

SCIENCE BASED TARGETS OG KLIMAHANDLING I ARLA

Randi Wahlsten, Senior Marketing Director, Arla Danmark



1. HVAD ER SCIENCE BASED TARGETS?

**2. HVORDAN ARBEJDER ARLA MED VORES
KLIMA COMMITMENT?**

**3. CENTRALE FOR STANDARDER
KLIMAHANDLING OG CLAIMS**



ERHVERVSLIVETS PARISAFTALE



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

“Science-based targets provide companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions.

Targets adopted by companies to reduce greenhouse gas (GHG) emissions are considered “science-based” if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – **to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C**”

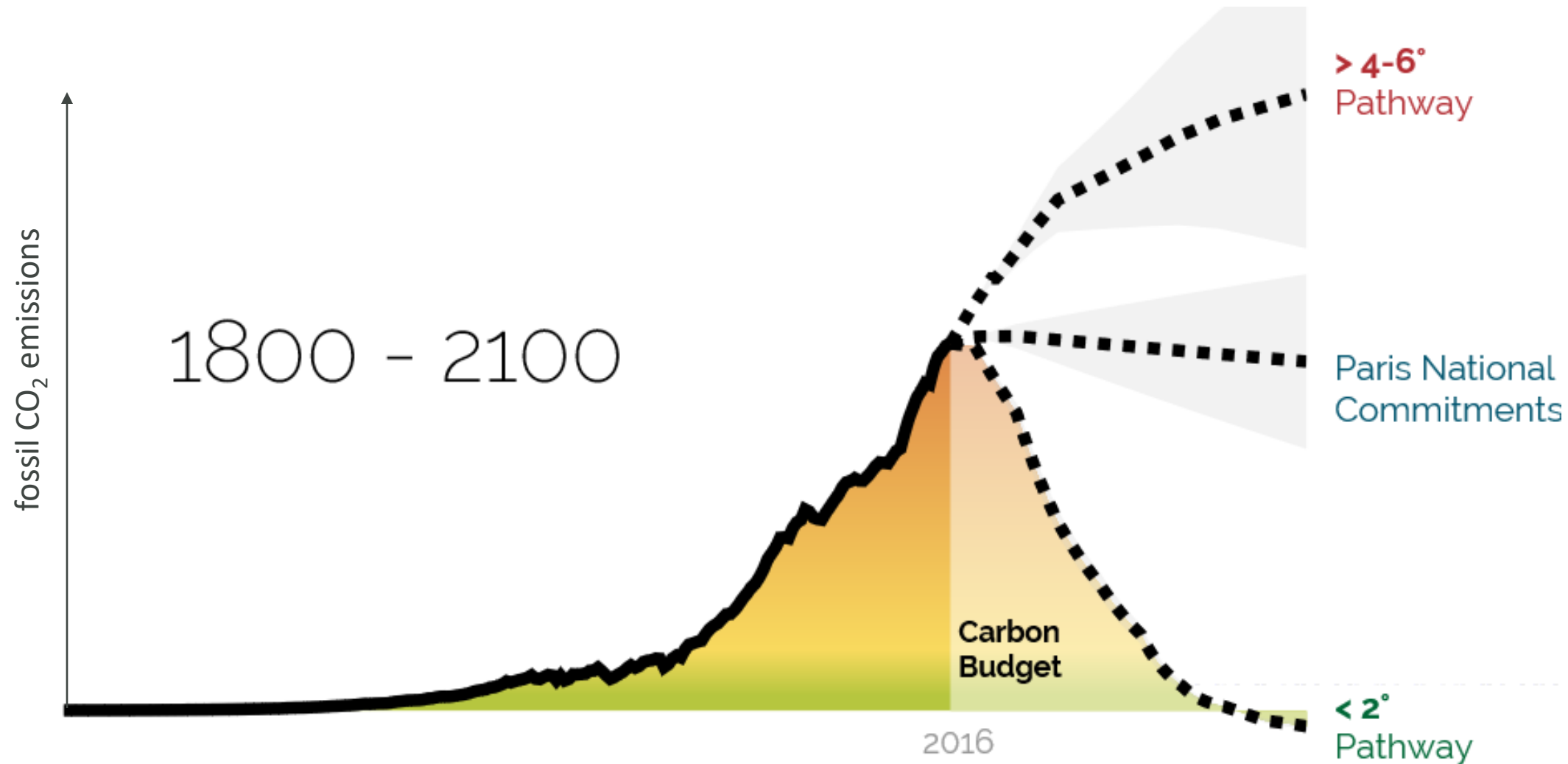
FOUNDING PARTNERS



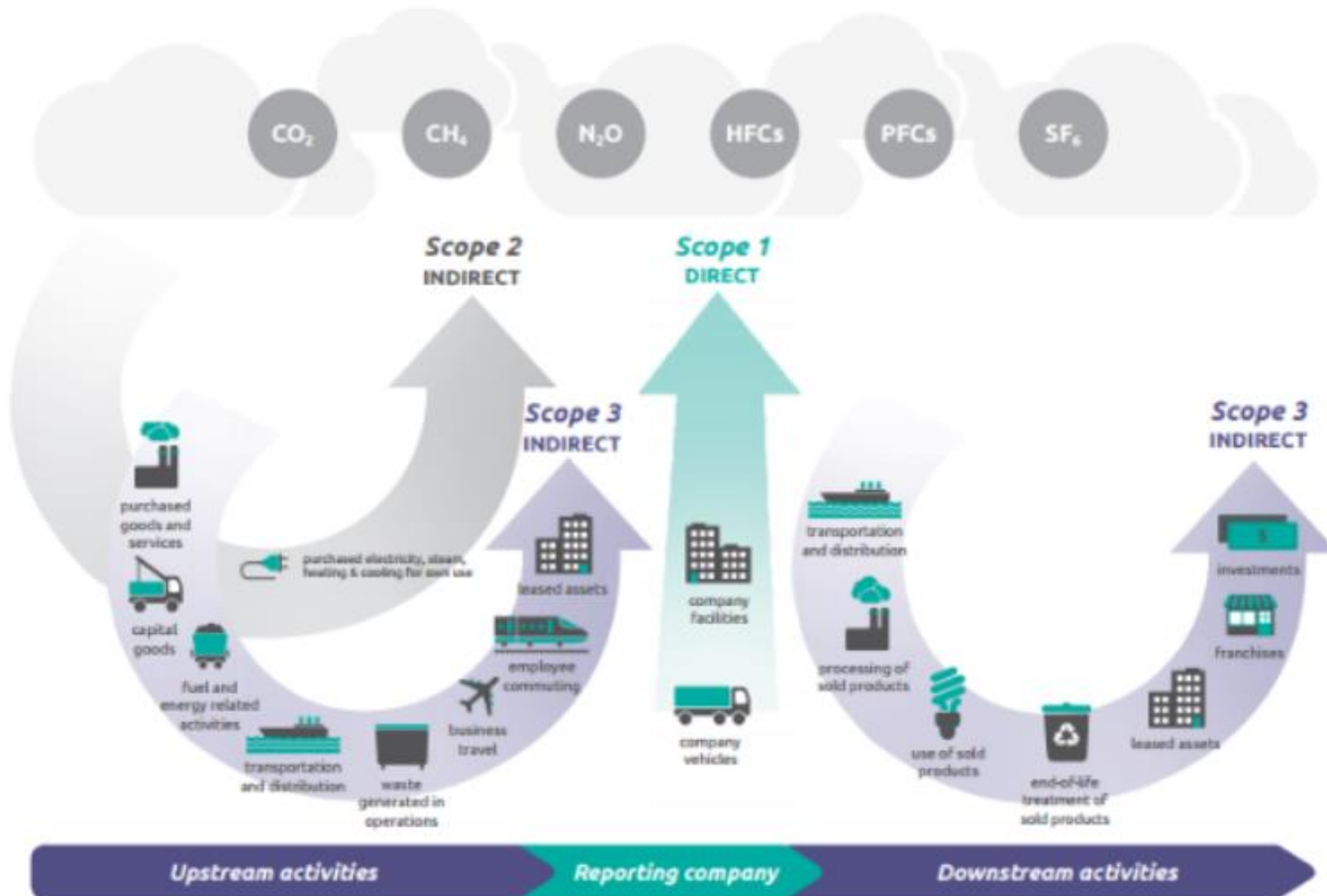
I SAMARBEJDE MED



HVORFOR SCIENCE BASED TARGETS?



BASERET PÅ SCOPES SOM DEFINERET I THE GREENHOUSE GAS PROTOCOL



Scope 1: the emissions from owned or operated assets

Scope 2: the emissions from purchased energy

Scope 3: the emissions from everything else (suppliers, distributors, product use, etc.)

HVEM ER MED?

Ørsted

Vestas

novozymes[®]
Rethink Tomorrow

Arla

novo nordisk

VELUX[®]

Carlsberg

CHR HANSEN

coop

GRUNDFOS[®]

DANONE

Orkla

Nestlé

DIAGEO

Heineken[®]

Coca-Cola

ICA

991
COMPANIES
TAKING ACTION

HOW TO GET STARTED

Joining the SBTi



Commit

Develop Target

Submit Target for
Validation

Announce Target



SBTi Call to Action Guidelines

HOW TO SET AN SBT

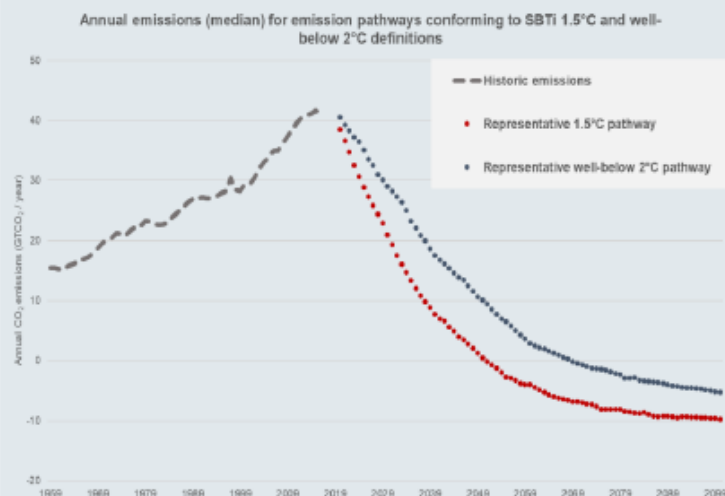
Elements of target setting

1

Choose an emission scenario

What is the global carbon budget?

- IEA 2DS
- IEA B2DS
- RCP 2.6



2

Allocating the carbon budget

What is my share?

- Absolute contraction
- Intensity convergence
- Intensity compression

SBT approach

A) Absolute-based approach

B) Sector-based approach

C) Economic-based approach

3

Comparing against your baseline

How much do I need to reduce?

- Company-specific info

What's my baseline carbon footprint?

What's my baseline carbon intensity?

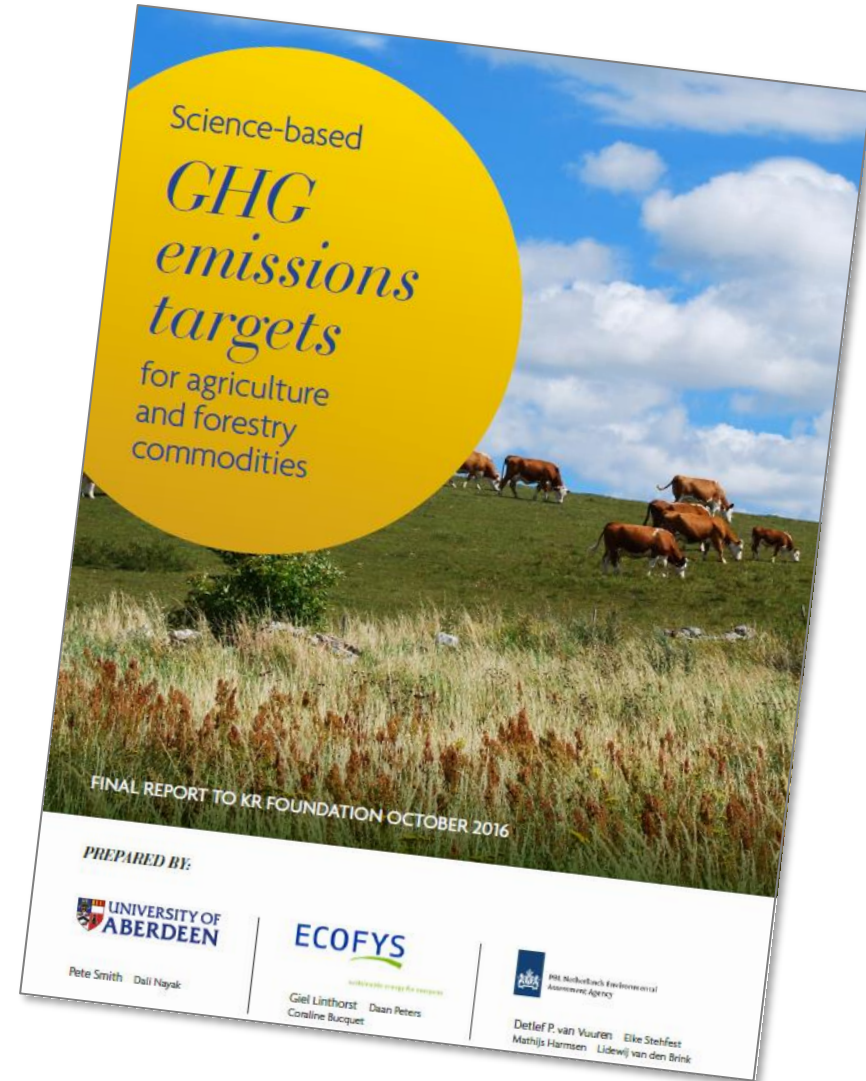
Where in my value chain are emission hotspots?

Across which sectors do my activities spread?

How much will my business grow?

SECTOR SPECIFIC GUIDELINES FOR AGRICULTURE

- Agriculture differ from other sectors
- Not only about fossil CO₂
- Methane and N₂O is important for agriculture

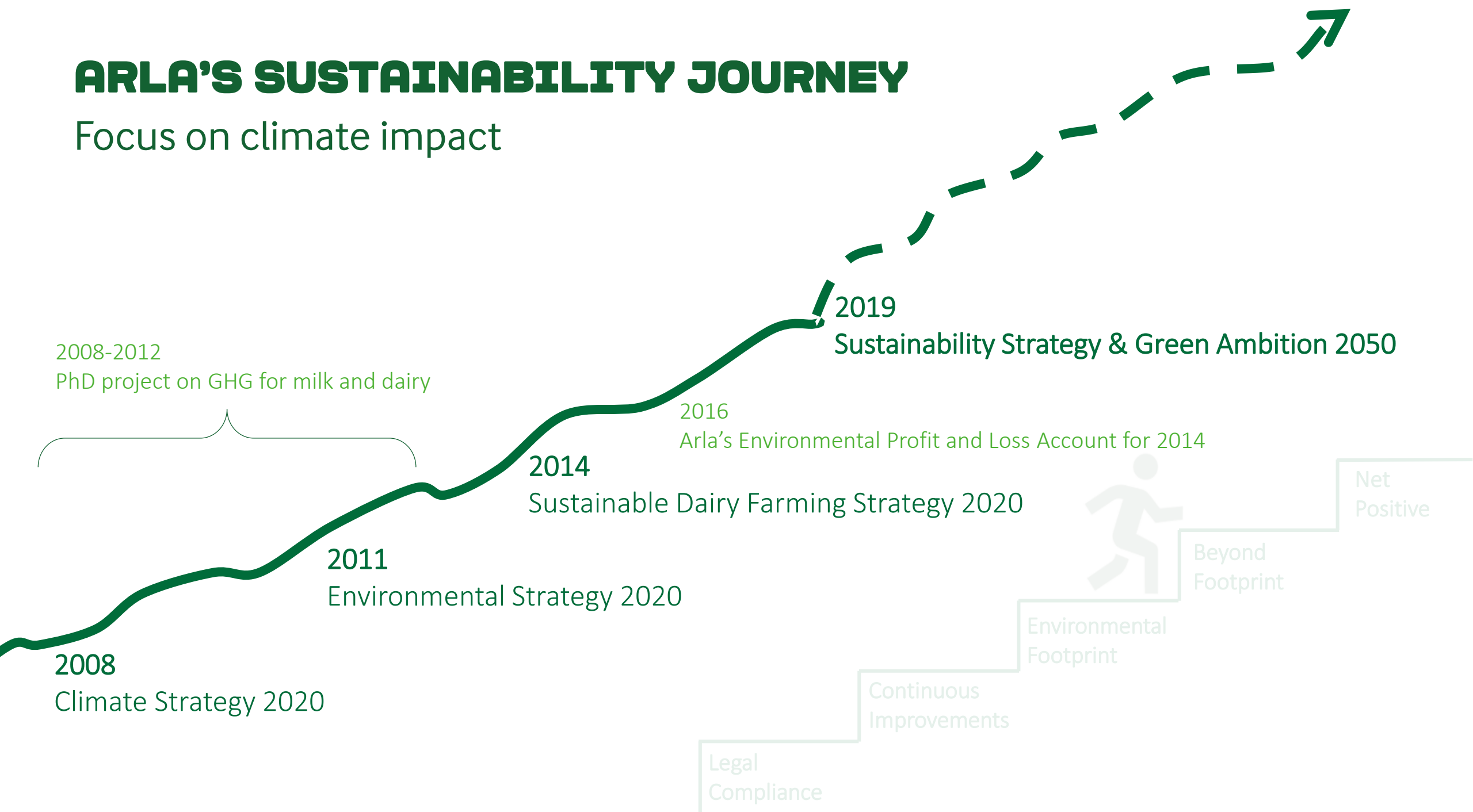


WHY DID ALRA SUBMIT TO SBT



ARLA'S SUSTAINABILITY JOURNEY

Focus on climate impact



Arla Foods' Green Ambition for the future focuses on 3 key areas



BETTER CLIMATE

Our Goal

Carbon Net Zero



CLEAN AIR & WATER

Our Goal

Nitrogen and Phosphorus
Cycles in Balance



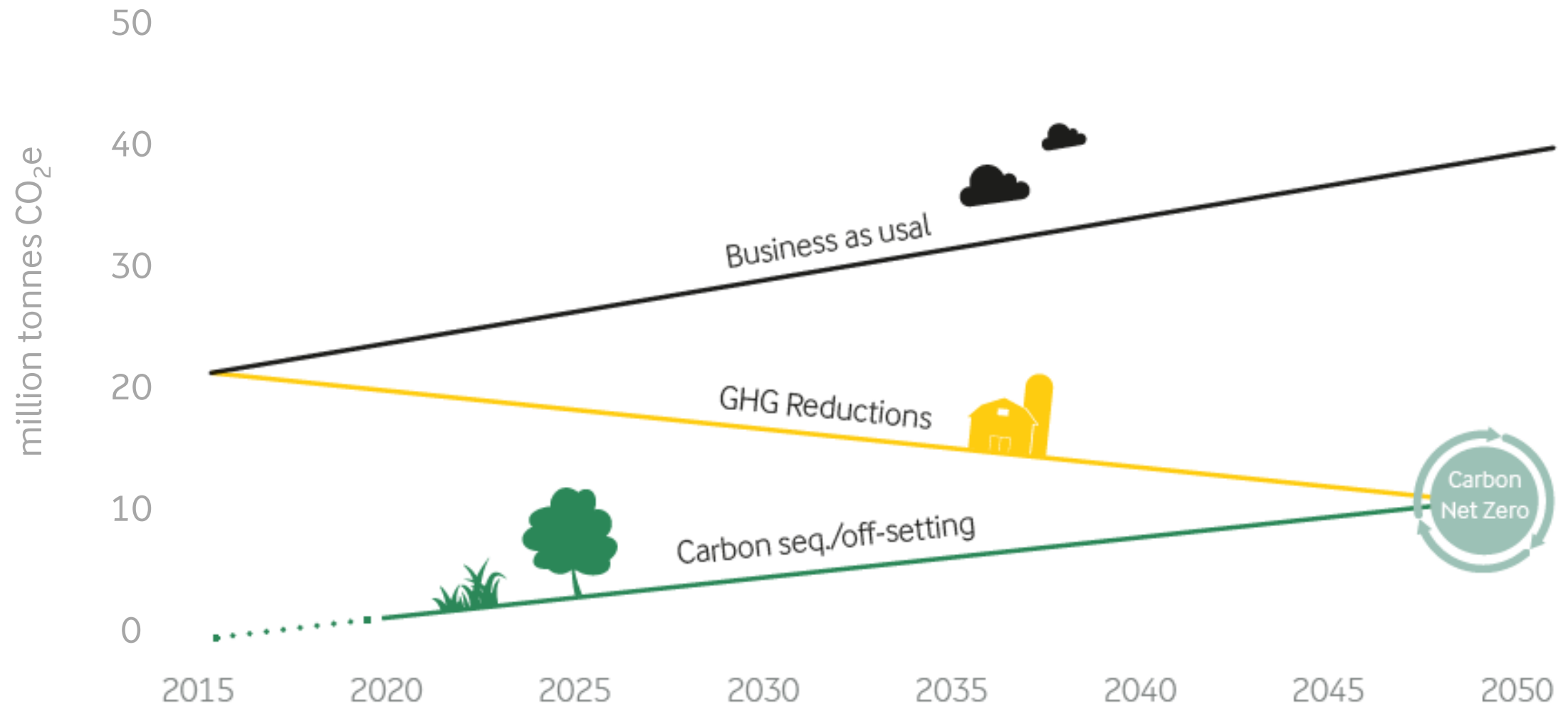
MORE NATURE

Our Goal

Increase Biodiversity
and Access to Nature



CARBON NET ZERO IN 2050



VI ER ALLEREDE KOMMET LANGT



Vi udleder ca halvdelen af
det globale gennemsnit på

2.5 KG CO₂e
per kg mælk



Vi har reduceret udledningen med

24%

per kg mælk siden 1990

ARLA'S SCIENCE BASED TARGETS

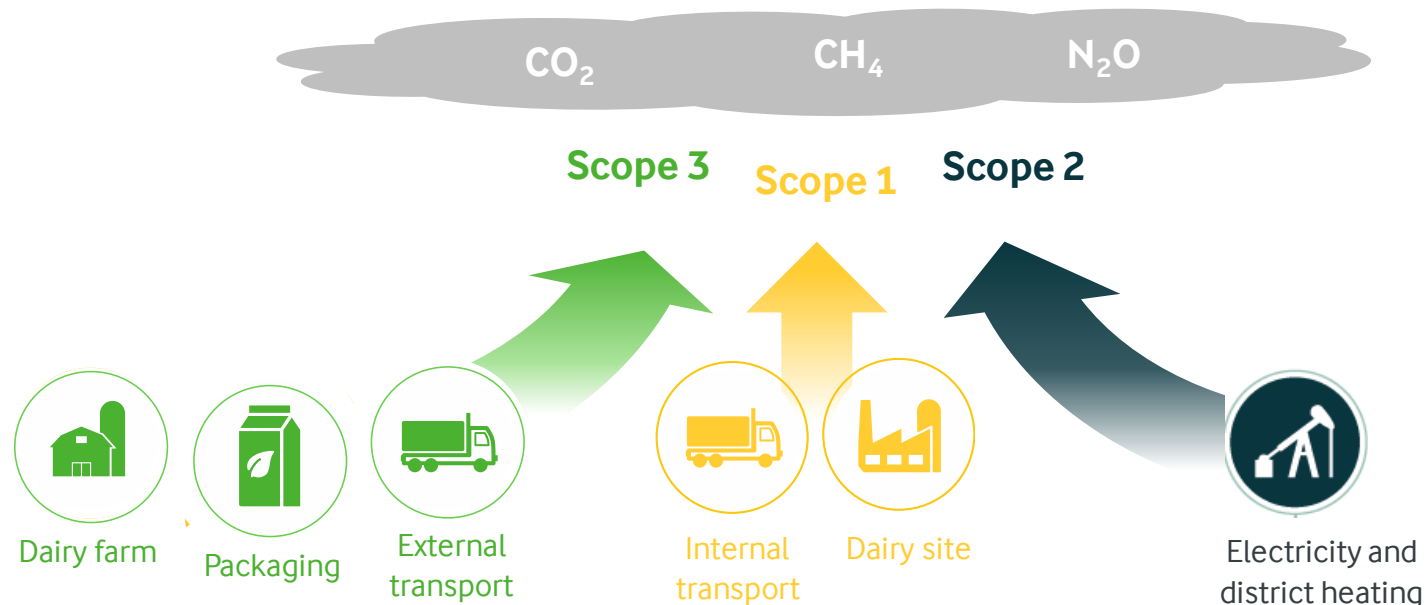
-30%
from 2015-2030

Scope 1&2:

30% absolute reduction in our own emissions (sites & transport).

Scope 3:

30% reduction in GHG emissions intensity from our milk production, packaging and other activities.



To reach our 2030 goals and 2050 ambitions

We will focus on 3 areas



FARMS



PRODUCTION

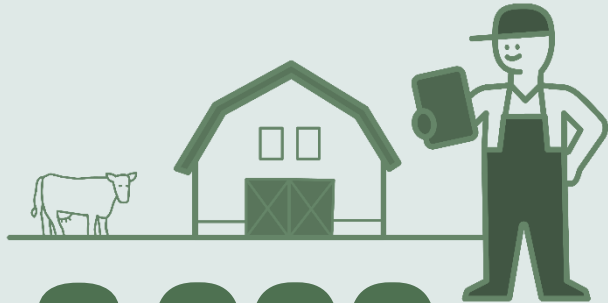


**PACKAGING AND
FOOD WASTE**

Farm Level



TO DATE:



+8,000

**climate checks already
conducted** in line with
country models



- 24%

**GREENHOUSE GAS EMISSIONS
PER KG MILK SINCE 1990**

GOING FORWARD:

ARLAGÅRDEN®

Revised and updated standards



**Milk quality
& food safety**



**Animal
welfare**



**Climate &
Nature**



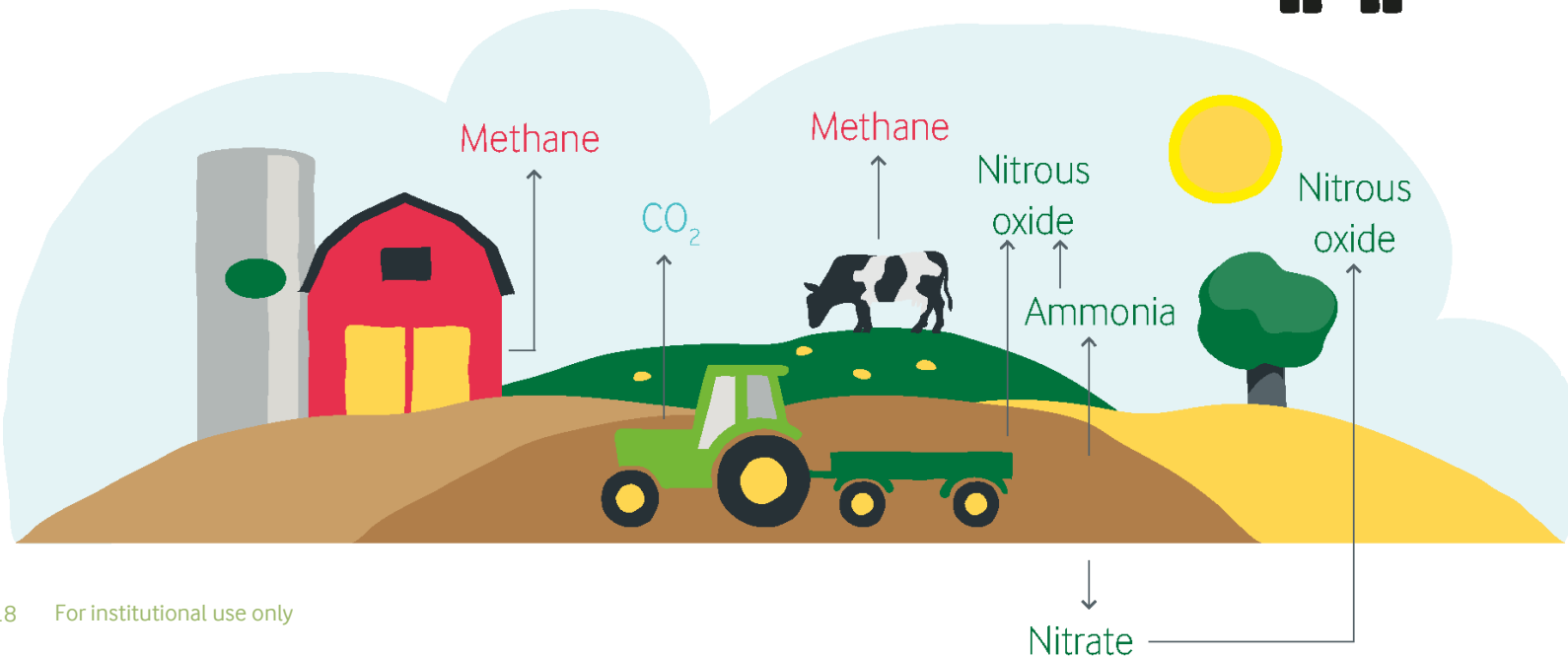
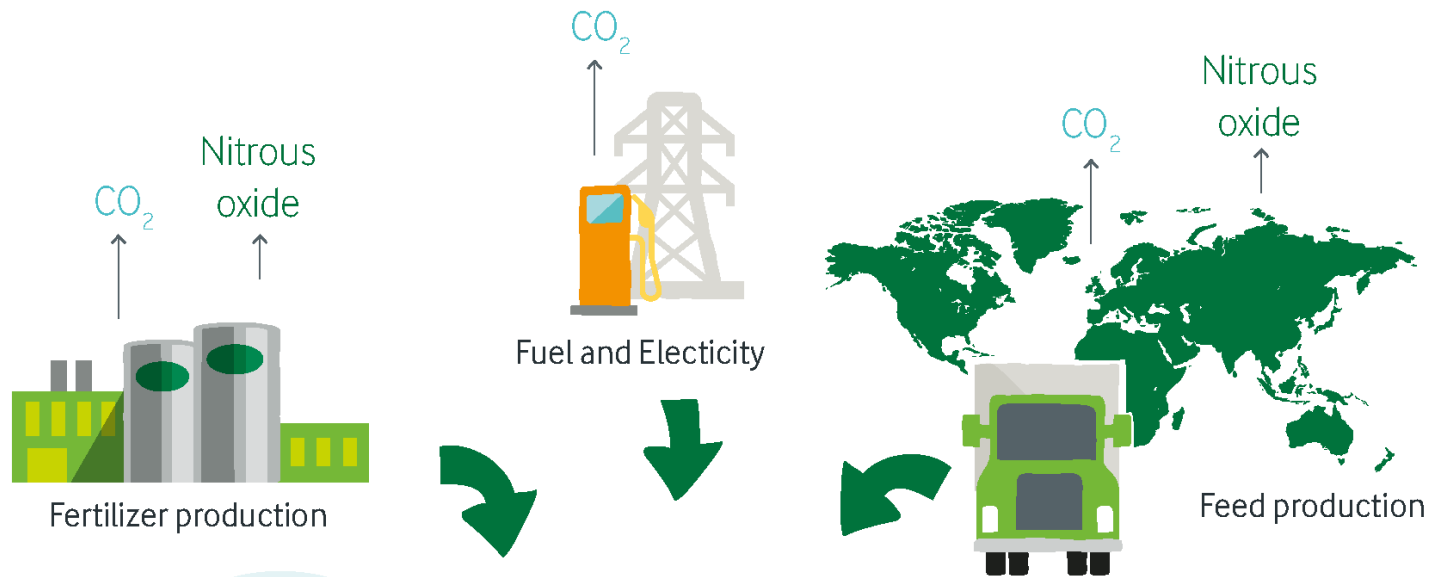
People



**CLIMATE
CHECK**

**globally aligned,
offered to all Arla farmers**

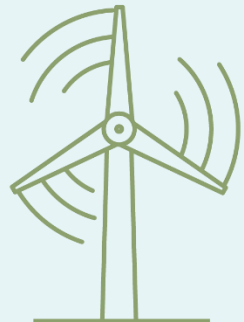
HVAD DÆKKER ET KLIMATJEK PÅ GÅRDEN



Operations & Logistics



TO DATE:



27%
**RENEWABLE
ENERGY AT SITES**

100%
**FOSSIL FREE
TRANSPORTATION
IN ARLA SWEDEN**



GOING FORWARD:



Efficiency and optimization



**New technologies and
alternative fuels & trucks**



**Production sites converted
to 100% green energy**

Danmarks første store lastbil på 100% el



Packaging & Food waste



TO DATE:

BEST PRACTICE LABELLING

“Often good after”
labelling across assortment
& core markets



MORE RENEWABLE MATERIALS

Shifting from fossil to
renewable plastics and
saving around 25%
CO₂e per milk carton.



GOING FORWARD:

50%

REDUCTION
IN WASTE by 2030



100%

RECYCLABLE
PACKAGING
by 2025



WE BELIEVE IT IS KEY TO BASE COMMITMENTS AND CLAIMS ON CLEAR AUDITABLE INTERNATIONAL STANDARDS

ISO 14067 (calculating carbon footprint of products)

- Define system boundaries according to scope (full life cycle from cow to consumer).
- Make sure we have correct emission factors (e.g. GWP with carbon feedbacks).

Greenhouse Gas Protocol (calculating & reporting)

- Define system boundaries and cut offs.
- Report in relevant scopes and categories.

International Dairy Federation guideline (calculations)

- Dairy specific guideline for carbon footprint.
- E.g. how to handle allocation of co-products.

ISO 14021 (claiming carbon neutral)

- Prevent and reduce emissions, and invest in renewable energy in first hand.
- Off-set remaining emissions.



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