



Arla Foods Human Rights Policy

Arla makes a difference

Arla is committed to contribute to social, environmental and economic sustainable development. We want to grow and we care about how we do it. Our Responsibility, Arla Foods Code of Conduct, is our foundation and includes the principles that guide our behaviour.

As a global dairy company, we supply healthy, nutritious, affordable, and sustainably produced dairy products to different markets for the benefit of people and our business. In other words we seek strategically to improve the fulfilment of:

- The right to adequate food and its fair distribution
- The right to health
- The right to enjoy just and favourable conditions of work

We have a special commitment and opportunity to positively impact the people and societies where we operate. We are committed to enhance our contributions to availability, accessibility and quality of adequate food and health.

Our Commitment

The Arla Foods Human Rights Policy applies to all Arla operations and all companies in the Arla group that are owned and/or controlled by Arla Foods. It is based on internationally recognised human rights principles, as a minimum those set out by the International Bill of Human Rights¹.

We embed our commitment to respect human rights in all business areas and processes. We commit to implementing human rights due diligence and operational review processes that support our responsible approach to business. Wherever we operate, we establish processes that enable us to identify, prevent and mitigate potential adverse human rights impacts that we may cause or contribute to by our business activities. If we find that we have caused or contributed to adverse impact, we seek to provide remediation. We inform business relationships if we identify that we may cause, contribute or be directly linked to severe human rights impacts.

In our annual responsibility report, we communicate our progress in implementing the United Nations Guiding Principles and we report on how we address severe adverse human rights impacts that we may cause, contribute or be linked to.

As a global employer our commitment to respect human rights will further strengthen our efforts to provide a safe and healthy workplace without harassment, embracing diversity, nourishing equality and non-discrimination. We don't accept any form of child labour, nor forced labour. We respect our employees' right to freely form and join organisations of their choice. We will support our employees in understanding human rights and how we may adversely impact the human rights.

¹ Specified in the United Nations General Assembly, and made operational through the United Nations Guiding Principles on Business and Human Rights, and the OECD Guideline for Multinational Enterprises. In January 2008 Arla Foods signed the United Nations Global Compact.

Before major changes in existing operations and before entering new markets, we identify our potential human rights impacts together with local stakeholders, and we engage in dialogue about how to prevent and mitigate such impacts.

Our Expectations

We appreciate that we are responsible for adverse human rights impacts that we are linked to through our operations, products and services. To best meet this responsibility we expect from our business relationships (including joint ventures, suppliers and contractors) that they respect human rights.

Should we become aware that business relationships do not adequately manage their adverse human rights impacts, we will use our leverage, to make our relationships address the concrete impacts. We expect our business relationships to inform us as soon as they identify that they may cause, contribute or be directly linked to severe human rights impacts.

In addition, we expect all our employees to avoid causing or contributing to adverse human rights impacts whenever acting in an Arla context. If any of our employees identifies potential or actual adverse impacts on human rights, we expect the employee to inform Arla about such impacts.

Respect for human rights and the law

The responsibility to respect human rights is distinct from our basic expectation of subsidiaries, employees and business relationships to comply with applicable laws and regulations.

Should national laws or regulations mandate Arla Foods or relationships to cause or contribute to adverse human rights impacts, we will seek to develop innovative approaches to meet the responsibility to respect human rights without breaching such laws and regulation.

Grievance mechanisms

Arla values and respects honest and open communication, and all stakeholders have the opportunity to raise questions and or concerns through: arla@arlafoods.com.

As an employee you may ask questions or raise concerns regarding potential and actual adverse human rights impacts to your immediate leader or HR Business Partner, or you can report through our Whistleblower service available at: <http://whistleblower.arla.com>. No reprisal or retaliatory action will be taken against any employee for raising concerns under Arla Foods Human Rights Policy.

We will establish grievance mechanisms, and are committed to investigate any concerns, and if we discover any severe adverse human rights impacts, we will act appropriately without delay.

Review

The effectiveness of this Policy will be reviewed annually by the Executive Management Group to ensure the business' continuous compliance with the UN Guiding Principles.

Peder Tuborgh, CEO
Aarhus 1 June 2015