

Webinar

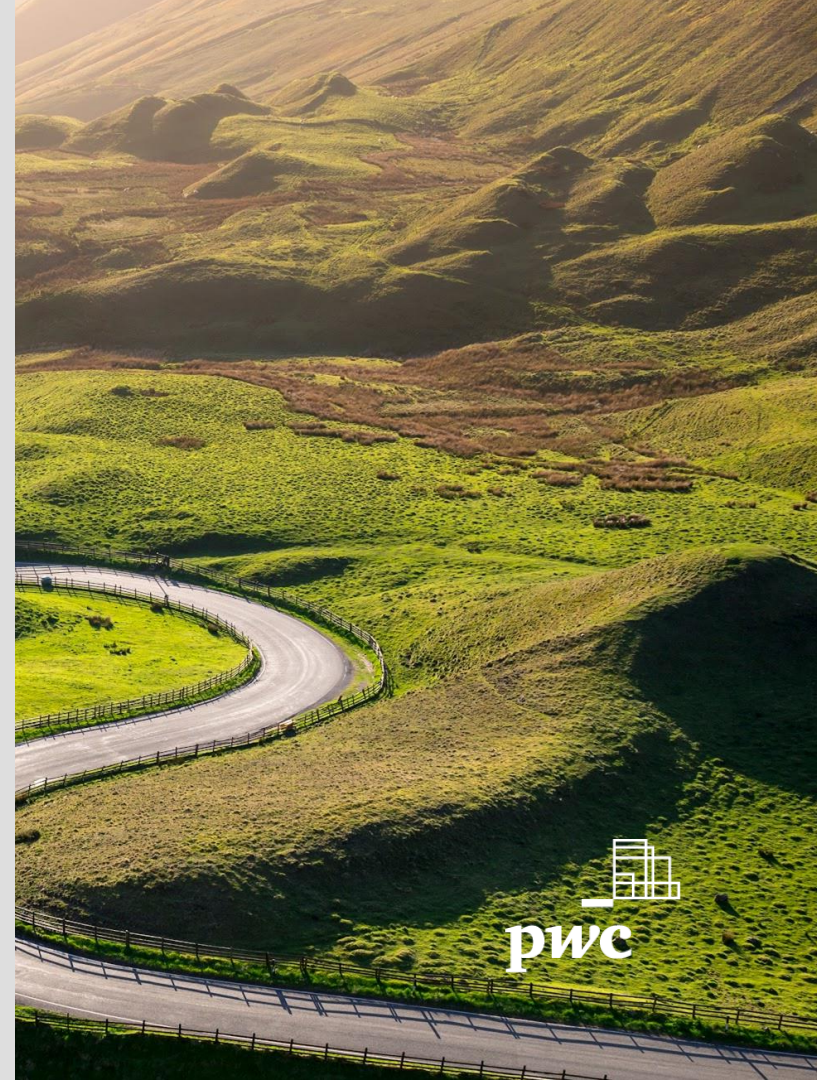
# Corporate ESG Reporting 2024 - Learn From the Best

12 June 2024



# Agenda

- 1. Welcome to this year's CFO agenda**  
/Susanne Stormer
- 2. The value of the Annual Report**  
/Henrik Steffensen
- 3. A winning recipe: Learn from Arla**  
/Janni Opstrup and Emmy Simons
- 4. Q&A**  
/ Susanne, Janni and Emmy
- 5. Thank you and happy holidays**  
- see you after the summer



# This year's CFO agenda



# The value of the Annual Report

Henrik Steffensen  
PwC

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# Årsrapporten er fortsat klart den vigtigste informationskilde

I hvilken grad bruger du følgende informationskilder, når du skal opnå kendskab til en virksomhed?

(Figuren viser andelen, der har svaret i høj eller meget høj grad)



- 9 ud 10 regnskabsbrugere anvender i høj grad eller i meget høj grad årsrapporten, når de skal opnå kendskab til en virksomhed.
- Årsrapporten er dermed fortsat klart den vigtigste informationskilde, når regnskabsbrugere skal opnå kendskab til en virksomhed.
- På trods af nye digitale kommunikationsmuligheder, som virksomheder har til rådighed i dag, bevarer årsrapporten samme klare førerposition som i 2012 og 2017.

# Årsrapporten påvirker virksomhedens og ledelsens troværdighed

## Regnskabsbrugere

Hvor enig er du i følgende udsagn om årsrapportens betydning for en virksomhed?

(Figurerne viser andelen, der er delvist enige eller helt enige i udsagnet)

Årsrapporten påvirker min opfattelse af, om virksomheden er troværdig



Årsrapporten påvirker min opfattelse af, om ledelsen er troværdig



Årsrapporten giver mig et godt indtryk af, om virksomheden arbejder strategisk for at sikre, at den er bæredygtig og fremtidssikret



## Virksomheder

Hvor enig er du i følgende udsagn om årsrapportens betydning for jeres virksomhed?

■ Børsnoterede virksomheder    □ Ikke børsnoterede virksomheder

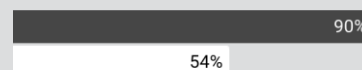
Årsrapporten påvirker omverdenens opfattelse af, om virksomheden er troværdig



Årsrapporten påvirker omverdenens opfattelse af, om ledelsen er troværdig



Årsrapporten giver omverdenen et godt indtryk af, om virksomheden arbejder strategisk for at sikre, at den er bæredygtig og fremtidssikret



- Årsrapporten er stedet, hvor troværdig information formidles - "ledelsens historie" om virksomheden fortælles her.
- Årsrapporten påvirker opfattelsen af virksomhedens og ledelsens troværdighed - det er den klare holdning fra både regnskabsbrugere og virksomheder.
- Kun 55% af regnskabsbrugere finder, at årsrapporten giver indtryk af, om virksomheden er bæredygtig - skyldes måske, at man venter på den nye rapportering.

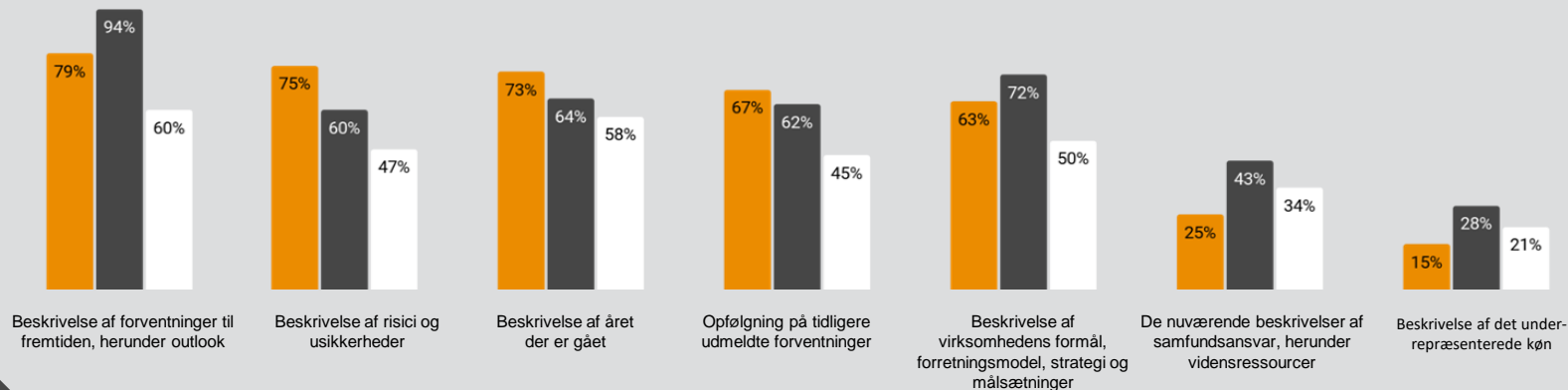
## Ledelsesberetningens relevans

**Regnskabsbrugere:** I hvilken grad anser du følgende dele i ledelsesberetningen for relevante, når du læser en årsrapport for en virksomhed?

**Virksomheder:** I hvilken grad anser du følgende dele i ledelsesberetningen for relevante ved kommunikation med omverdenen?

(Figurerne viser andelen, der har svaret i høj grad eller i meget høj grad)

■ Regnskabsbrugere ■ Børsnoterede virksomheder ■ Ikke børsnoterede virksomheder



- Forventninger til fremtiden (outlook) vægtes højest blandt regnskabsbrugere og virksomheder - selv blandt ikke-børsnoterede selskaber, hvor præferencen dog er lavere end hos de børsnoterede.
- Et godt outlook vil i dag bl.a. bestå af outlook på kort, mellemlang og lang sigt - og vil samtidig omfatte ESG. Husk også at beskrive forudsætninger for outlook.
- Beskrivelser af samfundsansvar vægtes overraskende nok ikke så højt af hverken virksomheder eller regnskabsbrugere. Måske venter alle på den nye rapportering?

# Bæredygtighedsrapporteringen vil skubbe på bæredygtig adfærd

## I hvilken grad er du enig i følgende udsagn om den nye bæredygtighedsrapportering?

(Figureerne viser andelen, der er delvist enige eller helt enige i udsagnet)

■ Regnskabsbrugere ■ Børsnoterede virksomheder ■ Ikke børsnoterede virksomheder

Rapporteringen vil betyde, at den enkelte virksomhed i højere grad vil fokusere på at blive drevet bæredygtigt.

63%

Jeg forventer, at den øgede rapportering på sigt vil være en fordel for den enkelte virksomhed, når den f.eks. skal tiltrække investorer, optage lån, sikre flere kunder, tiltrække nye medarbejdere m.v.

73%

Rapporteringen vil betyde, at vi som virksomhed i højere grad vil fokusere på at blive drevet bæredygtigt.

51%

55%

Jeg forventer, at den øgede rapportering på sigt vil være en fordel for den enkelte virksomhed, når den f.eks. skal tiltrække investorer, optage lån, sikre flere kunder, tiltrække nye medarbejdere m.v.

64%

48%

- “Rapportering kan drive adfærd” - og regnskabsbrugerne forventer det i højere grad end virksomhederne.
- Regnskabsbrugerne (og mange børsnoterede virksomheder) forventer, at rapporteringen kan være en fordel for virksomhederne fremadrettet, når der f.eks. skal tiltrækkes investorer.
- Rapportering i EU går foran resten af verden - giver fordele men der kan også være ulemper ved, at europæiske virksomheder er pålagt denne administrative byrde.

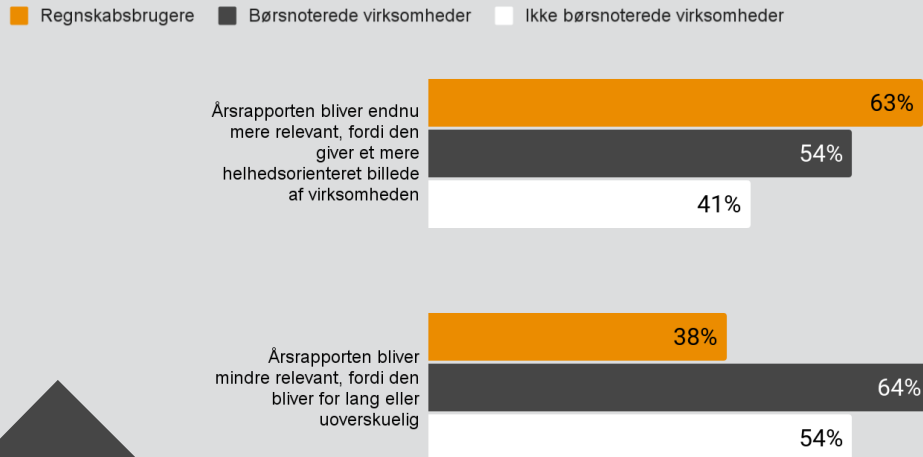


## Bæredygtighedsrapporteringen udfordrer kommunikationsopgaven

**Regnskabsbrugere:** Fra og med regnskabsåret 2024 skal årsrapporten (for store børsnoterede virksomheder) indeholde en mere detaljeret beskrivelse af bæredygtighed, jf. de nye CSRD-regler. Hvilken betydning forventer du, at dette får for dit indtryk af den enkelte virksomheds årsrapport?

**Virksomheder:** Fra og med regnskabsåret 2024 skal årsrapporten (for store børsnoterede virksomheder) indeholde en mere detaljeret beskrivelse af bæredygtighed, jf. de nye CSRD-regler. Hvilken betydning forventer du, at dette får for jeres årsrapport?

(Figurerne viser andelen, der er delvist enige eller helt enige i udsagnet)



- Blandt regnskabsbrugerne forventer man en mere relevant årsrapport - blandt virksomhederne forventer en del, at årsrapporten bliver for lang eller uoverskuelig.
- Uanset præferencer hos virksomheder og regnskabsbrugere - her er en stor opgave hos virksomhederne i forhold til at kommunikere klart og (såvidt muligt) undgå, at rapporteringen blot bliver "compliance".
- Erfaringerne fra overgangen til IFRS i 2005 kan måske inspirere?

# Interessen for bæredygtighedsrapportering vs. den finansielle rapportering

**Regnskabsbrugere:** Hvordan forventer du, at din interesse for den nye bæredygtighedsrapportering i årsrapporten vil være i forhold til den finansielle del af årsrapporten?

**Virksomheder:** Hvordan forventer du, at omverdenens interesse for den nye bæredygtighedsrapportering i årsrapporten vil være i forhold til den finansielle del af årsrapporten?

■ Regnskabsbrugere ■ Børsnoterede virksomheder ■ Ikke børsnoterede virksomheder

Jeg vil være mest fokuseret på den finansielle rapportering.

72%

Jeg vil fokusere lige meget på begge dele.

24%

Jeg vil være mest fokuseret på bæredygtighedsrapporteringen.

2%

Omverdenen vil være mest fokuseret på den finansielle rapportering.

64%

52%

Omverdenen vil fokusere lige meget på begge dele.

21%

34%

Omverdenen vil være mest fokuseret på bæredygtighedsrapporteringen.

9%

8%

Tal summerer ikke til 100%, da "ved ikke" er udeladt

- Hovedfokus i årsrapporten vil fortsat være på den finansielle del af rapporten.
- De finansielle resultater er nødvendige, hvis der skal investeres i bæredygtighed. Derfor er forudsætningen for at have en bæredygtig virksomhed, at økonomien stadig hænger sammen.
- Over tid vil der formentlig blive mere fokus på bæredygtighed - dog nok uden at det vil indtage førstepladsen.

## PwC's anbefalinger

1. Benyt anledningen til at engagere relevante funktioner i arbejdet med bæredygtighed
2. Fokuser på det væsentlige. Den lovpligtige væsentlighedsanalyse sætter rammen
3. Gør især et grundigt forarbejde med ledelsesberetningen - hvordan skal historien fortælles
4. Følg den struktur for bæredygtighedsrapporteringen, som fremgår af standarderne
5. Disponer hele årsrapportens struktur, så der skabes en sammenhængende fremstilling
6. Hjælp læseren til at navigere - via indholdsfortegnelse, krydshenvisninger og hyperlinks
7. Hold fast i det, der fungerer godt, og vær forberedt på at genbesøge processen næste år

Se mere <https://www.pwc.dk/da/publikationer/vaerdien-af-aarsrapporten-2024.html#:~:text=9%20ud%20af%2010%20regnskabsbrugere,af%20virksomhedens%20trov%C3%A6rdighed%20og%20potentiale.>

# A winning recipe: Learn from Arla

**Janni Opstrup and Emmy Simons**  
Arla Foods amba

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# CSRD JOURNEY ARLA FOODS

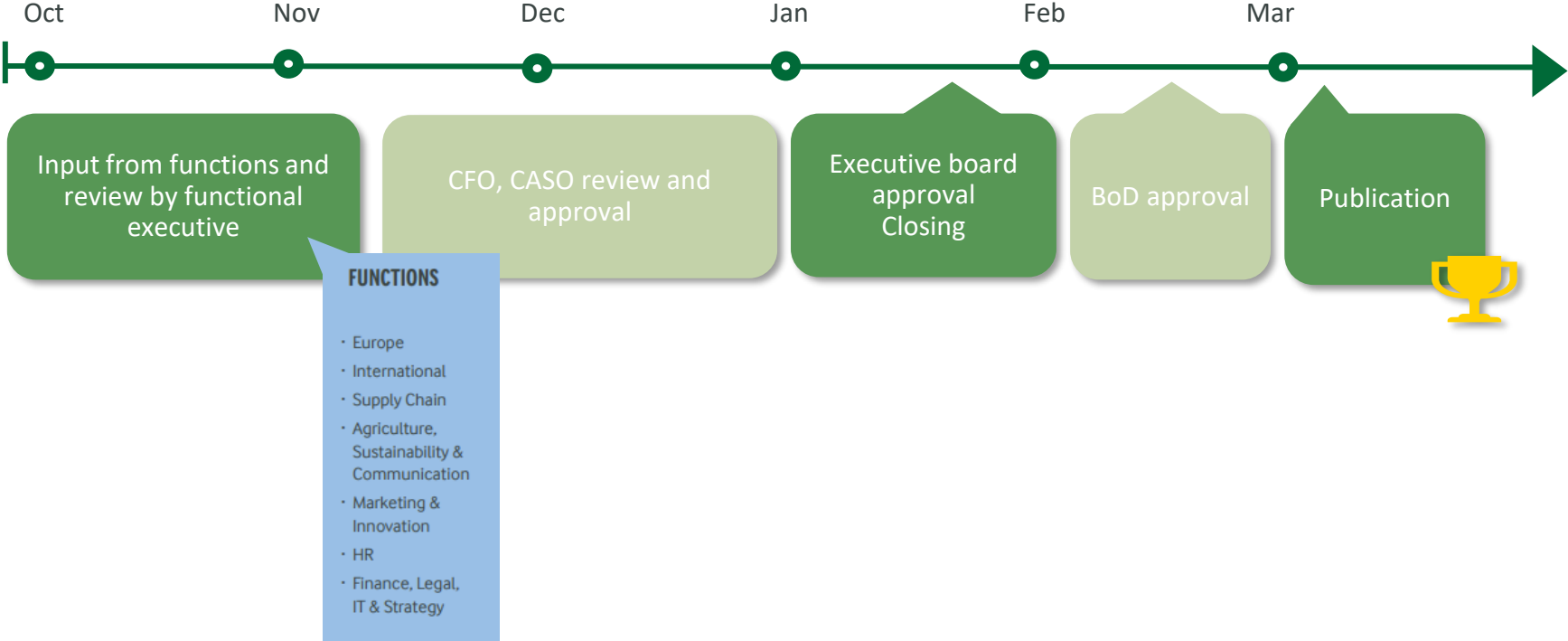
PWC - JUNE 2024



# ARLA'S CSRD JOURNEY STARTED ALREADY IN 2022 AND COMPLIANCE WILL BE ENSURED BY FEBRUARY 2026



# ANNUAL REPORT TIMELINE



# FIRST ATTEMPT TO INTEGRATE CSRD IN 2023 ANNUAL REPORT BY CHANGING STRUCTURE AND CLOSING EASY GAPS

## Sustainability statements (57 pages)

I.

### MANAGEMENT REVIEW

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- 9 2023 highlights
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##### Governance

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II.

### FINANCIAL STATEMENTS

#### CONSOLIDATED FINANCIAL STATEMENTS

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III.

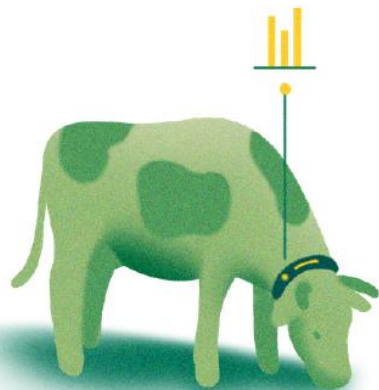
### REPORTS AND OTHER DISCLOSURES

#### MANAGEMENT'S AND AUDITOR'S REPORTS

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# EXAMPLE OF HOW WE REPORTED IN 2023

For each material topic we must report on:



## UNCERTAINTIES AND ESTIMATES

Farms are audited every three years. A year-on-year comparison may therefore be affected due to the fact that it is not the same farms being audited every year.

### Better climate

Our goal is to reduce global greenhouse gas emissions by increasing circularity and resource efficiency.

We aim to achieve this through:

- A significant reduction of our own greenhouse gas emissions and emissions from milk production, in line with the Science Based Targets initiative.
- A transition to renewable energy sources both on-site and throughout the value chain and through resource efficiency for water, energy and materials.
- Monitoring and optimising our operations and allocating capital to ongoing investments to improve energy efficiency.

### Policies and other

#### Policies for sustainability strategy

Our sustainability strategy is supported by our Environmental and Energy Management Policy and Aria's Green Ambition 2050, which together act as guiding policies to address key environmental issues and achieve our long-term sustainability goals on climate change, biodiversity, ecosystems and resource use.

#### Environmental and Energy Management Policy & Green Ambition 2050

Our policies on climate change mitigation focus on GHG emission reductions, energy efficiency and transitioning to renewable energy. Climate change adaptation is not addressed yet. Our Green Ambition 2050 focuses on three key topics; better climate, clean air and water as well as improved biodiversity and ecosystems.

Aria is taking a big step in moving from fossil fuels to renewable energy sources. We aim to use only renewable electricity at our production sites and offices in Europe by 2025. This requires a shift away from fossil coal, oil and gas to renewable energy sources such as wind, solar, biogas and other biofuels. This is relevant for electricity and heat on farms and sites, fuels for transport and materials for packaging.

Together with the Arlagården® programme and the Code of Conduct, our Green Ambition 2050 underlines our care for animal welfare.

#### Clean air and water

Our goal is to keep nitrogen and phosphorus cycles in balance and secure high groundwater and air

quality. We will reach this by protecting regional water sources, reducing the need for external water use and reducing emissions across the whole value chain.

Circular economy principles are our guidelines, focusing on reducing waste and unnecessary resource use as well as reusing and recycling in line with the waste hierarchy. This applies to milk as well as our packaging and water use and the carbon, nitrogen and phosphorus cycles. We especially seek to use more recycled materials in our packaging to increase the amount of packaging that can be recycled.

#### Improve biodiversity and ecosystems

The decline in biodiversity is a threat to our future wellbeing and can have irreversible consequences for our planet. We want to build and contribute to a more biodiverse, robust and accessible local agricultural landscape.

To achieve our goals and targets, it is critical to form strong partnerships throughout the entire value chain as well as across value chains. We cannot achieve our Green Ambition alone. We need to rely on the cooperative spirit – working together with researchers and scientists as well as suppliers and customers to find new technologies and solutions to lead the future of sustainable dairy.

#### Animal welfare

The Arlagården® programme, the Code of Conduct and Green Ambition 2050 underline our commitment to animal welfare. We prioritise improving animal health on farms and responsibly

producing high-quality milk to support the transition to a sustainable dairy industry.

#### EU Taxonomy

The EU Taxonomy Regulation (EU) 2020/852 aims to increase transparency and provide a scientific definition of 'sustainable'. It sets reporting obligations for businesses, focusing on revenue, OpEx and CapEx. Eligibility and alignment assessments are required, with eligibility referring to inclusion in the EU Taxonomy Regulation. Currently, the food and beverage manufacturing industry is not covered, resulting in 0% revenue eligibility for Aria. The analysis of OpEx and CapEx has been initiated, however we do not plan to pre-implement the elements before 2025 when reporting will become mandatory as part of the EU's Corporate Sustainability Reporting Directive.

#### Carbon pricing

In Aria, we use a carbon pricing scheme to incorporate the carbon impact into investment decisions for every investment above EUR 500,000. The goal is to make investments with a positive carbon impact attractive. Our current carbon price is EUR 90/tonne of CO<sub>2</sub>e. This carbon price is updated once a year as the weighted average of the one-year average EU ETS price and the one-year average weighted GoO certificate price. Our carbon pricing scheme adheres to our internal standards and is not aligned with the screening criteria in the EU Taxonomy.

# EXAMPLE OF HOW WE REPORTED IN 2023

For each material topic we must report on:



The screenshot shows a report page with the following content:

- Navigation:** INTRODUCTION, PERFORMANCE REVIEW, RISKS AND OPPORTUNITIES, SUSTAINABILITY STATEMENTS.
- Page Header:** General information, Environment / Climate change and animal welfare, Biodiversity and nature, Resource use and circularity / Social, Governance.
- Section:** Actions and resources.
- Section Title:** SUSTAINABLE DAIRY FARMING.
- Text:** AS ONE OF THE WORLD'S LARGEST DAIRY PRODUCERS, WE HAVE A BIG RESPONSIBILITY TO REDUCE OUR IMPACT ON THE CLIMATE. IT IS CLEAR THAT THE CLIMATE CHANGE THREAT WE FACE TODAY REQUIRES US TO DO EVEN MORE, SETTING BOLDER TARGETS WITH A CLEAR PATHWAY FOR ACHIEVING THEM.
- Text (Left Column):** In 2023, scope 3 emissions per kg milk and why decreased by 3 percentage points compared to 2022, contributing to an overall reduction of 12% compared to 2015. Read more on page 40. Emissions from Arla's owners were 1.08 kg CO<sub>2</sub>e per kg of owner milk, a 3.6% decrease from last year. Reductions were seen across all countries, with the UK showing the largest improvements. The biggest reductions derive from better fertilizer use and manure handling.
- Text (Right Column):** milk price the individual Arla farmers receive is now directly tied to their activities related to environmental actions. The model is based on a point-based system in which the farmers can collect points based on their emission-reducing activities on the model's 19 different levers, such as feed and protein efficiency, manure handling, sustainable feed, renewable electricity and land use. For every activity, the farmers can collect points if they meet specific criteria. Each point that the farmers gain will trigger 0.03 EUR-cent/kg of milk they deliver to us. Activities with the biggest CO<sub>2</sub>e reduction potential trigger the most points.
- Text (Bottom Left):** Our Sustainability Incentive model was launched in July 2023, and the first results confirm the reduction potential. The first payouts issued this summer marked, for the first time ever, that the
- Text (Bottom Right):** The average points achieved during 2023 were 50. For an average Arla farm with an annual milk production of 1.6 million kg, this amounts to close to EUR 40,000 a year in total.
- Large Text:** 3.6%
- Text (Bottom Right):** Reduction in CO<sub>2</sub>e per kg owner milk in 2023 compared to 2022. This reduction represents the largest year on year reduction we have seen so far.
- Image:** A photograph of two people in a dairy farm setting, one holding a large bale of hay.
- Scorecard (Right Side):** Available points in the Sustainability incentive model. TOTAL 80 POINTS. THE BIG 5 (49 POINTS): SUSTAINABLE FEED (11 POINTS), CARBON FARMING AND BIODIVERSITY (8 POINTS), MANURE HANDLING (6 POINTS), RENEWABLE ELECTRICITY (5 POINTS), KNOWLEDGE BUILDING (1 POINT).

# EXAMPLE OF HOW WE REPORTED IN 2023

For each material topic we must report on:



1 INTRODUCTION		PERFORMANCE REVIEW	RISKS AND OPPORTUNITIES	SUSTAINABILITY STATEMENTS	
General information	Environment	Climate change and animal welfare	Biodiversity and nature	Resource use and circularity / Social Governance	
<b>Progress towards targets</b>					
<b>GREENHOUSE GAS EMISSIONS (CO<sub>2</sub>e)</b>					
<p>To set our goals, we rely on the latest scientific methodology and understanding of our ecosystem to ensure the goals are robust, actionable and in line with the planet's needs.</p> <p>In 2023, our scope 1+2 CO<sub>2</sub>e emissions decreased by 4 percentage points, leading to a total reduction of 3.3% compared to the 2015 value of 983 thousand tonnes. The reduction was a result of energy optimisations at sites, the impact from PPK contracts, solar panels in Belarus, Poland and UK, and to a minor degree renewable electricity certificates. The reduction was partly offset by impacts from increased milk volumes and powder production.</p> <p>In 2023, scope 3 emissions per kg of milk and whey decreased by 3 percentage points compared to 2022, contributing to our overall reduction of 12% compared to the baseline value of 1.29 kg CO<sub>2</sub>e per kg of milk and whey in 2015. As a result, the current scope 3 emissions per kg of milk and whey now amount to 1.14 kg CO<sub>2</sub>e. Emissions specifically from Arla's owners amounted to 1.08 kg CO<sub>2</sub>e per kg of owner milk, corresponding to a 5.6% decrease compared to last year. Reductions were delivered across most countries, with UK showing the biggest improvements. The biggest reductions were observed within better fertiliser use and manure handling.</p> <p>Packaging emissions increased due to product mix changes, while scope 3 transport emissions decreased as a result of reduced air freight, low carbon fuel usage and increased transport activities which in turn led to higher scope 1 transport emissions.</p> <p>In 2023, total CO<sub>2</sub>e emissions decreased to 18,801 thousand tonnes (2022: 19,102). The development is primarily explained by emission reductions on farm, partly offset by higher milk volumes and increased purchases of external whey for the Arla Foods Ingredients business. To a smaller degree this reduction is also caused by a decrease in scope 2 emissions.</p>					
<b>ACCOUNTING POLICIES</b>					
<p>To follow up on the progress towards emission reduction targets, greenhouse gas emissions (expressed as CO<sub>2</sub> equivalents, CO<sub>2</sub>e) are reported annually. CO<sub>2</sub>e is categorised into three scopes according to the methodology of the Greenhouse Gas Protocol Corporate Standard (GHG Protocol). In line with Arla's science-based targets, the group does not reduce its CO<sub>2</sub>e emissions with carbon credits.</p> <p><b>Calculating CO<sub>2</sub> equivalents</b> Greenhouse gases are gases that contribute to the warming of the climate by absorbing infrared radiation. Besides the widely known carbon dioxide (CO<sub>2</sub>), there are two other major greenhouse gases associated with dairy production: Methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). In order to calculate Arla's total greenhouse gas emissions (carbon footprint), different greenhouse gas emissions are converted into carbon dioxide equivalents (CO<sub>2</sub>e). The conversion of different gases reflects their global warming potential.</p> <p>The potency of the different gases is taken into consideration according to the following calculations based on the IPCC Fifth Assessment Report, Climate Change 2013: 1 kg of carbon dioxide (CO<sub>2</sub>) = 1 kg of CO<sub>2</sub>e 1 kg of methane (CH<sub>4</sub>) = 28 kg of CO<sub>2</sub>e 1 kg of nitrous oxide (N<sub>2</sub>O) = 293 kg of CO<sub>2</sub>e</p> <p>The majority of Arla's emissions are methane from digestion and manure storage, and nitrous oxide from fertiliser and manure usage. Greenhouse gas emissions are categorised into three scopes according to where they occur across the value chain, and what control the company has over them. Emissions are calculated in accordance with the methodology set out in the GHG Protocol.</p> <p><b>Scope 1 – All direct emissions</b> Scope 1 emissions relate to activities under the group's control. This includes transport using Arla vehicles and direct emissions from Arla's production facilities.</p> <p><b>Scope 2 – Indirect emissions</b> Scope 2 emissions relate to the indirect emissions caused by energy purchases, i.e. electricity used. In 2020, Arla switched from location-based scope 2 reporting to market-based reporting and updated the 2015 baseline. The market-based allocation approach reflects emissions from electricity purchased or produced by Arla, as well as emissions related to other contractual instruments such as PPKs and certificates purchased by Arla, which may differ from the average electricity and other energy sources generated in a specific country. This gives Arla the opportunity to purchase electricity and other contractual instruments which emit less greenhouse gases than the country average. In accordance with the GHG Protocol, Arla discloses scope 2 emissions according to both the market and location-based method (also known as dual reporting).</p> <p><b>Scope 3 – Other indirect emissions</b> Scope 3 emissions relate to emissions from sources that Arla does not directly own or control. They cover emissions from purchased goods and services (e.g. raw milk purchased from owners and contract farmers, whey, packaging and transport purchased from suppliers, but also waste processing from production sites).</p> <p>Emissions from whey relate to externally purchased whey for Arla Foods Ingredients. Included whey is standardised and recalculated based on the milk solids content to consider the difference in quality and fractions purchased at Arla. The emission factor related to externally purchased whey was unchanged at 1.0 kg of CO<sub>2</sub>e per kg of a conservative estimate (IPCC, 2012).</p> <p>Arla collects data from transport and packaging suppliers covering a maximum of 90% of the spend. Based on the collected data, results are scaled up to cover 100%. For transport, production and packaging, emission factors are based on Defra 2022 and Icteinet 3.1.1. The emission factors are updated annually.</p> <p><b>Scope 3 – Emissions on farm</b> Scope 3 emissions from raw milk are calculated in accordance with the International Dairy Federation's guideline for the carbon footprint of dairy products (IDF 2015). The tool used for calculating the carbon footprint of milk is based on an attributional life-cycle assessment (LCA) that has been developed during the last decade in collaboration with 2-01 LCA Consultants, a Danish consultancy firm formed by academics. For detailed descriptions of methodology, please refer to Schmidt and Dalgaard (2021), which can be found on the website of 2-01 LCA Consultants. Farm-level emission factors are also obtained from 2-01 LCA Consultants. For non-owner milk, emission factors were unchanged from 2015 levels. Non-owner milk emissions are</p>					
<b>Greenhouse gas emissions progress</b>					
Thousand tonnes (mkt)	2023	2022	2021	2020	2019
CO <sub>2</sub> e scope 1+2 market-based	660	695	753	751	862
<b>CO<sub>2</sub>e reduction scope 1+2 (Baseline: 2015)</b>	<b>33%</b>	<b>29%</b>	<b>25%</b>	<b>24%</b>	<b>12%</b>
CO <sub>2</sub> e scope 3 from owner per kg of owner milk (kg)	1.08	1.12	1.15	1.15	1.15
CO <sub>2</sub> e scope 3 per kg of milk and whey (kg)	1.14	1.18	1.20	1.21	1.21
<b>CO<sub>2</sub>e reduction scope 3 per kg of milk and whey (Baseline: 2015)</b>	<b>12%</b>	<b>9%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>
* The calculation of CO <sub>2</sub> e emissions in 2015 was based on national statistical data, the best available source at the time. In 2016, we started to do climate measurements on farms and gradually replaced the national statistical data with Arla-specific data in the CO <sub>2</sub> e calculation model.					
<b>Greenhouse gas emissions (scope 1, 2, 3)</b>					
Thousand tonnes (mkt)	2023 <sup>1)</sup>	2022	2021	2020	2019
Production	426	399	368	381	366
Transport	82	78	79	93	97
<b>CO<sub>2</sub>e scope 1<sup>1)</sup></b>	<b>508</b>	<b>477</b>	<b>447</b>	<b>474</b>	<b>463</b>
<b>CO<sub>2</sub>e scope 2 – market-based</b>	<b>152</b>	<b>218</b>	<b>286</b>	<b>277</b>	<b>399</b>
Milk	13,196	13,571	16,396	16,645	16,324
Externally sourced whey	1,987	1,859	1,751	1,133	1,052
Packaging	459	444	417	396	384
Purchased goods and services (category 3)	17,642	17,874	18,554	18,174	17,940
Fuel and energy-related activities (category 3)	159	177	125	120	110
Upstream transport and distribution (category 4)	331	346	347	306	312
Waste generated in operations (category 3)	8	10	24	23	25
<b>CO<sub>2</sub>e scope 3<sup>1)</sup></b>	<b>18,141</b>	<b>18,407</b>	<b>19,050</b>	<b>18,623</b>	<b>18,387</b>
<b>Total CO<sub>2</sub>e</b>	<b>18,801</b>	<b>19,502</b>	<b>19,783</b>	<b>19,376</b>	<b>19,249</b>
CO <sub>2</sub> e scope 2 – location-based	192	165	243	237	274
Total CO <sub>2</sub> e – location-based	18,841	19,609	19,740	19,356	19,124
* Scope 3 emissions from categories 2, 4, 7, 8, 9, 13 and 14 are individually less than 0.5% and not included in the emission figure. Categories 10, 11, and 12 have minor impacts above 0.5%. Arla did not report voluntarily in 2023, but is improving data quality for future reporting. Category 15 has around a 5% impact, and data quality efforts are underway for future reporting. <sup>1)</sup> Biogenic emissions, which are not included in the emission table, amounted to 90 thousand tonnes of CO <sub>2</sub> e. <sup>2)</sup> Ruminants not included.					
<b>GHG intensity per net revenue<sup>2)</sup></b>					
Thousand tonnes per million EUR	2023	2022	2021	2020	2019
<b>Total GHG emissions (location-based) per net revenue (CO<sub>2</sub>e/mEUR)</b>	<b>1.38</b>	<b>1.38</b>	<b>1.76</b>	<b>1.82</b>	<b>1.82</b>
<b>Total GHG emissions (market-based) per net revenue (CO<sub>2</sub>e/mEUR)</b>	<b>1.17</b>	<b>1.58</b>	<b>1.77</b>	<b>1.82</b>	<b>1.83</b>
<sup>2)</sup> Net revenue figures taken from financial statements.					



# EXAMPLE OF HOW WE REPORTED IN 2023

For each material topic we must report on:



# THE RESULTS OF THE MATERIALITY ASSESSMENT CONFIRMS SUSTAINABILITY STRATEGY FOCUS



- Material issues (Threshold 3+)**
- F. Food safety
  - AW. Animal welfare
  - E1. Climate change
  - E4. Biodiversity and nature
  - E5. Resource use and circular economy
  - S1. Own workforce
  - S2. Workers in value chain
  - S4. Consumers and end-users
  - G1. Business conduct
- Not material issues**
- E2. Pollution
  - E3. Water and marine resources
  - S3. Affected communities
- Topics link to the topics listed by the European sustainability standards (ESRS)

AW and Food safety entity specific topics

# Q&A

# Naturkonferencen 2025

—  
virksomheder  
kan gøre en  
positiv forskel

Den 9. januar 2025

Få indsigt og inspiration til løsninger,  
når vi samler dansk erhvervsliv til en  
stor konference om natur  
— udfordringer og muligheder.

Tilmeld dig på: [pwc.dk/natur-25](https://pwc.dk/natur-25)



# Download PwC's CSRD Guidebook

Få vejledning til bæredygtigheds-  
rapportering i vores CSRD Guidebook.

Den introducerer bl.a. nøglebegreber fra  
ESRS-standarderne og giver viden om  
den struktur og det indhold, der skal indgå  
i rapporteringen.

Tilmeld dig på: [pwc.dk/csrd](https://pwc.dk/csrd)



# Thank you for your attendance



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