



Strengthening Our Commitment to Human Rights

Dairy products provide high quality affordable nutrition and can play an important role in healthy diets for consumers around the world. Increasing living standard in many developing markets increases the interest in and demand for dairy products. As stated in our strategy 2017 Arla will focus on growing its business in a number of developing countries and developing markets to further strengthen our position as a global dairy company. We regard ourselves as an active player in the communities in which we operate. This means that we need to convey our fundamental values not only to our employees and farmer owners but also to our customers, consumers and other relevant stakeholders. Arla has operations across the world and **acknowledges that it has a responsibility for managing our impacts on society, the environment and the people** who interface directly or indirectly with our products and production. Our objective is to develop our business on a foundation of long-term perspectives with respect for, and in harmony with, our surroundings. We want to grow, but we care about how we do it.

Arla can play a positive role in developing markets by making affordable nutritional food products available; upholding internationally recognized human rights standards; and contributing to sustainable local employment and development.

Arla recognize that its business activities, in particular in developing countries, potentially also can have adverse effects on human rights. It is Arla's ambition to conduct business responsibly in accordance with internationally recognized human rights principles and guidelines including the United Nations' Guiding Principles of Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Companies. Arla will exert due diligence as appropriate to the size, the nature and the context of its operations and the severity of the risks of adverse human rights impacts. In order to fulfil our ambitions:

- **Arla will update its human right policy** in order to align with the UNGPs and the OECD guidelines by 15 July 2015,
- **Arla will introduce due diligence** procedures aligning with the UNGPs and the OECD guidelines by 31 October 2015 ensuring that Arla is well placed to manage the human rights impacts of its global business activities in accordance with international human rights guidelines.
- **Arla's human rights due diligence procedures shall** identify and prevent as far as possible actual and potential adverse human rights effects caused by Arla's business activities or to which the company may contribute, in particular in relation to our ongoing or planned activities in developing countries.
- **Arla will pilot test its due diligence procedures** by conducting and publicizing human rights impact assessments related to its business activities in Ivory Coast and Nigeria. The results of the assessments will be made public by 1 April 2015 and 1 May 2015, respectively.



- **Arla will seek to mitigate** any actual adverse human rights effects of Arla's Business Activities identified through its due diligence procedures, i.a. but not limited to assessing the viability of sourcing milk locally.
- **Arla will publicly account for its** potential and actual adverse effects of its business in developing countries on a regular basis.

Viby January 2015

Arla Foods

Corporate Responsibility