OATLY'S CALL FOR EU ACTION:

ADVANCE PLANT-CENTRIC POLICIES FOR A SUSTAINABLE FOOD SYSTEM — A WIN-WIN FOR PEOPLE AND PLANET

This Call for Action urges EU policymakers to prioritize efforts to address climate change as part of a strong, secure, prosperous, competitive, free and democratic Europe. It also emphasizes the need of a fair transition towards a resilient and sustainable plant-centric food system to achieve health and sustainability goals.

We urge the EU to stay the course set out in the European Climate Law, which commits to a shift to a climate neutral economy by 2050, and to fully implement the European Green Deal. We also advocate for a science-based target of net reductions of greenhouse gas emissions by 95% by 2040. This will guide businesses and governments to invest in sustainable solutions and transition to a nature-positive economy.

In 2023, the globe experienced its hottest year on record in over 100,000 years, with Europe being the fastest-warming continent, heating up at about twice the global rate.

² We're facing increasing climate risks that impact our food system, from heatwaves and droughts to floods and rising sea levels. Crop production across Europe is already under significant threat due to climate change, with looming risks of shortages and spikes in food prices.³

Food systems are a significant contributor to climate change. Globally, the food sector is responsible for about one-third of human-caused greenhouse gas emissions. Agriculture is the source of 11% of all greenhouse gases emitted in the EU, and substantial efforts are needed to reduce emissions from the food system.

The food system also plays a central role in the human health crisis. Studies link one out of five deaths in the EU to unhealthy diets, primarily cardiovascular diseases and cancers. Healthier diets contribute to a more resilient population.

Embracing plant-based diets presents an opportunity to tackle climate change, bio diversity, food security and promotes public health all at once.

Humans are responsible for the problems, which means we also have the power to come up with solutions. Oatly stands ready to tackle climate and health challenges head-on, working closely with policymakers.

LET'S MAKE IT HAPPEN!

https://climate-advisory-board.europa.eu/news/eu-climate-advisory-board-recommends-ambitious-2040-climate-target-and-urgent-transitions-for-the-european-union

² European Climate Risk Assessment — European Environment Agency (europa.eu)

³ ibid

⁴ https://www.nature.com/articles/s43016-021-00225-9

⁵ Agriculture and food system (europa.eu)

https://op.europa.eu/en/publication-detail/-/publication/9f582c41-1565-llee-806b-Olaa75ed7lal/language-en/format-PDF/source-search

https://iopscience.iop.org/article/10.1088/1748-9326/ac018e

OUR RECIPE FOR A SUSTAINABLE PLANT-CENTRIC FOOD SYSTEM

- 1. <u>Set ambitious science-based targets</u> to reduce the emissions from the food system, as are already in place for other emission intensive sectors such as energy and transport.
- 2. Deliver a <u>clear political direction and policy framework</u> through a Sustainable Food Systems Law. Review existing legislation and remove outdated rules and regulatory barriers to promote healthy plant-based diets and the farming of crops for human consumption.
- 3. Refocus the EU's long-term budget and Common Agricultural Policy (CAP) to promote a sustainable food system. Remove harmful and distorting subsidies and taxes which currently impede the growth of plant-based foods, and the public health benefits that would come with more widespread adoption.
- 4. Introduce standardized <u>mandatory carbon footprint labeling</u> in absolute numbers to make it easy to compare and to incentivize the value chain to lower the GHG emissions. This would make it easy for consumers to understand the environmental impact of what they eat and drink, in the same way that mandatory back of pack nutrition labelling already allows for simple comparisons.⁸
- 5. Assist farmers to diversify or shift towards producing more crops for human consumption. This can be achieved by providing educational support for farmers and reallocating funding away from products that have a negative impact on the health of the planet.
- 6. Introduce effective carbon pricing mechanisms for agriculture and food products, ensuring the climate impact of food production is reflected in market prices and guides consumer choices, whilst safeguarding access to healthy food and supporting farmers.
- 7. Promote healthy diets by ensuring that policies <u>provide a level playing field for plant-based foods</u>. Include fortified plant-based dairy alternatives in dietary guidelines, public procurement, the EU school milk scheme, and promotional programs. Permit the fortification of vitamins and minerals in organic drinks. Additionally, tackle misinformation regarding the nutritional benefits of plant-based foods.
- 8. Develop a <u>Plant-based Food Action Plan</u> to create a favorable business environment for research, innovation, growth, and prosperity in the plant-based food sector.

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ABOUT DATLY

We are the world's original and largest oat drink company. For over 30 years,
we have exclusively focused on developing expertise around oats: a global power crop with inherent properties
suited for sustainability and human health. Our commitment to oats has resulted in core technical
advancements that enabled us to unlock the breadth of the dairy portfolio, including alternatives to milks,
ice cream, yogurt, cooking creams, spreads and on-the-go drinks. Headquartered in Malmö, Sweden, the Oatly
brand is available in more than 20 countries globally.

⁸ Climate footprint (oatly.com)