



ONE



Closer to Nature™

ONE AMBITION

Our ambition is to create one global Arla Foods.

Arla Foods consists of thousands of different people who all play their part in our success. As the prosperity of the company is crucial to the success of the individual – and vice versa – achieving results is in our common interest.

We achieve this only when we know our goals and understand how and why we can reach them. Only then can we plot the right course for each individual market, team and colleague. Every decision, task or action in Arla Foods must be linked to our common goal in order to make Arla Foods one global company where we all contribute to our common success. This is described in our mission, character, vision, strategy and resources.

We call it **ONE**.

Peder Tuborgh

CEO
Arla Foods





MISSION Our mission is to offer modern consumers natural milk-based food products that create inspiration, confidence and well-being.

CHARACTER Lead – Sense – Create

- A leading mindset
- A sensing approach
- A creating culture

VISION Our vision is to be the leading dairy company in Europe through strong value creation and active market leadership in order to achieve the highest possible milk price.

STRATEGY We want to be the best dairy company for the more than 250 million consumers in Northern Europe/UK through three global brands: Arla®, Lurpak® and Castello®. We want to be world market leader in value added whey proteins.

RESOURCES Our milk, people, products, brands and know-how.



ONE MISSION – OUR MISSION

MISSION Our mission is to offer modern consumers natural, milk-based food products that create inspiration, confidence and well-being.

The mission describes the value we wish to create for consumers who choose our products. We strive to fulfill their wishes and requirements.

As our products are based on milk, milk is the most important ingredient in our products. Other ingredients are, of course, used in some products, but milk remains the cornerstone of our business.

We use technological knowledge and innovation to enhance the naturalness of our products and make them available to everyone. Naturalness is our guiding principle when it comes to milk, ingredients, packaging, production, distribution and our general approach to the business.

We aim to inspire consumers and make their meal special. We meet consumer demands for open and accessible information on nutritional content and health values to enable them to enjoy a well-balanced diet.

We wish to increase consumer safety and well-being by offering high quality dairy products. By quality we mean that not only are taste and food safety satisfactory, but also that our products are produced in an ethically responsible and sustainable manner.

ONE CHARACTER – OUR CHARACTER

CHARACTER Lead – Sense – Create. A leading mindset. A sensing approach.
A creating culture

These character traits reflect who we are, what we stand for and believe in and how we will reach our goals. Our behaviour, culture and attitude to challenges define Arla Foods' identity. Our ambition is that customers, consumers and everyone who has dealings with our organisation will experience the same Arla Foods regardless of where in the world they encounter us. Lead – Sense – Create must define us in everything we do and say. This is why we have incorporated them into our daily work. With a common character, we can achieve the targets set out in our mission, vision and strategy. The stronger our common character, the better we will become at delivering results. It is all about striving for the highest possible potential.

LEAD is about taking the lead, being in the driver's seat in all our actions. It is about being passionate, striving for leadership and identifying the highest potential in our people, business and relationships.

SENSE is about perceiving our people, consumers and the world around us. It is about showing integrity, having an open mind, seeing opportunities and high potential in our people, business and relationships.

CREATE is about developing and being creative in acquiring expertise, products and market relationships. It is about creating and developing strong potential in our people, business and partnerships.

ONE VISION – OUR VISION

VISION Our vision is to be the leading dairy company in Europe through strong value creation and active market leadership in order to achieve the highest possible milk price.

We want to be the most attractive dairy company for our owners, employees, customers and suppliers. We create value by meeting the demand for natural, inspirational, safe and healthy dairy products.

As market leaders we have a strong negotiating position with competitive prices, products and services. At the same time, we must continue to pursue our ethical guidelines and show our respect for the surrounding world. This is part of the responsibility we assume as market leader.



ONE STRATEGY – OUR STRATEGY

STRATEGY We want to be the best dairy company for the more than 250 million consumers in Northern Europe/UK through three global brands: Arla®, Lurpak® and Castello®. We want to be world market leader in value added whey proteins.

The strategy describes our business objectives.

MARKETS We have identified seven core markets where we will build strong positions within liquid milk as well as a full range of dairy products for the retail sector. The seven markets are Sweden, UK, Denmark, Finland, Netherlands, Germany and Poland. In addition, we have chosen three emerging markets with high growth potential, USA, Russia and China, where we will invest in acquisitions and new ventures to strengthen our positions in butter and blends as well as dessert cheeses. We define our other markets as tactical markets. They should deliver organic growth, i.e. develop the business within existing frameworks and increase sales in butter and blends as well as speciality cheeses.

THREE GLOBAL BRANDS We have identified three strong brands, Arla®, Lurpak® and Castello®, which we will grow on a global basis. The three brands will cover virtually all our products and create a strong impact on consumers across the world. Arla® is also the corporate brand. Our slogan “Closer to Nature” underlines our commitment to naturalness, responsibility and sustainability.

WHEY PROTEINS Our ambition is to become the world’s leading supplier of whey proteins through innovation, research and acquisitions. We possess unique skills in this highly specialised market where food manufacturers all over the world constitute our customer base. Our value added whey proteins are used in ice-cream, yoghurt, infant formula, food supplements for athletes and the infirm, bakery products and a number of other food products.

EFFICIENCY AND VALUE CREATION We are intent on maintaining our focus on improvement and efficiency throughout the company as we grow our business. Consequently, we are committed to growth through economy of scale, acquisitions, value creation and innovation, both in our way of working and in our product range.

RESOURCES

RESOURCES Our milk, people, products, brands and know-how.

Resources are the specific assets that offer us a lasting competitive advantage. They are specific to Arla Foods and we must strive to unleash their full potential.

Our milk forms the basis of our business. As a cooperative, we are involved in milk’s journey all the way from cow to consumer. We source the raw milk from our owners and together we create products of high quality and value.

As colleagues – together and individually – we show commitment, generate results and possess valuable know-how in the shape of unique skills and experience as well as rewarding networks.

We have developed our products and brands over many years. Behind the scenes, we have production methods, patents, quality assurance and knowledge that can be exploited to achieve even greater success.



ONE FOCUS

ONE is our mission, vision, character, strategy and resources.

OUR CHARACTER is the balance between LEAD – SENSE – CREATE

It is important to consider our character as a whole. All character traits can be misleading if not balanced.

- If we only focus on lead, we'll lose touch with our environment.
- If we only focus on sense, we'll lose ambition and direction.
- If we only focus on create, we'll lose strategic focus.

If we see Lead – Sense – Create as overlapping entities, they will create a strong and balanced platform upon which we can operate as one global company.

This is described in the following pages.

A LEADING MINDSET

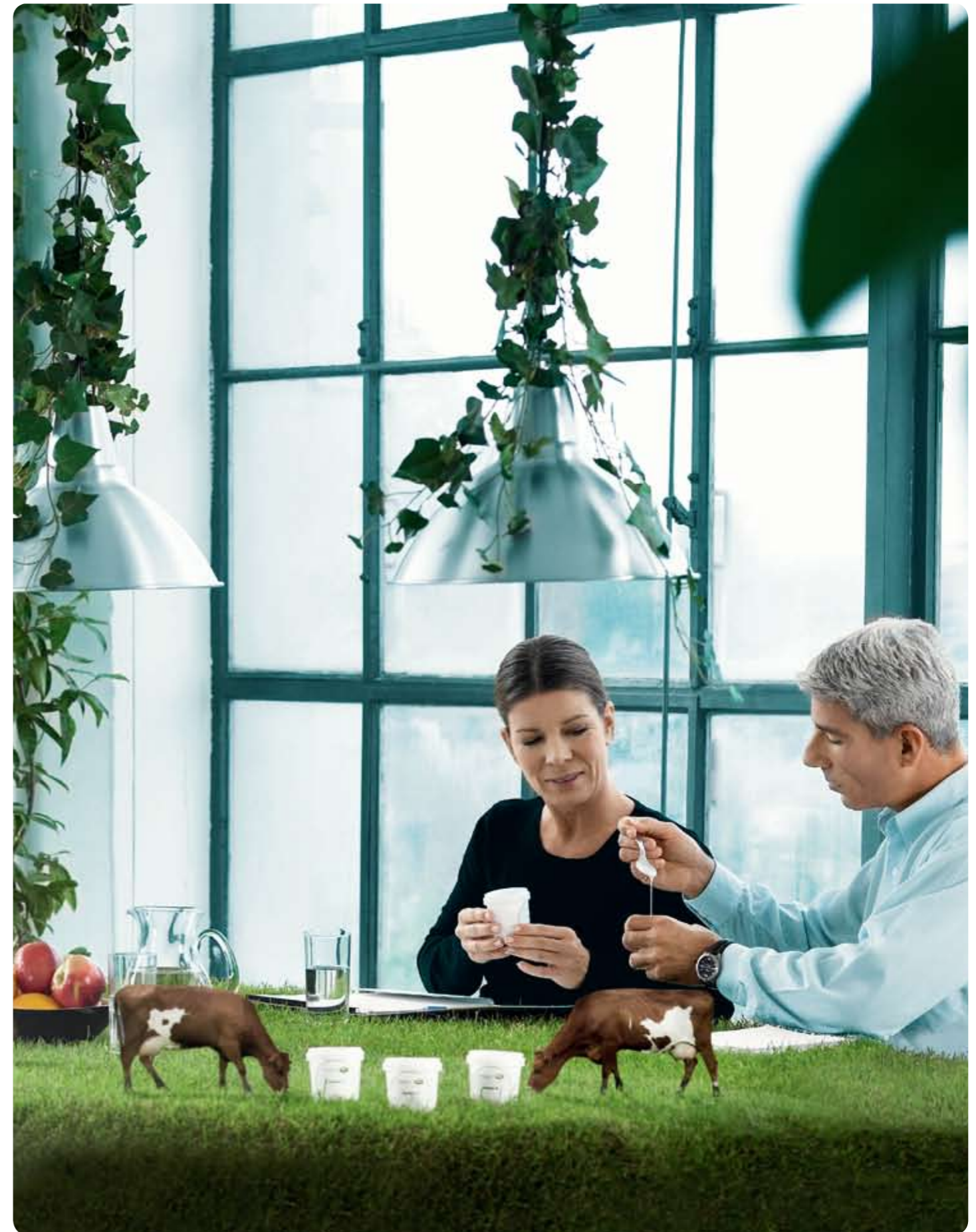
LEAD is about taking lead, being in the driving seat in all we do. It is about being passionate and striving for leadership and high potential in our people, businesses and relations.

In Arla Foods we take the lead, we are in the driving seat in all we do! We want to be the best in the field! We are persistent fighters with courage and ambition. We strive for value adding quality in what we do and how we do it. We demonstrate visionary leadership and practice great craftsmanship, we develop the best methods and tools, and we take pride in making the best dairy products. We are committed, well-equipped, well-educated, and professional.

We are passionate and strive for leadership and high potential in our people, businesses and relations.

In other words – we have a leading mindset!

LEAD | SENSE | CREATE



To build a strong common character it is important that everyone understands the character in the right way. Here is how you interpret LEAD.

WHEN WE SAY LEAD WE MEAN:

We are ahead, proactive and on the move
We are best in field
We are competent and professional
We have passion and commitment
We practice leadership
We fulfil potential

WHEN WE SAY LEAD WE DON'T MEAN:

We are insensitive
We are complacent
We want to win at all costs
We neglect doing 'the right thing'

LEAD | SENSE | CREATE

This is how we express our character.

THE ORGANISATION:

Holds a key position in the global dairy market
Delivers world class products
Holds a significant influence in partnerships
Actively seeks to co-operate with the best both internally and externally

THE INDIVIDUAL:

Seeks influence and "speaks out" when relevant
Makes sound judgments and maintains integrity when acting on the judgement
Acts professionally in every situation
Has energy, drive and courage

LEAD | SENSE | CREATE

A SENSING APPROACH

SENSE is about sensing our people, consumers and the world around us. It is about having integrity and an open mind, sensing opportunities and high potential in our people, businesses and relations.

In Arla Foods we sense our people, consumers and the world around us!
We value a curious mind busily seeing, listening to and discovering the world around us. We want to create alignment and meaning to people in and outside the company. Through respectful relations and proactive dialogue we want to understand and learn from the world outside. We aim for a global mindset. We act responsibly and strive for diversity and mobility in people and ideas.

We have integrity and an open mind sensing opportunities and high potential in our people, businesses and relations.

In other words – we have a sensing approach!

LEAD | SENSE | CREATE



To build a strong common character it is important that everyone understands the character in the right way. Here is how you interpret SENSE.

WHEN WE SAY SENSE WE MEAN:

- We are open-minded and responsible
 - We have a global mindset
 - We have integrity
- We respect and value diversity
 - We respect our stakeholders
 - We provide meaning

WHEN WE SAY SENSE WE DON'T MEAN:

- We do not make demands
- We lose our local heritage
- We want to please everyone
- We suppress our own values and beliefs

This is how we express our character.

THE ORGANISATION:

- Has a global mindset while staying local in approach and actions
- Seeks dialogue and involvement from all relevant stakeholders
- Strives for diversity in people

THE INDIVIDUAL:

- Is open-minded and attentive to new impressions and possibilities – and acts on them
- Takes a holistic approach in problem solving and decision making – and involves the right people in the process
- Approaches the world with genuine curiosity and a desire to understand and learn from the world outside

A CREATING CULTURE

CREATE is about creating and being creative in building competencies, products and market relationships. It is about creating and developing high potential in our people, businesses and relations.

In Arla Foods we create and are creative in building competencies, products and market relationships! We develop and grow innovative businesses and people capable of delivering excellent and healthy products. We have a fundamental imaginative side that makes us open for new inspiration. This inspiration becomes a deep felt belief that contributes to enthusiasm and thrill. We create and build trustful, respectful relations. We inspire and motivate people to higher levels.

We create and develop high potential in our people, businesses and relations.

In other words – we have a creating culture!

LEAD | SENSE | CREATE



To build a strong common character it is important that everyone understands the character in the right way. Here is how you interpret CREATE.

WHEN WE SAY CREATE WE MEAN:

- We are imaginative and creative
- We grow and develop our business and people
- We create learning environments
- We want to inspire and to be inspired
- We build trusted relationships
- We create potential

WHEN WE SAY CREATE WE DON'T MEAN:

- We lose direction and strategic focus
- We are unrealistic dreamers
- We create without a purpose
- We lose focus on value creation

LEAD | SENSE | CREATE

This is how we express our character.

THE ORGANISATION:

- Enables creative work in visionary learning environments
- Values and encourages a diversity in opinions and ideas
- Builds strong relations both inside and outside the company
- Promotes a healthy profile – and prides itself on doing so

THE INDIVIDUAL:

- Takes personal pride in finding creative ways of making things better
- Values other people's opinions and strives to learn from the differences
- Actively seeks to build personal and professional relations
- Handles conflicts and obstacles instead of avoiding them

LEAD | SENSE | CREATE

BENEFITS

These are some of the benefits of **ONE**

- A strong & focused company
- A shared platform for decision making
- A coherent organisation
- A common language
- A guidance for prioritising
- A distinct profile





www.arla.com

