

General statement on Arla Foods' position on soy

Arla Foods acts responsibly and we strive to make our products in the most sustainable way possible. Our ambition is to actively encourage our suppliers and sub-suppliers to ensure that they meet Arla Foods' code of conduct for suppliers. The code governs ethical, social and environmental responsibilities. We want to take responsibility throughout the whole supply chain from farm to fork. As such, in Arla Foods' Code of Conduct we outline our support and commitment for sustainable agriculture.

In our supply chain, soy is used in feed for cows. Soy based ingredients are also used in some of our products.

Soy is grown in several areas of the world, for example, USA, Canada, Brazil and Argentina. A major amount of the soy used in Europe is grown in South America. We are concerned about the effect this soy production has on the environment as well as on local communities.

Round Table of Responsible Soy (RTRS) is a multi-stakeholder initiative that has developed principles and criteria for responsible soy production. Its principles cover

- good agriculture practice
- environmental responsibility
- legal compliance
- good business practice
- responsible labour conditions
- responsible community relations

We want to play a part in promoting responsible soy production, and in 2010 we became members of RTRS. Through RTRS we can support responsible soy production as well as the production of feed and other products based on responsibly produced soy.

Our ambition is to develop our support and commitment for the use of responsibly produced soy by delivering the following two objectives:

- all soy fed to cows producing milk for Arla Foods is grown according to RTRS principles and criteria or equivalent since 2015
- all soy based ingredients used by Arla Foods are grown according to RTRS principles and criteria or equivalent since 2015

The fulfilment of our ambitions will be dependent on the availability of responsibly produced soy as well as the establishment of competitive substitute products.

During 2014 - 2017 Arla Foods supported the use of responsibly produced soy by covering the full volume of soy used on Arla Farms and as ingredient, not already certified according to Proterra, by purchasing RTRS certificates.

The progress we make in achieving our ambitions to only use sustainably produced soy and soy-based products are shared publicly in our annual Corporate Responsibility Report.

Viby December 2017

Arla Foods Corporate Responsibility