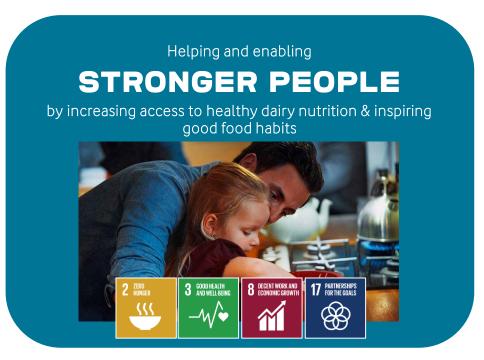


we have a **sustainability strategy** that focuses on **'stronger planet'** and **'stronger people'**

Sustainability strategy







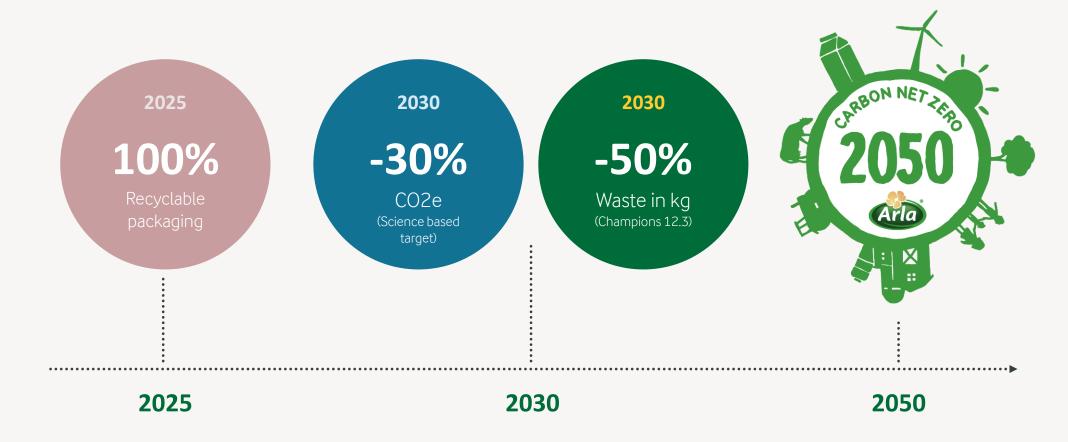


Our responsibility throughout the value chain





We have launched a number of **long-term commitments**, externally, most notably are our 2030 and 2050 CO2_e targets





In 2019, we launched our **Green Ambition** to address our environmental & climate impact, and resource management; it is supported by 3 guiding principles

Green ambition



BETTER CLIMATE

Carbon Net Zero by 2050



CLEAN AIR & WATER

Phosphorous & nitrogen cycles in balance



MORE NATURE

More biodiversity & access to nature

TO REACH THE GOALS AND TARGETS, ARLA APPLIES **3 GUIDING PRINCIPLES**

- 1.) Fossil to renewable
- 2.) Circular economy
- (3.) Cooperation in the value chain





Biogas: Dairies and Logistic



STRONGER PLANET Operations & Logistics









TO DATE:



100%

FOSSIL FREE
TRANSPORTATION
IN ARLA SWEDEN

25%

Reduction in CO2e from production, packaging, and transport since 2005

GOING FORWARD:



Committed to Science Based Targets



Efficiency and optimization



New technologies and alternative fuels & trucks



Partnerships and collaboration



Biogas and our Operations

Organic waste products to biogas plants:

Product related waste:

275,000 tonnes per year

Sludge etc: 80,000 tonnes per year

Use of biogas at our dairies:

Direct pipe from biogas plant:

400,000 MWh per year

From the gas-grid via certificates:

40,000 MWh per year

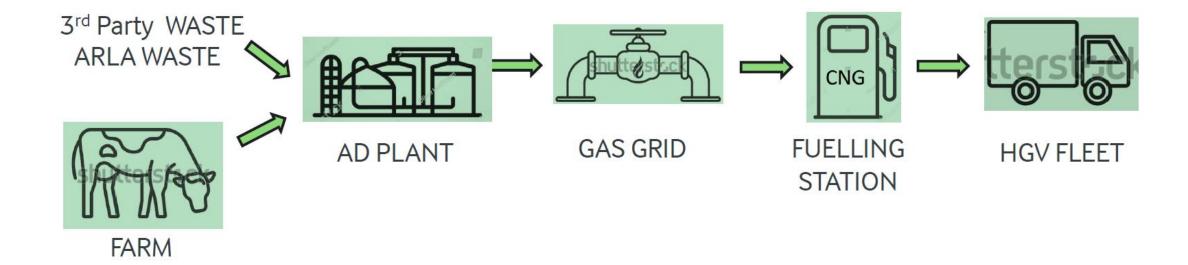


Arla farmers and sites are closely attached to future energy

SUPPLIERS Degassed App. 100 farmers has formed slurry an association They have a 12 Local farmers year contract for the supply of slurry Biogas **VIDEBÆK BIOGAS A/S** Slurry New facility between Videbæk and Nr. Vium to come online January 2019. The facility will be owned by Arla and Nature Energy (the operator). Arla to supply Houses in Videbæk central heat C02 emission cut in half Biogas **BIOGAS FACILITY IN** Overskudsvarme ARINCO I VIDEBÆK **STUDSGÅRD** DANMARK PROTEIN Existing facility suppling all NØRRE VIUM MEJERI its production to Arla The 3 Arla sites in Videbæk and Nr. VIDEBÆK ENERGIFORSYNING Vium are switching to biogas Excess heat from Arinco covers half of the substituting 33. million m3 of heat consumption in Videbæk natural gas Energiforsyning. In the summertime it is close to 100%



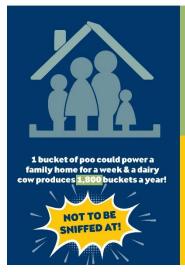
Biofuel value chain





Example from Arla UK











Example from Arla Denmark





Biogas: At the farms



FARM

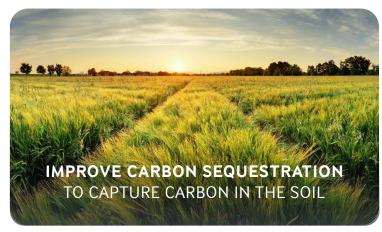
WE AIM FOR MORE EFFICIENT AND PRECISE FARMING









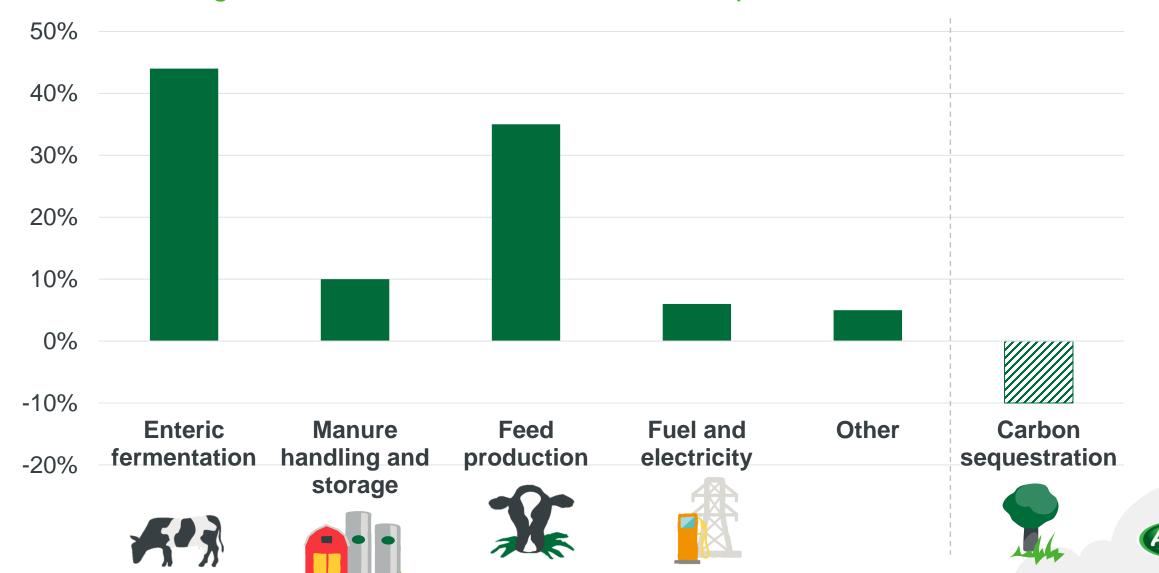






Different activities contribution to the Carbon Footprint

Greenhouse gas emissions at farm level (incl. input to farm)





11%

of Arla farmers produce biogas

of Arla farmers produce green electricity from wind and solar

Externally, we need to show our targets and progress to demonstrate our commitment

Critical milestones to deliver on 1.5°C

Commitment

Arla is committed to leading the sustainability transformation for the global dairy industry

- Help limit global warming to 1.5 degrees
- Science-based reduction targets across our entire value chain
- Farm emissions to be reduced by +30% vs 2015 baseline
- Operations by 55%
- Logistics by 55% on internal fleet, and +30% on 3PLs
- Packaging by 9% main actions is to care for our earth's resources by targeting 0% virgin plastic and 100% recyclability

25% absolute CO2e reduction by 2026 and 33% by 2030 in line with the Paris accord

Key milestones to reach the 1.5 degree commitment



Full roll-out of Clima e Checks



Launch of new advisory setup to support farmers



Launch of breeding program and pilot of feed additives



Arla starts buying solar/wind certificates from own farms



30% of manure processed into biogas



10020 renowable electricity on farms



100% certified sustainable feed



10,000 ha of peat soils restored



30% of Arla electricity produced on farm



50% of manure processed into biogas



100% green fertilizer and fuel on farm



100% European



25,000 ha of peat soils restored



Farming



Optimizing energy usage across +50% of sites by 2025



100% of European electricity green by 2025



100% of European internal fleet converted to alternatives by 2025



100% of international fleet converted to cleanest standards by 2027



All contracted 3PLs committed to sustainability target



fossil plastic across brands by 2030



Packaging

100% recyclable and renewable milk and yoghurt cartons



100% recyclable packaging and 50% non-virgin fossil plastic content across brands

0% use of virgin







