

ANIMAL WELFARE AT ARLA

Our approach and performance summary

December 2025



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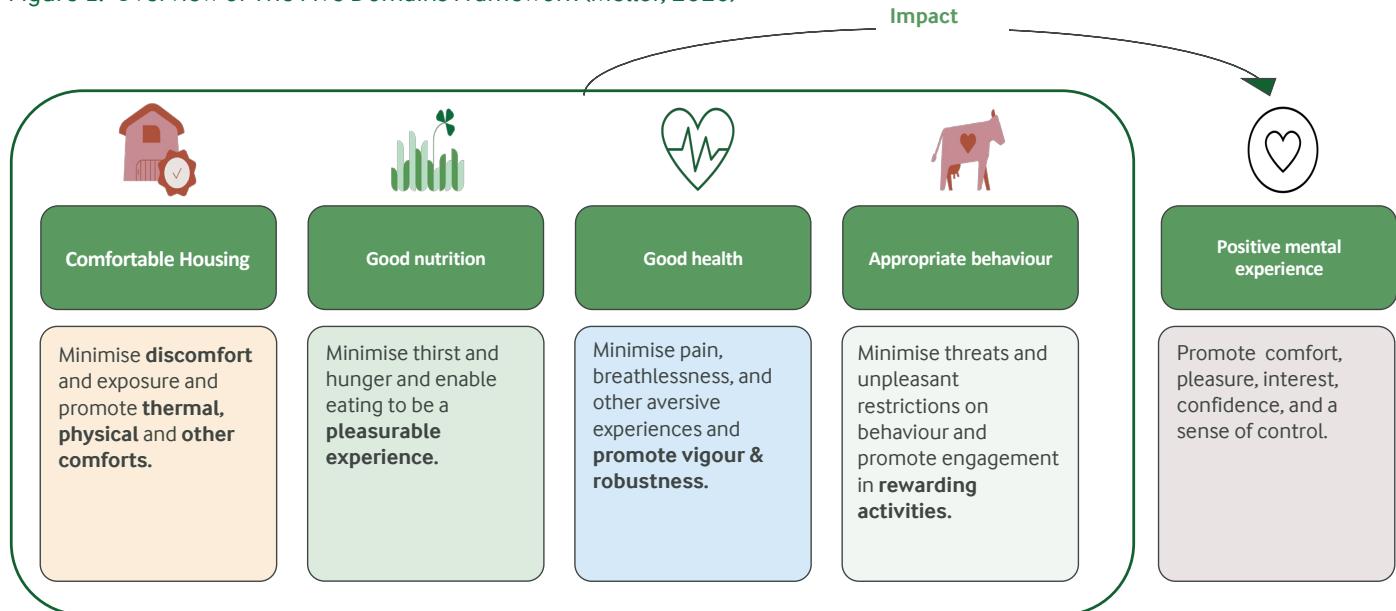


OUR APPROACH

Arla is a cooperative owned by around 8,000 dairy farmers in seven European countries, who all produce and supply raw milk to their cooperative. Animal welfare is a fundamental part of every owner's business and a key priority for the wider cooperative.

Arla has adopted The Five Domains framework (Mellor, 2020) as a base for working with animal welfare related topics. The Five Domains are seen as a more comprehensive and future proofed ways of working than The Five Freedoms. The Five Domains are: Comfortable Housing, Good Nutrition, Good Health, Appropriate Behaviour and Positive Mental Experience.

Figure 1: Overview of The Five Domains Framework (Mellor, 2020)



Since 2004, our quality assurance programme Arlagården® has worked to lift the standards of dairy farming in Northern Europe. The requirements set out in Arlagården® must be adhered to by all of our farmer owners at all times, in addition to compliance with all applicable national legislation and specific industry audit standards (e.g. Red Tractor in the UK). Compliance with Arlagården® is monitored through a robust audit programme which combines regular farmer self-assessments with independent third-party audits by external auditors as well as random spot checks. External audits are conducted by SGS, a global testing, inspection and certification company. From 2020, it has been a compulsory requirement for farmers to regularly assess and report animal welfare within a framework of four welfare outcome measures (mobility, cleanliness, lesion & abrasions, and body condition score). The compliance criteria demands prompt action where minimum performance levels are not met.

Arla recognises cattle as sentient beings which can feel pain and distress, and knows it has a responsibility to ensure the cows and calves needs on every farm are met. To achieve

this, Arla has a global team that is fully dedicated to defining strong animal welfare standards across all farms and driving improvements with farmer owners. This team works closely with dedicated local colleagues in each country where Arla's farmer owners produce raw milk. These colleagues are responsible for ensuring animal welfare compliance, overseeing third-party audits, and supporting farmers to rectify non-conformances. These local team members work closely with our agricultural teams, who support farmers on a daily basis to improve all aspects of farming, including animal welfare.

Overall responsibility for animal welfare sits within the team led by the Farmer Tools & Programmes Director, reporting directly to our Executive Vice President, CASO (Chief Agricultural & Sustainability Officer). As a democratic business, elected farmer representatives on the Preparatory Working Group regularly meet 5-6 times annually to review Arla's animal welfare requirements and proposed developments to ensure the Arlagården® programme remains relevant and progressive.

TRAINING AND DEVELOPMENT

We prioritise training for relevant Arla employees and external auditors involved in the animal welfare aspects of the Arlagården® programme.

EMPLOYEES

In Arla, the teams involved in support and services to farmers are introduced to the requirements in Arlagården® and the consequences when farmers are not compliant with these requirements. Assessing animal outcome measures is part of this training. In addition, we work with our teams to offer ad-hoc continuous professional development opportunities. Recent examples include:

- 2024: Employee training for Agriculture, Sustainability and Communications teams in Arla group on Arla Animal Welfare through a series of 'Learning Hours' with 80-100 participants per occasion. Topics in April and May included:

'what is animal welfare and how to measure' & 'animal-based indicators and animal welfare requirements in Arlagården®'.

- 2025: Learning hours for Agriculture, Sustainability and Communications teams in Arla group on milk quality and contagious diseases. Knowledge Building Events for farmers looking at the link between milk quality and animal health and welfare. Global calibration event for lead auditors and Arlagården® managers.
- Twice a year, Arlagården® managers undertake on farm alignment which includes animal-based indicators.

EXTERNAL ASSESSORS

External auditors are trained and calibrated as follows:

- Provided with training materials on the Arla animal-based welfare outcome measure scores
- Trained by a lead auditor
 - Observed on farm and signed off by a lead auditor
 - Approved as an auditor by an Arlagården® manager

- Witnessed and moderated by the certification body and Arla
- Tested on animal-based indicators using online and on farm measures at least annually
- Annual alignment of all the lead auditors from the certification body

FARMER OWNERS

We leverage the knowledge and expertise of our own animal welfare experts as well as external experts to continually improve animal health and welfare knowledge and standards on Arla farms. In 2023, over 5,000 farmers took part in Knowledge Building events on animal robustness across seven countries. The key focus of the Robustness campaign was to discuss and implement actions on farm to decrease cow mortality.

Within the Arlagården® assessment there are example videos and images to help farmer accurately assess their herd's welfare outcome measures regarding mobility, cleanliness, lesion & abrasions, and body condition score.

Farmers also discuss animal welfare issues with vets on farm on a regular basis. A survey of farmers from 2020 showed that approximately 75 % of Arla farmer owners have a herd health plan.

COMMITMENTS AND TARGETS

At any one time, the business will be looking at a number of key areas where more research is required or targets can be set for the future. Some of the current focus areas for the business are below:

ANTIBIOTICS

Arla is committed to ensuring the responsible use of antibiotics in dairy cattle and to reducing the risk of antibiotic resistance.

Antibiotics should be administered solely for therapeutic or curative treatment, following guidance and consultation with a veterinary surgeon. Farmers are required to adhere to their national thresholds for Anti-Microbial Usage (AMU) and must not use antimicrobials as a substitute for poor management practices.

Prophylactic antibiotic use is not permitted under the Arlagården® programme.

Blanket metaphylactic treatments are also not permitted; metaphylactic treatments may occasionally be used after careful evaluation by a veterinary surgeon to limit the spread of contagious diseases within the herd.

The use of human-critical antibiotics (EMA category B), including 3rd and 4th generation cephalosporins, quinolones, and polymyxins, may only be used for case-by-case situations as a last resort, following bacterial culture and a sensitivity test done at a reference lab and an evaluation by a veterinary surgeon. This requirement is controlled and monitored as part of the Arlagården® programme.

Current reporting available per country is based on sales data and available from the ESVAC report of 2022 (this reporting includes both beef and dairy cattle combined) : [European Surveillance of Veterinary Antimicrobial Consumption \(ESVAC\): 2009 - 2023 | European Medicines Agency \(EMA\)](https://www.ema.europa.eu/en/medicines/committees-experts/european-surveillance-veterinary-antimicrobial-consumption-esvac-2009-2023)

Arla tests all milk for the presence of antibiotics before it enters the dairy and discards any milk that contains residues of antimicrobials or contaminants.

COMFORTABLE HOUSING

Arla is committed that all animals have good housing conditions. Properly maintaining and ensuring cleanliness of equipment and housing is crucial for promoting comfort and overall health of well-managed animals. It is important to have floors that do not pose a risk of foot or teat damage, and to provide safe and suitable bedding to enhance comfort. As such, since May 1st 2020, new buildings and housing systems on Arla farms must not have lying areas with fully slatted floors.

Arlagården® also requires that that lying areas for cows and calves must be soft. Slatted floors are not used as lying area for female calves (up to six months of age) and cows.

As we respect the freedom for animals to show natural behaviour we encourage Arla farmer owners to have tether-free systems and implement enrichment tools to give animals the opportunity to express their natural behaviours. Close to 80% of our cows have access to cow brushes and enrichment is a requirement for farmers supplying many of our special milk labels. To support our commitment, we have flagged cow enrichment as a key Arla innovation area to investigate, to uncover which other tools could be used to provide the best environment for our cows.

COW CALF CONNECTION

Cow-calf connection is a topic of big interest. Arla complies with national law and in some countries there is already a legislative requirement of a minimum of 12 hours where cow and calf have to be together after birth. Different product labels also have a similar requirement.

Cow calf connection the first hours after birth is important to stimulate the cow's milk production and to stimulate and support the calf's ability to have a good start of life.

An increasing variety of stakeholders are interested in cow

and calf being together for a longer period (typically for the milk feeding period (8 – 10 weeks)). This is challenging because the housing systems for dairy cows are not designed for it. As a solution, some farmers are practicing a foster cow system where 3-4 calves are together with the foster cow for the milk feeding period.

Arla is currently investigating the advantages and disadvantages of cow calf connection.

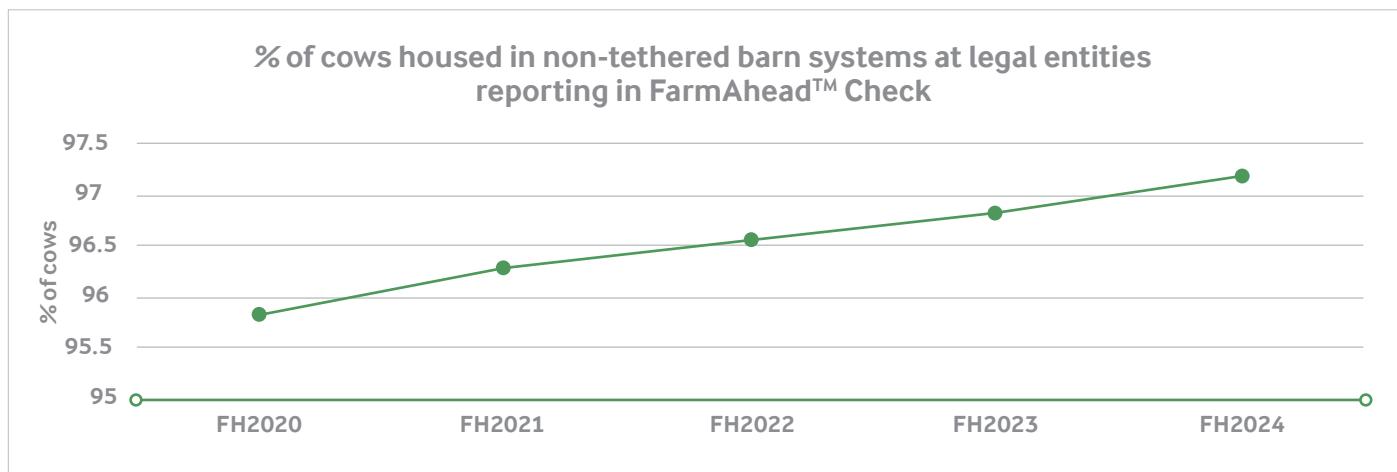
CLOSE CONFINEMENT

Arla is committed to phasing out close confinement. Since 2020, Arla does not allow any cows to be tethered all year long in conventional systems. Tethered cows must be allowed to graze during the grazing season. None of Arla's organic cows are tethered.

Arla no longer accepts the building of new tethered stalls/cubicles.

For all of our farmer owners the total percentage of non-tethered cows is 97 % and steadily increasing (see the graphic from our FarmAhead™ Check report for 2020-2024). We expect to reach 100 % non-tethered cows in 2040.

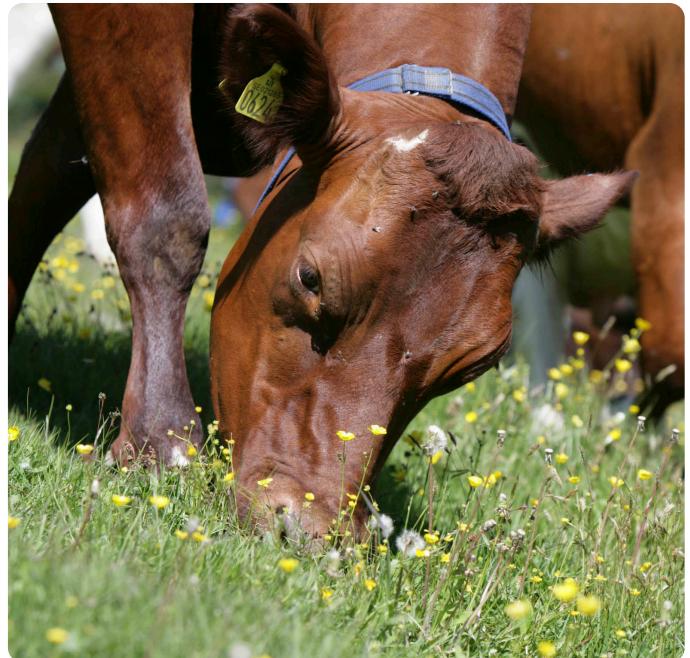
Numbers are reported in the FarmAhead™ Check. Data below is from 2020-2024.



REDUCING OUR CLIMATE IMPACT

As one of the world's largest dairy producers, we have a responsibility to do our part in reducing our negative impact on the climate. Together with our farmer owners across seven European countries we launched our ambitious climate target in March 2019 with an ambition to become carbon net zero by 2050. We have also committed to reduce scope 3 greenhouse gas emissions by 30 per cent per tonne of standardised raw milk and whey intake by 2030 from a 2015 base year. As a cooperative, we unite our resources and use them as a force to drive down emissions while producing nutrient dense products for the growing population.

As part of this work, our FarmAhead™ Check data has identified five areas of farm management that have the biggest influence on farm carbon footprint. Through our FarmAhead™ Incentive model, farmers are rewarded through the milk price for their performance in e.g. the Big5 areas, further incentivising continuous improvement. Animal Robustness is one of these 'Big5' areas, recognising that healthy, long-living cows are also more climate efficient.



COMMITMENT TO AVOID PERMANENT PHYSICAL ALTERATIONS

Arla has implemented measures to prevent permanent physical alterations in dairy cattle. The requirements are monitored and controlled in Arla's farm quality assurance programme Arlagården®.

Tail Docking:

Routine tail docking of adult cows is prohibited in Arlagården® and has been banned under EU law since 2006.

Dehorning and disbudding:

Routine dehorning of adult cows is prohibited in Arlagården®.

Arla supports the use of breeding programmes for polled dairy breeds or crossbred breeding programmes where disbudding is no longer necessary.

Until such programmes are fully available to all Arla farmers, disbudding calves must be carried out in a painless and stress-free manner and by a trained person.

The use of a polled breeding programme is monitored in the Arla Farmers Self-Assessment.

- In 2024 Q4 The use of polled semen for inseminations was 20.9 %
- In 2025 Q2 The use of polled semen for inseminations was 21.4 %

Castration:

Arla recognises that castration of bull calves may be necessary to prevent accidents to humans and animals. When castration is deemed necessary, it must be carried out on young animals and in a painless and stress-free manner.

Reporting on number of steers – bred and bought in to Arla farms, from the FarmAhead™ Check:

In 2024 Arla farmers had 76,754 steers. The percentage of steers, out of the total number of bull calves is: 56 %.

NO USE OF YIELD OR GROWTH PROMOTING SUBSTANCES

Arla's quality assurance programme Arlagården® does not permit the use of any type of yield or growth promoting substances at our farms across all geographies. This includes both injectable substances, such as recombinant somatotropin (rBST), or estradiol, and those used in feed, such as flavophospholipol or virginiamycin.

There has been 100 % compliance in our audits for 2020-2024.

WELFARE AROUND SLAUGHTER

Arla is committed to ensuring that the process must either cause immediate death or render the animal insensible (unconscious) before slaughter. Death must not cause avoidable anxiety, pain, distress or suffering. In 2024, 323,637 cows from Arla farms were slaughtered. (The number is reported in the FarmAhead™ Check).

Farmers that slaughter animals (slaughter defined as killing an animal meant for human consumption) on-farm must undergo a training programme and an exam, except if the animal is slaughtered for own consumption. The certificate of competence must be available on the farm (Both EU and UK law).

Arla is committed to protecting heavily pregnant animals from the stress associated with transport, handling and death in a slaughterhouse. This is monitored in the Arlagården® quality programme.

In emergency situations, these animals may be slaughtered on the farm and if they enter the food chain under supervision from the official veterinarian.

WELFARE DURING TRANSPORT

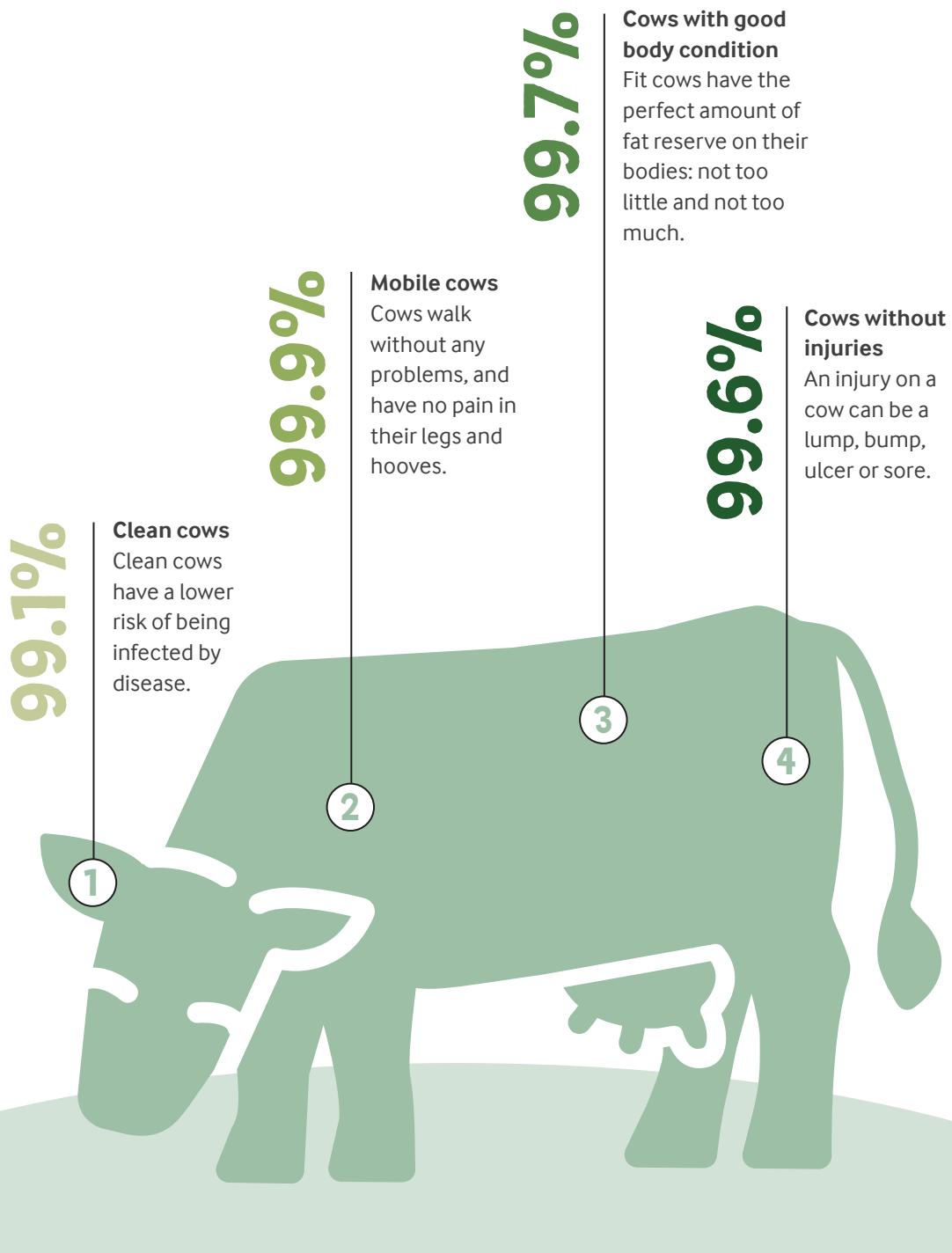
Since 2020 the Arlagården® standard has protected heavily pregnant animals from transport, in alignment with the EU transport directive of 2006.

As a general rule, animals should be treated equally, as well during transport as they are on our farms. Scientific reports prepared by EFSA, clearly show that several factors influence the welfare of animals during transport including, but not limited to, climate control systems in the trucks, feeding, water access, number of animals and commingling at collection centres.

APPENDIX

SHARE OF FARMERS WITH NO MAJOR ANIMAL WELFARE ISSUES IN 2024

We measure the general wellbeing of the cows using four indicators developed on the basis of scientific research on the most common dairy cattle issues. The data shows the share of audited farmers without major issues within each welfare indicator in 2024.



ORGANISATIONAL RESPONSIBILITY & POLICY REVIEW PROCESS

Chief Specialist, Animal Welfare	Peter Stamp Enemark
Chief Veterinary Specialist	Katrine Lawaetz
Farmer Tools & Programmes Director	Trine Barrett Weinreich
Executive Vice President, Chief Agricultural & Sustainability Officer	Hanne Søndergaard
Published	December 2025
Review frequency	Annual
Review date (by Chief Specialist, Animal Welfare)	November 2026

DID YOU KNOW?

While milk remains central to Arla's business, we are actively expanding our product portfolio to include plant-based options. Flexitarian areas have been identified as key strategic focuses for us, and we are dedicated to strengthening our commercial positions, driving innovation, and enhancing our supply chain to support these developments.

Our goal is to offer consumers a diverse range of products that cater to consumers' individual needs, cultural preferences, and promote healthier eating habits within the boundaries of the planet.