

Sustainability ranking of top dairy companies

by Context Group



Which companies are leading the herd on sustainability approach and communications?

We reveal the best in the dairy business.

1st Arla

2nd Nestlé

3rd Fonterra

Other companies reviewed (alphabetically): Agropur, Dairy Farmers of America, Danone, FrieslandCampina, Saputo, Savencia, Schreiber.

Talk to us about how to improve your sustainability strategy, reporting and communications.

Context has 25+ years of experience in sustainability strategy, reporting and communications – helping companies develop impact-led approaches and share their progress transparently.

During that time we've delivered industry benchmarks for around a quarter of our 220+ clients, covering a wide range of sectors and markets. The food and agriculture industry has consistently formed around 10% of our client base. Our Context America and Context Europe teams operate as sister companies, working together seamlessly as one transatlantic organisation.

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Contents

Welcome	5
Why dairy?	6
What we found	7
What we did	13



Welcome

Sustainability is good for business. Consumers are increasingly looking for products that align with their values. Investors recognise the link between sustainability and financial resilience, demanding greater transparency and accountability. Companies must not only be more sustainable but also communicate their efforts effectively. Good communications enhance reputation and cultivate trust among key stakeholders.

Reviewing the sustainability approach and communications of top global dairy companies indicates where the industry stands collectively and where improvements are needed. We offer actionable insights, providing examples of comprehensive strategies and reporting practices, and guidance on making sustainability communications more engaging to ensure they resonate with target audiences.



Why dairy?

The dairy industry faces some unique challenges on its sustainability journey as it competes with the growing alternatives market and meets changing consumer expectations. These challenges exist in the global marketplace but vary in different regions and cultures. They include carbon and methane emissions, animal welfare, soil health, biodiversity, and social issues.

How is the industry confronting these issues, and how well is this communicated? While dairy companies are working to adopt sustainable practices, their efforts often lack good storytelling. We looked at the ten members of the [Dairy Sustainability Framework](#) (DSF) who are among the global [top 20](#) dairy producers. The DSF is a sector-wide initiative that provides [11 criteria](#) to help members progress their sustainability practices. We assessed the selected companies' strategies, reports, credibility, as well as engagement, messaging and liveliness across social media and news channels to reveal which have good stories to tell and who tells them best. Read about our methodology on [page 13](#).



Dairy Sustainability Framework

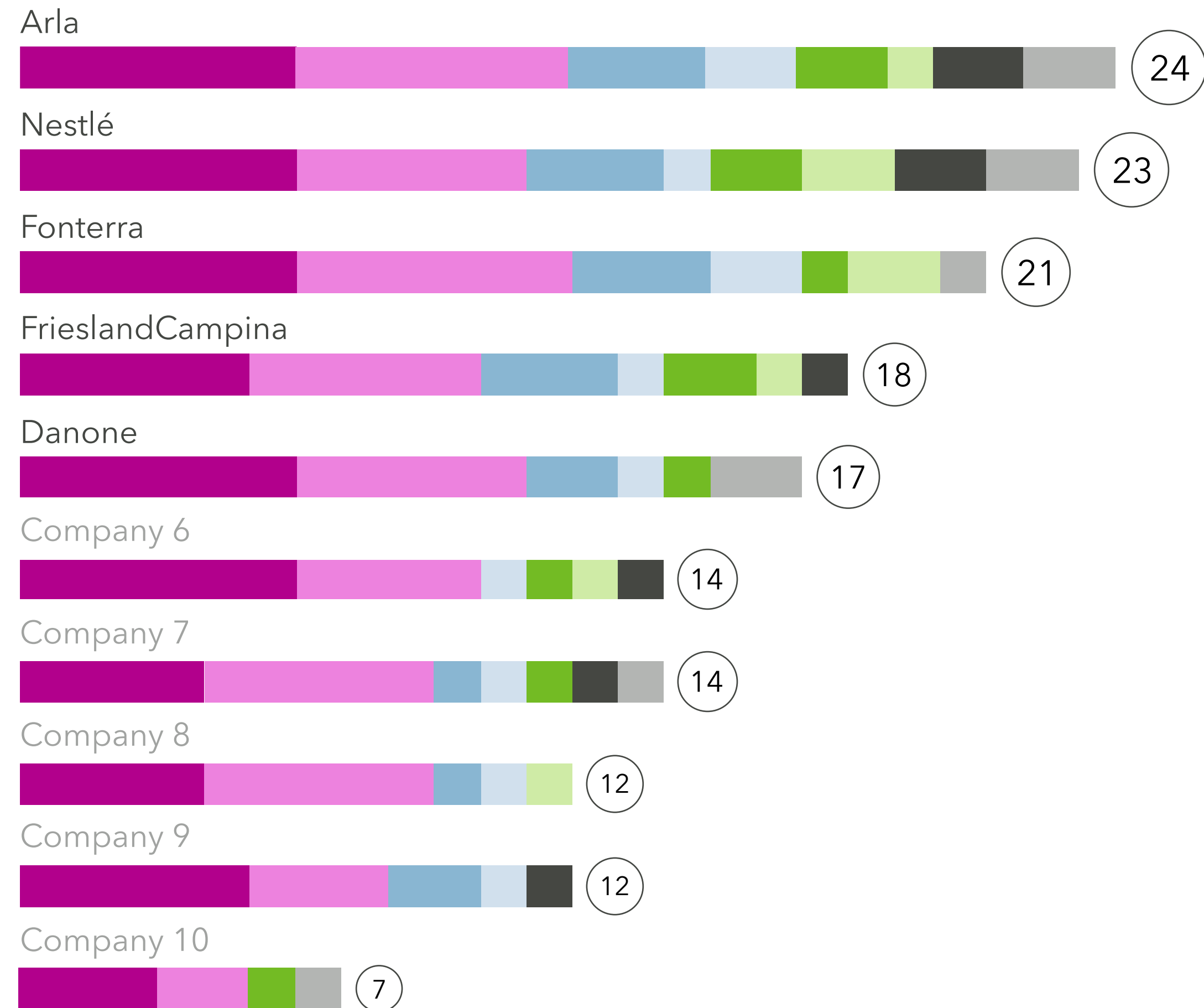
The DSF works in [collaboration](#) with other dairy initiatives such as the Global Dairy Platform and Sustainable Dairy Partnership, as well as wider agriculture organisations like the World Farmers' Organisation and Global Agenda for Sustainable Livestock. It reviews and promotes sector-wide issues and progress, working with Leap, FAO and Global Research Alliance to ensure rigour and credibility in its reports.

What we found

The scores are wide-ranging, with the highest-ranking company scoring 24 points and the lowest scoring 7, out of a total possible 25 points. Arla, Nestlé and Fonterra scored the best with more than 20 points. FrieslandCampina and Danone follow closely behind with 18 and 17 points respectively.

The criteria are weighted differently, with the most points available for strategy and reporting.

- Strategy comprehensiveness (/6)
- Reporting (/6)
- Credibility (/3)
- Messaging (/2)
- Multimedia (/2)
- Liveliness (/2)
- Social media frequency (/2)
- Social media engagement (/2)



Do dairy companies have good stories to tell?

Some more than others.

Every company covers at least half of the six key focus areas derived from the DSF's 11 criteria – greenhouse gas (GHG) emissions, animal care, biodiversity, product safety and quality, soil health, and rural economies and market development – in its sustainability strategy. Most companies report their sustainability approach, but many don't measure progress or put their initiatives into context of their overall sustainability performance.

Most dairy companies communicate how they support rural communities, protect animal welfare by partnering with vets, for example, and reduce environmental damage by cutting GHG emissions. The most effective companies talk about

often overlooked issues such as biodiversity and soil health. Good examples include Arla and Fonterra: Arla describes a pilot programme to explore regenerative farming methods on dairy farms; Fonterra reports its work with farmers to create farm-specific plans for soil health and biodiversity.

The most credible companies are transparent about the issues they face and validate their reporting with comprehensive data. Transparency is a widespread issue in the industry, with certain topics such as the slaughter of male calves and the amount of time cows are kept inside often glossed over. Arla, Nestlé and FrieslandCampina publicly acknowledge these issues and provide extensive data in their annual reports and websites.

Do dairy companies tell their sustainability stories well?

There's room for improvement.

Most companies don't maximise the opportunity to tell their sustainability stories. These companies generally fared worst in the liveliness and social media categories.

Arla, Nestlé and Fonterra are in the lead. They communicate their sustainability practices clearly and simply, enabling accessibility for all readers. The use of engaging multimedia such as videos and infographics make their stories more memorable. They also use multiple

channels such as LinkedIn and Instagram to regularly post about new initiatives and developments, like computer chips to monitor cow health and low carbon biofuel trucks. Nestlé and Fonterra compliment their news pages with Stories channels that take an in-depth look at how they're making a difference, with employee testimonials and videos adding a personal touch.



Strategy

Reporting

Credibility

Why it matters

An ambitious, comprehensive strategy is necessary for reducing negative impact and driving real change.

Reporting on progress is essential for measuring and tracking business performance, enabling investors and consumers to make informed decisions, and driving accountability.

Credibility of strategy and reporting is vital for building trust among stakeholders across the value chain, which in turn helps to attract and retain investors, customers and employees.

What we found

Some companies have communications covering the six key focus areas, while others fall short on particular topics.

Many state vague commitments but do not set specific goals.

Many companies do not report on all the areas that their strategies cover.

The level of detail on their approach to improving sustainability performance varies significantly.

Some companies gloss over the sustainability challenges they face.

The amount of data provided varies dramatically between companies. Some reports include pages of data tables while others only give a few highlights.

Top tips

Be comprehensive. Becoming more sustainable requires a multi-faceted, holistic approach. Your strategy should reflect this.

Set clear goals. Define targets to focus your energy on. Balance being ambitious and realistic. This will demonstrate your commitment to sustainability and drive change.

Go into detail. Give specific examples of the approaches you are taking and progress you have made. People want to read how exactly you are acting on your commitments.

Measure your progress. Define quantitative or qualitative metrics to monitor your performance. This clarifies your achievements and demonstrates real change.

Acknowledge the challenges you face. Do not ignore the fact that there is a lot of challenging work to be done to improve sustainability performance. Communicating this openly shows you are being realistic and practical.

Provide more data. Readers want evidence to support your claims. This could be provided in the report itself, in relevant topic-specific sections or an appendix, or in a standalone document.

Messaging

Liveliness

Multimedia

Social media

Why it matters

The right messaging is vital for stories to resonate with target audiences.

Fresh content (at least once a month) shows active engagement and makes the story believable.

Infographics and videos make the sustainability story understandable and memorable.

Social media is one of the best ways to reach key audiences and share achievements.

What we found

Sustainability communications are mostly well-written, enabling accessibility for readers.

Some companies, however, have websites and reports that are not easily navigable, and often do not provide adequate detail.

While leading companies are posting up to 5 sustainability articles in the 2 months reviewed, many posted none.

Many companies post regularly about financial news while much of their sustainability news is from 2022 or earlier.

All companies use infographics and/or videos to demonstrate their sustainability approaches, but the quantity varies dramatically.

The high scoring companies use many colourful, aesthetic infographics that present complex information in a simple, eye-catching way.

While every company uses LinkedIn to share their sustainable farming stories, only a few regularly post on Instagram.

The frequency of these posts broadly ranges from 2-10 times per month on both platforms; their overall average engagement (likes, comments, shares) is 308.

Top tips

Don't get too technical. Explain the science behind your work in a simple way – text should be understood by non-experts.

Be yourself. Develop your own distinctive messaging that reflects your company values. A personal tone will capture the reader's attention.

Place facts in context. News articles can be more than just a press release. Connect progress to its wider context to show why your work matters.

Stay up to date. Sustainability is a hot topic. Show your readers you are leading the way by regularly sharing updates.

Get creative. Not everyone knows about dairy sustainability issues. Videos and infographics are a great way to introduce these concepts in an engaging and memorable way.

Make it personal. Tell your sustainability story from a personal perspective – for example through the experiences of a dairy farmer.

Be consistent. Make the most of your investment in dairy sustainability by regularly sharing your work. People want to hear that your company walks the talk.

Make meaningful connections. Treat social media like a networking event. Have a hit-list of those you want to impress and engage them.

Some highlights across the board

★ Credibility

Nestlé provides a standalone [webpage](#) on the scope of its independent assurance. A [Responsible Sourcing Standard](#) presents information on frequently overlooked animal welfare topics like tail docking and other procedures.

FrieslandCampina's 2022 integrated [Annual Report](#) provides comprehensive data covering air pollutants and cow lifespan, often omitted by others. It details specific challenges throughout the report.

★ Messaging

Arla's 2022 integrated [Annual Report](#) explains its strategy and performance in a clear manner that enables all readers to understand the company's challenges and impacts. The website provides further detail, for example on [sustainable packaging](#).

Fonterra's simple [website](#) navigation and a well-structured [Sustainability Report](#) enable readers to quickly find the information they need.

★ Liveliness

Clearly written and visually appealing articles tell **Fonterra's** story in an engaging way. [Videos](#) catch readers' attention and article [labels](#) aid searchability.

[News articles](#) on sustainability progress provide helpful detail and put **Nestlé's** overall sustainability work into context. [Quotes](#) add a personal touch that helps the articles resonate with readers.

★ Multimedia

Many stylish [videos](#), [icons](#), [infographics](#) and [charts](#) help deliver **FrieslandCampina's** story in a memorable way that appeals to the modern content consumer.

Eye-catching infographics simplify complex information and data – like **Arla's** [climate ambition](#) – making content accessible to all.

★ Social media

Arla posts about dairy sustainability most frequently. Stories with [videos](#) give a personal touch that authenticates the message, while [polls](#) actively engage readers.

Danone achieves the highest average engagement per post. Frequent use of [video content](#) and [hashtags](#) spark curiosity while informing audiences of their progress.

What we did

We selected the 10 members of the DSF who are among the global top 20 dairy producers. By joining the DSF, these companies confirm a commitment to address sustainability issues. Their strategy and communications should reflect this. We analysed sustainability content on each member's global company website in June 2023.

First, we rated companies on whether they had good stories to tell – from 0 (poor) to 15 (excellent) across three categories:

Strategy comprehensiveness. Does the company have a sustainability strategy with measurable goals that cover the industry's key issues? We focused on six areas:¹ GHG emissions; animal care; biodiversity; product safety and quality; soil nutrients, quality and retention; and rural economies and market development.

Reporting. Has the company reported progress on the six focus areas outlined above in its latest sustainability report?

Credibility. Is the company transparent about its challenges, and does it back up its communications with sound data?

Strategy and reporting are both rated out of 6, and credibility is rated out of 3.

¹ The focus areas are based on the DSF's 11 criteria. Eight of the criteria are clearly prioritised, and we combined these into six areas.

Second, we scored how well companies tell their stories – from 0 (poor) to 10 (excellent) across four categories:

Messaging. Does the company tell its sustainability story clearly and concisely?

Liveliness.² Does the company post about dairy sustainability on news channels?

Multimedia. Does the company make good use of videos and infographics to engage its audience on its sustainability strategy?

Social media.³ How often does the company share posts about sustainability on LinkedIn and Instagram? On average, what level of engagement (comments, likes, shares) do these posts generate?

Messaging, liveliness and multimedia are all rated out of 2, and social media is rated out of 4 – 2 for frequency and 2 for engagement.

² Assessed between April 29 - June 29 2023. ³ Assessed between April 1 - May 31 2023.

Companies assessed

Alphabetical order:

[Agropur](#)

[Arla Foods](#)

[Dairy Farmers of America](#)

[Danone](#)

[Fonterra](#)

[FrieslandCampina](#)

[Nestlé](#)

[Saputo](#)

[Savencia](#)

[Schreiber Foods](#)

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