

Arla Foods Environmental and Energy Management Policy

Arla Foods is committed to continually improve our environmental performance by applying sound and sustainable principles throughout our entire value chain. The <u>Code of Conduct</u> – Our Responsibility – is our tool and compass how we shall take responsibility within our business. To do so, we need to understand the full environmental impact from our value chain, from cow to consumer, and have strategies on how to reduce our negative environmental impact as well as maximise the positive contributions.

- 1 Arla Foods evaluates the environmental and energy related impact throughout the entire value chain on a regularly basis.
- 2 Arla Foods has an environmental strategy, based on science to include relevant environmental and energy related areas, covering the whole value chain.
- 3 Arla Foods sets ambitious environmental and energy related goals and realistic plans how to reach them (including communication and implementation within the organisation).
- 4 Arla Foods has an open and transparent reporting internally and externally.
- 5 Arla Foods sets appropriated environmental and energy related requirements in projects and purchasing.
- 6 Arla Foods is engaged in working together towards a more sustainable dairy production and consumption, both on a local and international level, along the value chain as well as across value chains, and to keep up to date on relevant science and participate in research activities.
- 7 Arla Foods includes our customers and business partners in our endeavours and take into account the interests of our stakeholders.
- 8 Arla Foods promotes environmentally and energy-conscious behaviour and ensure the necessary skills through information and training.

Thus, Arla Foods is committed to protect the environment, including prevention of pollution and other specific commitments, as well as to fulfil all compliance obligations. Specifically, Arla Foods focus on mitigating climate change, striving towards clean air and water and protect and improve biodiversity and ecosystems.

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David Boulanger









In the Code of Conduct – Our Responsibility – Arla Foods highlights the following around environment.

Products

> We strive to minimise the negative environmental impact of our products using a life-cycle perspective.

Climate change

We continuously reduce greenhouse gas emissions across our entire value chain, by delivering on our ambitious targets.

Reporting

We monitor our progress, and report and communicate our results internally and externally.

Resources

- > We improve resource efficiency for water, energy and materials, by continually monitoring and optimising our operations.
- We prefer to work with renewable and recyclable resources as well as sustainably produced virgin raw material

Efficiency

> We operate the value chain efficiently and continuously optimise the use of raw materials, capital and human resources, in order to create value for our owners

Zero waste

- We avoid and/or reduce waste from our operations by maximising the re-use, recycling and recovery of materials from our production streams.
- > We aim to use packaging material that can be recycled.
- > We inspire consumers to reduce their food waste

Facilities

- We ensure that our facilities meet or exceed environmental standards and contribute to the fulfilment of company goals on environment and climate.
- > We control and aim to avoid pollution at our facilities using a risk-based approach.

Farm level

- > We encourage all our owners and other milk suppliers to protect the environment by minimizing their negative impacts as well as maintaining and improving their positive contributions.
- > We support our owners to utilise their farm resources efficiently to decrease their environmental impact.

Suppliers

- > We expect our suppliers and other business partners in the supply chain to improve their environmental performance and to contribute to the fulfilment of our environmental and climate goals.
- We expect our suppliers to comply with the requirements set out in our Code of Conduct, including environmental, social and human rights aspects, in addition to meeting our expectations in relation to quality and food safety.
- Key suppliers are contractually bound to meet our requirements. We evaluate and follow up on their ability to comply.
- We engage in international multi-stakeholder initiatives that support the transition to more responsible and sustainable practices.
- > We strive to source agricultural and forestry products in a sustainable and responsible manner.
- We use internationally recognised certification schemes that contribute to the development of sustainable production of agricultural based products.

