Responsible Political Engagement

As a leading global dairy cooperative, Arla Foods has a responsibility to engage with political stakeholders in an open and transparent way.

We want to ensure there is political support for the diary sector globally and to facilitate the continuous development of innovative, nutritious and sustainable dairy products that are part of a balanced diet.

Arla's political engagement activities are governed by Arla's Code of Conduct, which is in synergy with the 10 guiding principles of the UN Global Compact, as well as the EU Transparency Registers Code of Conduct. Mentioned below are some of the most central principles for our lobbying activities.

- Business Principles: We act credibly and with integrity in all our operations.
- <u>Legislation:</u> Arla Foods is committed to meeting or exceeding all applicable laws, rules and regulations in force in the countries in which we are active.
- <u>Bribery:</u> We never, either directly or indirectly, accept bribes or other improper payments for the benefit of our business operations and/or for financial gain. We never offer or provide any gift or payment that constitutes, or could be interpreted as, a bribe. We will immediately reject and report to the management all demands or offers of bribes.
- Community relations: We maintain good, respectful and constructive community relations.
- <u>Cooperation:</u> Based on our values, we cooperate respectfully and responsibly with local communities.
- Relations: We operate sensitively in societies in which we are active and develop long-term relationships through dialogue.
- Networks: Managers in Arla Foods are involved in both local and international networks with the aim of building strong partnerships and ensuring a global approach.

United Nations Global Compact

In January 2008 Arla joined the <u>United Nations Global Compact</u>, an initiative to promote ethical business practices. Our code of Conduct harmonizes well with the ten basic principles of the UN Global Compact. As participants in the UN Global Compact, we are committed to incorporating the initiative and its principles into our strategy and corporate culture, as well as communicating them to our employees, owners, suppliers, partners, customers and the rest of our community.

See all ten principles under the following link.

EU Transparency Registers Code of Conduct

In August 2014 Arla registered in the EU transparency register and signed up to the code of conduct governing the relations with the EU Institutions and their Members, officials and other staff. (See Annexure 5.4 for the EU's code of conduct and the EU's website for more information)