meeting SDP requirements. The SDP assurance system includes both self-declarations and external verification.

Self-declaration is when a processor determines they meet SDP requirements through an internal review process. External verification is an independent third party verification of this evidence. For both types of assurance, processors are expected to provide objective evidence that demonstrates how SDP requirements are met. The types of evidence a processor must be able to provide are described in the Verification Protocol document.

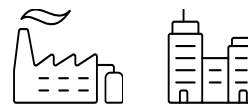
To ensure consistency and credibility in SDP claims, external verification is mandatory for certain critical SDP requirements. The Stages Matrix (Figure 1) outlines which SDP requirements require external verification, and at which stage external verification is required. At stage 3, external verification is required of the processor's compliance with the SDP Foundational Elements.

External verification of the SDP Foundational Elements provides buyers with confidence that processors and their supplying farms are in compliance with these essential aspects of sustainability. Because these Foundational Elements are key to SDP, external verification is required at each subsequent stage (stage 4 and 5). At stage 3, external verification is also required of the processor's materiality assessment. The materiality assessment is the basis for all the processor's actions to address sustainability issues, so external verification at this stage ensures that processors are taking meaningful action to improve practices at their farms. At stage 4, processors have their public reports on sustainability performance externally verified. Stage 5 requires external verification of a processor's system for evaluating their progress on sustainability goals. While external verification is mandatory at these stages, processors may elect to have external verification of additional SDP requirements at other stages.

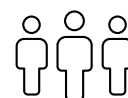
The costs of external verification are not set by SDP and are borne by the processor. Costs will vary on factors including how many SDP requirements are being assessed, the scope and complexity of the processor's sustainability management system and the size of the verification team.

06

SDP Statements and Claims



Processors and buyers who are registered with SAI Platform can make certain statements and claims about SDP and their sustainability performance.



SDP users have flexibility in designing claims that fit their needs.



Claims can be made in sustainability reports, on websites and other materials, but on-pack claims are not permitted.



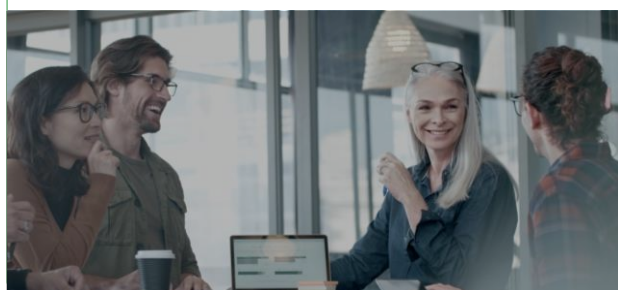
Statements and claims must be made in line with the SDP Claims Policy ([link](#)).

How to join the SDP

With two ways to join, you can choose the approach that is right for you.

Both SAI Platform members and SDP users can leverage our suite of online training modules as well as resources and tools to help you get up and running quickly.

SAI Platform members get full access to the Sustainable Dairy Partnership as well as all other SAI Platform tools and working groups.



SDP users have only access to the SDP Learning Centre, documents and tools.



The value of membership or user fee is based on the company's revenue, see table below.

SAI Platform member		SDP user	
Revenue	Membership Fee	Revenue	SDP User Fee
> \$ 5 billion	€ 33,000	> \$ 5 billion	€ 9,900
\$ 1-5 billion	€ 16,500	\$ 1-5 billion	€ 4,950
\$ 200 million - 1 billion	€ 8,250	\$ 200 million - 1 billion	€ 2,475
< \$ 200 Million	€ 4,125	< \$ 200 Million	€ 1,240

✉ To get more information about the SDP and join, get in touch:
sdp@saipatform.org



Visit our website:
<https://saipatform.org/sustainable-dairy-partnership/>



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