



Australian Dairy
Products Federation

What real-world sustainability
looks like in:

AUSTRALIAN DAIRY PROCESSING

Janine Waller
Chief Executive Officer
September 2025



SUSTAINABILITY TRADING ENVIRONMENT

Doing business

Australian Government commitments →
.....
International trade →
.....
Financial institutions investors →
.....
Retailers/ customers →



← Suppliers
.....
← Farmers
.....

Reporting requirements

- emissions
- human rights
- animal welfare
- food safety
- food quality
- water consumption
- packaging
- waste

Sustainability requirements

Federal government



- Emission reduction: 43% by 2030 (vs 2005)
- Net zero by 2050
- Methane pledge: 30% by 2030
- 82% renewable energy by 2030
- National Plastics Plan
- Biosecurity levy
- Australian Agriculture Sustainability Framework
- Net Zero Sector Action Plans, e.g. Ag and Land, Industry, Electricity and Energy
- Climate Change Authority/ 2035 emission reduction targets – 60-72%

United Nations – Climate change

- COP 28:
 - UAE declaration Sustainable Agriculture, Resilient Food Systems and Climate Action – Aust. signatory
 - Aust: pledge to cut methane emissions by 30% (2030).
- COP 29 – agriculture integrated into broader climate action (finance/ trade policies). Dairy - pilot projects on climate-smart initiatives.
- COP 30 – Brazil, November 2024.
- COP31 – Australia (TBC)

Banks



- Scope 3 emission reduction: 50% by 2030 (2021 baseline)
- Supporting customers transition to net zero and build climate resilience; nature positive (waste, deforestation, regeneration, biodiversity)
 - Align lending portfolio to net zero by 2050, with an interim 2030 target
- Collaborate for impact on initiatives towards net zero and climate resilience.
- “Climate action is everyone's job”.

International Dairy Federation

- Net zero by 2050

Consumers (Australia, 2025)



- Growing concern for sustainability; linking it to health & wellness; preferring products promoting long-term well-being:
 - 69% of global shoppers, inc. APAC, find sustainability more important than 2yr prior – expected to continue.
 - 'Sustainable-wellness' products a growing market – clean labels, natural ingredients.
 - Need to align both affordability & sustainability.

International Science Based Target Initiatives (SBTi)

- Path to GHG emission reductions (est. 2015).
- International Sustainability Standards Board (IFRS S1/ S2) - June 2023
- Aust: Climate Related Financial Disclosure Requirement Standards (AASB S2).
 - Effective: 1 Jan 2025.
 - Report on climate-related risk/ opportunities includes Scope 1 & 2 (scope 3 – year 2).

McDonalds



- Net zero by 2050
- Emission reduction: scope1-2 by 50% by end 2030 (2018 baseline); scope 3 (energy/ industrial) by 50% (logistics, packaging); scope 3 (forest, land, Ag – FLAG) by 16%; maintain no deforestation.

Aldi



- Emission reduction: scope 1-2 by 52% by 2030 (2021 baseline), endorsed by SBTi
- Responsible sourcing, design/ use of packaging, animal welfare, renewable energy.



Woolworths

- Emission reduction (scope 1-2): 80% by FY30; 90% by FY45 (FY23 baseline)
- Reduce scope 3 emissions (energy/ industrial): 55% by FY33; 90% FY50
- Reduce scope 3 emissions (FLAG pre-farmgate): 40% by FY33; 72% FY50
- Net positive emissions: by 2050, or earlier
- 100% electric vehicle (EV) in AU and NZ, 2030



Coles

- Net zero (scope 1-2) by 2050; >75% by FY30 (FY20)
- Reduce scope 3 – work with >80% suppliers to set emission targets by end FY29. 30% FLAG by FY30 (FY24)
- Broadest range RSPCA approved products



Australian Dairy Sustainability Framework



**Enhancing economic viability
and livelihoods**



**Improving wellbeing
of people**



**Providing best care
for animals**



**Reducing our environmental
impact**

A healthier world. For everybody. Every day.

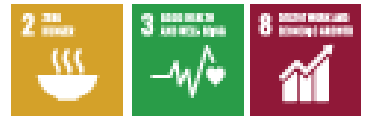
At the heart of sustainability in the Australian dairy industry is a promise: to provide nutritious food for a healthier world. This Promise is underpinned by four commitments and 11 goals:

ENHANCING ECONOMIC VIABILITY AND LIVELIHOODS

Creating a vibrant industry that rewards dairy workers and their families, communities, business and investors

- 1 Increasing competitiveness and profitability
- 2 Increasing community resilience and prosperity
- 3 Everyone home safely, every day
- 4 Providing a productive and rewarding workplace

Alignment of Framework with the UN SDGs:

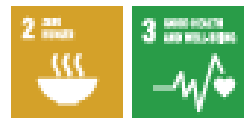


IMPROVING WELLBEING OF PEOPLE

Providing nutritious, safe, quality dairy food

- 5 Ensuring safe dairy products
- 6 Contributing to improved health outcomes

Alignment of Framework with the UN SDGs:

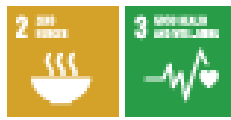


PROVIDING BEST CARE FOR ANIMALS

Striving for health, welfare and best care for our animals throughout their lives

- 7 Providing best care for animals for whole-of-life
 - Full compliance with animal welfare standards
 - Recommended practices adopted by all industry
 - Antimicrobial Stewardship – the dairy industry uses antibiotics responsibly

Alignment of Framework with the UN SDGs:

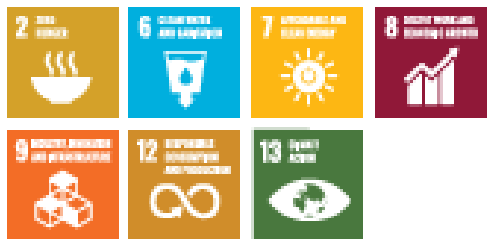


REDUCING OUR ENVIRONMENTAL IMPACT

Meeting the challenges of climate change and providing good stewardship of our natural resources

- 8 Improving land management
- 9 Increasing water use efficiency
- 10 Reducing GHG emissions intensity
- 11 Reducing waste

Alignment of Framework with the UN SDGs:



Australian Dairy Sustainability Framework

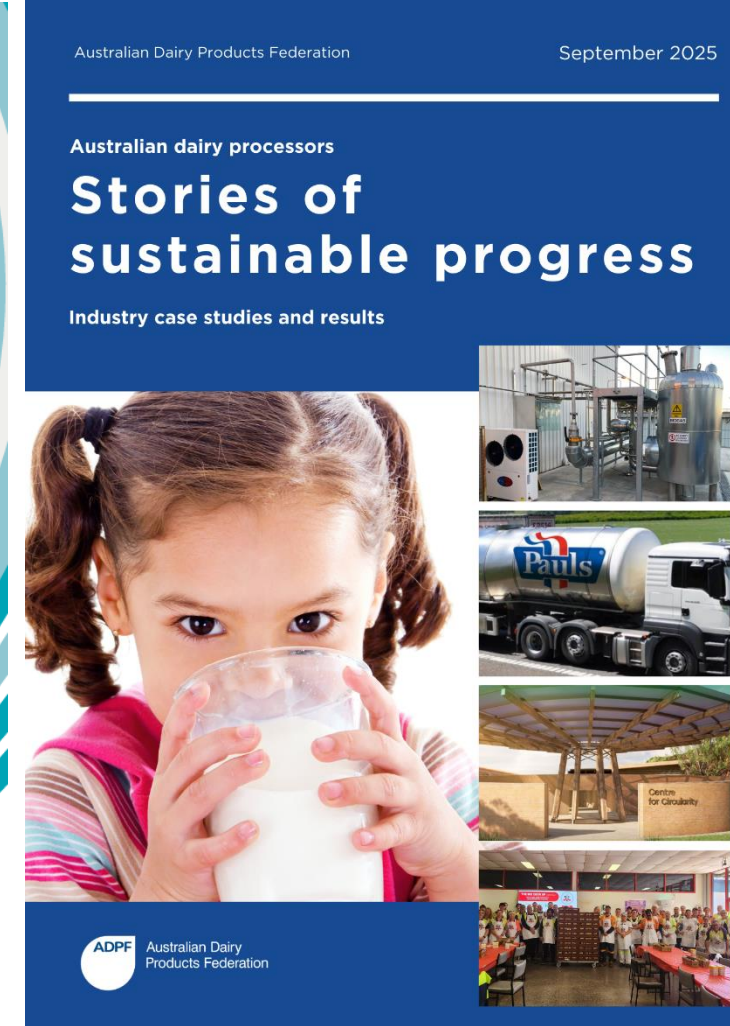


Sustainability – status



10+ years of the Australian Dairy Sustainability Framework

- To provide nutritious food for a healthier world’ – aligned with the United Nations Sustainable Development Goals. Whole of industry.
 - Australian Dairy Sustainable Packaging Roadmap (2021) supports processors towards 2025 national packaging targets
 - Launched Dairy Sector food waste action plan (2023) – government and industry targets to half food waste by 2030
 - Dairy manufacturers environmental scorecard – 2023/24.
 - Launched ADPF 2nd Dairy Processors Sustainability Paper – Sept 2025. Stories against post-farmgate sustainability targets – emission reduction, waste, packaging, water use.
 - What's next:
 - implement whole of industry double-materiality assessment.
 - whole of industry emission reduction action plan (2025)
 - sector approach – scenario analysis (2026).



Sustainability – achievements

The 2024 Australian Dairy Sustainability Report documents achievements made by Australian dairy processors, such as:

- 29.8% reduction in dairy manufacturers greenhouse gas (GHG) emissions intensity since 2010-11, equating to a 40.5% reduction in absolute GHG emissions.
- 85% of waste is now diverted from landfill by processors, towards a target of 100% by 2030.
- Significant progress towards a target of 100% reusable, recyclable or compostable sustainable packaging by 2025.

Emissions

- Working with farmers on carbon number
- Factory efficiency initiatives
- Transitioning to renewable energy
- Decarbonising fleet
- Reducing transport activity
- Signatories to Science Based Targets initiative (SBTi) – emissions reductions.



Waste

- **Dairy Industry Action Plan** for halving food waste by 2030
- 2nd **report**, audit, raw milk equivalence calculator
- **Bioenergy project**: Waste to energy

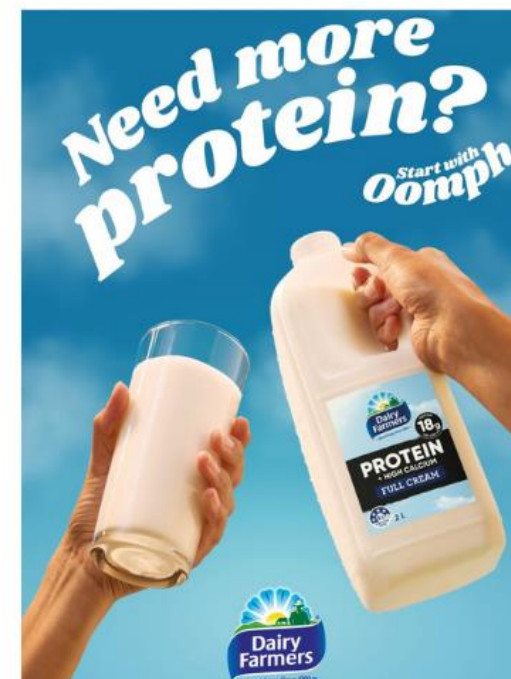
Human Rights

- **Register for human rights risks** across dairy supply chain: in progress
- KPMG risk assessment complete
- Residual Risk Matrix complete
- Top risks to address – ongoing



Packaging

- Dairy roadmap to 2025 national sustainable packaging targets, focus:
 - soft plastics
 - increased recycled content
 - reducing the pigment in milk bottle caps.
- HDPE milk bottle guidelines – in development.



Nutrition

- Dairy is nature's superfood!
- Teams of dietitians and nutritionists, investment in research and innovation, product optimisation and reformulation to maximise dairy's nutritional contributions across all ages and health needs.
- Responsible serve size initiatives
- Labelling to best inform and educate, from the Health Star Rating to trusted Nutrition and Health claims.



Australian dairy processors

Stories of sustainability success

Australian dairy processors

Where milk becomes more



Australian Dairy
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The facts:

ADPF's economic
impact report



The video:

Dairy processors
sustainability
impact on the
ground



The efforts:

ADPF's stories of
sustainability
success



Policy priorities:

ADPF's priorities
for the Australian
Government

SCAN HERE

Australian Dairy
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John Williams
Chair

E: john.williams@adpf.org.au



Janine Waller
CEO

E: janine.waller@adpf.org.au



Kristin Favaloro
Director Communications
E: kristin.favaloro@adpf.org.au

AUSTRALIAN DAIRY PRODUCTS FEDERATION

Contact our team