Peder Tuborgh
Group CEO
Arla Foods
Sønderhøj 14
8260 Viby J
Denmark

London, 14 December 2022

RE: Meat and dairy industries methane emissions

Dear Mr. Tuborgh,

The need for action on methane is now widely recognised with 150 governments worldwide becoming signatories of the Global Methane Pledge, which was first introduced at the Climate Conference in Glasgow. On 15 November 2022, Changing Markets and the Institute for Agriculture and Trade Policy released a report, *Emissions Impossible: Methane Edition*, which calculated for the first time the methane emissions of five of the largest meat companies and 10 of the largest dairy companies, including Arla. The results showed that there continues to be an urgent need for major meat and dairy companies to rapidly cut their methane emissions. We are writing to you with some recommendations on this matter.

Our report revealed that the combined methane emissions of the 15 meat and dairy companies are roughly 12.8 million tonnes, which equates to over 80% of the European Union's entire methane footprint. These emissions represent around 3.4% of all global anthropogenic methane emissions and 11.1% of the world's livestock-related methane. The report also provides the latest estimates for the overall greenhouse gas (GHG) emissions, which amount to around 734 million tonnes of CO_2 equivalent – higher than the emissions of Germany. Concerningly, our report also reveals that none of the companies examined disclose methane emissions from their supply chains, while the overall GHG emissions

report remains patchy, with only nine out of 15 companies reporting some level of their overall GHG emissions.

We estimated Arla's methane emissions to roughly 0.3 million tonnes. Methane emissions is a significant part of your overall emissions, representing 47% of the overall GHG emissions (18.9 mt CO_2e), if calculated using GWP100, or 72% if calculated using GWP20 factors. The calculations and the summary on companies' reporting were informed, where relevant, by the information provided by the companies when we reached out at the end of August 2022. We appreciated receiving information from you about your milk intake and we were able to use this to do our estimates. When looking at company reporting, Arla reports Scope 1, 2 and 3 but does not report methane emissions separately.

The latest UN High-level Expert Group report,[1] *Integrity Matters: Net-zero Commitments by Businesses, Financial Institutions, Cities and Regions*, highlights the need to strenghten corporate net-zero pledges. The report sets out a powerful new standard for Net Zero targets and sets out clear recommendations for companies, including: companies must reduce their emissions '*as fast as possible*'; their targets must cover all GHG emissions in their supply chains (Scope 3) and 'include separate targets for material non-CO_2 greenhouse gas emissions', such as biogenic methane. Furthermore, companies must align all external policy and engagement efforts to the goal of reducing global emissions by 50% by 2030 – i.e. lobbying for positive climate action, not against it.

Our research showed that there is a significant lack of transparency about supply chain emissions, which makes independent verification of emissions data, and hence the verification of companies' net zero claims, difficult. For this reason, our *Emissions Impossible: Methane Emissions* report ends with the recommendations for meat and dairy companies:

- Set emissions reduction targets and action plans in line with the global goal of limiting temperature increase to 1.5°C. The focus must be on reducing the company's absolute emissions, rather than emissions intensity, including Scope 3 emissions. Companies should also include transparent reporting, including slaughter numbers and milk intake, to enable independent verification of their climate-related disclosures.
- Establish separate methane reduction targets and action plans to meet them, including separate reporting of methane emissions. Reporting should also include disclosure of investments in climate mitigation and adaptation measures.
- Reduce the number of animals in global supply chains and create a bottom-up just transition plan with farmers and workers in your global supply chains.
- Support progressive climate, environmental and health policies that will drive a shift to healthier and more environmentally sustainable diets.

[1] Full UN report here: https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf

Science tells us that we need to cut methane emissions by 40-45% within this decade if we are to limit global heating to 1.5˚C[2] and avoid climate catastrophe. The momentum to cut methane emissions worldwide thanks to the Global Methane Pledge – through the support of governments, civil society and investors –will also increase pressure on the private sector to report and address these emissions.

We would appreciate it if you could respond to this letter by 25 January 2023 and share with us your plans to address the recommendations set out in this letter and your plans to adjust your climate targets and reporting to the latest UN High-level report on *Integrity Matters: Net-zero Commitments by Businesses, Financial Institutions, Cities and Regions*. We remain at your disposal for any additional questions or information.

Yours sincerely,

Changing Markets Foundation, Nusa Urbancic, Campaigns Director
Institute for Agriculture and Trade Policy, Shefali Sharma, Director IATP Europe
Compassion in World Farming, Olga Kikou, Head of EU Office
Feedback Global, Natasha Hurley, Head of Campaigns
Feedback EU, Frank Mechielsen, Executive Director
Greenpeace Nordic, Kristine Clement, Campaign Lead for Food, Forests and Nature
Madre Brava, Sarah Lake, Executive Director
Mighty Earth, Alex Wijeratna, Senior Director

CC: Nick Hindle, Senior VP Global Head of Corporate Communications; Sofie Biltoft-Riis, Director, Head of Sustainability Development; George Morrison, Director of Global Public Affairs

[2] UNEP (2021) Global assessment: Urgent steps must be taken to reduce methane emissions this decade. [ONLINE] Available at: https://www.unep.org/news-and-stories/press-release/global-assessment-urgent-steps-must-be-taken-reduce-methane