THE ORIGINAL

How Oatly Pursues Its Sustainability-Driven Mission

Food & Beverage

IT'S LIKE MILK, BUT MADE FOR HUMANS.

Oatly is a challenger oat milk brand founded in Sweden. In fact, the brand pioneered the product back in the 1990s. However, it wasn't since the beginning of its history that Oatly enjoyed the success it does these days.

2014 was a pivotal year for the brand and they have been aggressively growing ever since. The Oatly brand has undergone a complete makeover — a new look and uncompromising messaging.

The brand relied on its packaging to communicate new positioning. Oatly still considers its pack being the main touchpoint and a medium to manifest its views and values.





Oatly's brand update was supported by a daring video campaign that hit the nerve of Sweden's biggest milk producer, Arla. The dairy corporation replied with a combination of a lawsuit and advertising to attack back.

This kicked off the start of what's called a <u>Swedish milk war</u> and further defined Oatly's **active sustainability agenda on the policy-making level.**

#top_to_bottom_activism

Attack the milk lobby



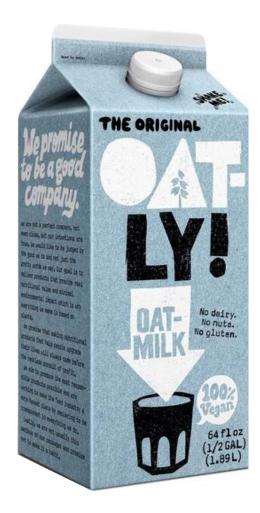
#bottom_up_support

Endorse individual contributors

In addition to the top to bottom advocacy approach, Oatly launched a support fund that grants \$1K to individual environmental activists.

On a bigger scale, the company works with US organizations to encourage farmers to crop oats.









Packaging Is The Medium

Oatly considers its packaging being the most valuable and accessible touchpoint. Oatly leverages its package to communicate both founding company values and current campaign messaging and invites customers to interact with every side.



In 2014 Oatly completely revamped its brand starting with the new packaging. The company enlarged an updated logo and swapped bright colors with textured soft-hued tones to communicate the natural origins of the drink.

Packaging update













The new packaging manifested Oatly's promise to its customers and hinted at the wastefulness and environmental impact of dairy production.

No milk. No soy. No meh... whatever.

THE ORIGINAL

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We thought that every side of the packaging there should be something interesting to read.

John Schoolcraft, Creative Director of Oatly
Source







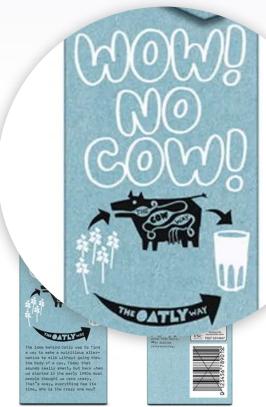




Many brands in the food industry are more conservative with packaging updates knowing the implications they have on consumers' taste perception. Oatly, on the other hand, continues to frequently update its packaging to challenge the industry and entertain its customers.







One of the recent packs that appeared on the shelves in 2019 featured a climate footprint of every Oatly's package. The brand wrote an <u>elaborate update</u> on its website explaining the rationale behind the move and illustrating how the calculations were made.

By adding a climate footprint to the front of its pack, Oatly competitively positions itself (as well as the rest of the non-dairy milk industry) against the environmental-heavy dairy production.



OATLY!

OAT DRINK WITH CARBON DIOXIDE EQUIVALENTS

If the numbers on your oat drink carton brought you to this page, cool, We're hoping the food industry might drop by, too.

Humans eat and drink a lot. That is to say, all of the eating and drinking we humans do every day all over this planet of ours adds up to a massive impact on this planet of ours. In fact, food consumption accounts for a quarter of the planet's greenhouse gas emissions. So as you've heard a bajillion times, any changes we humans can generate in this area will absolutely make a huge difference. But the part where everyone knows precisely how to make the changes, or even where to begin, still seems to be missing.

So we thought, "wouldn't it be great if it was easy for people to see and compare the climate impact of different products right in the grocery sisle before even deciding what to put in the cart?" But we didn't just think it in a "It might be fun for us, as one small oat company, to stick climate impact numbers on our products" kind of way, but more like a, "we believe that consumer empowerment should be a law, if not a human right" kind of way.

Click to view

Oatly's bold packaging doesn't go unnoticed and every new update triggers a wave of new discussion-provoking mentions on social media.

Oatly being out there not only making great products, but also being a great company





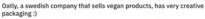




















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#top_to_bottom_activism

Policy-Making Activism

Oatly can be described as an "activist brand". The company tirelessly keeps its stand against the dairy lobby and initiates various petitions to drive the government's attention to its cause. Oatly's environmental activism doesn't go unnoticed and the brand often makes press headlines.

Shortly after Oatly added their own greenhouse emissions to the front of the pack, the company launched a comprehensive campaign encouraging other food industry players to show their CO2 numbers.







Selected examples of "Show us your numbers" campaign creatives:







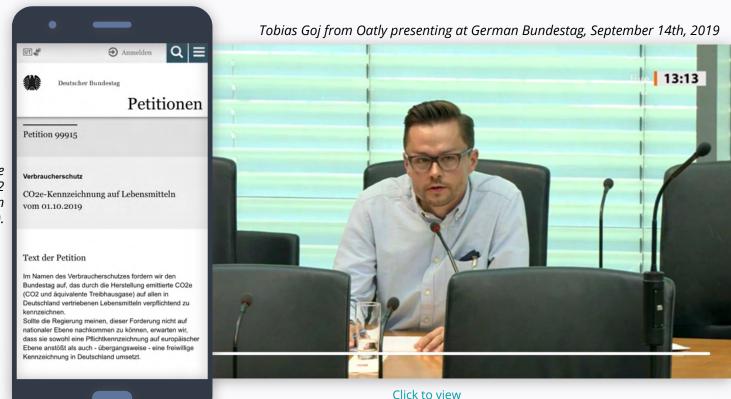
The ad campaign sparked a petition for a law requiring climate footprint information to be printed on food labels in Germany.

Oatly activated multiple mediums to bring awareness to the campaign and get 50,000 votes which would guarantee that the German Government will discuss the case.



RightMetric

Oatly's efforts inspired 57K people to sign the petition and in September 2019 the company's General Manager Tobias Goj presented the case for a debate in the German Bundestag.



The official page to vote for CO2 labelling petition (voting finished).

Click to view

The brand created an interactive <u>webpage</u> about the CO2 labelling petition campaign, featuring the case study video and providing additional educational and entertaining materials for users to engage with.













Click to view

Click to view

Oatly covered its petition campaign in its <u>2019 Sustainability Report</u> under the title "Upgraded society". The company preempted the chapter with the following words: "...it's our daily mission to spread the importance of sustainable food systems to anyone who might be interested and, more importantly, to those who may not be"

In 2019 Oatly compiled its annual activities into a Sustainability Report that the company shared on its website.

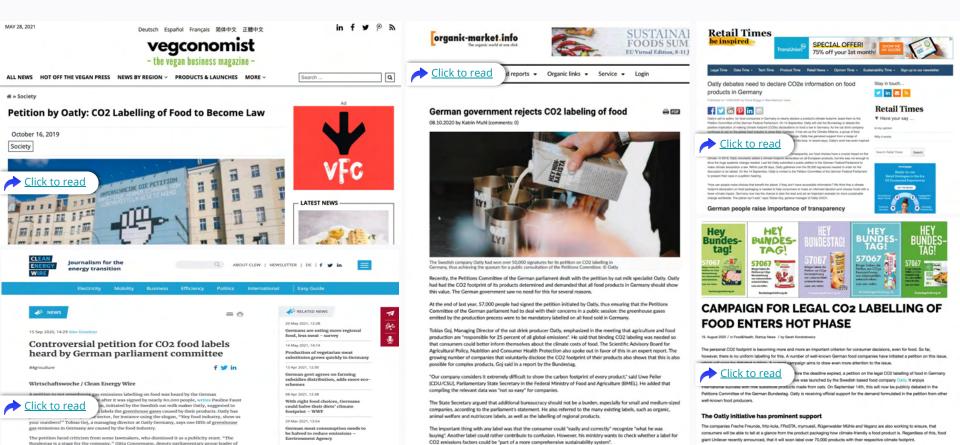
The document outlines the brand's stance on the current climate situation, shows overall corporate climate footprint and goes in-depth into Oatly's supply chain.

Since the report was put up on its own sustainability.oatly.com domain in November 2020, it was **visited 54K** times.





Oatly's petition campaign also made headlines in independent media.



Some conservative politicians had somewhat of a skeptical view on the petition and the Bundestag didn't pass the mandatory CO2 labelling law. Regardless of the outcome Oatly inspired other brands to follow the example and gained appreciation from its community.



Scepticism



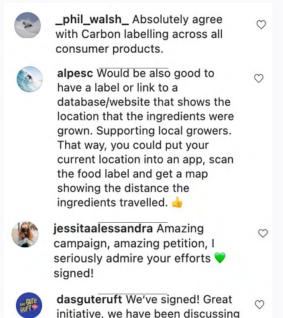
Love



Impact

"The Bundestag is a stage for the company,"

Gitta Connemann, Source



this and dreaming about a CO2e info on products for weeks — it

would make our lives much easier.



In 2020 Quorn, a UK-based, alternative meat producer, joined Oatly's initiative and added impact labels to their products.

Unilever announced they will add CO2 labels to 70,000 items in their portfolio and Nestle reportedly considers adding environmental impact numbers as well. (Source)

In 2021 Oatly initiated another petition and awareness campaign.

cause:

Require food producers add CO2 labels to a product packaging.

campaign:

Food Industry — Show Us Your Numbers



cause:

Reject Amendment 171 (details on the following slides)

campaign:

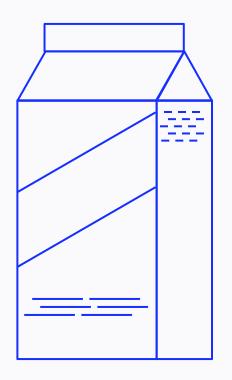
Are You Stupid?





2019 2021

In October 2020, European Commission voted in favour of the Amendment 171 which bans dairy-related descriptions for plant-based foods. Climate activists and vegan brands deem the amendment as anti-climate and potentially threatening consumers' right to information and companies' right to fair competition.





No dairy-related descriptions, such as "buttery texture" or "creamy taste".



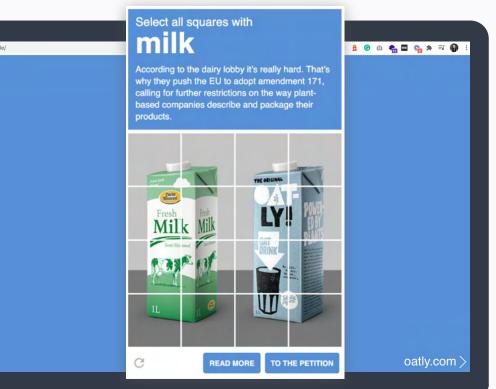
Non-dairy drinks can't juxtaposition themselves to dairy products

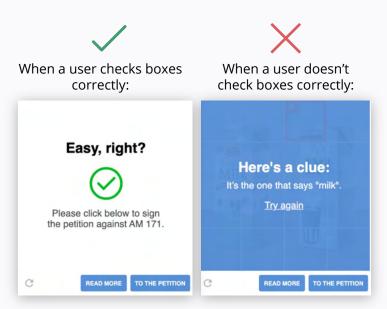


In its most extreme interpretation, non-dairy drinks can't be packed in the same packaging as dairy products



Oatly started with raising awareness about the amendment relying both on its owned and paid channels. The brand reworked the landing page of its European websites to mimic the familiar captcha module that differentiates robots from humans, asking people to differentiate real milk from an oat drink.





In both cases a user has an option to click through to the petition page.

Click to view

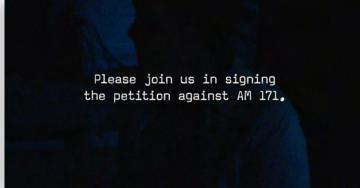
Oatly also launched an informational webpage explaining the changes the amendment will force vegan brands to implement and directed visitors to the petition page.



To support the petition, Oatly created four videos that were distributed via YouTube, Instagram and Facebook. The ads pictured a focus-group-like setting where customers were asked to differentiate milk from oat milk.







Views: **2.1K**<u>Click to view</u>





Views: **3.5K** Click to view



Views: **7.0K**Click to view

Oatly receives remarkable Instagram community support every time it posts about the Amendment 171 — either it being an explainer post or a progress update.



ER: **14.9%** | Click to view

Update post



ER: **9.7%** | <u>Click to view</u>

Explainer infographic



ER: **16.1%** | <u>Click to view</u>

Explainer video



All of Oatly's efforts were focused on driving people to the website where they could sign the petition. As of May 26, 2021, the petition had 456,776 signatures out of 500,000 needed for the EU to review its decision. Oatly is directly responsible for 10% of traffic to the petition website, excluding all associated indirect visits (from social media, word-of-mouth, out-of-home campaign).



Total Petition website visits:

1.3M

(Jan. '21 - Apr. '21)

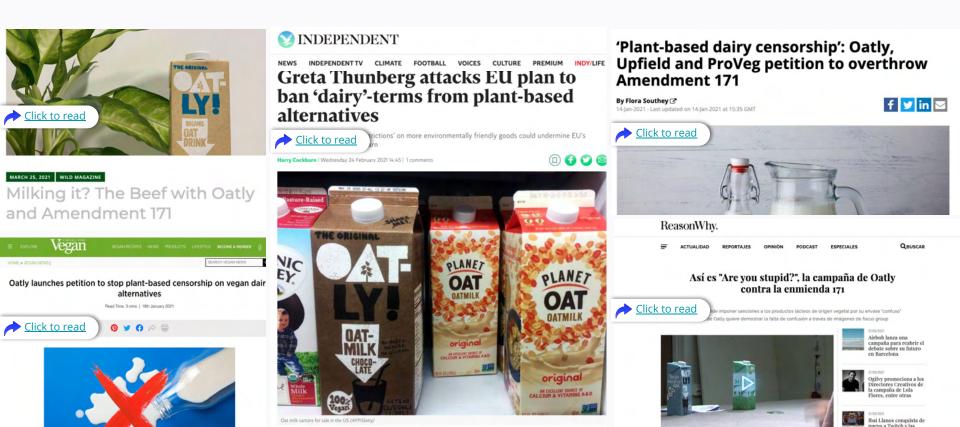
Traffic Channels:

Direct – 38% Social – 40% Referrals – 18%

Top three Distinct Sources Driving Traffic to stopam71.com

Direct 38% Facebook 17% Oatly.com 10%

The case of Amendment 171 was closely followed by the European media and Oatly's brand activism didn't go unnoticed.



On May 25, 2021, after almost 4 months of active campaigning, the European Parliament rejected the Amendment.

Amendment 171 off the table: Europe allows for 'creamy' and 'buttery' plant-based dairy



RELATED TAGS: Dairy, dairy-free, plant-based, vegan

Having initially voted in favour of banning descriptive terms such as 'buttery' and 'creamy' for dairy-free products, the European Parliament has dropped Amendment 171.

In October 2020, the European Commission voted to ban dairy-related terms for plant-based alternatives. Amendment 171 proposes to ban terms such as 'buttery' and 'creamy' for purely plant-based products.

The vote followed on from a 2017 ruling, which saw the European Court of Justice ban the use of dairy names such as 'milk, 'butter', 'cheese', and 'yoghurt' in the dairy-free category.

Now, seven months on from the Parliamentary vote, and ahead of the EU's 'super trilogue' – in which EU institutions will negotiate the Common Agricultural Policy (CAP) – the Parliament has withdrawn the amendment.

U-turn speculation

FoodNavigator was unable to ascertain exactly what drove the Parliament to drop the draft legislation, aside from growing resistance from plant-based makers and consumers.



EU rejects Amendment 171 ban on plant-based dairy labelling and packaging

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BREAKING! DAIRY LOBBY'S AMENDMENT 171 IS REJECTED BY THE EU PARLIAMENT

May 25, 2021

Hot Off The Vegan Press | Politics



VICTORY: European Parliament Rejects Dairy Ban In **Click to read** **Click to read**

Amendment 171 sought to tighten the rules around plant-based dairy - going as far as banning packaging styles similar to their animal product counterpart

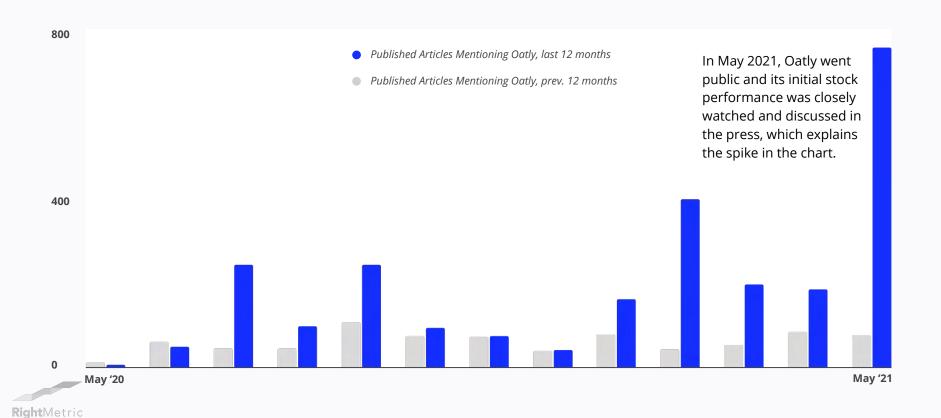




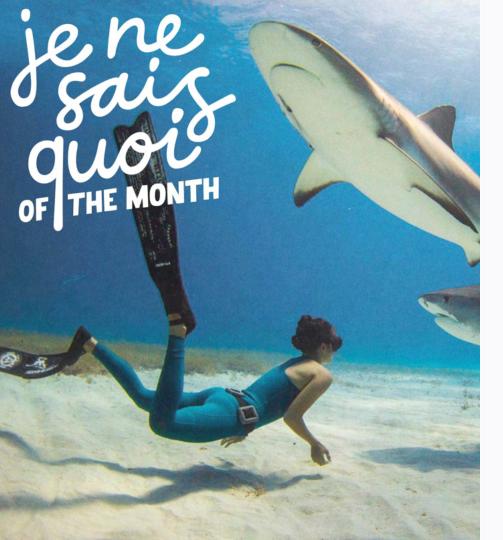




Over the last year, Oatly was mentioned in 2,555 articles in different languages.







#bottom_up_support

Independent Activist Fund

Oatly recognizes that environmental change requires action on different levels. The brand encourages and inspires individual activists and teams to make a meaningful change in their communities and circle of influence.

In April 2020, Oatly launched a "Je ne sais quoi" initiative that supports individuals doing amazing things. Each month Oatly chooses an individual or a group from those who applied via a website form and grants them 1,000 dollars.

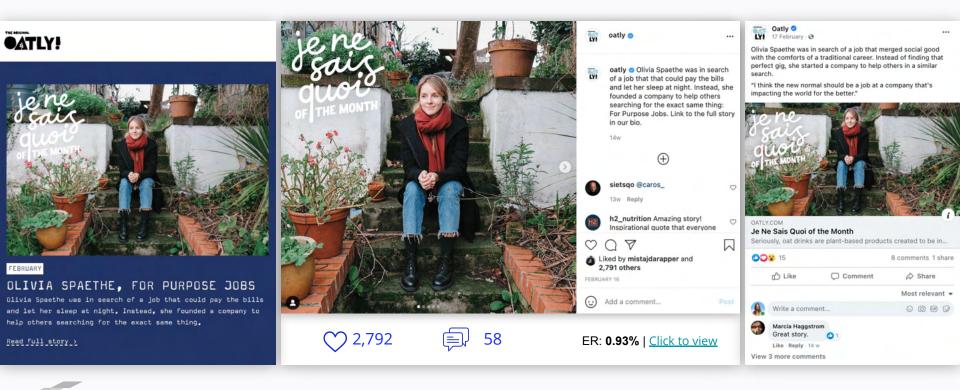
Je Ne Sais Quoi of the Month is a \$1000 grant that celebrates amazing

Monthly cred (and \$1,000) to amazing people doing amazing things

If you're wondering, je ne sais quoi is French for "I don't know what" and refers to something super cool that cannot be exactly described, which pretty much describes exactly what we're looking for. Each month we give a \$1,000 grant to — and tell the world about — a person or team or group that we think is doing something amazing for the planet or the people living here. And for us, amazing can be anything really, from a vegan bowling team to a climate activist or even a totally rad pony club, if a totally rad pony club was to exist. So if you're up to something that has that certain you know what, just apply below. And bonus points for doing it in French (not really).



In addition to the monetary prize, the winner is introduced to Oatly's 520K social community and featured on the brand's website with 300K monthly visits, which is an enormous awareness boost for individual activists and their small initiatives.





For Purpose Jobs saw a +31% MoM traffic increase in February 2021, when the company won the prize and was featured on Oatly's digital channels. For the month of February, oatly.com was the second top traffic source responsible for 20% of referral visits.

Total For Purpose Jobs website visits, February 2021:

3.4K

(+ 31% vs. Jan. '21)

Traffic Channels:

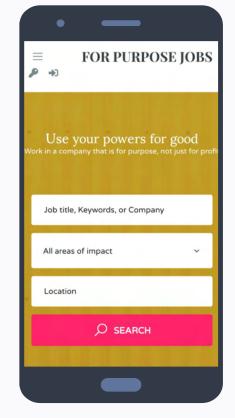
Organic Search - 51%

Referral – 51%

Direct – 9%

Top three Distinct Sources Driving Traffic to forpurposejobs.com

Google Search 51% oatly.com 20% Direct 19%





Key Takeaways

Oatly, a Swedish oat milk brand launched in the 1990s, was a minor national brand playing on the outskirts of the vegan food industry. In 2014, two years after a new CEO Tony Petersson took the lead (2012), the brand has undergone a complete makeover and embarked on an ambitious sustainability-driven activism path. Since 2014 Oatly has grown into a global challenger brand with a considerable impact on European environmental policies and a supporter of grassroots sustainability initiatives.

- 1. Packaging is the medium: Brand packaging was the first touchpoint that manifested the brand's new positioning in 2014. Each side of Oatly's packaging carries a message to the consumer. When Oatly first put a new pack on the shelves it carried brand promise and hinted at the wastefulness and negative impact of the dairy industry. Another pack update featured Oatly's slogans "It's like milk but made for humans" and "Wow no cow". In 2019 Oatly added the climate footprint each milk cartoon produces to the front of the pack. The latter update was supported by an activist marketing campaign known as "Food Industry Show Us Your Numbers". The campaign called other players to add their environmental footprint to their packaging. Despite the common belief that packaging updates negatively impact consumers' taste perception, Oatly's customers seem to love to explore the brand's packaging and share their excitement on social media.
- **2. Brand Activism:** Oatly's sustainability agenda extends beyond its immediate operations. The brand believes it can make a much larger impact by engaging in the environmental discourse on a policy-making level. Over the last two years Oatly initiated two petitions challenging European laws:
 - a. "Food Industry Show us your numbers": In 2019 Oatly launched a petition calling to make it a law to disclose the environmental impact on food products in Germany. Oatly launched a multi-touchpoint (out-of-home, print, digital) awareness campaign to collect 50,000 signatures on the petition. This would guarantee the German Parliament would discuss the CO2 food labelling. Following the successful campaign, Oatly got a chance to present the case in the German Bundestag. Although the government didn't pass the law, Oatly made press headlines and won the hearts of their environmental-cautious community.

Key Takeaways

- b. "Are You Stupid?": In 2021 Oatly responded to the European Amendment 171 with another petition. In October 2020, European Parliament passed the Amendment 171 which by some has been deemed "anti-environmentalist". The Amendment restricts non-dairy products from using dairy-related descriptors, such as "creamy" or "buttery" and describing them as "alternative to" dairy products. It also doesn't allow vegan brands to communicate climate-impact comparisons to the dairy industry. Oatly launched an informational "Are You Stupid" campaign to educate its audience about the restrictions this Amendment would impose on vegan brands. Together with ProVeg and Upfield, Oatly initiated a petition calling European Parliament to revert its decision. Oatly's campaigning efforts were focused on driving traffic to the petition website. Over the course of four months (Jan. '21 Apr. '21) the petition explainer website was visited 1.3M times and collected 457K signatures. Oatly's efforts didn't go unnoticed and the brand was able to make the government revert its decision and reject the Amendment 171.
- 3. Supporting Individual Contributors: Oatly recognizes that environmental change requires action on different levels. The brand encourages and inspires individual activists and teams to make a meaningful change in their communities and circle of influence. To support the grassroots movement Oatly launched a <u>le Ne Sais Ouoi of the Month Fund</u> which rewards individuals contributors with a \$1K financial prize. Even more importantly, Oatly introduces them to its 530K social media community and features them on its website that gets ~300K monthly visits. Such exposure is often able to boost small business awareness, inspire and reward the founders.