



# TAKING ACTION for a better future

For Arla protecting the environment is essential to producing products that support a nutritious, sustainable diet.

Arla has had a focus on sustainable production for many years, but has in recent years accelerated the journey and set ambitious goals to reduce climate impact by 30% in 2030 and have a carbon neutral dairy production in 2050, across the entire business, including farmer owners' milk production across seven European countries.

## Dairy farming

Climate Checks are offered to all Arla dairy farmers in 2020, giving specific suggestions for activities that can reduce greenhouse gas emissions.

Feed optimization and slurry are very important areas to manage correctly in order to minimize emissions. This will create one of the world's largest dairy production databases.

In addition to biogas projects, a number of farmers have also erected wind turbines, which produce green energy equivalent to 61 pct. of the total energy consumption of Arla's farmers.

## Supply Chain (supply of raw materials)

Switching to green energy is central. One of the primary initiatives is support for several large biogas plants, where biogas replaces natural gas in the production of electricity and heat, which is used at the large

dairy plants as well as on the farms and among other consumers. The degassed slurry is returned to farmers as effective manure. Thereby you have a circular process and a green loop.

Arla had a target of 50 pct. green energy at the dairies in 2020 and is currently at 33% (2019) - primarily through biogas and wood chip-fired plants.

## Transportation

Conversion to renewable fuels varies from country to country – among other as a result of various national aid schemes. The heavy trucks are converting to biodiesel - and as an experiment to biogas - just as light transport is heading for new electric vehicles or biogas.

## Packaging

New packaging types significantly reduce CO2 emissions. For example, more than 1 billion milk cartons have been converted to climate friendly and bio-based materials in 2019. - 600 million fresh milk cartons made renewable, and 560 million yogurt pots are made recyclable - cutting 7,330 tonnes of carbon. Recirculation and recycling are primary focus areas, which is done in collaboration with municipalities and renovation companies.



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## Distribution & Dairy Development

Production and distribution of Arla products in third world countries is linked to aid programs for local milk production, which includes the production in Nigeria and distribution Bangladesh among others.

## Food Waste

Arla has a goal of reducing food waste by 50 pct. in the period of 2015-2030 and is working on identifying and reducing sources of waste in production, as well as working with customers on better planning and to inspire consumers to reduce their food waste.

## Health

All products must meet several nutritional criteria on the minimum protein and calcium content, as well as a maximum limit of sugar, salt and fat. Furthermore, naturalness criteria are used in order to minimize the number of artificial additives to ensure products with only few, natural ingredients and an absolute minimum of artificial additives.

Climate impact on food production must be seen in the context of the nutritional effect of given food. Calculations show that milk products have a high nutrient content compared to the climate imprint. ●

