

Sustainable Economies Due diLigence:  
good EXamples and the role  
of social dialogue

**Sodiaal  
France**

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CASE STUDY  
AGRICULTURE AND FOOD INDUSTRIES

PROJECT NO. 101126464

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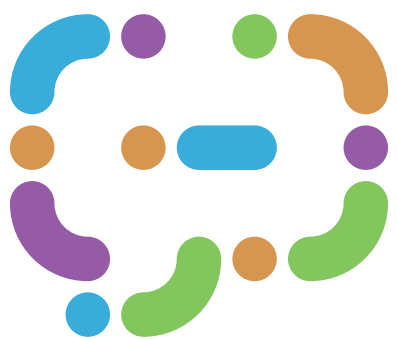
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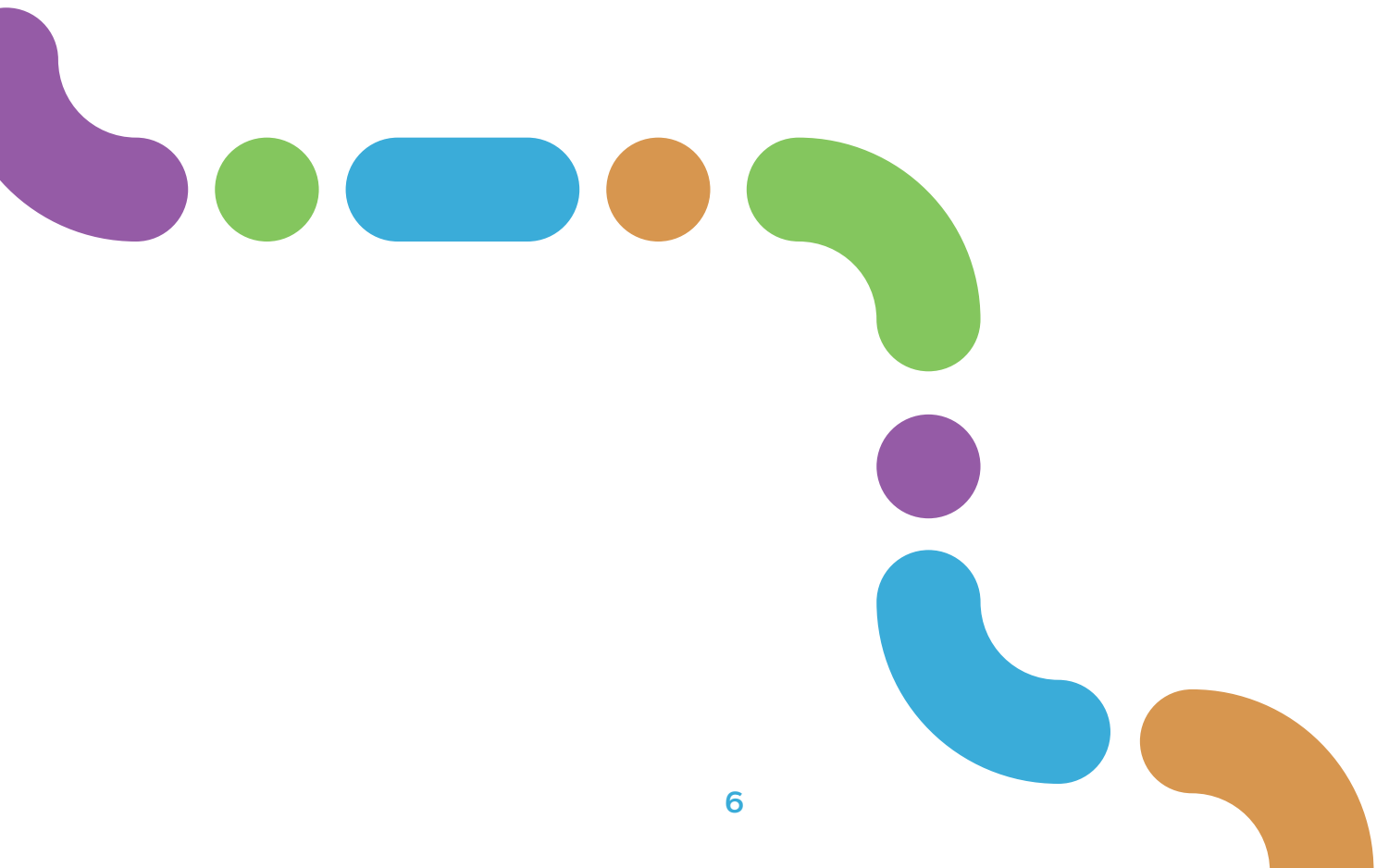
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01

# Organisational model and legal status



## Case study: SODIAAL - FRANCE

Sodiaal is the largest dairy cooperative in France, bringing together approximately 15,295 dairy farmers who collectively own the cooperative. It represents 20% of all French milk production, and thus plays a crucial role in the national and European dairy sector. With 50 production sites across France and around 9,018 employees, Sodiaal maintains a strong territorial presence and practices complete vertical integration, from milk production to product distribution.

The cooperative is farmer-owned, and its profits are redistributed to the members rather than external shareholders. This model reinforces long-term sustainability, ensuring fair milk pricing and continuous investment in production tools and environmental initiatives. Sodiaal's business model is built on several divisions, including the production of milk, cream, butter, cheese, fresh dairy products, specialised nutrition, and dairy-based ingredients. The cooperative owns and manages well-known brands such as Candia, Entremont, and Yoplait. Beyond the French market, Sodiaal has expanded its presence internationally, operating through five foreign subsidiaries and four commercial offices. The cooperative exports its products to over 20 countries and has established a network of franchises in more than 40 countries.

From a legal perspective, Sodiaal operates under the cooperative legal regime, distinguishing it from capitalist corporations. Its core entity, Sodiaal Union, owns Sodiaal Group, which manages its brands and industrial assets. This structure adheres to the principle of "one member, one vote", ensuring democratic decision-making within the organisation. The cooperative's governance is structured around several key bodies, including a

general assembly composed of all farmer-members, 28 sections of members representing different regions, and eight regional councils ensuring local governance. At the national level, the board of directors, which consists of 26 members including 24 elected dairy farmers, one employee representative, and the cooperative president, sets the cooperative's strategic direction. The executive committee, led by the CEO, is responsible for implementing these strategies and managing the cooperative's operations.

Sodiaal's cooperative model focuses strongly on revenue redistribution and financial reinvestment. Two-thirds of the cooperative's annual earnings are shared among its farmer-members, helping to ensure they are fairly compensated for their milk production. According to its 2023 integrated report, Sodiaal "places great importance on respecting farmers, ensuring fair remuneration through our cooperative model, so they can earn a living from their work and confidently plan for the future." The notion of "fair remuneration" is both complex and sensitive, and is framed by the legal provisions of the EGalim and EGalim 2 laws (see box below). The remaining third is reinvested within the cooperative to support modernisation efforts, research and development, and sustainability initiatives. In 2020, Sodiaal introduced a scheme allowing employees to become shareholders in the cooperative. By 2023, 26% of Sodiaal's eligible employees had joined as cooperative members, with a target set to reach 50% by 2024. This initiative aims to strengthen employee engagement and align the workforce with the cooperative's long-term vision.

## The EGalim laws

In France, under the **EGalim** and **EGalim 2** laws, fair remuneration (*rémunération juste*) for farmers refers to ensuring that they receive a **stable, transparent, and fair price for their products**, which reflects their **actual production costs**. These laws aim to rebalance power in the agri-food supply chain, which has historically favoured large retailers and processors.

### Key points of fair remuneration under EGalim and EGalim 2:

#### EGalim Law (2018) – Loi pour l'équilibre des relations commerciales

- Introduced the **obligation to consider production costs** when negotiating prices between producers and buyers;
- Encouraged long-term contracts to provide more stability to farmers;
- Promoted the use of **interprofessional agreements** (from producer organisations) to define cost benchmarks.

#### EGalim 2 Law (2021) – Strengthening the original law

- Made the inclusion of **production cost references mandatory** in commercial contracts;
- Introduced the principle of **non-negotiability of the farmer's share** of the price – meaning this part must be based on actual costs and cannot be bargained down;
- Contracts must **explicitly state cost indicators** sourced from producer organisations or interprofessional bodies;
- Strengthened **transparency and traceability** in contracts throughout the supply chain, including between processors and retailers.

Fair remuneration under these laws means that farmers must be paid **at or above a price that covers their production costs**, with legally enforceable contracts and pricing mechanisms designed to protect them from downward pressure from intermediaries and supermarkets. Throughout the remainder of the report, the term “fair remuneration” should be understood in accordance with the definition established by the EGalim laws.

For more information, see <https://agriculture.gouv.fr/tout-comprendre-de-la-loi-egalim-2>



## Case study: SODIAAL - FRANCE

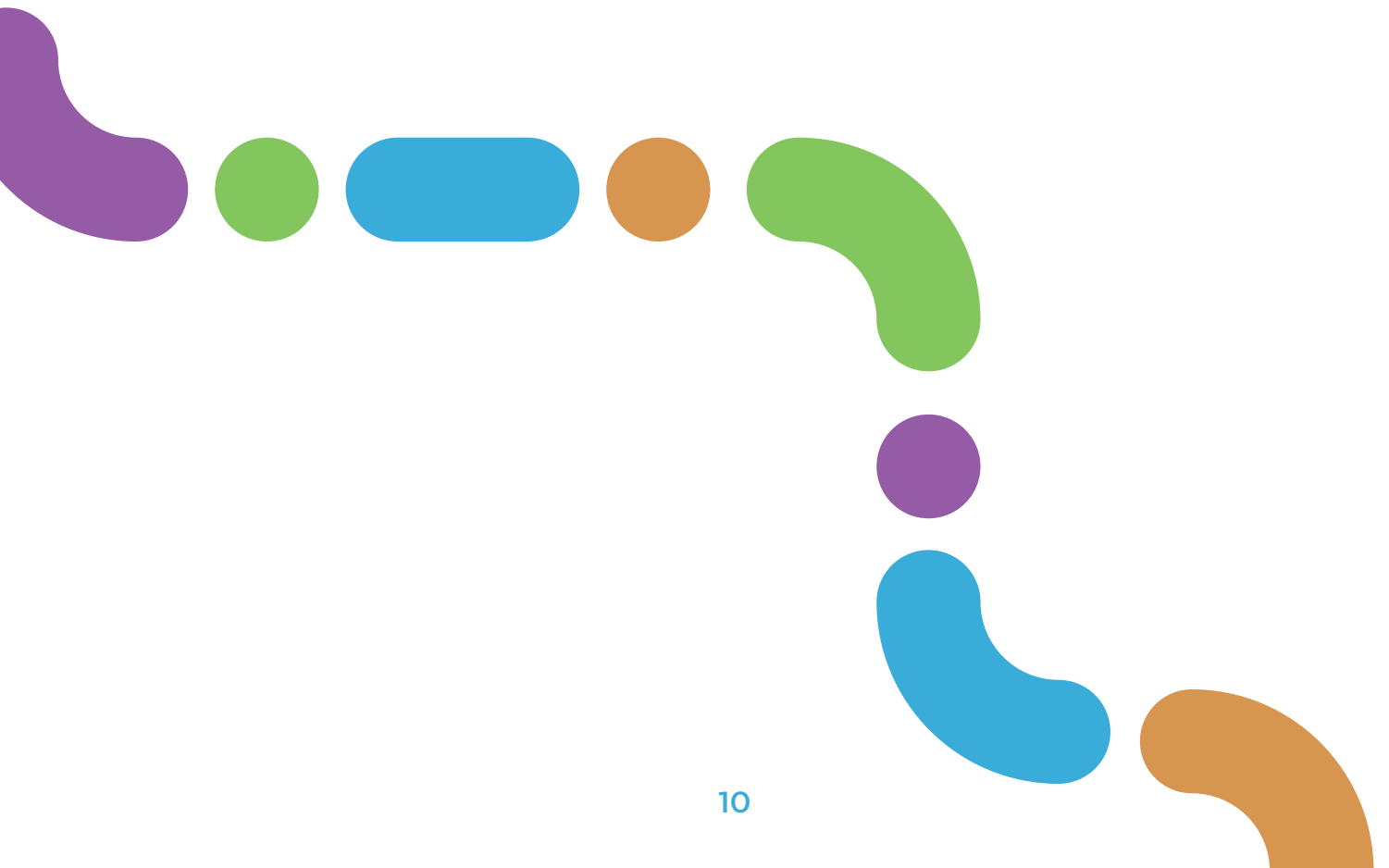
Sodiaal pursues a proactive and committed approach to agricultural and environmental responsibility, with policies focused on animal welfare, reducing carbon emissions, and protecting biodiversity. These efforts are aligned with existing regulations as well as the expectations of its key stakeholders: clients, cooperative members and consumers. These commitments are reflected in its sustainability strategy which promotes responsible farming and environmental stewardship.

The cooperative governance model provides Sodiaal with stability and resilience, particularly during economic downturns. Unlike traditional corporations driven by short-term shareholder returns, Sodiaal prioritises long-term sustainability. This approach ensures fair milk pricing for farmer-members, facilitates investment in future-oriented projects such as sustainable dairy farming and renewable energy, and fosters solidarity among dairy farmers. The cooperative's structure allows it to navigate market fluctuations while maintaining control over its industrial and commercial strategies, ensuring that decision-making remains aligned with the interests of its members.

Through its cooperative model, Sodiaal upholds France's dairy heritage while supporting farmers through economic uncertainties. By focusing on sustainability, fair pricing, and democratic governance, the cooperative ensures its long-term viability in a rapidly changing economic and environmental landscape. Further information on Sodiaal's organisational model and sustainability commitments can be found on its [official website](#).

# 02

## **Background of the company**



## Case study: SODIAAL - FRANCE

Sodiaal was founded in 1964 as the Société de Diffusion de Marques (Sodima), following the merger of six regional dairy cooperatives in France. The objective was to create a unified organisation that could strengthen the position of dairy farmers in the market, ensuring fair pricing and stability for milk producers. This cooperative model was designed to empower farmers by allowing them to retain control over their production and the added value of their products. From its inception, the cooperative adopted a long-term vision focused on sustainability, collaboration, and fair distribution of profits among its members. Over the decades, Sodiaal has grown into the largest dairy cooperative in France, representing about 20% of the country's total milk production and operating an extensive network of production sites and brands.

One of the cooperative's first milestones was the creation of Yoplait in 1965, a brand that quickly became a leader in the yogurt industry. This marked Sodiaal's commitment to innovation and meeting consumer demand with high-quality dairy products. In 1971, the cooperative introduced Candia, which revolutionised the milk market with the widespread adoption of UHT (ultra-high temperature) pasteurisation, making milk safer and more accessible to consumers. These brands played a crucial role in positioning Sodiaal as a major force in the dairy sector. As the cooperative expanded, it continued to strengthen its industrial and commercial presence, reflecting a balance between cooperative values and a dynamic market strategy.

In 1989, Sodima became Sodiaal, reflecting its growing ambitions both within France and internationally.

The cooperative aimed to consolidate its various business units under a single structure, allowing for better coordination and stronger market influence. Over the years, Sodiaal pursued strategic acquisitions to diversify its product offerings and enhance its competitiveness. In 2011, the cooperative merged with Entremont Alliance, a move that significantly reinforced its cheese production and processing capabilities. This was followed in 2013 by the integration of 3A Coop, which brought additional brands and expertise into the cooperative's portfolio. These acquisitions allowed Sodiaal to expand its reach in different segments of the dairy industry, from milk and cheese to fresh dairy products and specialised nutrition.

A significant development in the cooperative's history occurred in 2021 when Sodiaal reacquired full ownership of Yoplait. Having sold a majority stake in the brand to General Mills in 2011, Sodiaal's decision to bring Yoplait back under cooperative control demonstrated its long-term commitment to maintaining a strong portfolio of cooperative-owned brands. This move aligned with Sodiaal's broader strategy of preserving and reinforcing its cooperative identity while adapting to the demands of a highly competitive global dairy market. By managing its own brands, Sodiaal could ensure that its products remained closely linked to the values of its farmer-members and the principles of cooperative governance.

Despite its growth and success, Sodiaal has faced challenges, particularly in recent years as market dynamics have shifted. In 2022, the cooperative

announced the closure of two production sites, affecting 316 permanent jobs. This restructuring was a response to declining sales and changing consumer preferences, underscoring the difficulties that even well-established cooperatives face in an increasingly volatile economic landscape. However, Sodiaal has remained committed to innovation, sustainability, and ensuring fair returns for its members. Through initiatives such as *Marques de Respect*, the cooperative continues to advocate responsible dairy production, environmental protection, and ethical business practices.

Today, Sodiaal operates as a major player in the European dairy sector, with a presence in over 20 countries and a network of more than 50 production sites in France. It continues to function as a cooperative, upholding the principles of mutual support, shared governance, and fair distribution of value. While adapting to the challenges of climate change, consumer trends, and economic fluctuations, Sodiaal remains focused on its core mission: to valorise its members' milk while ensuring the long-term sustainability of the dairy industry. The cooperative's ability to balance tradition with innovation, and local expertise with international expansion, positions it as a model for cooperative success in the agri-food sector.

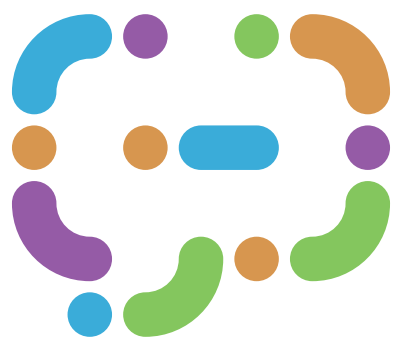
Sodiaal places a strong emphasis on its cooperative identity. One example is its advertising campaign *Marques de respect*,<sup>1</sup> which aims to reconnect its brands (Candia, Entremont and Yoplait) with the values of its cooperative model.

The campaign highlights that *"Choosing a cooperative brand means choosing to value the work of dairy farmers, protect France's dairy sovereignty, support local communities, encourage young farmers to take up the profession, and contribute to building a French dairy sector that is more respectful of people, animals and nature."*

Through this, Sodiaal clearly positions its cooperative status as a key competitive advantage.

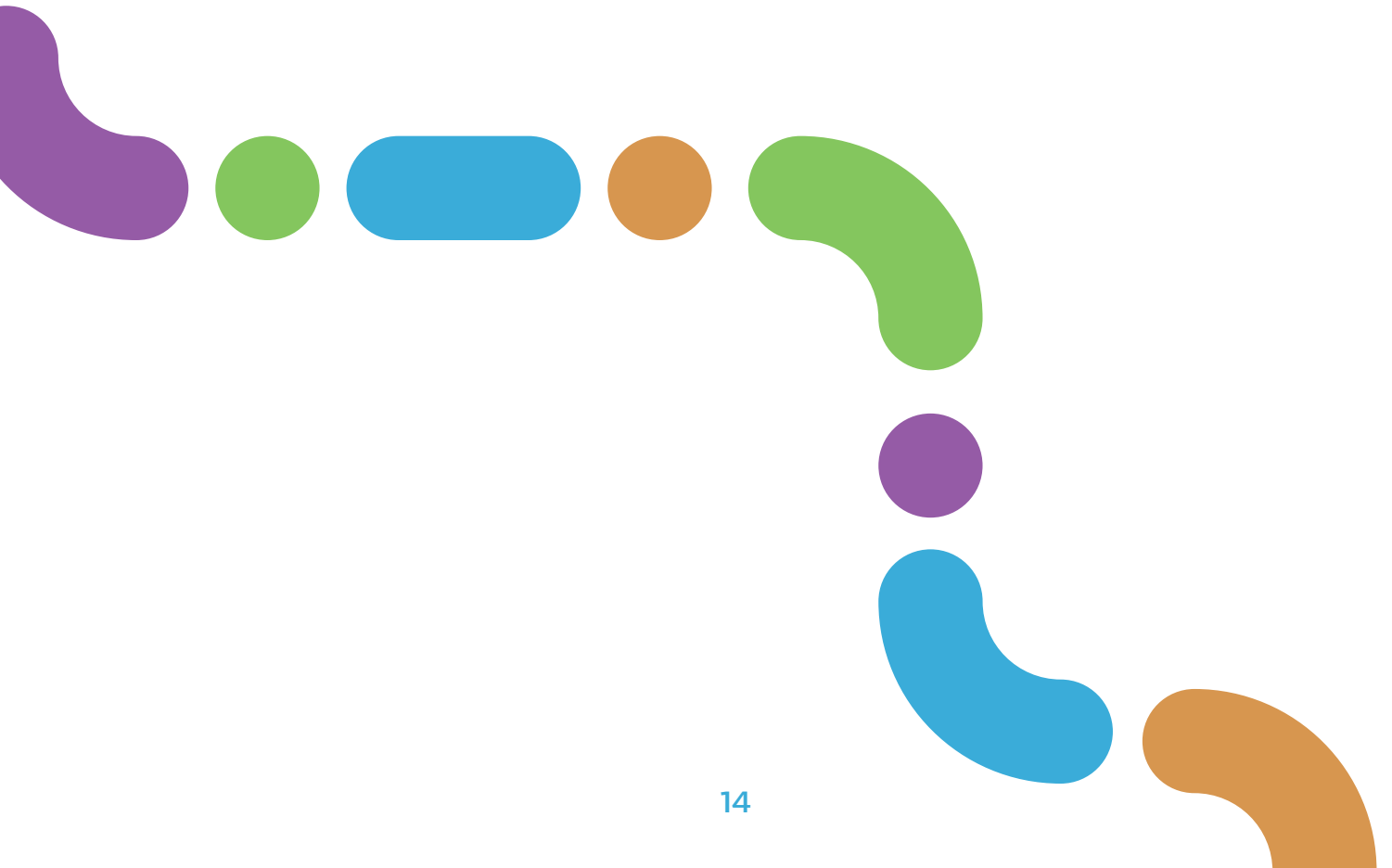
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<sup>1</sup> <https://sodiaal.coop/marquesderespect/>



03

# **Corporate sustainability due diligence (CSDD)**



## Case study: SODIAAL - FRANCE

Sodiaal's approach to corporate sustainability due diligence (CSDD) is deeply embedded in its cooperative model, reflecting its commitment to environmental, social and governance (ESG) principles. As a major actor in the French dairy sector, the cooperative is fully aware of its responsibilities towards sustainable development, ethical supply chain management, and compliance with evolving European regulations, including the EU's Corporate Sustainability Due Diligence Directive (CSDDD).

At the heart of Sodiaal's sustainability strategy is the recognition that its operations impact not only on the dairy farmers who are members of the cooperative but also on the broader environment and the communities it serves. The cooperative integrates sustainability across its value chain, ensuring that ethical and environmental considerations are prioritised from milk production to product distribution. This commitment is reflected in several key initiatives, such as climate transition strategies, biodiversity preservation, fair remuneration of farmers, and sustainable resource management.

One of the main pillars of Sodiaal's corporate due diligence is its proactive stance on environmental sustainability. The cooperative has set ambitious targets to reduce its carbon footprint, aligning its strategy with the Science Based Targets initiative (SBTi). By 2030, Sodiaal aims to cut its overall carbon emissions by 30%, with a particular focus on reducing the emissions from dairy farming, which is a significant contributor to greenhouse gases. The strategy involves supporting farmers in implementing more sustainable agricultural practices, such as optimising

herd management, reducing methane emissions, and investing in renewable energy solutions. The cooperative has also introduced financial incentives, including the *Prime Durabilité* (Sustainability Bonus), which rewards farmers who adopt environmentally friendly practices.

Water conservation is another key area of focus. Sodiaal has committed to reducing water consumption by 40% across its production sites by 2030, in line with its broader commitment to responsible resource management. Efforts include optimising production processes to minimise water waste, implementing advanced wastewater treatment technologies, and promoting water-efficient farming techniques among its members.

Biodiversity protection is also a fundamental part of Sodiaal's corporate sustainability strategy. The cooperative acknowledges the crucial role that dairy farming plays in maintaining rural ecosystems and landscapes. Through initiatives such as hedgerow planting, soil conservation programmes, and sustainable pasture management, Sodiaal works to balance agricultural productivity with environmental stewardship. These measures are not only essential for preserving biodiversity but also contribute to improving soil health and carbon sequestration.

Beyond environmental concerns, Sodiaal places strong emphasis on human rights and labour standards within its supply chain. As a cooperative, it is fundamentally committed to fair working conditions and equitable profit-sharing among its members. This aligns closely with the principles of the CSDDD, which

aims to ensure that companies operating in the EU uphold human rights due diligence. Sodiaal's model inherently promotes worker participation, social protection, and democratic governance, offering a robust framework for responsible business conduct. Additionally, the cooperative continuously monitors working conditions within its supply chain to ensure that ethical labour standards are upheld, both within its own operations and among external suppliers.

A crucial aspect of corporate due diligence for Sodiaal is economic sustainability and fair pricing for farmers. The cooperative operates on a model where two-thirds of its profits are redistributed to farmer-members. This practice is particularly important in the context of market fluctuations and global economic uncertainties. By maintaining fair milk pricing, Sodiaal helps safeguard the livelihoods of its members while also ensuring the long-term viability of its cooperative structure.

To reinforce accountability and transparency, Sodiaal publishes an annual integrated sustainability report, which outlines its progress relative to various ESG indicators. This report is a key tool in communicating the cooperative's commitment to corporate due diligence, allowing stakeholders – including members, consumers and regulatory bodies – to track its sustainability performance. The cooperative also engages in regular third-party audits and certifications, ensuring compliance with industry standards and European sustainability regulations.

Sodiaal's due diligence efforts extend beyond its internal operations to collaborations with external

partners. The cooperative actively participates in industry-wide sustainability initiatives and engages with policy-makers to shape regulations that support sustainable dairy production. By taking part in multi-stakeholder dialogues, Sodiaal contributes to the broader discourse on corporate responsibility, advocating policies that balance economic, social, and environmental considerations.

Despite its strong commitment to sustainability, Sodiaal faces challenges in fully integrating CSDD principles across its operations. The complexity of dairy supply chains, combined with the economic pressures on farmers, make it difficult to implement large-scale changes rapidly. Additionally, aligning cooperative governance with the requirements of the evolving EU CSDDD framework presents regulatory and operational challenges. However, Sodiaal's cooperative structure gives it a unique advantage, as it allows for a collective approach to sustainability, where members are directly involved in decision-making and benefit from the cooperative's long-term vision.

Looking ahead, Sodiaal aims to further strengthen its due diligence practices by enhancing data transparency, expanding sustainable farming programmes, and increasing engagement with stakeholders. The cooperative is also exploring innovative solutions, such as carbon sequestration in agricultural soils and circular economy practices, to enhance its environmental performance. As regulations around corporate sustainability due diligence continue to evolve, Sodiaal remains committed to leading by example, ensuring that sustainability remains at the

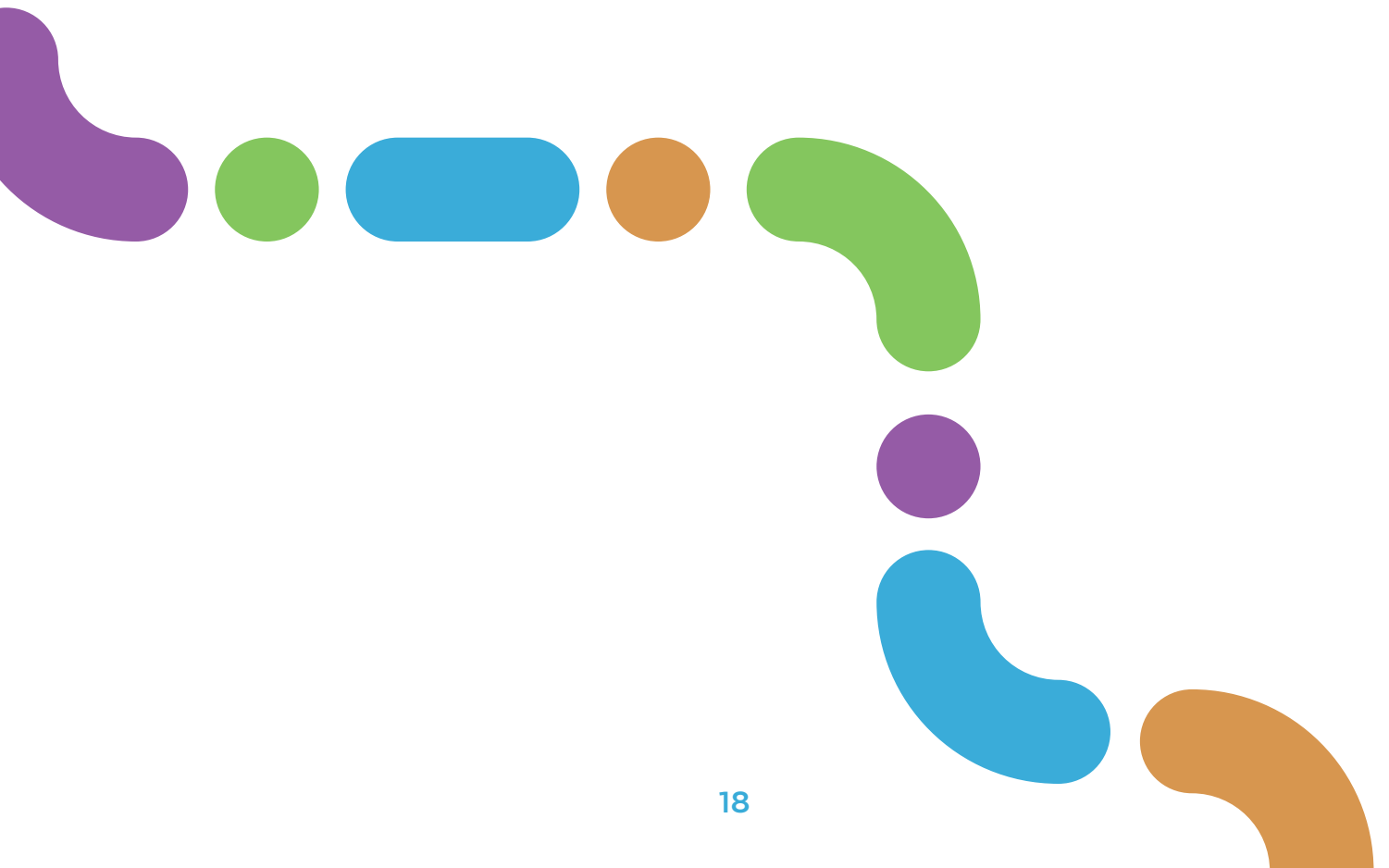


## Case study: SODIAAL - FRANCE

core of its business model while continuing to provide high-quality dairy products to consumers.

# 04

## **Social dialogue**



## Case study: SODIAAL - FRANCE

Social dialogue is a fundamental pillar of Sodiaal's cooperative model, fostering open communication and collaboration between its farmer-members, employees and management. This dialogue is structured through various governance mechanisms, ensuring that all stakeholders have a voice in decision-making processes. The cooperative's governance structure, which operates on the principle of "one member, one vote", ensures democratic participation from its 15,295 farmer-members. Regional councils, the board of directors and the executive committee work together to facilitate discussions on key issues, including economic performance, sustainability, and working conditions. Through this structure, social dialogue is embedded in the cooperative's DNA, ensuring that both farmers and employees are actively involved in shaping Sodiaal's strategic direction.

One of the key aspects of social dialogue at Sodiaal is the involvement of employees in the cooperative's governance. Since 2020, Sodiaal has allowed employees to become shareholders, granting them the ability to participate in decision-making processes alongside the farmer-members. This initiative has strengthened engagement within the organisation, fostering a culture of shared responsibility and long-term commitment. By 2023, 26% of eligible employees had joined the cooperative, with an ambitious target to reach 50% by 2024. This integration of employees into the governance system has reinforced transparency and mutual trust between management and the workforce.

In addition to formal dialogue mechanisms, Sodiaal fosters engagement through initiatives that strengthen

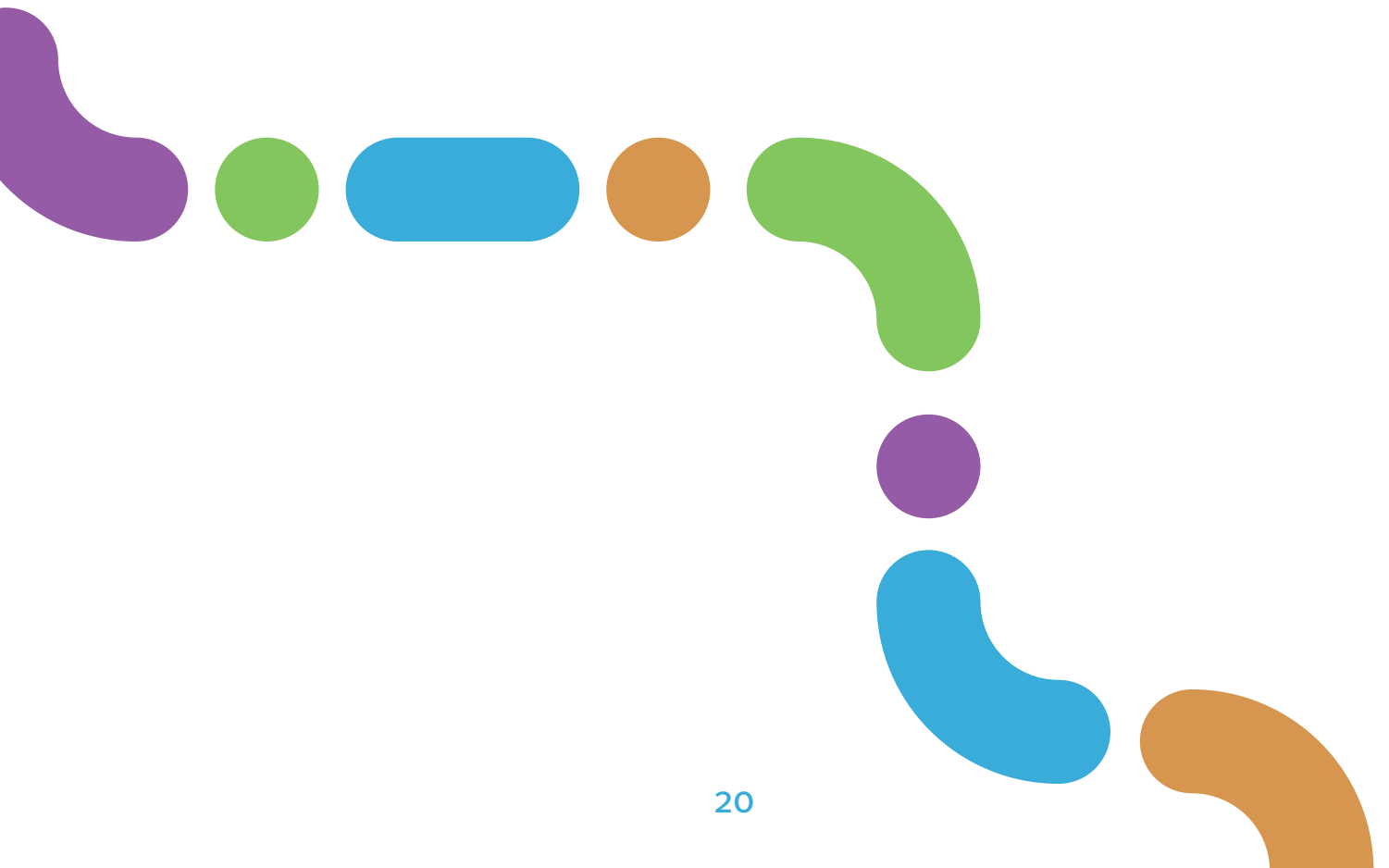
the connection between its members and employees. The cooperative regularly organises regional and national meetings where members can express their concerns, share best practices, and collaborate on collective projects. Moreover, training programmes are offered to both farmers and employees, ensuring continuous professional development and alignment with the cooperative's evolving strategy.

Sodiaal's commitment to social dialogue is also reflected in its approach to sustainability and corporate responsibility. The cooperative actively engages with its members to discuss strategies for adapting to climate change, reducing carbon emissions, and improving animal welfare. By involving its members in these conversations, the cooperative ensures that sustainability measures are aligned with the realities of dairy farming and the expectations of its producers.

Overall, social dialogue at Sodiaal is not just a procedural formality but a core aspect of its cooperative model. The organisation's commitment to democratic governance, employee participation, and open communication has contributed to its resilience and long-term sustainability. Through structured dialogue and collective decision-making, Sodiaal continues to balance economic performance with social responsibility, ensuring that both its farmer-members and employees remain at the heart of its development strategy.

# 05

## **Challenges and opportunities**



## Case study: SODIAAL - FRANCE

Sodiaal operates in an increasingly complex environment, where multiple challenges coexist with emerging opportunities. As a cooperative, its resilience is rooted in its ability to adapt to economic, environmental and regulatory changes while maintaining a strong commitment to its members and sustainability principles.

One of the main challenges Sodiaal faces is the demographic shift within the dairy farming sector. More than 50% of dairy farmers are expected to retire within the next decade, raising concerns about generational renewal. Attracting and supporting new farmers is crucial to maintaining the cooperative's production capacity. Sodiaal is actively working to facilitate the transition by providing financial support, technical guidance, and incentives for young farmers. Additionally, labour shortages and evolving expectations in agricultural work pose structural challenges that require innovative workforce strategies, including automation and better working conditions.

Market fluctuations and price volatility represent another significant challenge. Global economic uncertainties, inflationary pressures, and shifting consumer preferences continue to affect the dairy sector. Maintaining competitive milk prices for cooperative members while ensuring financial stability is a delicate balancing act. The introduction of revised milk pricing formulas and sustainability premiums aims to create a fairer and more transparent pricing model. However, Sodiaal must continue to navigate price pressures from retailers and international competition while upholding the value of cooperative-

based production.

Climate change and environmental regulations pose additional hurdles. Reducing the cooperative's carbon footprint while adapting to climate-related risks such as droughts, heatwaves, and biodiversity loss is imperative. Sodiaal has committed to reducing greenhouse gas emissions by 30% by 2030 and is implementing measures such as sustainable farming practices, biodiversity protection initiatives, and energy-efficient production processes. The introduction of a sustainability premium which rewards environmentally friendly farming practices reflects the cooperative's proactive stance on climate challenges. Nonetheless, meeting regulatory expectations, including the EU Corporate Sustainability Due Diligence Directive, requires continuous investment in compliance and reporting mechanisms.

Despite these challenges, Sodiaal sees several significant opportunities. The growing demand for sustainable and locally sourced food presents a favourable market dynamic. Consumers are increasingly interested in ethical and environmentally friendly dairy products, a trend that Sodiaal can leverage through its cooperative model and sustainability commitments. The cooperative's *Marques de Respect* initiative highlights the values of transparency, traceability and responsible farming, strengthening consumer trust in its brands. The reacquisition of Yoplait and the expansion of its premium product lines also provide avenues for growth in both domestic and international markets.

Technological advances offer another set of

opportunities. Digitalisation, precision agriculture and automation can improve efficiency, reduce costs and enhance sustainability. Sodiaal is already investing in data-driven farming solutions, supply chain optimisation, and innovative dairy product formulations. Expanding these efforts can further enhance productivity while ensuring resilience against market fluctuations.

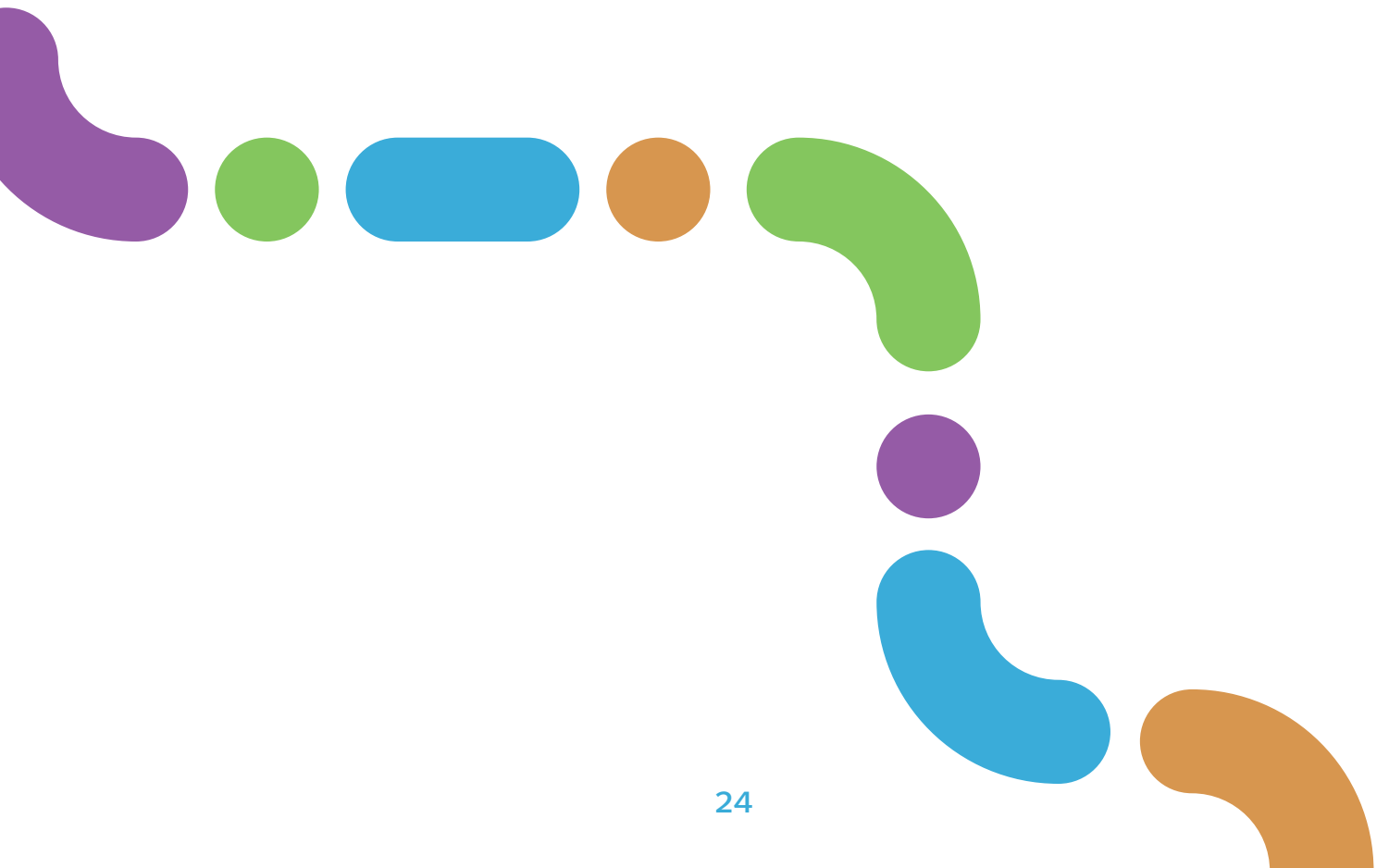
Social dialogue and cooperative governance remain strategic strengths. Sodiaal's commitment to democratic decision-making ensures that its farmer-members are actively involved in shaping the cooperative's future. The expansion of employee participation in governance structures also enhances engagement and alignment with long-term objectives. Strengthening partnerships with stakeholders across the dairy supply chain can further support innovation, advocacy for fair agricultural policies, and resilience against economic pressures.

Balancing these challenges and opportunities will define Sodiaal's trajectory in the coming years. By reinforcing its sustainability efforts, embracing digital transformation, and maintaining its strong cooperative identity, Sodiaal is well-positioned to navigate an evolving agricultural landscape while continuing to support its members and communities.



# 06

## **Strategies and actions**





## Case study: SODIAAL - FRANCE

Sodiaal's strategy and actions are structured around the three pillars of corporate social responsibility: environmental sustainability, social impact and economic viability. These strategic actions reflect the cooperative's commitment to sustainable dairy production, fair remuneration for farmers, and ethical governance while ensuring long-term profitability and competitiveness in the market.

On the environmental front, Sodiaal has implemented a series of measures aimed at reducing its ecological footprint. One of the cooperative's key initiatives is its commitment to reducing greenhouse gas emissions by 30% by 2030, with an interim target of a 20% reduction per litre of milk produced. This aligns with the Science Based Targets initiative (SBTi), validating Sodiaal's efforts to combat climate change. The cooperative has also introduced the *Prime Durabilité*, an incentive scheme to encourage dairy farmers to adopt sustainable practices, focusing on carbon reduction, biodiversity conservation, and animal welfare. In addition, Sodiaal has implemented a comprehensive energy performance strategy, combining energy efficiency and renewable energy development. Since 2015, internal audits carried out across its production sites have identified over 500 energy-saving projects. These include upgrading equipment, optimising industrial processes and energy flows, and recovering waste heat. The group is also investing in renewable energy sources, such as biomass boilers and photovoltaic systems, and supports biogas production from dairy waste. Water conservation is another priority, with Sodiaal aiming for a 40% reduction in water consumption across its industrial sites by 2030. These measures illustrate a

strong commitment to making dairy production more sustainable while preserving natural resources for future generations. In addition, dairy advisers assess animal welfare using the BoviWell tool, allowing them to identify areas for improvement in farming practices.

In the social sphere, Sodiaal's strategy is deeply rooted in its cooperative values, ensuring that both farmers and employees benefit from the organisation's success. The cooperative's governance structure follows the principle of "one member, one vote", giving all farmer-members an equal say in decision-making. This model fosters a democratic and participative approach, reinforcing a sense of ownership and collective responsibility. In 2020, Sodiaal extended its cooperative model to employees, allowing them to become shareholders. By 2023, 26% of eligible employees had joined as co-op members, with a goal of reaching 50% by 2024. This initiative enhances employee engagement and aligns the workforce with the cooperative's long-term vision. Sodiaal is also actively supporting the next generation of dairy farmers by providing financial assistance and advisory services to young farmers. Recognising that half of its farmers are expected to retire within the next decade, the cooperative has launched initiatives to facilitate generational renewal. Training and support programmes help young farmers establish sustainable dairy operations, ensuring the long-term viability of the industry.

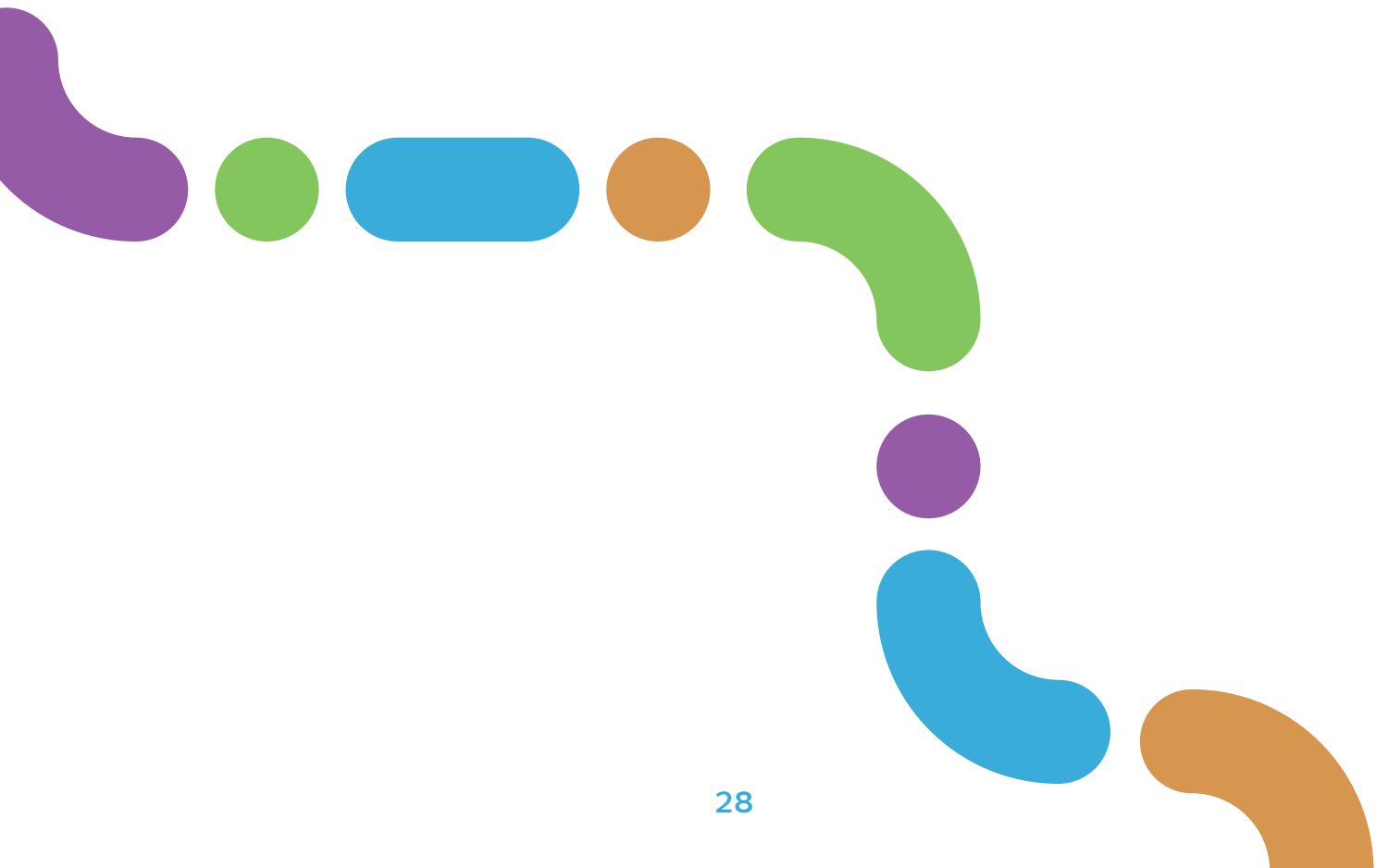
From an economic perspective, Sodiaal's strategies focus on maintaining a fair and competitive pricing structure for its farmers while enhancing the value of its products. In 2023, the cooperative adjusted its

milk pricing formula in consultation with its members, ensuring transparency and adaptability to market conditions. Sodiaal guarantees that two-thirds of its annual earnings are redistributed to its farmer-members, while the remaining third is reinvested into the cooperative. This reinvestment supports industrial modernisation, research and development, and sustainability projects. The acquisition of Yoplait in 2021 reinforced Sodiaal's brand portfolio, allowing the cooperative to expand its market share and strengthen its position in the dairy sector. Additionally, Sodiaal has launched new product lines that cater to evolving consumer preferences, including organic, lactose-free, and premium dairy products. The Marques de Respect initiative, introduced in 2023, promotes responsible dairy farming and ethical business practices, strengthening consumer trust in Sodiaal's brands.



07

# Good practices and lessons learned



## Case study: SODIAAL - FRANCE

Sodiaal, as a leading dairy cooperative, has developed a series of good practices that reinforce its cooperative identity, sustainability commitments, and governance model. These practices have contributed to the long-term resilience of the organisation, ensuring fair returns for its members while adapting to market challenges and regulatory changes.

One of the key good practices at Sodiaal is its strong governance model, which ensures democratic participation from its 15,295 farmer-members. By upholding the principle of “one member, one vote”, the cooperative fosters collective decision-making and guarantees that strategic choices reflect the interests of its producers rather than external shareholders. This participatory approach has been instrumental in maintaining trust between the cooperative’s management and its members, enabling effective decision-making even in times of market volatility. Additionally, Sodiaal has innovated by opening its capital to employees, allowing them to become shareholders in the cooperative. By 2023, 26% of eligible employees had joined as cooperative members, and the goal is to reach 50% by 2024. This initiative has strengthened engagement within the organisation and aligned employees with the cooperative’s long-term objectives.

A second notable practice is Sodiaal’s commitment to sustainability and responsible dairy farming. The cooperative has implemented the *Route du Lait* programme, which sets high standards for milk quality and animal welfare. This initiative, launched in 1998 and certified by the official standardisation body AFNOR, has helped ensure that all farmer-members

adhere to strict environmental and ethical guidelines. In addition, Sodiaal has made significant progress in reducing its carbon footprint. It has committed to cutting greenhouse gas emissions by 30% by 2030 and has already achieved a 5.1% reduction per litre of milk since 2019. The introduction of a sustainability bonus in 2024 further encourages farmers to adopt environmentally friendly practices. These efforts reflect Sodiaal’s proactive stance in addressing climate change while maintaining high-quality production standards.

Another key lesson from Sodiaal’s experience is the importance of ensuring fair milk pricing and revenue distribution. The cooperative has implemented a transparent pricing model that considers production costs and market trends to secure a fair income for farmers. Two-thirds of the cooperative’s profits are redistributed to members annually, while the remaining third is reinvested in innovation, sustainability projects, and modernisation of production facilities. This approach helps stabilise farmers’ income and ensures the long-term viability of dairy farming, particularly at a time when many small farmers face economic pressures. Sodiaal’s ability to maintain higher milk prices than market averages, as demonstrated in 2023, illustrates the advantages of the cooperative model in ensuring economic stability for producers.

Sodiaal has also shown agility in brand management and market adaptation. The reacquisition of Yoplait in 2021 exemplifies how the cooperative prioritises strategic brand control to maintain its cooperative values. Additionally, Sodiaal has invested

in strengthening its product portfolio through innovations such as premium dairy products and diversified distribution channels. By integrating a multi-channel approach, including partnerships with brands like Columbus Café for ready-to-drink milk-based beverages, the cooperative has demonstrated its ability to evolve with consumer trends while maintaining its core cooperative identity.

Finally, the cooperative's experience highlights the importance of balancing tradition with innovation. While Sodiaal remains committed to its cooperative principles, it continuously seeks new ways to enhance efficiency, environmental responsibility, and economic resilience. The cooperative's long-term planning, exemplified by its 2030 strategic roadmap, ensures that sustainability and economic performance remain at the core of its operations. The cooperative's ability to anticipate regulatory changes, such as the European Corporate Sustainability Due Diligence Directive (CSDD), and proactively integrate responsible business practices into its operations, further strengthens its position as a leader in sustainable dairy production.

Overall, Sodiaal's journey offers valuable lessons for other cooperatives and businesses. Its success demonstrates the benefits of strong governance, sustainability commitments, fair revenue distribution, strategic market positioning, and long-term planning.



# Sources

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