REGENERATIVT LANDBRUG MØDER SBTI
– ET FIRMAPERSPEKTIV

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Chief Specialist – Climate & Nature
Global Sustainability, Arla Foods

Arla has been committed to an ambitious sustainability agenda for many years …

2023:
FarmAhead™ Customer Partnership launched

2022:
FarmAhead™ Incentive launched

2021:
Updated SBTi 1.5C target approved

2019:
Green Ambition launched and first SBTi targets approved

2014:
Sustainable Dairy Farming Strategy

2012 – :
Climate Check

2011:
Environmental Strategy

2008:
First climate strategy

The Dairy Cooperative

Arla Foods

+50 000 hands

20 000 colleagues in 40 countries

7 500 owners in 7 countries

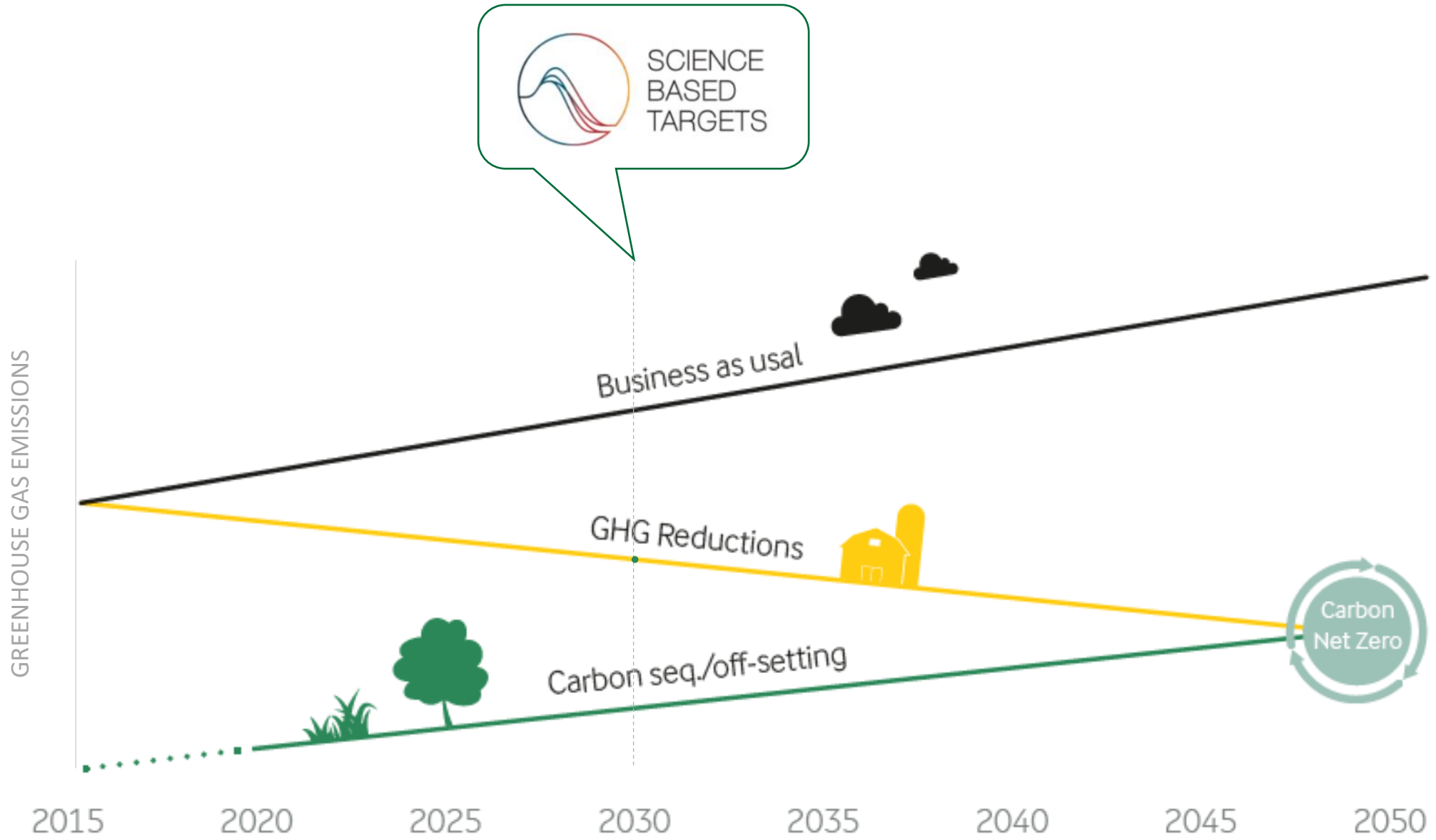
+6 million hooves

14 bn kg milk intake

Largest organic milk producer

Sustainability is increasingly being integrated in Arla Foods.

ARLA IS COMMITED TO SCIENCE BASED TARGETS (2030) & CARBON NET ZERO BY 2050



SCIENCE BASED TARGETS INITIATIVE (SBTI)

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Science-based targets provide companies with a clearly-defined path to reduce emissions in line with the Paris Agreement goals.

'SBTi is the Paris Agreement for companies'

Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels.

Partners

CDP DISCLOSURE INSIGHT ACTION
United Nations Global Compact
WORLD RESOURCES INSTITUTE
WWF
WE MEAN BUSINESS COALITION

Arla

ARLA HAS SET SCIENCE BASED TARGETS

Scope 1&2:

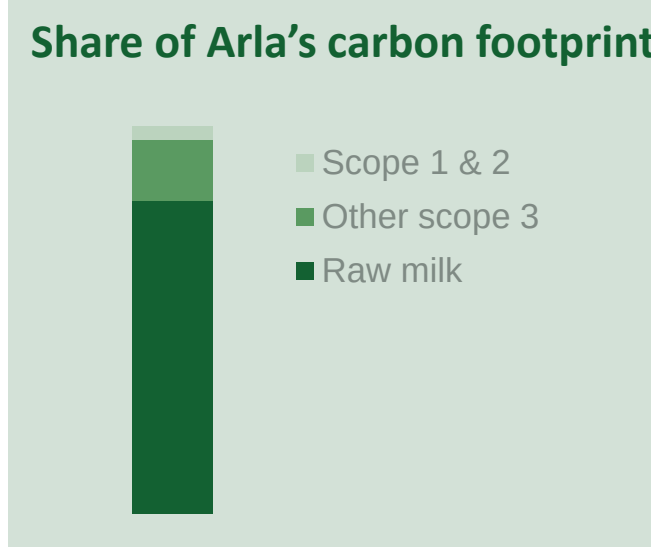
63% absolute reduction in our own emissions (sites & transport).

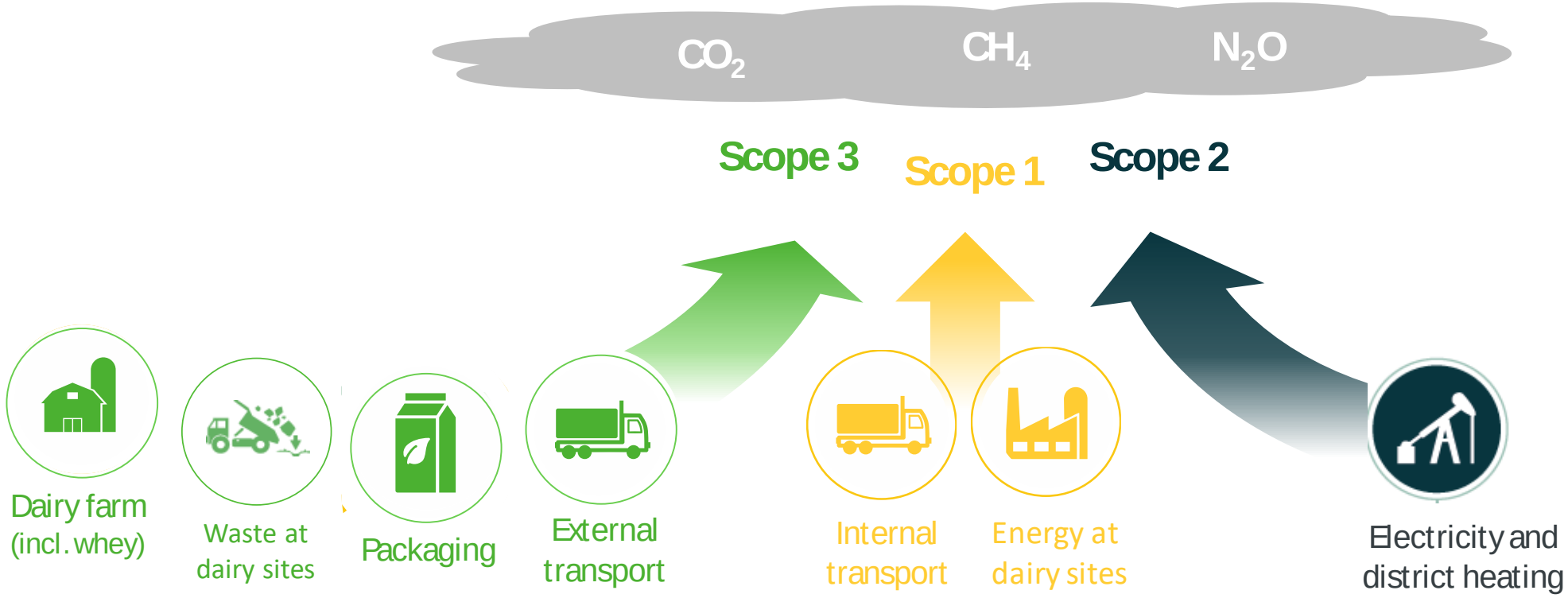
Status 2023: -33%

Scope 3:

30% reduction in GHG emissions intensity from our milk production, packaging and other activities (e.g. whey, waste, transport).

Status 2023: -12%

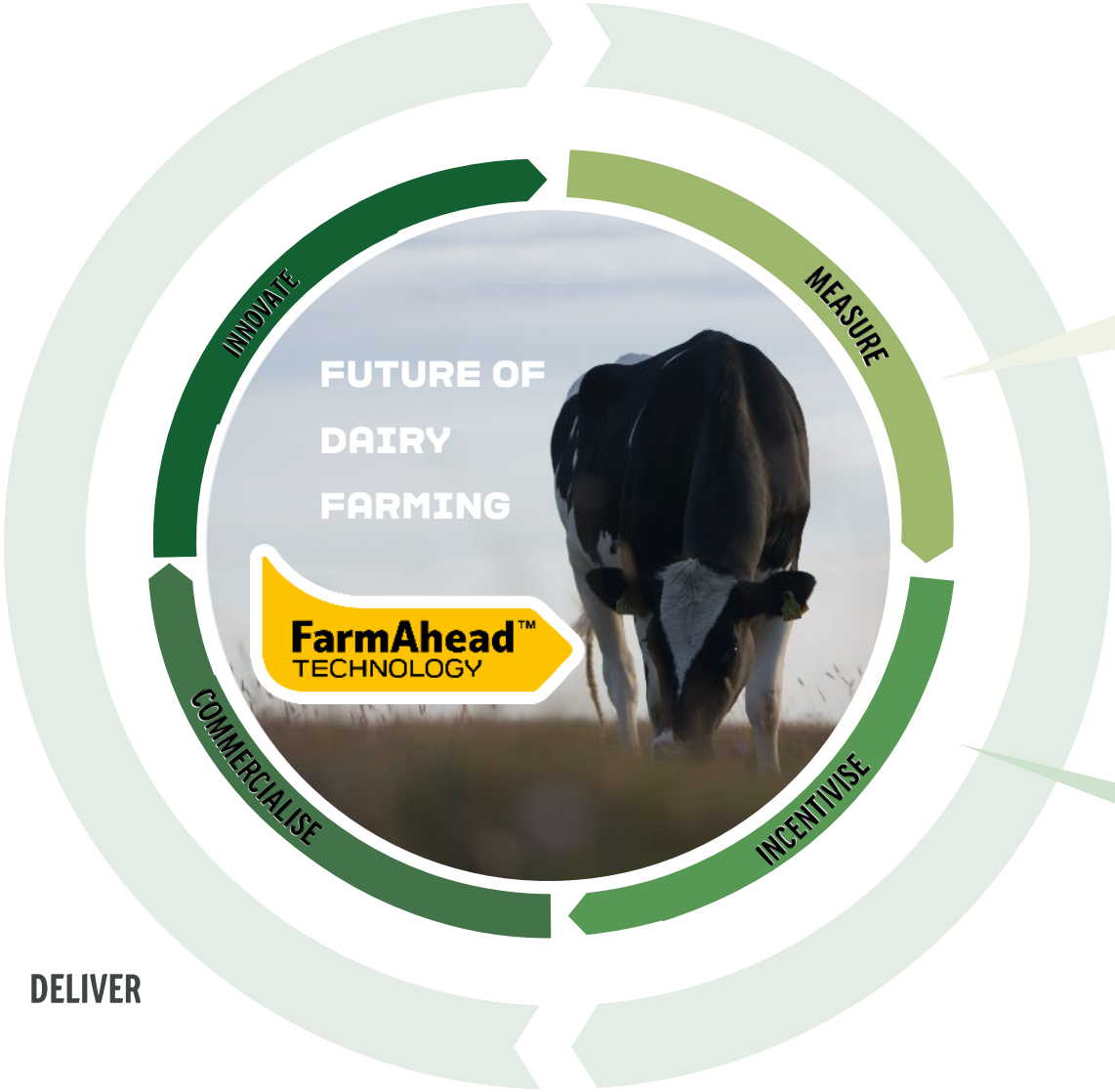




THE FLYWHEEL – HOW WE ARE DRIVING OUR CLIMATE JOURNEY

COMMIT

Setting targets
SBTi & net zero

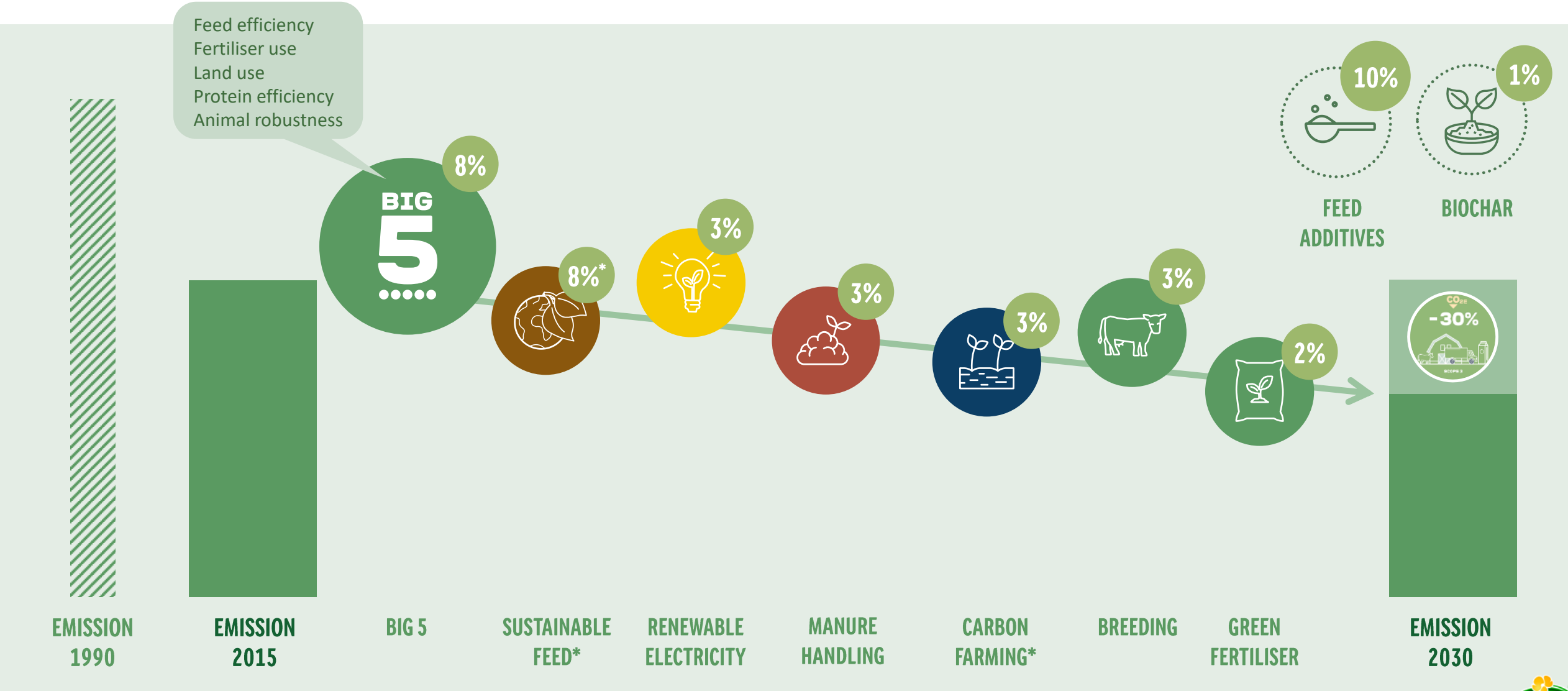


To calculate our Carbon Footprint
The Farm Ahead Check

To incentivise action
The Farm Ahead Incentive

DELIVER

ARLA's CARBON FARM ROADMAP



*Requires direct Land Use Change (dLUC) and carbon sequestration to be included in the Science Based Target and the 2015 baseline to be updated accordingly

ARLA's FARM AHEAD INCENTIVE MODEL:

REWARDING THE ACTIONS THAT HAVE THE MOST POSITIVE IMPACT ON CLIMATE/SUSTAINABILITY

Each point leads to 0.03 eurocent on the milk price.

BIG 5 (49 PTS)

- FEED EFFICIENCY
- FERTILISER USE
- LAND USE
- PROTEIN EFFICIENCY
- ANIMAL ROBUSTNESS

- FEED MONITORING
- BIG 5 ASPIRATION PLAN

SUSTAINABLE FEED (11 PTS)

- SOY USE

BIODIVERSITY & CARBON FARMING (8 PTS)

- GRAZING
- CONTINUOUS PLANT COVER
- PERENNIAL CROPS
- PERMANENT GRASSLAND
- SOIL SAMPLING
- BIODIVERSITY & SOIL HEALTH CHECK SUBMISSION

MANURE HANDLING (6 PTS)

- BIOGAS/IN-HOUSE ACIDIFICATION
- BAND SPREADER
- OTHER

RENEWABLE ELECTRICITY (5 PTS)

- RENEWABLE ELECTRICITY USE

KNOWLEDGE BUILDING (1 PT)

- PARTICIPACTION IN KNOWLEDGE BUILDING EVENTS

THE FUTURE FIT DAIRY INITIATIVE
A PRE-COMPETITIVE INDUSTRY COLLABORATION

“DEMONSTRATING DAIRY CAN CONTRIBUTE TO NOURISHING COMMUNITIES WHILST OPERATING WITHIN PLANETARY BOUNDARIES. GIVING OUR PLANET MORE THAN IT TAKES “

05 Companies in the dairy value chain

08 Countries across North-West Europe

40 Farmers to start testing the approach

Building on the work of SAI Platform’s “Regenerating Together” Program launched in Sept’23

- ✓ Industry aligned definition for regenerative agriculture.
- ✓ Science based global framework for how to select, measure and report on regenerative outcomes.
- ✓ Verification of maturity level for delivering regenerative approach.

STRONGER PLANET: OUR NATURE STRATEGY FRAMEWORK AGREED IN 2019 COVERS CLIMATE, AIR & WATER AND NATURE

ARLA'S NATURE STRATEGY FRAMEWORK (GREEN AMBITION)

Our Goal
Carbon
Net Zero

Our Goal
Nitrogen and Phosphorus
Cycles in Balance

Our Goal
Increase Biodiversity
and Access to Nature

Reflections & summary

- Critical that companies take actions – SBTi plays an important role.
- Regenerative practices needed to fulfil our climate ambition – need to have full ‘nature’ focus.
- Focus from ‘efficiency’ to ‘resilience’.

Our on-farm sustainability flywheel is driving the future of dairy farming

Thank you!

For further information see:

arla_annual-report-2023_uk_v2.pdf

https://www.arla.com/493b98/globalassets/arla-global/sustainability/climate-ambition/arla_201902_08.pdf

Regenerativt landbrug møder SBTi

Anna Marie Thierry, Senior Sustainability Advisor,
Sustainable Business Solutions, Beierholm

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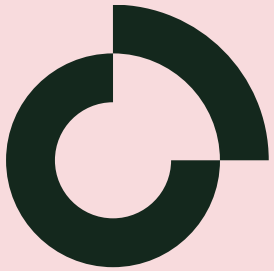
Vi flytter mennesker og organisationer

RÅDGIVNING

Vi hjælper og rådgiver direktioner, bestyrelser og virksomheder omkring ESG, herunder:

- Udarbejdelse af ESG strategi
- CSRD Alignment
- Due Diligence
- Double Materiality Assesment
- Politikker
- Executive brifings om ESG
- Interim ESG assistance



RAPPORTERING

Vi understøtter hele rapporteringsprocessen fra dataindsamling til analyse og rapportering af bl.a.:

- Scope 1,2 og 3 analyse
- ESG rapportering
- Taksonomianalyse
- SBTi rapportering
- CDP rapportering
- CSRD compliance
- VSME rapportering

AKADEMI

Vi tilbyder virksomhedsspecifikke uddannelsesprogrammer og kompetenceudvikling samt generelle kurser indenfor bl.a.:

- EU regulativer
- Klimaregnskab og klimahandling
- Sustainability Management i praksis
- Bæredygtige forretningsmodeller
- Introduktion til ESG

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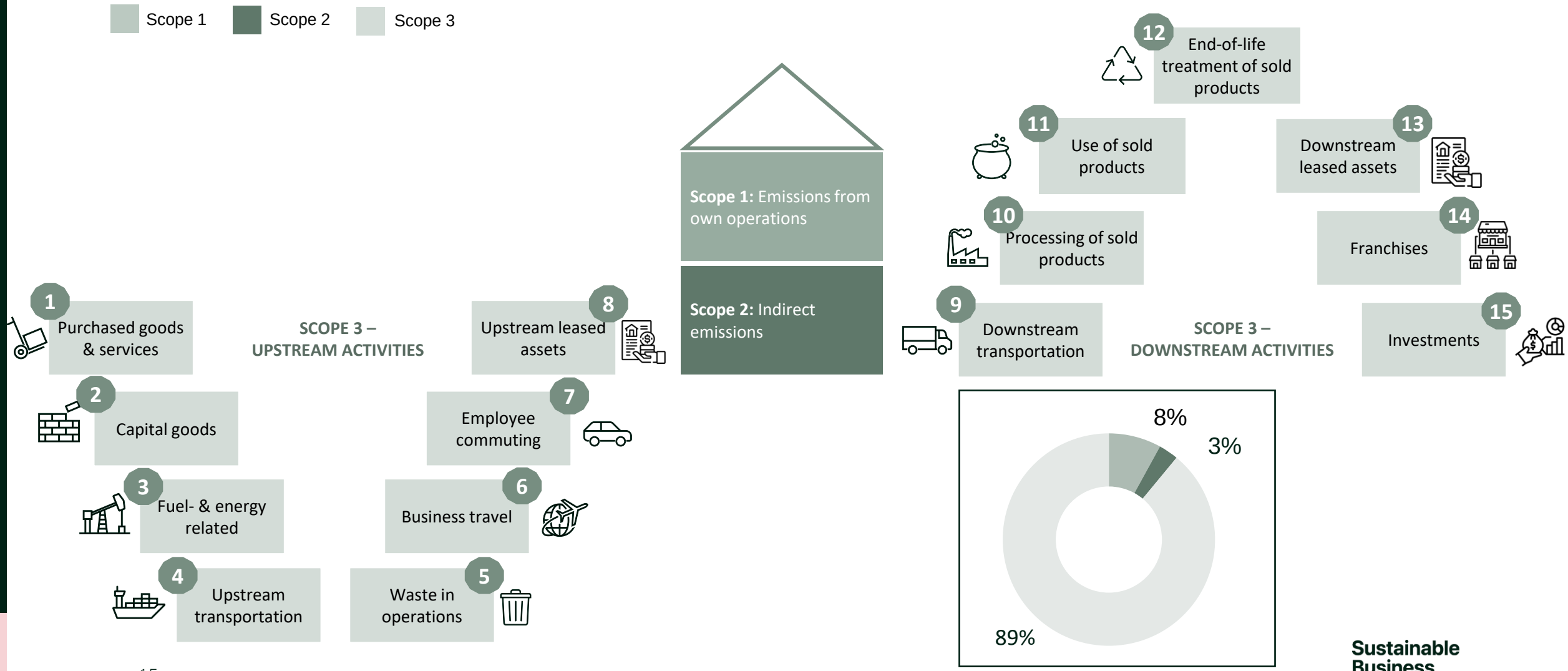
Virksomhederne rapporterer på hele værdikæden



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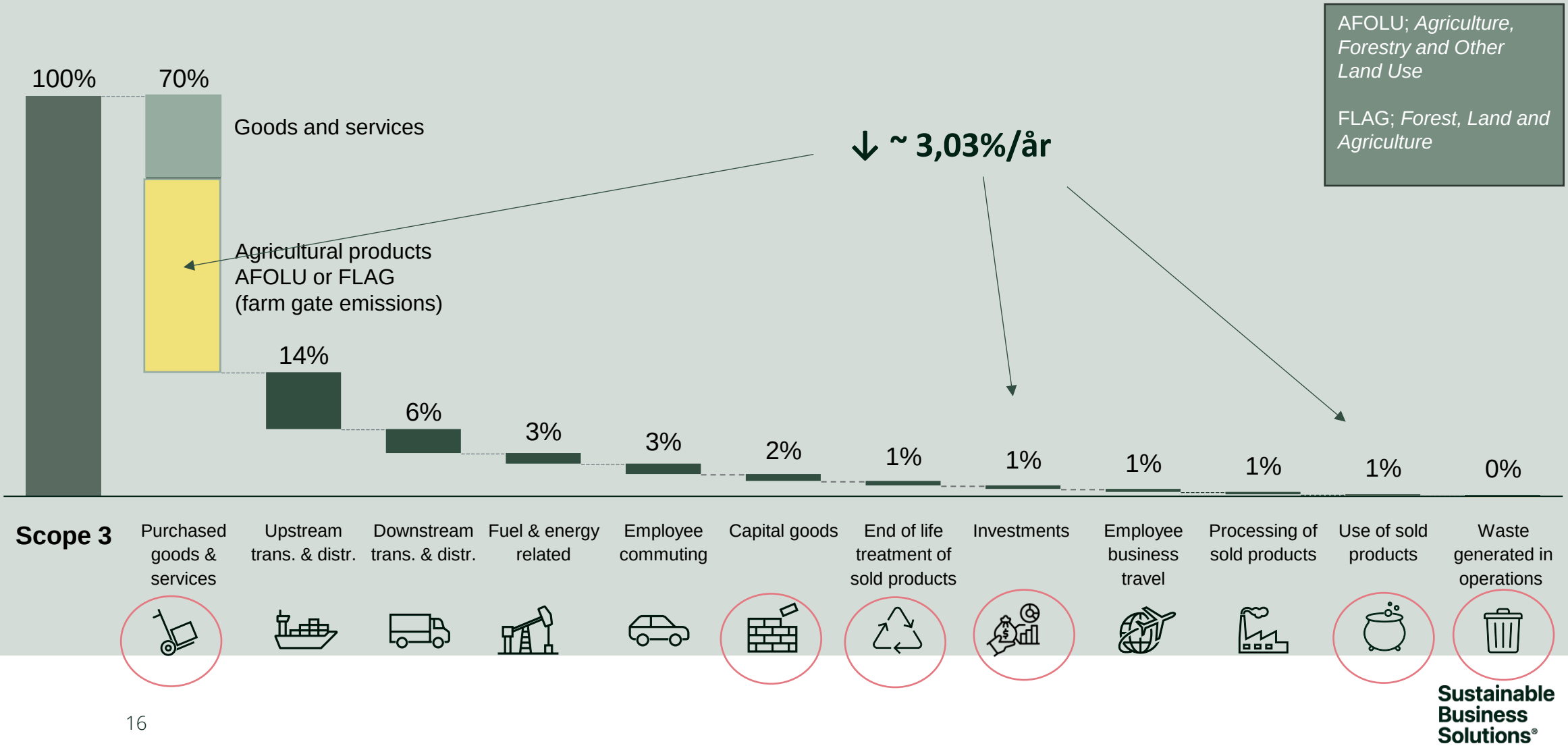
Scope 3 emission breakdown by categories



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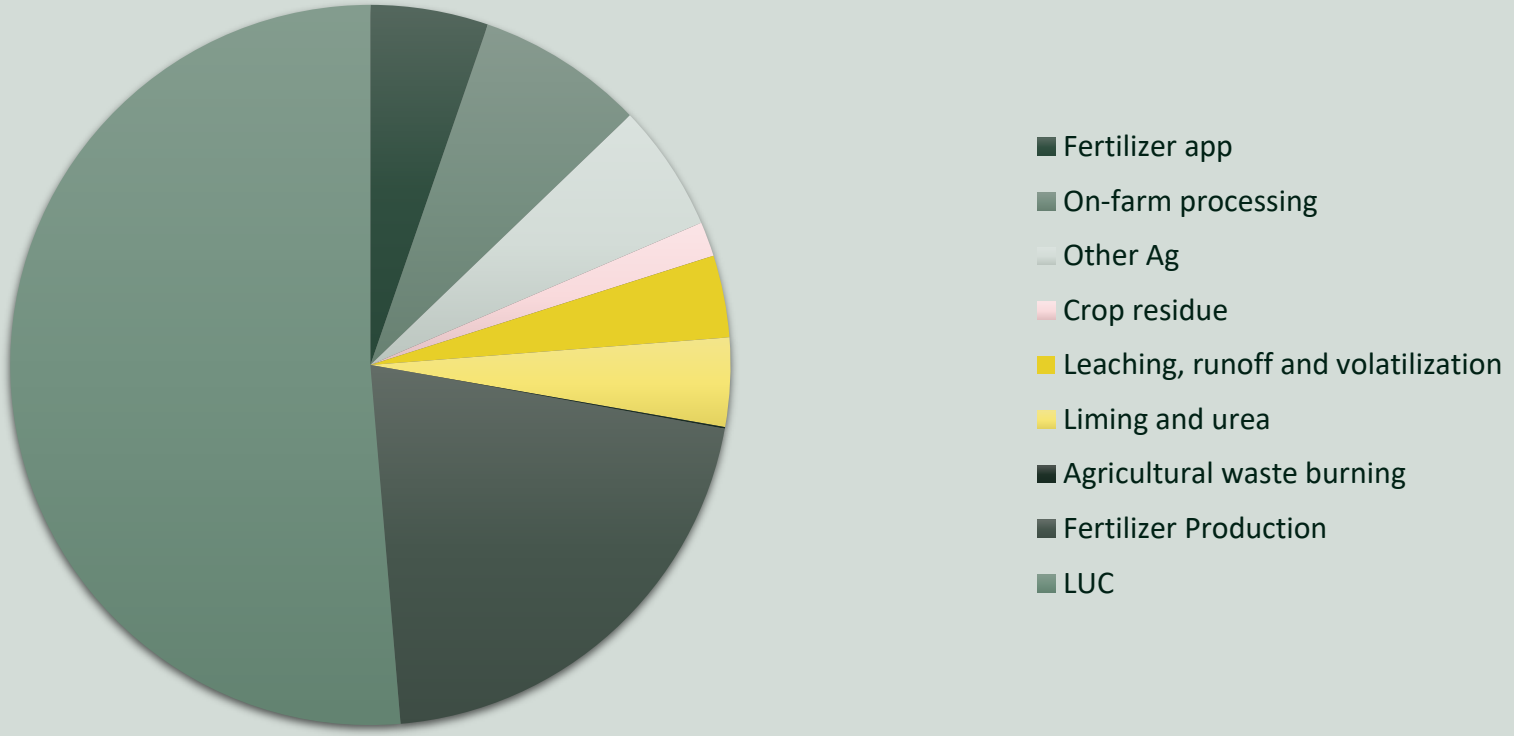
Eksempel på opstrøms udledninger fra indkøbte afgrøder (farm gate)



tCO_2e fordelt på emissionsposter i overensstemmelse med SBTi's opgørelsesmetoder (uden removals).

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Kan regenerativt landbrug levere på…?

Land Use Change

- Land conversion
- Deforestation including natural forest → plantation

…

Land management

- Fertilizer application (dir./indir.)
- Fertilizer production
- Crop residue
- Manure management
- Agricultural waste burning
- Machinery
- Soil management (carbon stock changes)

…

Carbon removals & storage

Enhancing soil organic carbon
Shifting to erosion control, larger root plants, reduce tillage, cover cropping, degraded soil restorration, biochar amendments

Agroforestry
Carbon sequestration from integration of agroforestry into agriculral and grazing lands
…

Modificeret fra SBTi FLAG Guidance

Principperne for regenerativt landbrug

- Fertilizer application
- Fertilizer Production
- Liming and urea
- Crop residue
- Leaching, runoff and volatilization
- Removals
- Other Agricultural activities (diesel, electricity)
- Agricultural waste burning
- Land Use Change

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Prioritering af indsatser

- Reduktionspotentiale (tCO2e)
- Implementeringspotentiale (%)

Reduktionspotentiale

Implementerings indsats

Ressourcer:

- Omkostninger (DKK)
- Medarbejder ressourcer (Timer)
- Kompetencer (Ekstern/intern)
- Investeringer (Teknologi)

Hvordan vil virkemidlet blive modtaget af:

- Forbrugere
- Kunder
- Øvrige interessenter

Accept

Grad af indflydelse

- Hvor i værdikæden skal indsatsen lægges
- Hvad er virksomhedens relation til aktøren

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Regenerativt landbrug møder SBTi

- Formål og definition
- Skalering kræver tid, uddannelse og investeringer
- Kort vs. lang sigt: De fulde fordele af regenerativt landbrug opnås over flere år, hvilket kræver tålmodighed.

- Måling af resultater: Kulstoflagring i jorden - svær at måle, MEN ikke umulig.
- Rapportering af fremskridt i SBTi.
  - Konsistens med GHG Protocol LSRG* (Draft) tilgang til opgørelse af emissioner og removals.
  - Set up for regelmæssig overvågning og rapportering for at sikre effekt og gennemsigtighed.
  - Værktøjer til registrering og dokumentation af effekter. Og kan disse metoder opfylde kravene for nøjagtig måling og verifikation fastsat af LSRG.

* Land Sector and Removals Guideline

Opsummering og Perspektiver

- SBTi som en global standard for klimahandling fra et virksomhedsperspektiv
- SBTi target setting stiller specifikke krav til opgørelsen af landbrugsrelaterede produkter i overensstemmelse med FLAG-guidelinen.
- Særligt med udviklingen af nye GHGP standarter som Land Sector and Removals Guideline (LSRG) er der banet vej for at medregne effekterne fra bl.a. regenerativt landbrug

Tak for opmærksomheden!

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