



WE HAVE A PROBLEM, THE EARTH IS ON FIRE

10th January 2024

Arla Denmark Food Service Conference | Copenhagen

Presentation by Hanne Søndergaard | EVP & Chief Agriculture, Sustainability & Communications Officer



AGENDA

- 01** Today's context for dairy and sustainability

- 02** How can dairy be part of the solution?

- 03** Driving tangible & impactful progress across climate & health

- 04** Delivering progress

- 05** Key takeaways to remember



DAIRY'S DILEMMA | ENVIRONMENTAL IMPACTS AND THE NEED TO FEED & SUPPORT A GROWING POPULATION

EXAMPLES OF KEY CONTEXTUAL FACTORS

SOCIAL FACTORS

Growing global population

9.7bn

Predicted global population in 2050



Increasing global demand for dairy

+1.5%

Per year growth outlook in global dairy demand to 2030



Food insecurity and lack of nutrition

42%

Proportion of global population who cannot afford a healthy diet



ENVIRO. & ECON. FACTORS

Unprecedented temperatures and increasing GHG emissions

1/3

Proportion of global GHG emissions caused by the agrifood system



Fastest rate of decline for global wildlife populations

-69%

% decline in global wildlife populations on avg since 1970



Elevated interest rates & inflation

+7%

Global Inflation in 2023



(1) Source: The UN: The World Population Prospect (20XX(17)). (2) Source: Euromonitor, Dairy including Baby Foods (2021). (3) WorldBank, 2021: Food Prices for Nutrition DataHub: global statistics on the cost and affordability of healthy diets (2021). (4) The World Bank: Climate Smart Agriculture (2023). (5) Living Planet Index (2022). (6) IMF: World Economic Outlook (2023)

HOW CAN DAIRY BE PART OF THE SOLUTION?

TRANSFORMATION IS NEEDED | WITH SUSTAINABILITY, DAIRY CAN BE PART OF THE SOLUTION

THE DAIRY INDUSTRY CAN BE A POSITIVE FORCE FOR GOOD ACROSS THE FULL SUSTAINABILITY AGENDA

Climate



Reduction of emissions with sustainable farming (carbon, methane, nitrogen etc)



Renewable & efficient energy sources on farm and in production



Collaborating in partnerships and R&D to support the global dairy journey to net zero

Nature



Protecting water scarcity and minimizing pollution



Conserving & restoring soil quality, habitats and biodiversity on farm



Promoting regenerative agriculture practices to have a net positive impact

Health & Nutrition



Provides essential nutrients, minerals and vitamins (e.g. Calcium, protein, potassium, B12)



A relatively affordable and accessible source of nutrition across the world



Local dairy production protects food supply chain resilience and security

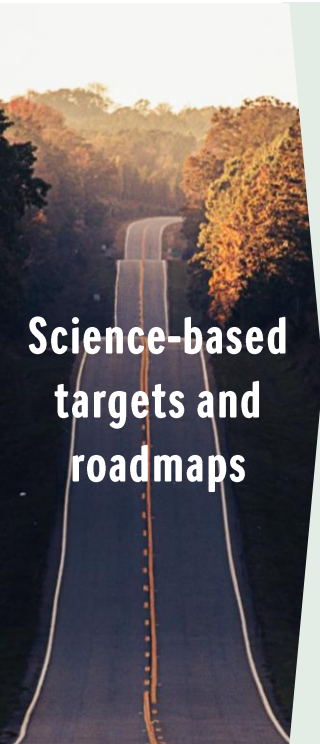
DRIVING TANGIBLE & IMPACTFUL PROGRESS

HOW WE DO IT | WE DRIVE, MEASURE & REWARD OUR FARMER OWNER'S ACTIONS ACROSS THE FULL SUSTAINABILITY AGENDA

COMMIT & DRIVE

MEASURE

REWARD



Science-based
targets and
roadmaps

SBTi 2030 Targets

Scope 1 & 2: reduce CO2e by 63%*
Scope 3: SBTi commitment to reduce CO2e by 30%*
*(*Compared to 2015 baseline)*

Actionable and science led roadmaps
Reduction plans developed by our internal experts & collaboration with external organisations



Data
Quantity and
Quality

Our leading annual Climate Check is completed by 95% of farmer owners
Granular insights across 200 parameters for sustainability

External advisor's complete audits
To verify & validate the data integrity



Value Chain
Control:
Farm to Fork

Direct control over full supply chain
Traceability & transparency over sustainability actions

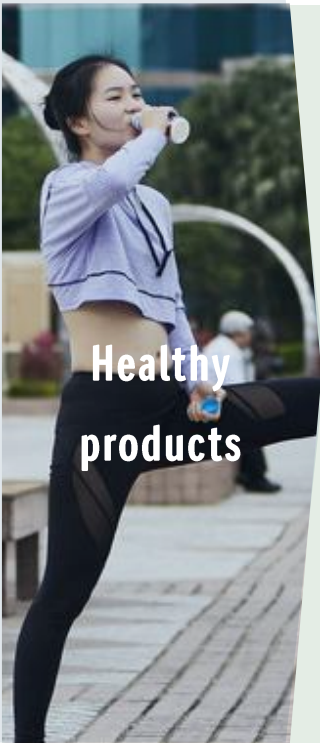
Incentivize specific actions with our Sustainability Incentive Model
Lead on actions that generate the most impact



Enables a commercially viable journey for our farmer owners & customers

HOW WE DO IT | WE EDUCATE & INSPIRE ON HEALTH WHILST DELIVERING NUTRITIOUS & TASTY PRODUCTS

PROVIDE



Healthy
products

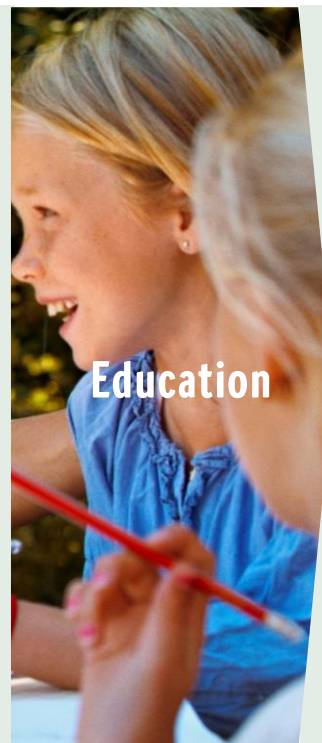
Arla Nutrition Guidelines

Criteria based on the dietary authorities' guidelines & latest research

- Balancing fat & protein
- Securing the calcium & protein
- Limiting salt, sugar and fat

Focus on nutrition rich products across our portfolio including Arla protein, Arla Skyr, Arla Dano etc

INSPIRE



Education

Food & recipe inspiration

Karoline's Kokken, recipe inspiration through social media and a focus on greener eating

Arla Fonden MADlejr and Food Movers

Educational camps delivered in partnerships with schools to teach healthy eating & cooking habits to the next generations

ENGAGE



Activation

Health & Nutrition campaigns

Centred around good food habits and balanced choices

Events to promote dairy

Aarhus Food festival, eco day and open farms allow us to connect with consumers on the benefits of dairy

KEY TAKEAWAYS TO REMEMBER

KEY TAKEAWAYS | TOGETHER WE CAN CREATE THE FUTURE OF DAIRY BY LEADING ON SUSTAINABILITY



A focus on climate alone cannot address every need within the Sustainability agenda

We must continue at pace with the work on climate whilst broadening our focus to encompass nature & health



Dairy is a part of the solution

Whilst being a highly valuable source of nutrition, our farmer owners continue to make progress across the climate and nature agendas



The choice between dairy and compromising on sustainability does not need to exist

With science-based targets & financially viable roadmaps to deliver, dairy will deliver across the full sustainability agenda including climate, nature and health

THANK YOU

