



STATEMENT

15/06/2020

Life cycle assessment of dairy products at Valio

In 2018, Valio announced an extensive climate program targeting to a carbon-neutral milk chain by 2035. As part of the program, we are constantly developing the life cycle assessment of our dairy products. A preliminary study of the carbon footprint of our dairy products revealed that about 90% of the climate impact comes from milk production on dairy farms. However, the calculation models still require further development, because e.g. soil carbon sequestration and emissions are not yet included in the models. Also, the circular economy and the nutritional quality of the products are not considered.

The Intergovernmental Panel on Climate Change (IPCC) has set three calculation accuracies for greenhouse gas emissions in the agricultural sector. At Valio, we are developing the calculation of our carbon footprint and other environmental impacts at the most accurate third level. We have created and certified our own dairy-level raw milk carbon footprint counter (Valio Carbo® Farm Calculator) for our dairy farms. The certificate was awarded by the global expert company Carbon Trust.

In the impact assessment of life cycle modeling, we follow the European Commission's PEFCR guideline and supplement the missing points by conducting research work and modeling pilots with other companies and research institutes. With the continuous development of the calculation, we will ensure that we are taking the right steps to achieve a carbon-neutral milk chain by 2035.

Valio has 12 production facilities in Finland where we process more than a thousand different products. The large product range and multi-product plants make the climate impact assessment of an individual dairy product challenging. In the preliminary study, we found that the carbon footprint calculation of an individual product according to the PEFCR guidelines provides too much uncertainty in the results. For this reason, we are developing a new method for assessing the climate impact of milk processing, in which we consider the annual production of the entire production facility. We believe that this is the best way to serve our customers.

At Valio, we are investing heavily in our climate program and want to be carbon neutral in 2035. Also, we want to provide our customers with the most accurate and reliable climate impact information of our products, but food sector life cycle assessment methods are still developing, and much more research is needed to improve carbon footprint calculation methods. We strive to be at the forefront of this development by participating in research and the development of calculation methods together with research institutes and the rest of the food industry.

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Carbon-neutral Milk Chain 2035

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