

Sustainability leadership

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Figure 1

Orkla's contributions to achievement of the global UN Sustainable Development Goals (SDGs)

Orkla has been affiliated with the UN Global Compact since 2005, and we actively support the organisation's ten principles for human and workers' rights, the environment and anti-corruption. We participate in a global mobilisation to attain the 2030 Sustainable Development Goals (SDGs), which were launched by the United Nations in 2015. We use SDG 12 – responsible consumption and production – as a guiding star for our work.

Orkla's companies make the transition to sustainable production and consumption by engaging in environmental and social challenges linked to raw material production, developing recyclable packaging solutions, reducing the climate footprint of our products and developing products for a healthy lifestyle. Through our sustainability work, we also contribute to several of the other global sustainability goals.



2 ZERO HUNGER
 • Sustainable production of food raw materials



5 GENDER EQUALITY
 • Diversity and gender balance



13 CLIMATE ACTION
 • Reduce climate gas emissions throughout the value chain in line with what is needed to limit global warming to maximum 1.5°C



15 LIFE ON LAND
 • Contribute to future, regenerative farming practices
 • Deforestation-free supply chains



3 GOOD HEALTH AND WELL-BEING
 • Health innovation
 • Salt and sugar reduction
 • Inspire people to a healthy living



8 DECENT WORK AND ECONOMIC GROWTH
 • Respect for human rights in the workplace and supply chain



14 LIFE BELOW WATER
 • Protect fish resources through sustainable sourcing
 • Prevent plastic pollution by developing circular product and packaging solutions



17 PARTNERSHIPS FOR THE GOALS
 • Active stakeholder dialogue and partnerships for sustainable production and consumption

Goals and ambitions

We are committed to contributing to the transition to sustainable production and consumption, and in 2018 launched ambitious sustainability targets for the period up to 2025. These targets include science-based targets for reducing greenhouse gas emissions to limit global warming to 1.5 degrees, verified sustainable raw material production, packaging that is easy to recover, reduction of salt and sugar consumption and a good gender balance at management level in every part of the group. Orkla's target of net zero emissions by 2045 was validated in 2022 by the Science-Based Targets initiative (SBTi).

Orkla's sustainability strategy encompasses five main topics: environmental engagement, sustainable sourcing, nutrition and wellness, safe products and care for people and society. These are areas that are significant both in terms of our corporate responsibility and for our commercial success.

Orkla supports the guiding principles for transitioning to sustainable food production and consumption that are set out in the EU's Code of Conduct on Responsible Food Business and Marketing Practices.

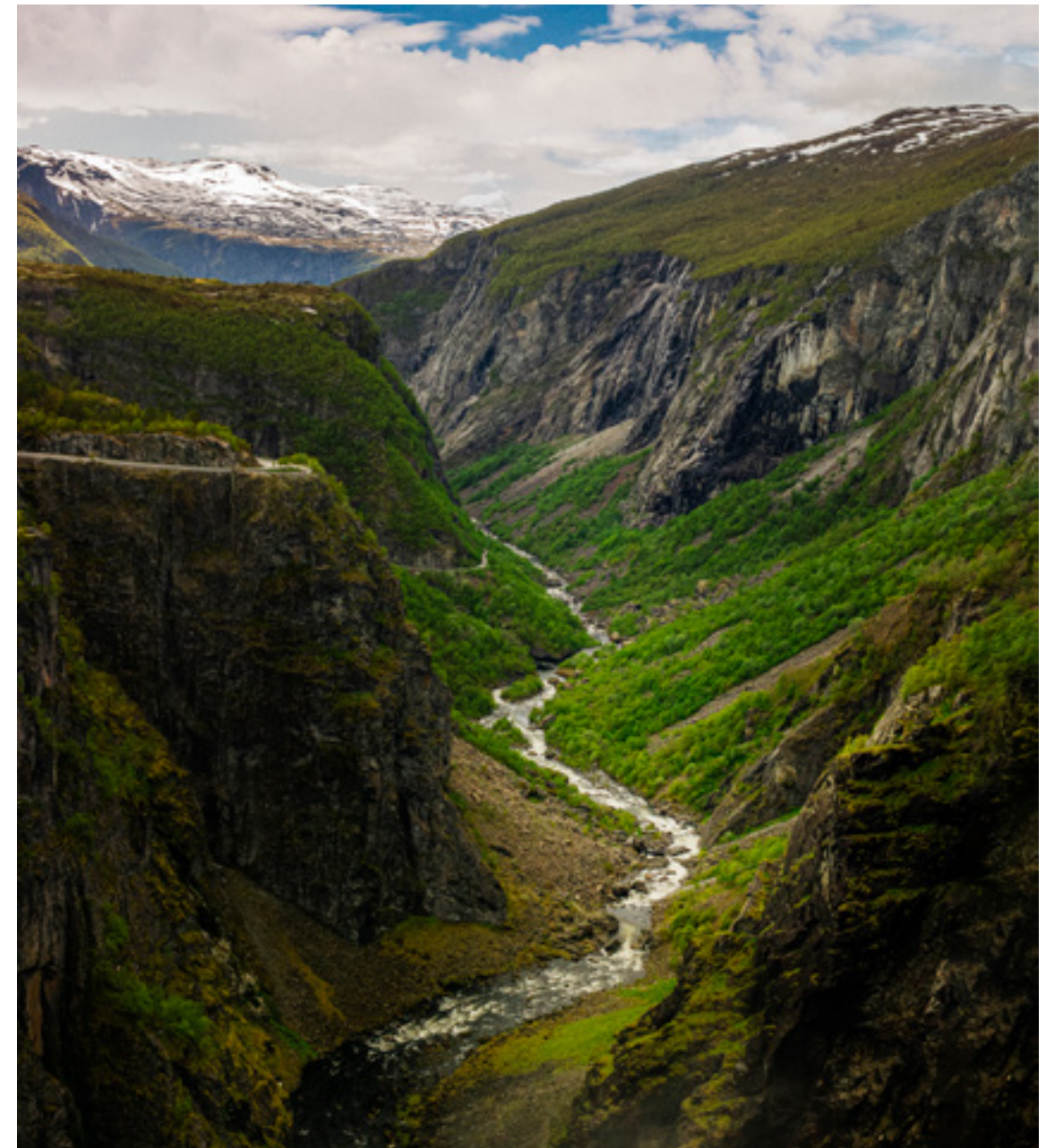
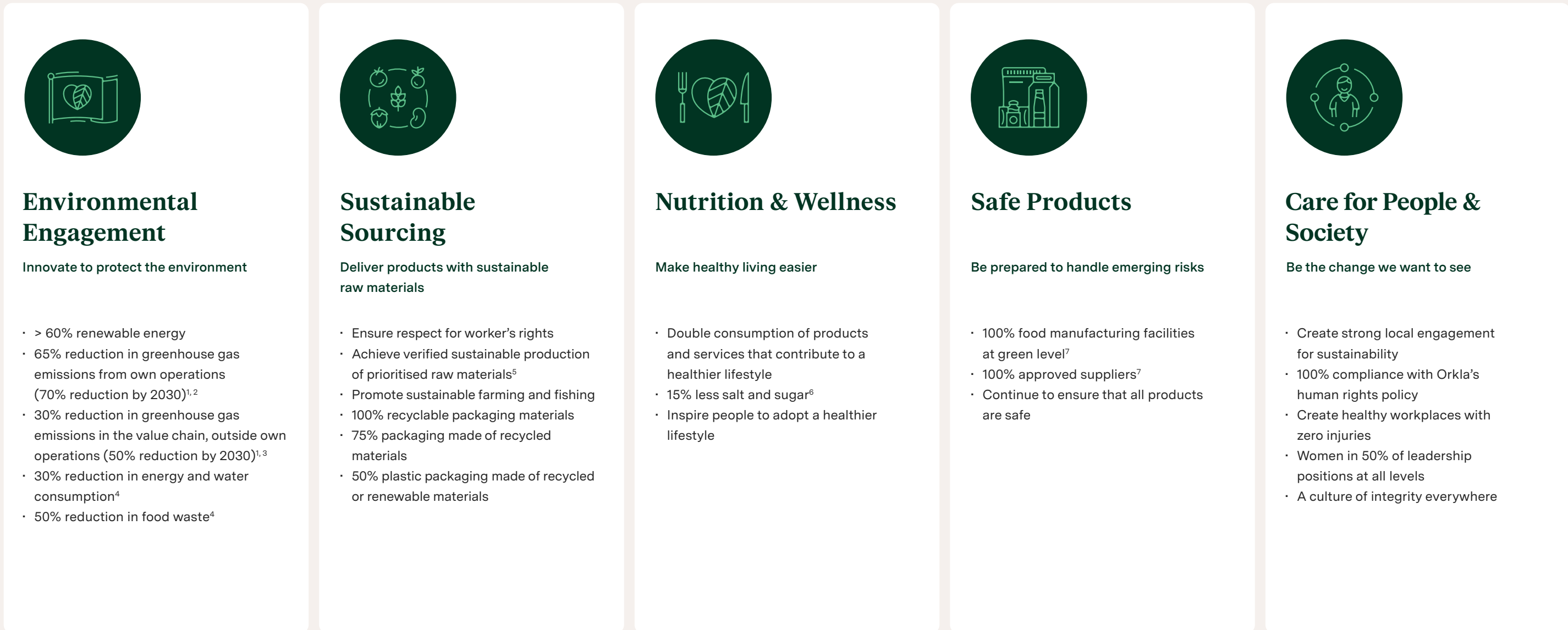


Figure 2

Orkla's sustainability targets up to 2025



1 The targets for greenhouse gas reduction have been approved by the Science-Based Targets initiative.
 2 Scope 1 and Scope 2 in accordance with the Greenhouse Gas Protocol. Base year 2016.
 3 Scope 3 in accordance with the Greenhouse Gas Protocol. Base year 2016.
 4 Base year 2014.

5 The assessment of importance is based on the risk related to and scope of the Group's sourcing.
 6 Base year 2017.
 7 Total effect from salt and sugar reduction activities linked to Orkla's food products. Base year 2015.
 8 In accordance with the Orkla Food Safety Standard.

Progress in 2022

We have made considerable headway in integrating a focus on the environment and social responsibility in business plans, decision-making processes and day-to-day operations. Nonetheless, we made less progress in 2022 than targeted. The war in Ukraine has reduced availability of key food commodities, delayed certain improvement projects and made it necessary to reprioritise resources. High inflation has also made it difficult for many consumers to pay a higher price for products made with certified raw materials or other benefits related to health, environment and responsible production. As a result, growth in sales of products with sustainability-related benefits has been lower than targeted.

Sustainability-related growth initiatives

Orkla seeks to use its sustainability work as a source of increased competitiveness and long-term growth. In the past few years, Orkla companies have renewed and strengthened several of their brands by improving their nutritional profile, packaging solutions or climate footprint. Good examples are TORO, Felix and Vitana. The companies have also launched new brands for which sustainability is a core element of brand positioning. Examples of such brand innovations are Klar, Jordan Green Clean, Naturli' and Frankful, all of which have contributed to turnover growth for Orkla.

Orkla wants to be a leading producer of plant-based food. In 2022, we achieved a total turnover of NOK 1,240 million for plant-based foods produced by Orkla, an increase of 18% from 2021. Orkla's most important plant-based brands are Naturli', Anamma, Felix Veggie, Frankful, Beauvais Veggie and Lecora Green Line.

The share of Orkla's branded consumer goods turnover derived from products rated as "most sustainable" was 11% in 2022, compared with 16% in 2021¹. The decline is mainly due to the fact that we adopted more stringent criteria, so the figures are not directly comparable. Many of the companies have extensive plans for further improvement work, and we expect the percentage of these products to increase in the next few years.

Criteria for our most sustainable products

Orkla has established internal criteria for what we consider to be our most sustainable products, and the companies classify their product portfolio on the basis of these criteria. The criteria are linked to our sustainability targets for 2025 and cover four dimensions:

- Sustainably produced raw materials
- Recoverable packaging made of recycled or renewable materials
- Climate footprint
- Products that promote a healthy lifestyle

This classification is a new management tool that makes it easier to monitor our progress in this work. In 2022, we set more stringent requirements for classification as most sustainable, among other things by introducing climate footprint criteria. We are gradually phasing in the new, stricter criteria in 2022–2023.

¹ Applies to revenues from Orkla Foods, Orkla Confectionery & Snacks, Orkla Care and Orkla Foods Ingredients..

Healthy, sustainable consumption

In 2022, the companies continued to provide guidance in the form of campaigns and other information initiatives to enable consumers to make more informed choices. Orkla Foods Norge conducted a campaign to inspire consumers to cook using leftovers. Orkla Health launched Nutrilett MyWay, an online service for people who want to lose weight. Kotipizza launched a carbon footprint calculator for pizza, and Orkla Foods Lietuva carried out a campaign to inspire consumers to try plant-based food. The companies give consumers guidance on how to sort packaging at source and by improving information on packaging. Some companies also teamed up with the Bower organisation on a deposit-refund system for packaging waste. Several companies expanded their use of the Nordic Swan Ecolabel, the Good Environmental Choice programme and other external labelling systems, thereby making it easier for consumers to compare products.

Climate and environment

In the period from 2016 to 2022, we reduced greenhouse gas emissions from our own operations. Securing renewable electricity has been an important measure for achieving our targets. In 2022, due to the extraordinary situation on the energy market, Orkla was not able to cover its total electricity consumption through Guarantees of Origins. This has had an impact on the climate gas reductions and share of renewable energy for 2022. We are nevertheless still well positioned to reach our target of a 65% reduction in greenhouse gas emissions by 2025 for Orkla's own operations. We are now also working systematically to help reduce greenhouse gas emissions in supplier chains. We are making progress in reducing energy consumption, water consumption and food waste from production. However, if we are to reach the climate and environmental targets we

have set for 2025, further actions and investments will be necessary.

Sustainable raw materials

In 2022, the companies continued their efforts to achieve verified sustainable production of priority raw materials by 2025, in accordance with the Farm Sustainability Assessment (FSA) tool, a framework developed by the Sustainable Agriculture Initiative Platform (SAI Platform). Due to a variety of factors, such as the war in Ukraine and climate-related challenges, this work is not advancing as well as targeted. The challenging circumstances have led to reduced availability of some raw materials, delays in improvement projects and a need to reprioritise internal resources. Despite this, the proportion of certified raw materials has increased for several important raw materials.

Sustainable packaging

In the past few years, the Orkla companies have made extensive efforts to use packaging solutions that contribute to increased recovery of packaging waste. The share of recoverable packaging materials was 96% in 2022. The share of packaging materials that have been recycled or come from renewable sources increased from 67% in 2021 to 70% in 2022, and 14% of plastic packaging materials were recycled or renewable in 2022, up from 10% the previous year. We are satisfied with the results we have achieved, but see that it will be difficult to fully reach our 2025 targets in this area. This is because the external infrastructure for sorting and recovering packaging waste is not sufficiently well developed, and there are still few recycled materials that satisfy food safety requirements.



Nutrition and wellness

Products that promote a healthier diet accounted for around 19% of turnover in Orkla Foods, Orkla Confectionery & Snacks and Orkla Food Ingredients in 2022. The companies have continued their long-term efforts to reduce use of salt and sugar. The overall effect of all the measures implemented since 2015 is a reduction in consumption of sugar of around 10%³ and a reduction in salt consumption of around 5%². Despite our broad-based efforts over many years, we have not quite reached our targeted results. This is due in part to our acquisition of new companies. The work will continue along the same lines as at present, but we see that it will be difficult to reach our target of reducing our overall contribution to salt and sugar consumption by 15% in the decade from 2015 to 2025.

Diversity, equity and inclusion

The proportion of women in management positions at all levels was 40% in 2022, compared with 41.8% the previous year. The change is mainly attributable to the acquisition of new businesses but also a better database for this year's reporting. The proportion of women at management team level increased from 38% in 2021 to 39.5% in 2022. The companies have bold plans to further increase the percentage of women. In 2022, we introduced a new strategy for promoting diversity and inclusion, to ensure that efforts to advance diversity are broad-based and an integral part of the work carried out throughout the organisation.

² There is uncertainty attached to these figures due to inadequate documentation of historical data and differences in methods of calculation.

Sustainability-related impact and risk

Material topics

Orkla's sustainability work encompasses the topics that we consider to be material in terms of the impact that we make, and is also based on commercial considerations. The last time we updated our assessment of material topics was in 2021. The assessment was based on analyses of Orkla's actual and potential impact on people, the environment and society and of our exposure to sustainability-related risk, in accordance with the principle of double materiality. The analyses were prepared with the help of the audit and consulting firm EY and submitted to the Orkla Management Team and Board of Directors for consideration. To provide input for this work, we drew up a stakeholder analysis based on external ESG analyses of Orkla, consumer surveys, political documents and other information available.

The analyses have confirmed that Orkla's sustainability strategy is still relevant and an important tool for developing long-term, competitive operations, ensuring effective risk management and meeting expectations of responsible operations based on due diligence assessments. The strategy covers all impacts and risk factors considered to be material.



Figure 3

Material sustainability topics



Environmental engagement

Innovate to protect the environment

- Reduction of greenhouse gas emissions
- Nature and biodiversity
- Resource management
- Environmentally targeted product development



Sustainable sourcing

Deliver products with sustainable raw materials

- Human rights in supply chains
- Zero deforestation
- Animal welfare
- Sustainable raw materials
- Sustainable agriculture
- Sustainable fishing
- Sustainable packaging



Nutrition & wellness

Make healthy living easier

- Products for a healthier lifestyle
- Collaboration to improve public health



Safe products

Be prepared to handle emerging risks

- Safe food production
- Safe products (non-food)
- Contingency planning



Care for people & society

Be the change we want to see

- Local value creation
- Responsible, inclusive employer
- Integrity
- Occupational health and safety

Impacts of Orkla's operations and products

More than half of the raw materials used in Orkla's own production are agricultural products. The production of food raw materials can entail a risk of biodiversity loss and is often a cause of high water consumption, greenhouse gas emissions and food waste. Social issues and the risk of violations of human and workers' rights are another problem in several of our supply chains. We reduce the risk of negative impacts and contribute to solving sustainability challenges in our value chains by carrying out due diligence assessments, monitoring our suppliers and implementing improvement measures.

As a manufacturer of consumer goods, we use large amounts of packaging, which causes greenhouse gas emissions and packaging waste. In collaboration with packaging suppliers, the waste management sector and other players in the packaging value chain, we are developing recyclable packaging based on renewable raw materials. In this way, we promote increased recovery of plastic and other packaging waste, while also reducing our use of non-renewable resources.

Other areas in which we have a major impact include food safety and public health. Dietary changes are key to reducing the prevalence of lifestyle-related diseases. We can therefore contribute to improving public health by reducing salt, sugar and saturated fat in our food products, promoting increased use of plant-based food products and developing other products and services that foster a healthy lifestyle.

We have a presence in more than 20 countries, thereby creating positive economic ripple effects for local communities in the form of jobs, tax

revenues and procurement contracts with local suppliers. Orkla is a major employer, and by investing in skills development and working systematically to ensure a good working environment, we contribute to our employees' job satisfaction and personal development.

Sustainability-related risks and opportunities

The global sustainability challenges affect Orkla's activities and give rise to both commercial risk and new business opportunities.

Volatile raw material supplies

In the past few years, extreme weather, drought and flooding have impacted the price and supply of several of the agricultural raw materials that Orkla sources. This type of climate-related raw material risk can be exacerbated in the coming years if the raw materials are cultivated unsustainably. In the long term, we also see a risk of reduced availability of some of the fish species that Orkla purchases, because the international agreements that regulate fisheries management are too weak. We are addressing this risk situation by engaging in dialogue and collaboration with suppliers, retailers, competitors, food sector organisations and government authorities with a view to promoting long-term sustainable food supply systems. In addition, we choose key suppliers with access to raw materials from several areas and good back-up solutions.

Resource efficiency

The international energy crisis is spurring development of non-fossil energy sources, but at the same time creating an unpredictable picture of energy prices in the short and medium term. We see a significant potential for cutting costs in the medium term by reducing food waste and other waste.



In the short term, we expect to see higher remuneration for management of packaging waste. To reduce the costs related to use of this type of resource, Orkla companies continue to improve energy efficiency, phase out fossil energy sources, reduce waste, optimise packaging, develop recoverable packaging solutions and explore possibilities for circular innovation.

Sustainability-related customer preferences

Higher costs of living have made consumers more price-conscious in 2022. In most of the markets where we are present, we nonetheless see a long-term trend of rising demand for locally produced food, plant-based food and products that promote better health. Plant-based products and other sustainable protein sources represent important opportunities for income growth for Orkla. At the same time, we consider it important to be able to offer products with verified sustainably produced raw materials, recoverable packaging and a low climate footprint in order to strengthen our competitiveness.

Regulatory amendments

The EU is in the process of introducing a broad set of regulatory amendments and initiatives that will affect Orkla's activities in the coming years. New requirements with regard to due diligence, documentation, product labelling and reporting will lead to higher costs and increase the need to invest in digital support systems and projects to make improvements in the value chain. Orkla keeps close track of regulatory amendments to be able to adapt its activities to the new requirements in a cost-effective way.

Management procedures for sustainability and responsible business practices

Policies and guidelines

We define corporate responsibility as conducting responsible operations with respect for individuals, the environment and society. Orkla's directives on corporate social responsibility describe the general principles for the way our companies must safeguard human and workers' rights, the external environment, occupational health and safety, anti-corruption efforts and other key areas of responsibility. These directives are based on the UN Global Compact's ten principles, the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The directives have been approved by Orkla's Board of Directors and apply to the whole group.

Orkla also has general policies for human and workers' rights, environment, health and safety, nature and climate, zero deforestation, animal welfare, marine raw materials, genetically modified organisms, taxes and a Code of Conduct. These policies set out our ambitions, the main principles governing our work and the standards that we set for ourselves and our business partners. Orkla's policies are intended to create positive effects for employees, consumers, customers, employees in our supply chains and the local communities around our businesses, and to help prevent undesirable impacts. The Code of Conduct has been approved by Orkla's Board of Directors. Other policies have been approved by the Orkla Management Team.

In connection with Orkla's transformation into an industrial investment company, we will revise our general policies in 2023 and draw up a document that describes Orkla's standards and expectations with regard to sustainability work in the portfolio companies.

Respect for human rights

Orkla's Human and Labour Rights Policy is based on the UN Guiding Principles for Business and Human Rights and on the requirements for due diligence assessments specified in the new (Norwegian) Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act). The policy covers all internationally recognised human rights and describes the main principles for the way Orkla will deal with the human and workers' rights that are most relevant for our day-to-day operations. The policy also provides guidelines for how the companies are to carry out due diligence assessments and follow up on them, both in our own activities and in the supply chain. In 2022, we submitted information on the due diligence assessment requirements to the management team of each business area and provided training in application of the policy for senior executives and key personnel in every part of the company.

Implementation of the principles for sustainability and responsible business practices

Orkla's Sustainability Director is responsible for drawing up and implementing policies, targets, strategy, guidelines and reporting procedures for Orkla's sustainability work in close collaboration with other key function managers. Orkla's Chief Compliance Officer is in charge of formulating and implementing criteria and guidelines for responsible business practices, including anti-corruption and ethical guidelines.

The CEO of each Orkla company is responsible for establishing management procedures, targets and action plans for the company's sustainability work in accordance with Orkla's general goals and policies. Each portfolio company decides how its own work is to be organised, but Orkla requires

that the companies assign responsibility for strategy, management and reporting of sustainability work to a dedicated member of the company's management team.

The companies have work plans for the strategy period 2022–2024 based on Orkla's sustainability targets going forward to 2025. In connection with the establishment of the new portfolio companies, the companies will review their targets and priorities and draw up plans for the next five years. To ensure that all employees are well acquainted with Orkla's targets, strategy, policies and guidelines, Orkla arranges internal training programmes. In 2023, Orkla will provide the portfolio companies with guidance on analysing sustainability-related impacts and financial risk, and identifying material topics based on the double materiality principle.

Orkla's requirements for and expectations of suppliers and business partners are specified in Orkla's Code of Conduct for Suppliers and Business Partners.

Follow-up

Orkla monitors the companies' work to promote sustainability and responsible business practices through representation on the company boards and annual internal reporting. Orkla has internal networks that are used for training, exchanges of experience, collaboration and reporting. In 2023, as a consequence of Orkla's new organisational structure, we will assess which changes we should make in internal networks and formal cooperation forums.

Orkla's Board of Directors monitors the group's work by means of an annual assessment of the progress made in sustainability work, quarterly reviews of changes in key EHS indicators and ongoing discussions of matters considered to be of material significance for the company. The Board of Directors also reviews Orkla's annual sustainability reporting, including progress in due diligence work and an analysis of risk, impacts and choice of material topics. In 2022, Orkla's Board of Directors commenced a training programme in management of ESG topics and will continue this training in 2023. Sustainability is one of several topics addressed in the Board's annual evaluation of its own work.

Whistleblowing and grievance management

Orkla's whistleblower function enables employees and external stakeholders to alert the company's governing bodies to possible breaches of the Orkla Code of Conduct. The whistleblower function is administered by Orkla's internal audit staff, who report to the Board of Directors' Audit Committee and are independent of Orkla's line management. Furthermore, Orkla's companies in the EU have established whistleblower channels in accordance with the EU's whistleblower rules. Orkla employees can report matters anonymously and in their mother tongue at both Orkla and company level. Grievances are dealt with by the executive management of the individual company, and Orkla's Legal Affairs department and central sustainability team provide guidance and support as necessary. Through Orkla's Code of Conduct for Suppliers and Business Partners, we require our suppliers and business partners to establish similar whistleblower and grievance management systems.

Sustainability reporting

We strive to earn the trust of important stakeholders by reporting openly on matters related to our activities that are of importance to Orkla's value creation in a broad sense. Orkla's sustainability reporting for 2022 has been prepared in accordance with the Oslo Stock Exchange's guidance on corporate responsibility reporting and GRI standards. The reporting also covers most of the core metrics and a number of extended metrics in the World Economic Forum's Common Metrics reporting framework. Orkla's sustainability report and taxonomy report for 2022 are included as separate sections in our Annual Report. In addition, certain matters are reported on in other parts of the Annual Report. A separate report on climate risk, based on the recommendations of the Task Force on Climate-Related Financial Disclosures, may be found on Orkla's website. A complete overview of the GRI Standards and Common Metrics target figures on which we are reporting for 2022 is also posted on the website.

Orkla reports environmental information to the investor initiative CDP and in 2022 scored an A- (leadership level) in the areas of climate and water. We were awarded the score of B (management level) for our work to prevent deforestation in connection with the four raw materials palm oil, soy, meat and timber. We also report to the member-based organisation Ethical Trade Norway on our work to promote responsible sourcing.

Orkla's Sustainability Report for 2022 has been approved by the Orkla Management Team and the Board of Directors. Unless otherwise stated, the key figures in the Sustainability Report concern the period from 1 January to 31 December. The reporting covers all the businesses in which we owned more than a 50% interest as of 31 December 2022, except for companies acquired after 1 July 2022. Data were collected by means of a questionnaire

that is sent every year to all Orkla's business units and through our group-wide systems for reporting information on employees, the environment, injuries and sickness absence. Data on certified raw materials and the percentage of recoverable, recycled and renewable packaging materials were collected by means of internal and external questionnaires.

Orkla's climate accounts have been prepared in accordance with the GHG protocol. The environmental and climate accounts have been verified by the audit and consulting firm EY. With regard to the sustainability work carried out by Jotun, in which Orkla has an interest of less than 50%, we refer to Jotun's own reporting.



Stakeholder dialogue

At both Orkla and portfolio company level, we are engaged in active dialogue with various stakeholder groups concerning issues related to our business and our products. Orkla's primary stakeholders are employees, customers and consumers, investors, government authorities, local communities, organisations and suppliers. When assessing which stakeholders are particularly important, we focus on the influence that we can have, our formal corporate responsibility and the stakeholders' importance for our own ability to succeed. Our dialogue with stakeholders is conducted through meetings and other forms of direct communication, surveys, participation in networks and industry organisations and joint projects. Table 1 shows the main forms of dialogue.

In 2022, our dialogue with suppliers, investors and other external stakeholders largely revolved around the war in Ukraine and its consequences for availability of raw materials. At the same time, we continued to pursue our dialogue on important topics such as power relationships along the grocery retail value chain, the Transparency Act, sustainable food production, greenhouse gas emissions, nutrition and health and recovery of plastic packaging.

Orkla is a member of several organisations and initiatives that promote learning and cooperation on important sustainability topics. The most important of these include the UN Global Compact, Ethical Trade Norway, AIM Progress, SAI Platform, Sedex, the Science Based Targets Network and the Circular Plastics Alliance. Orkla is also a member of the Confederation of Norwegian Enterprise (NHO), FoodDrinkNorway and similar employer organisations in other countries, and one of our companies is member of the European industry organisation CAOBISCO.



Table 1

Orkla's dialogue with important stakeholders

Employees

- Orkla has a central corporate democracy system and formal bodies for local employee participation.
- The Orkla Junior Board is an advisory body for the Orkla Management Team consisting of young employees from a broad range of companies and countries.
- The companies conduct regular employee opinion surveys to identify the need for improvements related to the working environment and management.
- The companies use town hall meetings, intranet and digital interaction to ensure active involvement and effective cooperation.

Customers and consumers

- Our companies have consumer and customer service staffs who answer questions and deal with complaints.
- We conduct annual surveys on attitudes regarding sustainability in seven Nordic and Baltic countries.
- Our companies carry out consumer surveys to identify product-related needs.
- The companies engage in an ongoing dialogue with retailers and other professional customers.

Organisations

- We conduct a dialogue with a number of special-interest organisations to discuss specific issues or obtain input for our work.
- We are a member of industry organisations, multi-party initiatives and producer responsibility organisations in order to learn about and collaborate on important sustainability topics.

Government authorities

- We provide input for consultative processes on topics of particular importance for us, either through direct contact or through the organisations of which we are a member.
- In several of the countries in which we are present, we participate in partnerships between government authorities and the food industry, especially in connection with nutrition-related issues.

Local communities

- Our companies engage in a dialogue with local supervisory authorities on food safety and other matters related to our operations.
- The companies have procedures for responding to inquiries from individuals, organisations and businesses in the local communities in which production is carried out.

Investors

- Our Investor Relations team engages in an ongoing dialogue with investors and analysts. Every two or three years we hold a Capital Markets Day to provide information on our long-term strategy and important individual topics.

Suppliers

- Our contracts with all suppliers require compliance with ethical standards.
- Our central procurement staffs and our companies' procurement departments maintain a dialogue with suppliers regarding relevant sustainability topics when entering into contracts, and through audits and meetings when necessary.

Environmental engagement

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The big picture

Global greenhouse gas emissions continue to increase in 2022 and reaching the 1.5 degrees global warming target will be increasingly difficult. The summer of 2022 saw the highest mean temperatures ever recorded, and many countries experienced intense heatwaves. Extreme heat increases the risk of drought, and drought led to poor harvests of many important agricultural raw materials in Europe. Extreme temperatures on the Indian subcontinent, too, caused glacial melting which, combined with violent monsoon rains, resulted in the flooding of one third of Pakistan and destroyed rice crops.

The war in Ukraine has contributed to soaring energy prices and limited energy supplies. The energy crisis has also given rise to initiatives to secure future access to energy from sources other than Russian gas. This could have positive effects in the form of more rapid development of renewable energy.

The events of 2022 have increased awareness of the need for action and the significance of concerted efforts to reach the climate targets, and has underscored the importance of Orkla's goal of transitioning to net zero emissions.

Our impact

The environmental impact of Orkla's own operations is limited. The greatest impact is generated by the production of raw materials and at the consumption stage. We therefore work to reduce emissions and

environmental impacts in every part of our value chain. We have ambitious goals of attaining net zero emissions of greenhouse gases by focusing on product innovation, transitioning to renewable energy and reducing energy use, as well as through cooperation and joint initiatives with suppliers. As more and more of our factories reduce their use of energy and make the switch to renewable energy, the climate impact of our products will be reduced.

Orkla's impact on nature and biodiversity primarily stems from the raw materials that we purchase. Serious negative impacts can arise if the production of raw materials leads to tropical deforestation, farmland degradation or reduction of fish stocks. Orkla has a responsibility for, and a commercial interest in, stepping up our engagement to protect valuable ecosystems and promote farming practices that improve soil health and strengthen local ecosystems.

Drought and extreme weather result in higher raw material, clean water and energy costs. The ready availability of these crucial inputs is essential for stable operations, and a scarcity of these resources due to climate change and natural disasters can cause delivery problems and a need to change the production of certain products. Changes in the regulatory environment or political framework conditions can entail increased costs.

Orkla has the possibility to influence consumers to make more environmentally friendly choices in everyday life. At the same time, we believe that being able to offer products with a low climate and environmental impact gives us a vital competitive edge.

Our approach

We have adopted a systematic, comprehensive approach to climate and environmental work in our companies. Orkla's environmental, health and safety policy establishes obligations and guidelines for our efforts to promote a safe, healthy workplace and continuous improvements in our environmental protection work. As part of our transformation into an industrial investment company, Orkla will define clear requirements for the portfolio companies. The portfolio companies are responsible for setting targets, planning and implementing measures and designing systems and procedures for monitoring this work within the framework of Orkla's goals, guidelines and owner requirements.

In 2018, we drew up science-based targets for reducing greenhouse gas emissions in alignment with the Paris Agreement and the 1.5 degree target. In 2022, Orkla committed to net zero emissions of greenhouse gases by 2045. The updated targets have been approved by the Science Based Targets initiative (SBTi) based on its revised framework, which was launched in November 2021. As part of this process, we also changed the baseline year from 2014 to 2016. Moreover, Orkla's climate targets for 2025 and 2030 were revalidated in 2022.

Our approach consists of assessing and understanding the environmental impacts that Orkla has on its entire value chain. This means setting targets, drawing up action plans to reduce and control impacts, and implementing initiatives based on risk and possibility assessments. Through our environmental work we contribute to achieving UN Sustainable Development Goals 6, 12, 13, 14, 15 and 17.

Goals towards 2025

- More than 60% renewable energy in our own operations
- 65% reduction in greenhouse gas emissions from our own operations (Scopes 1 + 2)
- 30% reduction in greenhouse gas emissions in the value chain (Scope 3)⁴
- 30% reduction in energy and water consumption in our own operations⁵
- 50% reduction in food waste from our own operations⁵

4 Baseline year 2016.

5 Baseline year 2014.



Developments in 2022

Climate gas reduction

In 2022 we achieved a total reduction of 40% in emissions from our own operations (Scopes 1+2) compared with the baseline year 2016. The total reduction is in absolute numbers. Relative to turnover, emissions were reduced by 41% from 2016.

The reductions we achieve are chiefly due to energy efficiency projects, replacement of fossil fuel with renewable energy sources, purchases of guarantees of origin for the electricity used by our companies in Europe and Renewable Electricity Certificates (RECs) for our electricity consumption in Malaysia and China, as well as long-term power purchase agreements (PPA) for India.

Documentation of the consumption of renewable electricity has been an important measure to achieve our goals. Due to the extraordinary situation in the energy market in 2022, Orkla has not secured its entire electricity consumption through guarantees of origin. This is the main reason for the change in improvement compared to what had been achieved by reducing greenhouse gas emissions (Scopes 1+2) as of 2021.

To reach our 2025 targets for reducing greenhouse gas emissions from our own operations (Scopes 1+2), further improvement initiatives are required, and each of the portfolio companies has its own plans for how to contribute to lowering their emissions.

More than 90% of Orkla's greenhouse gas emissions stem from activities in the external value chain (Scope 3), and we have taken several important steps to bring about a change in these emissions. We have developed a tool that contains data on greenhouse gas emissions for raw materials, packaging and other Scope 3 categories, which can be used to analyse emission figures for various raw materials, suppliers and products. The tool can also be used to prioritise the raw materials and suppliers on which we should focus in order to reduce Scope 3 emissions. We have entered into a dialogue with a large number of suppliers with emphasis on animal-based raw materials, which generate the greatest climate impact. The availability and quality of climate data vary, and we consider it important to update and expand databases and tools in cooperation with suppliers and research institutes.

Nature and biodiversity

Well-functioning ecosystems are a prerequisite for production of raw materials on which Orkla is dependent. Our work to protect nature and biodiversity involves preventing deforestation and conserving vital ecosystems, in addition to promoting sustainable agriculture, forestry and fishing.

Orkla has joined the Science Based Targets Network (SBTN)'s Corporate Engagement Program, which is aimed at devising a methodology for setting science-based targets for nature and biodiversity. This framework will be used to develop Orkla's strategy and targets, and in 2022 we drew up guidelines on nature and climate. The guidelines are intended to clarify requirements, ambitions and key initiatives with respect to nature and climate change, for the whole organisation. They must also meet growing stakeholder

expectations with regard to addressing risk and implementing measures that support nature and biological diversity and counter climate change.

Our greatest impact is indirect and is linked to the primary production of raw materials, first and foremost in agriculture. Orkla's investment in plant-based food is a strategically important initiative aimed at protecting nature and biodiversity, since vegetarian food products require substantially less agricultural land than meat and dairy products, and thus leave more space for natural areas. In the case of priority raw materials, we set requirements for our suppliers regarding certification and other systems that include criteria for protecting and increasing biological diversity. As yet, there are no established standards for measuring impact on biodiversity. In addition to SBTN, we participate in several research projects, such as BIOPATH and Mistra Food Futures. One objective is to develop indicators to enable companies to measure and take biodiversity into account when making investments and other decisions.

Resource management

We work in a focused and systematic manner to achieve efficient resource utilisation across our entire group. Several of our factories have carried out projects that yield benefits in the form of reduced use of energy or water and increase the proportion of renewable energy used. The companies implement measures to reduce waste in both production and other areas of their operations. Until 2025 we will continue our systematic efforts to control use of important resources, cut waste by half and reduce the use of fossil energy.

Energy and water

28% of Orkla's energy comes from renewable sources. In absolute terms, Orkla's total energy consumption is at the same level as in 2014, but

production volume and turnover have increased at the same time. Of this, we estimate that electricity accounts for 40%, remote heating 7% and the remaining 53% from thermal energy. The reduction in energy use relative to turnover is 37%. The percentage of renewable energy was reduced in 2022 compared to 2021. Due to the extraordinary situation in the energy market in 2022, Orkla has not secured the entire electricity consumption through guarantees of origin and thus reduced the proportion of documented renewable electricity. Further investment in renewable sources will be necessary if we are to reach the target of 60% by 2025.

In 2022 several companies carried out campaigns to raise employee awareness of smart use of energy, and both factories and office premises are reducing their energy consumption by optimising use of lighting and installing LED lights. A number of companies are in the process of installing solar panels in order to be able to produce their own renewable energy. In 2022, Credin Portugal installed solar panels at its factory in Freixeira which will cover up to 40% of its total energy use.

Optimisation of ventilation and steam systems at Orkla Danmark's factory at Skælskør has reduced consumption of both electricity and gas, an improvement that also cuts greenhouse gas emissions by 34%. Furthermore, the amount of cooling water used in jam production has been reduced by 30% of annual consumption.

At Orkla Foods Sverige's factory in Kumla, the company has invested in a new heating furnace and a transition to renewable energy. Wood pellets have replaced liquified petroleum gas (LPG) as an energy source.



As a producer of consumer goods, we are dependent on access to sufficient quantities of high-quality fresh water, both now and in the future. Water is used in many areas of our value chain. It is a key input for cultivating various agricultural ingredients that we use in our products. We also use water directly as an ingredient in many of our products and for cleaning. High-quality water will continue to be an important component in every part of our value chain. We are therefore focusing on reducing Orkla's impact on bodies of water. Water is primarily supplied to Orkla's businesses by municipal water works, while a far smaller percentage is drawn from groundwater. We do not use water from rivers, lakes or wetlands, which could potentially impact biodiversity.

Orkla's production facilities comply with local and national regulations governing wastewater treatment, in addition to meeting the requirements for wastewater treatment set out in Orkla's EHS standard. The quality of the wastewater generated by most of the plants is good enough for the wastewater to be delivered to municipal waterworks or released to surface water without having to be treated. Orkla's water discharges therefore have little impact on the environment. In 2022, Orkla Foods Sverige had three minor discharge events at its production plants in Eslöv and Vansbro that resulted in fines. Orkla Latvija received a fine for inadequate treatment of wastewater. Both companies have carried out relevant improvements that will prevent discharges of this kind in the future. In 2022, Credin Portugal paid a fine imposed in a case from 2017 concerning wastewater treatment. After a lengthy dialogue between the company and the local authorities, the company was permitted to build a new water treatment plant in 2019.

To identify risks such as flooding and drought, Orkla now utilises the WRI Aqueduct water risk mapping tool. We have mapped all the locations in

which Orkla operates and concluded that only the companies in India and Romania are in at-risk areas. These companies account for 2% of total water withdrawals. We aim to reduce the risk of water stress through collaboration with our suppliers and certification of raw materials. We will also increase water recycling at our factories and optimise treatment processes.

Orkla's water consumption has been reduced by 26% since 2014. In order to reach the target of a 30% reduction in water consumption by 2025, our companies, and especially our factories, are working systematically to reduce their use of water. They can lower consumption by installing water recycling systems and by initiating other types of improvement jointly with other actors in the value chain.

In 2022, Orkla Foods Česko a Slovensko carried out a water-saving project at its factory in Babice, where large amounts of water are used in the canning of patés and ready meals. By reusing water from sterilisation processes, the company can potentially save around 300 000 litres of water per year, or 75% of the factory's water consumption. In addition, the residual heat from the process water is used, generating a saving of 10% of gas consumption.

Waste

We work systematically and with a long-term perspective to reduce food waste and other waste in all our businesses. We have reduced the quantity of organic waste by 9% since 2014, but relative to turnover, the reduction is 53%, which is an expression of increased production in the period. Food waste is included in the total amount of organic waste.

The 2025 target of a 50% reduction in production-related food waste is therefore achievable.

The production of consumer goods requires substantial volumes of raw materials and packaging, which in turn gives rise to a need for waste treatment at both the production and the consumption stage. We have therefore adopted a holistic approach to waste treatment and focus on reduction at every stage of our value chain. Food waste is one of the major negative consequences of Orkla's operations, and we address this problem by analysing waste, training our employees, replacing equipment, improving handling methods, joining forces with local players and donating surplus food. At present, the waste we generate in our own operations is dealt with by third parties, and disposal is controlled through contracts. A large part of the organic waste is used in animal feed or converted into biogas through anaerobic decomposition. One of our environmental targets is zero waste to landfill, and we are well on our way to reaching this objective.

We are also working to reduce consumer waste by improving packaging and packaging design. For example, we focus on protecting the product and prolonging its shelf life, adapting the size of packaging to consumer needs and designing packaging to make it possible to empty all the product from the packaging and minimise residues.

Most of our companies recover or reuse parts of their waste, either internally or in cooperation with external partners. In 2022, several companies took steps to reduce waste. For example, Orkla Foods Norge's factory at Stranda reduced waste from Big One pizza crusts by 77% by changing pans.

18%

**growth in turnover from
plant-based products**

This improvement resulted in an estimated annual reduction in waste of 287 tonnes of raw materials.

Environmentally targeted product development

We work purposefully to reduce the climate and environmental impact of our products and are investigating potential circular solutions.

An important contribution to reducing our climate impact is our investment in plant-based food. Our goal is to become one of Europe's leading players in plant-based food by 2030. In 2022, several new plant-based products were launched, and existing products were introduced in new markets. We had 18% growth in turnover from plant-based products in 2022. Our target is turnover of NOK 3 billion from priority plant-based food brands by 2024.

Orkla Alternative Proteins (OAP) is exploring new technologies, ingredients and innovations to make plant-based products healthier and tastier, so that more consumers will choose these products. OAP works closely with the companies in Orkla Foods and Orkla Food Ingredients that develop, market and sell plant-based products. Several of the companies are also testing new plant-based meat substitutes.

In 2022, Orkla Foods Sverige launched a vegan version of Kalles kaviar cod roe spread. Kalles vegan has a climate footprint that is around 30% better than that of the original Kalles kaviar. Panda strives to be on the cutting edge when it comes to sustainable sweets, and in 2022 Orkla Suomi launched new varieties of plant-based licorice, Panda licorice with vegan chocolate and Panda vegan licorice sticks. In 2022 Orkla Foods Norway moved the plant-based Naturli' cafe from Skøyen to Grünerløkka in Oslo to reach more consumers.

We consider seaweed and kelp to be a potentially important contribution in the long term to ensuring climate-friendly food that is also nutritious and tasty. Seaweed and kelp are marine vegetables, and are found in over 12,000 different varieties around the world. Cultivating them may yield a range of benefits for both climate and the environment, such as carbon binding and creating good growth areas for shellfish and fish. Moreover, cultivating these plants requires no land, and entails no discharges of chemicals or waste to the surrounding environment.

Orkla Ocean works closely with specialist communities and industry players to make these products available. Among other things, they have teamed up with several companies in Orkla Foods to create new recipes and products with a focus on tastiness and improved nutritional content. In September 2022, Orkla Ocean took part in Idun's taste fair with crispbread, focaccia and macaroons made with seaweed and kelp. Credin Sverige has launched a baking mix containing sugar kelp, and TORO uses seaweed and kelp in its Spicy Noodle Wok ready-to-eat meal. Naturli' and Anamma use seaweed and kelp to add flavour to their plant-based products. Grandiosa has launched a plant-based taco pizza in its Delux range, and here too seaweed and kelp are used to attain the desired flavour.

Orkla Foods Europe is engaged in a research project on biochar, in which biochar is produced through pyrolysis of agricultural or forestry residues. Biochar has also been spread on the fields of two of our contract farmers in Sweden for the purpose of studying factors that could reduce nutrient leakage, increase drought resistance and improve crop yields. Biochar remains stable for a very long time and can also be used for carbon storage and in circular solutions.

Påfyll is a new digital platform and circular service developed jointly by Orkla Home & Personal Care, Bakken & Beck and Æra Strategisk Innovasjon to help consumers live a more eco-friendly life and reduce their use of single-use plastics. The service delivers everyday products such as soaps and cleaning products right to consumers' doorstep in reusable containers. When the container is empty, it is collected, refilled and delivered again. Påfyll was launched on a small scale in 2022 and will be upscaled in 2023.

The way ahead

To enable us to reach our climate and environmental targets for 2025, additional initiatives and investments are necessary. In the case of value chain emissions, we see that it will be difficult to reach the Scope 3 target of a 30% reduction in greenhouse gas emissions by 2025, but a systematic, structured approach will take us a long way towards our goal. Our primary focus will be on developing a database for measuring improvement measures. We will prioritise collaboration with selected suppliers and intensify our work on product development that leads to lower greenhouse gas emissions. Increased dialogue with customers and communication with end users will also be important.

Reaching our targets for net zero emissions by 2045 will require continued transitioning to renewable energy sources and initiatives to increase resource use efficiency in our own businesses, combined with systematic efforts to bring about the same transition in the rest of our value chain. We will increasingly engage in research programmes and networks to develop methods, indicators and science-based environmental targets.



Sustainable sourcing

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The big picture

In 2022, the combination of war, drought in Europe and flooding in Pakistan affected the availability and prices of several agricultural crops which are of high importance to Orkla and interrupted ongoing initiatives to achieve sustainable raw material production.

The corporate responsibility of human and environmental due diligence in supply chains is currently moving from soft to hard law through the adoption of the Norwegian Transparency Act, the upcoming EU Corporate Sustainability Due Diligence Directive and the proposed EU ban on forced labour, and the responsibilities of companies like Orkla are increasing.

Our impact

Orkla has more than 25,000 direct suppliers. Most suppliers are located in Europe and India, but many of the raw materials we buy come from other parts of the world. This gives us an opportunity to positively impact the many workers in our supply chains. It is therefore important that we set requirements for and collaborate with our suppliers to ensure that all workers are treated fairly.

Our food production makes Orkla one of the biggest purchasers of agricultural and fish raw materials in the Nordic region. This gives us the opportunity to place sustainable farming and fishing high on the agenda and contribute to a long-term, positive development of the food sector.

Our efforts to promote sustainable raw material production are important to enable us to offer products that meet the expectations of consumers, professional customers, and other important stakeholder groups.

Orkla is also a major purchaser of packaging and therefore takes responsibility for addressing the environmental challenges posed by littering and poor waste management. Our companies contribute to packaging waste recycling by developing new packaging solutions and collaborating with packaging suppliers, the waste sector, and external centres of expertise. Extreme weather, infertile soil and other effects of the climate and biodiversity challenges are increasing raw material costs and limiting the availability of certain food raw materials. Violations of human rights and environmental problems in supply chains represent a reputational risk to Orkla as a company and to our brands.

Our approach

To work effectively with our many suppliers and ensure responsible business practices in line with the principle of corporate sustainability due diligence, we have adopted a risk-based approach to strengthening responsible business practices in our supply chain. This approach entails having procedures for risk assessment, monitoring suppliers and reporting. In 2022, we implemented a new digital supplier portal that gives us a better way to follow up our suppliers and enables us to monitor risk factors more effectively. New suppliers must comply with Orkla's policies and guidelines to be approved in the portal, and it is a helpful tool for improving oversight of existing suppliers.

We purchase materials from many suppliers and prioritise the suppliers and supply chains where the risk of non-compliance with Orkla's Supplier Code of Conduct is greatest. We carry out an annual risk screening of our suppliers based on criteria related to working conditions, EHS, the environment and ethics. High-risk suppliers undergo a more detailed risk assessment using a standardised method developed by the organisation Sedex. The method entails completion of a self-assessment questionnaire and an ethical audit based on the SMETA 4-Pillar framework if we consider it necessary.

In the case of high-risk materials, we choose suppliers who maintain high standards and have their own sustainability programmes. Additionally, we often use third-party certification standards that include requirements and monitoring procedures for specific risks.

Goals towards 2025

- Ensure respect for workers' rights
- 100% verified sustainable production of prioritised raw materials
- 100% recoverable packaging materials
- 75% packaging made of recycled materials
- 50% recycled or renewable plastic packaging materials

Our work with sustainable sourcing and packaging contributes to the UN Sustainability Development Goals number 2, 13, 14, 15 and 17.



Developments in 2022

In 2022, we continued our risk assessments and close follow-up of our suppliers. We also implemented measures to secure responsible business practices in our supply chain and to contribute to sustainable production of raw materials. Due to the war in Ukraine, repercussions of the pandemic and other factors, this has been challenging work and we have not achieved the intended progress. We have nevertheless succeeded in increasing the certification share for several important raw materials.

Human rights in supply chains

The Orkla Supplier Code of Conduct (SCoC) makes our ethical requirements and expectations clear to our suppliers. These requirements are based on the UN Declaration on Human Rights, the ETI Base Code, and the UN Global Compact's ten principles for responsible business and contain strict obligations to respect human rights. The SCoC contains clear requirements to accept no child labour and forced labour, and respect for the right to freedom of association and collective bargaining. In 2022, the Supplier Code of Conduct was updated with strengthened requirements regarding topics such as human rights due diligence, diversity, equality and inclusion, environment, and emissions reductions.

The sourcing of raw materials such as cocoa, palm oil, and hazelnuts unfortunately carries a risk of child labour in their respective supply chain. The Child Labour Monitoring and Remediation System (CLMRS) is used in segments of our supply chain where child labour has been identified as an inherent risk. Part of Orkla's strategy to prevent and eradicate child labour in these supply chains is to source certified and traceable raw materials. For

instance, we have the target of sourcing 100% Rainforest Alliance-certified cocoa by 2025. An essential part of this standard is the assess-and-address approach to reducing the risk of child labour. However, certification is not enough to guarantee sustainable raw materials. Therefore, we carefully select our suppliers and engage in strategic partnerships to contribute to an industry-wide approach to addressing the issue.

We acknowledge our responsibility to engage in activities to ensure a living wage for workers in our supply chains. Through Orkla's SCoC we require suppliers to provide wages for their employees which are sufficient to meet basic needs. For certain high-risk raw materials, we are buying certified ingredients which is a way of improving farmer income. In addition, we collaborate with suppliers who participate in sustainability programmes.

As part of our efforts to address the challenges linked to human rights and the environment, we actively participate in industry initiatives involving companies, government authorities and expert organisations such as Ethical Trade Norway, AIM-Progress, Sedex and the Sustainable Agriculture Initiative Platform (SAI Platform).

Zero deforestation

Preventing deforestation is an important means of limiting climate change. Deforestation accounts for 10 to 15% of global greenhouse gas emissions and poses a threat to biological diversity, as well as a risk of violating the rights of indigenous peoples.

We established the Orkla zero deforestation policy as early as 2014 and have come a long way in our efforts to ensure deforestation-free supply chains.

Most of the raw materials used by our companies come from countries where the risk of deforestation is low, but there are certain exceptions, such as cocoa and palm oil. For high-risk materials we collaborate with selected suppliers who carry out their own programmes to ensure deforestation-free raw material production. In addition, we increasingly purchase raw materials certified in accordance with reliable third-party standards that include requirements of deforestation-free production. We have signed the UN New York Declaration on Forests and report through CDP Forests on the progress made in our work.

Of our raw materials that entail a risk of deforestation, 86% come from low-risk countries or are covered by certification programmes.

Animal welfare

Several of our products contain ingredients or components that derive from animals. Orkla's animal welfare policy covers animals' welfare before, during and after their productive life. The purpose of the policy is to increase awareness of animal welfare, provide guidance for our suppliers and promote more responsible business practices. We also have detailed category-specific animal welfare requirements for our biggest categories, including beef, pork, dairy products, and eggs. All suppliers of animal products must comply with these requirements.

During 2022 we started to update the Animal Welfare Policy and Product Category Requirements to better align with best practices, standards, and legislation. For example, we are currently deciding on suitable certifications for verifying supplier fulfilment by means of third-party revision. The updated requirements will be rolled out during 2023.

We also reviewed and improved the process for mapping and measuring the status of animal welfare in our supply chain. This information is gathered via Orkla's newly implemented supplier portal and will be used to improve performance reporting and to identify areas of improvement for our animal welfare work.

Orkla is a member of industry-wide working groups on animal welfare, such as the Sustainable Dairy Partnership and European Roundtable for Beef Sustainability, via the SAI Platform.

In 2022, Orkla was ranked at level three out of six by the Business Benchmark on Farm Animal Welfare (BBFAW). We continue to focus on improving our practices in areas linked to the parameters in this evaluation.

In 2022, a total of 69% of the eggs used in the production of our branded products came from hens that were able to move around freely in a barn or outdoors. Progress has been slower than expected due to limited availability of shell eggs caused by increased input costs and less profitability for egg producers.

Sustainable raw material production

The raw materials that Orkla purchases must be produced with respect for human rights, good environmental standards, and responsible business practices. This also means contributing to the transition to long-term sustainability of agriculture, fishing, and other raw material production. Orkla Group Procurement identifies the risks related to the different materials and prepares action plans in collaboration with the Orkla companies. We want all prioritised agricultural raw materials to be produced according to standards

which meet the requirements for sustainable agricultural production of the Farm Sustainability Assessment framework at minimum FSA silver level. The agricultural practices must be documented through a certification scheme or other standards benchmarked as equivalent to the FSA silver level.

During 2022, the companies have continued to work towards the target of 100% verified sustainable raw materials by 2025. More than half of the companies have established roadmaps with yearly targets, and status against the targets is tracked on a yearly basis. Orkla has initiated efforts to establish roadmaps for the remaining companies. For the non-food companies, we will establish minimum requirements for raw materials that are not covered by the FSA framework.

The FSA silver level is our minimum requirement when it comes to cultivated agricultural raw materials, but we are also looking beyond the FSA. Regenerative farming is emerging as an interesting concept with the potential for restoring soil health, increasing biodiversity, and reducing pollution to water from agriculture. Farming practices that reduce carbon emissions and use the soil's ability to hold carbon play a key part in achieving climate targets. Orkla is engaged in a project initiated by the SAI Platform with the ambition of developing a common understanding of the concept across the industry and providing a framework for regenerative agriculture. The Orkla Foods companies are planning to explore the opportunities linked to supporting farmers in the conversion to regenerative farming, and Orkla Foods Sweden is participating in a few pilot projects to build knowledge.

Below we report on risk issues and the progress of our work for important raw material categories.



Cocoa

Cocoa is a key raw material in chocolate production and is used in our numerous strong, local chocolate brands in the Nordic and Baltic regions. Our companies purchase substantial quantities of cocoa in the form of both ingredients and finished chocolate products.

The cocoa sector in West Africa, particularly the Ivory Coast, faces serious challenges in the form of poverty, low productivity, human rights violations, and environmental degradation. While global consumption of chocolate has increased over the years, cocoa production is declining due to small crops, lack of farming expertise, pests, and disease. Serious issues such as child labour, deforestation and soil impoverishment are linked to underlying causes such as poverty, low prices, inadequate infrastructure, and weak supervisory authorities.

In 2022 a team from Orkla Group Procurement, Orkla Confectionery & Snacks and Orkla Latvia went on a nine-day trip to the Ivory Coast and Ghana to visit cocoa farmers. The purpose of the trip was to assess Orkla's cocoa supply chain with focus on sustainable sourcing. The team was able to witness the positive impact of Rainforest Alliance certification for farmers on a local level, and the field trip reaffirmed our belief in certification as a means of achieving continuous improvements. Our companies are nearing the target of certifying all cocoa under the Rainforest Alliance Certified programme (formerly UTZ). In 2022, 92% of the cocoa we used was certified.

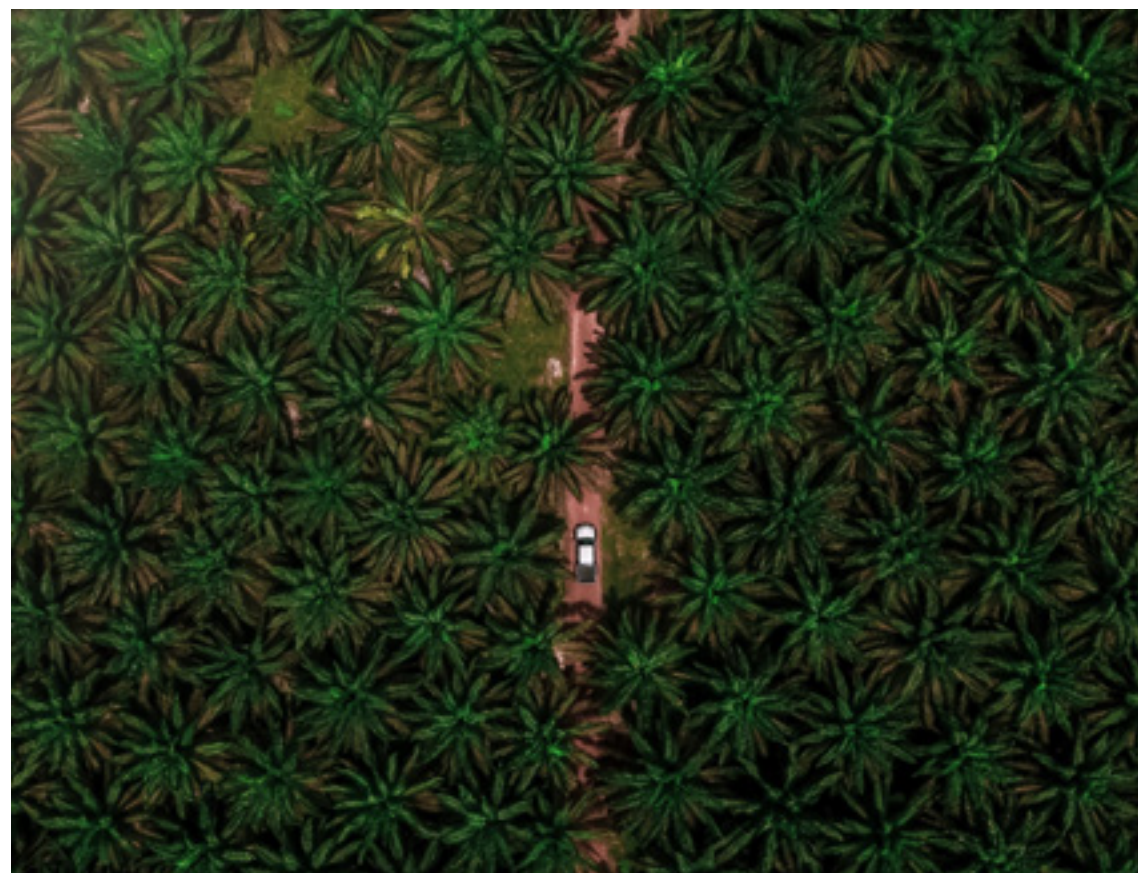
Together with one of Orkla's key suppliers, we are in the process of implementing a traceability system for cocoa, and currently around 37% of

the cocoa ingredients used in our own chocolate production are traceable.

In 2022 Orkla was assessed by the Mighty Earth Easter Scorecard for the first time. The chocolate scorecard is an accountability measure that rates companies on six important areas of action for the chocolate industry: human rights due diligence, transparency and traceability, deforestation and climate change, agroforestry, living income policies and child labour. It focuses on the production and supply chains that start in West Africa and most of the largest chocolate companies in the world are assessed. Orkla received a medium score which shows that we still have work to do on policies and implementation, especially regarding traceability and transparency, living income and child labour.



Orkla Foods Sverige and Orkla Foods Norge are working towards having all their factories that use cocoa, hazelnuts, black pepper, and coffee as raw materials certified by the Rainforest Alliance. In 2022, Orkla Foods Sverige was granted a certification for cocoa in its factory in Örebro and will continue the process of certifying the rest of its factories in 2023. Orkla Foods Norge's production sites were certified in December 2022. In 2023 90% of Orkla Latvia's chocolate products should be Rainforest Alliance-certified.



Palm oil

Palm oil is linked to a risk of deforestation, which leads to greenhouse gas emissions and destruction of nature's ecosystems with subsequent loss of biodiversity. There is also a risk of workers' rights violations in the palm oil value chain.

Our companies actively seek to ensure that the palm oil that they use is traceable and sustainably produced. We use the Roundtable on Sustainable Palm Oil (RSPO) certification scheme to reduce the risk of deforestation and other undesirable practices.

Orkla's use of palm oil is primarily related to the companies in Orkla Food Ingredients (OFI) and the production of margarine. Our companies have engaged in active product development for several years to replace palm oil with alternative raw materials, while also working to ensure that all palm oil is RSPO-certified. The war in Ukraine severely reduced the availability of sunflower and rapeseed oil during the first part of 2022. As a consequence, some of our companies temporarily reverted from these vegetable oils to RSPO SG palm oil.

In 2022 we continued our efforts to monitor suppliers and increase the proportion of RSPO-certified raw materials. 98% was certified (RSPO SG, RSPO MB and RSPO Credits). In 2023 we will continue the work to increase the share of RSPO-certified palm oil in our portfolio.

Nuts

Nuts are a key ingredient in many of our products, and we purchase several types of nuts. In 2022 we have focused on hazelnuts, cashews and peanuts.

Cashews

The main challenges with cashews are the lack of traceability and the risk of poor working conditions. Approximately 90% of cashews purchased by Orkla are processed in Vietnam, while West Africa is the main growing origin.

The process of ensuring that cashews are sustainably produced is very difficult since there is no certification system that is sufficiently comprehensive or quality assured. Orkla's long-term goal is to secure verified sustainably produced cashews that meet FSA silver or equivalent criteria.

During 2022 Orkla initiated discussions with relevant actors in the industry, including SAI Platform and the Rainforest Alliance, to drive sustainability work in the supply chain and contribute to certification. As part of a project led by Ethical Trade Norway in Vietnam, working standards seminars for processors were organised. Furthermore, farmer sessions on good agricultural practices and working standards were carried out with the participation of 80 farmers. Lastly, the training manual for trainers on good agricultural practices was revised.

In 2023 we will continue to participate in the Ethical Trade Norway project with focus on strengthening processors, social dialogue training for worker representatives at cashew exporters, and setting up an online network for sharing of good practices and technical support. Furthermore, Orkla will focus on gaining more knowledge about the West African industry through close collaboration with suppliers in the region.

Hazelnuts

The cultivation of hazelnuts can involve challenges such as low productivity, social problems related to seasonal workers' working and housing conditions during harvesting and cases of child labour.

In 2022 our companies continued to increase the proportion of hazelnuts certified by the Rainforest Alliance (formerly UTZ certified). Of the hazelnuts used by our companies 59% were certified in 2022. During the year, Orkla has supported the Rainforest Alliance and Orkla suppliers in Italy in implementing the Rainforest Alliance hazelnut programme. We expect to obtain approval in 2023, which is expected to have a positive effect on our certification percentage.

In 2023 we plan to engage more Orkla companies in the certification process and to secure approval of Rainforest Alliance certification in Italy as well as for relevant Orkla suppliers.

Peanuts

Orkla Confectionery & Snacks Sverige has decided to invest further in the sustainability of the peanut supply chain and is participating in a SAI Platform project in the Argentine peanut industry. Phase 1 was finalised in 2022. As a result, two thirds of our Argentine peanut suppliers have reached the FSA Silver level.

Wild forest berries

Wild forest berries, such as blueberries, lingonberries, and cloudberries, are used in several of our products, but especially in jams. The main challenge with regard to forest berries is the social aspects related to the berry pickers'

working conditions. There is also a risk related to living wage and, in the past, there have been incidents of forced labour in Scandinavia, related to pickers traveling from Thailand. Orkla cooperates with trade organisations and peers to address these issues and promote sustainability in the industry.

There is a lack of verified sustainably produced forest berries. Orkla has collaborated with industry actors from Sweden (ICA, Coop, Axfood, IKEA) and trade organisations to develop a guideline for responsible berry purchases that is now used by our suppliers in Scandinavia. Furthermore, Orkla is in dialogue with our suppliers to implement the use of standards addressing working conditions, such as the Swedish IP standard for working conditions (IP Sigill Arbetsvillkor). In addition, Orkla has participated in the work facilitated by SAI Platform, together with peers, on establishing an internationally accepted industry standard for wild-grown crops, which was launched in 2022.

Soy

Growing demand for soy can lead to deforestation, especially in countries like Brazil, which accounts for much of the world's soy production. We primarily use soy protein from countries with a low risk of deforestation in Europe and North America, but in these areas other types of challenges can arise.

During 2022 one of Orkla's major soy protein suppliers switched to sourcing soy that is certified at FSA Silver level. The Donau Soja certification that is used in Europe was benchmarked against FSA and the Donau Soja certification is now equivalent to FSA Silver. This helps Orkla reach its 2025 targets of 100% verified sustainably produced soy. In 2022, 64% of the soy purchased by Orkla was certified.



Marine raw materials

Fish is a key raw material for both food-related brands such as Stabbur-Makrell and Abba Sill and health-related brands such as Möller's. Most of our marine resources come from the North-East Atlantic.

Several species of fish are threatened by overfishing, independently of geographical origin or species. It is important to prevent overfishing in order to maintain the natural balance in the marine ecosystem. In addition, there is a risk of breaches of workers' rights in the value chain for marine raw materials.

Certification programmes such as the Marine Stewardship Council (MSC) and KRAV standards help ensure that the fish stocks purchased by our companies are monitored and maintained at a satisfactory level. We also carry out our own analyses of changes in the stocks of the raw materials our companies purchase. Moreover, we are engaged in a dialogue with the industry, the authorities, and external centres of expertise on how to solve the challenges related to the fish species that we buy. The percentage of MSC-certified fish raw materials from the North-East Atlantic Ocean has decreased since 2019. During these years the fishing quotas for mackerel agreed on by the coastal states have exceeded the recommendations of the expert organisation ICES, and as a result, it has become impossible to obtain certification of mackerel.

In 2022, MSC certification of large part of Atlantic cod stocks was suspended due to the risk of a bycatch of the stock of Norwegian coastal



cod. All cod caught within 12 nautical miles of the coast is not MSC-certified, and this has led to a further decrease in the percentage of MSC-certified raw materials. The share of MSC-certified marine raw materials for Orkla in 2022 was 27%.

In 2022 we continued to work with authorities and fishing organisations to establish agreements between the coastal states in order to ensure sustainable fishing and certification of fish such as mackerel and herring. For example, we actively participate in the North Atlantic Pelagic Advocacy Group (NAPA). We have also taken part in discussions with MSC and Norwegian authorities to find a solution for the North Atlantic cod.

In 2023, we will continue our efforts to obtain MSC certification of the raw materials sourced by our companies. We will also continue to pursue a dialogue with the authorities on sustainable fisheries management. Reaching international political agreement on how herring and mackerel quotas are to be shared between coastal states will be essential to ensure sustainable fishing and certification.

Textile raw materials

The Orkla company Pierre Robert Group (PRG) consistently selects raw materials that are less harmful to the environment and chooses recognised certification programmes that ensure responsible production throughout the value chain. The materials used by PRG are primarily merino wool, cotton, and synthetic fibres.

The challenges related to merino wool are primarily a question of animal welfare, but wool may also be treated with environmentally harmful

chemicals and processes during production. There is also a potential risk of breaches of workers' rights, and climate change poses a challenge for wool. PRG has zero tolerance for animal abuse and requires that 100% of the merino wool purchased by the company comes from farms with high animal welfare standards. All its merino wool is mulesing-free. In 2022, 99% of PRG's merino wool garments were Nordic Eco labelled.

Cotton is a natural, renewable fibre, but production processes are both water-intensive and require a great deal of fertiliser and pesticides. This, combined with aggressive farming practices, can lead to the degradation of natural systems and biodiversity loss. The chemicals used in processing can cause water pollution, and the cotton value chain is associated with the risk of forced labour and child labour. Climate change also poses challenges for cotton production.

PRG aims to ensure that all the cotton purchased by the company is organic, and mainly uses the Global Organic Textile Standard (GOTS) certification programme to achieve this goal. GOTS certification entails compliance with stringent requirements for water and energy efficiency and limited use of pesticides, dyes, and chemicals. The programme also sets requirements regarding workers' social conditions throughout the production chain. In 2022, 97% of PRG's cotton products were made of organic cotton.

Synthetic materials pose several environmental challenges. These textiles are primarily made from oil, which requires extensive energy and resources to extract. In addition, synthetic garments can release microplastics during washing.

PRG works systematically to replace new synthetic fibres with recycled synthetic materials to reduce the use of non-renewable resources in its textile production. For example, the company uses recycled polyamide, which mainly comes from textile waste or old fishing nets, or recycled polyester made from recycled bottles. Most of the recycled materials that PRG uses are GRS-certified, which is an international labelling scheme that certifies the origin and percentage of recycled materials in various textiles. In 2022 the proportion of products made from recycled synthetic fibres was 61%. Polyester was replaced with 100% wool or Tencel™ Lyocell in the wool collection during 2022.

PRG won the Green Fashion Label of the Year at the 2022 Costume Awards.

Sustainable packaging

Packaging has an important function in terms of protecting products, prolonging shelf life, and facilitating easy use. The biggest challenge posed by packaging is that it is often not recycled or reused, leading to excessive use of resources.

Around 20% of the packaging we use is plastic of various types. Plastic usually comes from non-renewable resources, and we wish to reduce the use of virgin plastic. Our companies are making concentrated efforts to use recycled or renewable plastic. This is important to advance the transition to circular value chains. We are cooperating with packaging suppliers and other partners to develop new packaging solutions that minimise use of fossil raw materials, are easy to recycle and promote more recycling.

70%

recycled or renewable materials

For certain products no recyclable materials which satisfy functional needs are currently available. The availability of recycled plastic materials which meet food safety and other quality requirements is also very limited. To increase the availability of such materials there is a need for huge improvements in the waste handling systems across Europe and for building a more efficient market for recycled materials.

During 2022 we engaged with local extended producer responsibility (EPR) systems to discuss our criteria for prioritisation of packaging materials. We have also had an active dialogue with waste management systems to understand future developments and impacts on our portfolio. This has led to a better understanding of the handling, sorting, and recycling of our products.

New or updated regulations on packaging design and packaging waste are being introduced in the EU which will have an impact on our portfolio. The purpose of these regulations is to accelerate changes that will increase recycling of packaging waste, reduce the amount of material used and prevent littering. Examples of measures include stricter recyclability requirements, empty space restrictions, harmonised labelling, and various types of taxes.

Our companies are searching for creative ways to reduce the amount of material in packaging. By reducing the material's thickness and avoiding unnecessary packaging, we can make more effective use of resources and optimise transportation. For example, in 2022 Orkla Foods Norway reduced the thickness of its cardboard pizza packaging, resulting in a reduction of 220 tonnes cardboard.

We have made substantial progress in our work in the last few years. In 2022 96% of the packaging materials used were recyclable, 70% of the materials were recycled or renewable and 14% of the plastic packaging materials were recycled or renewable.

Orkla Home & Personal Care launched several products with carton packaging in 2022, both as a refill solution and as a main packaging solution. This applies to brands such as Klar, OMO, Milo, Blenda, Grumme and Lumme. The change resulted in a reduction of about 114 tonnes of plastic in 2022, and the replacement of laminated refill pouches reduced the amount of non-recyclable mixed plastic.





The way ahead

In 2023 we will continue our work to promote sustainable production of raw materials by working closely with our suppliers and working towards 100% verified sustainable production of prioritised raw materials.

Our updated Supplier Code of Conduct will be rolled out in 2023. We will also roll out and implement updated animal welfare documents and continue tracking of minimum requirements towards 2023.

The upcoming EU regulation on deforestation-free raw materials will impose strict requirements as regards to documentation of deforestation-free raw material production. The regulation will apply to products such as cocoa, coffee, soy, palm oil and beef. We will update our deforestation policy in line with the new regulation in 2023.

In 2023 we will also continue to work towards our sustainable packaging targets and prepare for upcoming legislative changes. Broad cooperation is important to reach our targets and we will continue to collaborate closely with the packaging industry and relevant actors to drive change. Given our large number of products, raw materials and packaging, information management is complex, and we will continue to develop our digital tools to facilitate work on documentation and reporting.

Nutrition and health

Contents

- 1. Products for a healthier lifestyle
- 2. Joining forces for better public health



The big picture

There are clear links between food, health and sustainable development. The food we eat should sustain a healthy body and a healthy mind. At the same time, negative climate and environmental impacts must be limited throughout the value chain. More consumers are wanting to eat in a healthy and sustainable way, which tends to mean less meat, more plant-based food and natural ingredients. This tendency is reflected in changes in habits and consumption patterns, which supermarket chains and other professional customers must take into account. For Orkla, this trend represents opportunities for innovation – and a chance to make a difference.

The question of what is healthy food and a healthy diet is subject to debate amongst both specialists and the general public. There is plenty of evidence to indicate that a diet high in whole grain cereals, fruit, vegetables and fish, but low in salt, sugar and saturated fat reduces the risk of lifestyle diseases.

Diseases due to obesity present a major global health challenge, and a variety of measures are needed to tackle the problem. The EU is introducing new nutrition labelling requirements, more stringent requirements regarding health claims, and other measures to promote good consumer guidance and responsible marketing of food products.

Our influence

Orkla's food companies have a substantial range with a broad portfolio of products, both comestible and for enjoyment. Many millions of people in the Nordic and Baltic countries, Eastern Europe and South India use our

products on a weekly basis. This gives us a responsibility to contribute to reducing nutritional health challenges and an opportunity to influence people's diet in a positive way. Our companies are actively engaged in developing healthy new products, while working steadily to make existing products healthier by improving their nutritional content. Even small changes in products that are eaten and drunk daily can contribute to boosting public health. In 2022, turnover from food products classified as healthy and healthier accounted for 19% of Orkla's total food turnover. Sweets, snacks and other indulgence products accounted for 40%, while food products with a more balanced nutritional content accounted for 41% of turnover.

Our approach

Orkla has set targets for work on nutrition and health for the period 2018–2025 and follows up the companies' progress annually. Our companies are making their products healthier by developing food products with less salt, sugar and saturated fat, and by increasing the proportions of whole grain, fruit and vegetables. Food has to taste good, and the starting point for our work on product development and innovation is local needs and tastes. In order to shift the population's taste preferences in a healthier direction, changes must take place gradually, for example by reducing salt. Several Orkla companies are involved in collaborations with the authorities, the business sector and external specialist communities with the aim of improving public health by changing practices throughout the industry.

91%

increase in turnover from food and products that contribute to a healthier lifestyle

Goals towards 2025

- Double the consumption of products and services that promote a healthier lifestyle⁶
- Reduce the salt and sugar contents of food products by 15%⁷
- Inspire people to adopt a healthier lifestyle

Our nutrition and wellness work is consistent with UN Sustainable Development Goal 2 on access to safe, nutritious food and Goal 3 on good health and well-being.

Developments in 2022

Orkla's turnover from food and other products that contribute to a healthier lifestyle was estimated in 2017 to be NOK 4.5 billion. Turnover from these products in 2022 amounted to NOK 8.6 billion. This is an increase of 91%, and means that we are approaching our target of 100% growth. Our focus on healthier food products resulted in several launches and product enhancements in 2022.

Products for a healthier lifestyle

Less salt, sugar and saturated fat

Extensive efforts over many years have resulted in reductions in sugar and salt consumption of 10 and 5%, respectively, since 2015⁸. In 2022 we reduced the total quantity of sugar by 437 tonnes and of salt by 45 tonnes. This is important progress. We continue to work toward our overall target of

reducing the amount of both sugar and salt by 15% by 2025, but are aware that achieving this target will be demanding. It is important to Orkla that the portfolio companies continue to focus on the goals of reducing salt and sugar and to keeping levels below the average for its product categories.

In 2022, our companies reduced their sugar content in categories such as snack bars, cordials, ready meals, vegetarian products, box chocolates, ketchup and dressings. Orkla Eesti reduced the sugar content of 10 ready meal products by an average of 14% and of 14 vegetable products by 3%. The company has also replaced the chocolate with the highest sugar content in Kalev's sweet mix with a variety that contains cashew nuts. This will reduce annual sugar consumption by an estimated 15 tonnes.

Orkla Suomi has launched Felix ketchup with no added sugar, and Orkla Danmark has reduced the sugar content of Beauvais ketchup and hamburger dressings. Orkla Foods Sverige has reduced the sugar content of the cordial BOB Jordgubbsaft by 3%, which results in a total reduction of 48.5 tonnes of sugar per year. Sales of sugar-free cordials, such as new flavours in the FUN Light series, have also increased considerably, resulting in 400 tonnes less sugar per year in Orkla Foods Sverige's cordial segment. Orkla Latvia has added a sugar-free variety of its classic biscuit Selga.

⁶ Baseline year 2017.

⁷ Applies to companies that produce food products, ingredients, biscuits, snacks, sweets and dietary supplements. Baseline year 2015.

⁸ I.e. reduction as a result of activities aimed at reduction. There is uncertainty attached to the figures due to incomplete historical data and differences in the calculation methods used.

Orkla Foods Lietuva, Orkla Foods Sverige and Orkla Suomi have launched varieties of Paulúns granola without added sugar.

The salt content has been reduced in product categories such as ready meals, soups, ketchup, dressings, chips and bread toppings. Orkla Foods Norge has reduced by 0.1 gramme the salt content of several popular favourites, such as Stabburet liver paté, Idun ketchup and various soup products. Although these are relatively small changes, the large sales volume means that there is a significant reduction in salt consumption. Orkla Foods Sverige has reduced the salt content of pea soup, goulash soup, pizza and dressings. Orkla Foods Česko & Slovensko has reduced the salt content of barbecue sauce and a bacon and pea soup, yielding an overall salt reduction of 1.2 tonnes of salt per year. Felix Austria has launched an organic ketchup with 25% less salt. Orkla Confectionery & Snacks Norge has reduced the salt content of Cheez Doodles by about 1 tonne per year, and of two varieties of KIMs Juleglede by about 0.5 tonne in all. Orkla Suomi has introduced two products with a low salt content in the Anyday Nut & Berry series, and Orkla Latvia has launched a nut bar with a low salt content in the Adazu series. The OFI company Arne B. Corneliussen has worked closely with customers on meat-based products to reduce the amount of salt in recipes.

Several companies are also actively engaged in reducing the use of saturated fat and increasing the proportions of healthy ingredients in their products. Orkla Foods Danmark has developed four vegan dressings based on chick peas that have a fat content 35–50% lower than other dressings. Orkla Suomi has launched a new potato-based snack in the Taffel Roast range which contains only 11% fat. The normal fat content of

snacks products is about 30%. Credin Poland has launched Credi Provito, a concentrate of seed and sprouted flour for baking with a high content of fibre and protein which is also a source of omega-3, magnesium, potassium and zinc.

Orkla has focused actively for many years on developing healthier and healthy products. This has made an important contribution to the companies' growth in turnover, but it can take time to establish new products and consumer preferences. Some of the companies' launches of healthier products in recent years have unfortunately not been a market success. In our work to reduce sugar and salt we are therefore very concerned with retaining a good taste experience, so that new products gain the consumer acceptance on which we depend.

Healthier plant-based food options

The development of plant-based products is an important area of focus, not only for reducing our climate footprint, but also in the interests of health. A number of Orkla's plant-based launches represent healthier alternatives, and several of them bear the Green Keyhole label for healthy products. A well composed plant-based diet is nutritionally complete, and carries a lower risk of chronic diseases such as cardiovascular disease, diabetes and obesity, than a traditional diet.

The companies Orkla Foods and Orkla Food Ingredients manufacture several plant-based products that can replace animal protein. The plant proteins are based on oats, almonds, soy, peas and rice, among other things. Orkla is committed to offering various alternative plant-based options, and several of our companies are involved in research projects aimed at making substitute



products healthier, in part to increase knowledge of the health-related aspects of processing and nutritional content.

Healthier products for children

Orkla wants to contribute to improved public health for the population as a whole, including children. Several companies are therefore concentrating on making products that are popular amongst children healthier. Stabburet liver pâté is a favourite on the breakfast table of many Norwegian families with children. In 2022 a new recipe with less salt was launched. Orkla Foods Norge also launched an entirely new Stabburet vegetable pâté, a plant-based variety with a lower climate footprint than the original. The pâté is also enriched in iron, to roughly the same extent as ordinary liver pâté, as iron is important for growing children. TORO wholemeal flour pancakes are also popular among many children, and the product became even healthier in 2022. The quantity of salt was halved, the sugar eliminated, and the list of ingredients is shorter. Nugatti Max was also relaunched with an even better flavour designed to make more people choose a healthier variety of Nugatti.

Some of our companies also collaborate with schools on measures to promote good eating habits. Orkla Home & Personal Care is taking part in the research project Care4YoungTeeth under the auspices of the Foundation for Scientific and Industrial Research at Trondheim University (SINTEF), to add to our knowledge of dental problems in children.

Dietary supplements

Orkla Health is developing a number of products that contribute to good consumer health, such as omega-3, vitamin and mineral supplements, weight control and sports nutrition. There were several important launches

in 2022. The low-calorie series Nutrilett VLCD has halved the sugar content of twelve of its products. Vegan vitamin tablets without animal-based gelatine have been developed to provide a vitamin supplement option for vegans and people who do not eat pork. Möller's Trana-sol combines cod liver oil and Sana-sol vitamin supplement in an orange-flavoured chewable capsule containing the vitamins A, C, D and E, and the omega-3 fatty acids DHA and EPA. Möller's Pharma high-concentrate omega-3 with extra vitamin D is a cod liver oil capsule with a high content of EPA and DHA omega-3 fatty acids and 25 µg of vitamin D. The product is specially geared to the winter half-year, when many people do not get enough vitamin D.

Joining forces for better public health

Orkla cooperates closely with government authorities, the food industry and research communities in several countries in order to foster better public health, and we are a driving force for new initiatives. In Norway, we have been working actively since 2016 to fulfil the goals of the agreement of intent to promote healthier food. This is a joint initiative on which government authorities and the food industry are cooperating to help consumers make healthier choices. A key objective of the collaboration is salt reduction, and positive results have been achieved: We have lowered the salt content in both new launches and many existing products. We have also applied the experience gained from the Norwegian Salt Partnership in efforts to reduce salt consumption in our other markets.

In the period 2015–2022, Orkla Foods Sverige took part in a project headed by the Research Institute of Sweden (RISE) along with other organisations, food companies and the Swedish government. The goal of the project is

to reduce the salt content of various food product categories, including vegetarian products.

Orkla Danmark is a partner in the Food Partnership between trade associations, organisations, schools and research institutions which aims to promote healthy, sustainable food products to the Danish people. Through this partnership, Orkla Danmark contributed in 2022 to several research projects linked to healthy food products.

We also want to be a prime mover in changing industry practices through dialogue and collaboration with customers. Several Orkla companies are now intensifying their efforts to provide courses, guidance and other initiatives to make it easier for public institutions and professional kitchens to serve healthy meals.

For example, the Orkla Food Ingredients companies hold seminars and other activities to disseminate information about healthier bakery products to their customers. In November, Orkla Foods Norge arranged a meeting between consumers and specialists on processed and ultra-processed food. Orkla wants transparency on how our food is produced and is working to simplify lists of ingredients.

The Cod Liver Oil study

In 2020–2021, Orkla subsidised a Norwegian study of whether cod liver oil acts as a prophylactic against COVID-19. Over 34 000 people took part, making the study one of the biggest clinical trials ever conducted. The results were published in February 2022, and show that cod liver oil raises levels of vitamin D and important omega-3 fatty acids, but no prophylactic effect against COVID-19 was detected.

Product labelling

The Green Keyhole is a Nordic labelling system that denotes healthier products, and is used in Sweden, Norway, Denmark and Lithuania in particular. Orkla had a total of 306 Keyhole-labelled products in 2022, an increase of 16% on 2021. Turnover from these products in 2022 is estimated at around NOK 990 million. Vegan products and breakfast cereals are important product categories. Among Orkla's most important Keyhole products we find Stabbur-Makrell (tinned mackerel), Picnic tinned ham, Anamma vegan products and Felix pea soup.

Orkla Suomi offers food products labelled according to the Finnish labelling system "Sydänmerkki" (Heart Label). In 2022, Orkla Eesti continued its collaboration with Fitlap, a labelling scheme designed to guide consumers to a balanced diet. Under this collaboration, the company launched two soup products under the Põltsamaa brand in the period 2021–2022. Several of our companies offer whole grain products labelled according to the "Brødskalaen" (Bread Label) and other, similar labels.



The way ahead

In the transition to Orkla's new corporate structure, we will place emphasis on the food production companies continuing their work to promote healthy products with a high nutritional value. Our focus on plant-based food, improved nutritional content and availability to consumers is key to paving the way for sustainable food choices. The companies in Orkla Food Ingredients and Orkla Foods Europe are planning several new, healthy launches in 2023 under the brands Paulúns, Bare Bra, Naturli', Anamma and Felix, among others. Orkla Confectionery & Snacks is evaluating new projects to reduce the sugar and salt content of the products that could contribute most to an overall reduction. Cooperation across the Orkla system and with other market players, local research communities and government authorities is crucial for developing innovations that will benefit public health. Orkla will continue to play an active part in such collaborations in the years to come.

Safe products

Contents

- 1. Safe food production
- 2. Safe products (non-food)
- 3. Emergency preparedness



The big picture

If consumers and customers are to trust Orkla and our products, they must be safe to use. This entails maintaining thorough control of basic risk factors such as bacterial growth, contamination and foreign bodies, and of being prepared to deal with new risk factors. The risk picture associated with food production worldwide is complex, with challenges ranging from increased globalisation, which leads to further spread of diseases, food fraud and breach of regulations. Technological advances in traceability make it simpler for Orkla and other food product companies to maintain a full overview of the production process throughout the value chain, and efficient internal systems and continuous vigilance are necessary to ensure a consistent, high level of food and product safety.

Our influence

As a major international supplier with production sites and solid market positions in many countries, Orkla has a strong influence on consumer health. The Orkla Food Safety Standard (OFSS) is implemented in all our food production activities across national boundaries. By adopting common standards and systems, we ensure good, cost-effective control of food safety risk throughout our value chain. Among the measures we have implemented to reduce any negative effects is a gradual transition to fewer, larger factories and use of the same suppliers across our companies. This provides a better overview and simpler monitoring of raw materials, packaging, production and distribution. We emphasise the importance of ensuring rapid implementation of the Orkla Food Safety Standard when we acquire new companies, and are in a state of constant preparedness that allows us to deal

rapidly and optimally with any new risk factors. This enables us to help raise the level of food safety in the countries in which we are located.

Our approach

Safe food is a fundamental tenet for Orkla. We achieve it by ensuring that the entire value chain – from the cultivation of the raw materials until the products arrive on shop shelves – undergoes risk assessments and is subject to well established inspection procedures. The Orkla Food Safety Standard is based on the internationally recognised British Retail Consortium Global Standard for Food Safety. This standard sets stringent requirements for the approval of suppliers and for how food products are manufactured and transported. All factories and warehouses that handle food and drink are regularly audited in accordance with the strict OFSS requirements.

Physical audits are also conducted, with visits to suppliers in different countries forming part of the quality assurance of the raw materials in our products. If the raw materials used do not satisfy the requirements we set, we provide the supplier with guidance. If this does not lead to the desired improvement, the supplier contract is terminated. Consumer trust plays an important part in Orkla's success and high market shares. Our procedures are based on the precautionary principle and on the principle of continuous improvement.

We have the same ambitions for safe manufacturing of household products (non-food products). The companies that manufacture them have established strict quality assurance systems and procedures which ensure that products in the areas of detergents, personal care, textiles, paint and

wound care are tested and monitored for risk factors. The companies assess product safety when developing new products and making changes in manufacturing processes. In addition, they systematically follow external research in order to remain updated on potential health risks.

Orkla has sound shared emergency management procedures throughout the value chain. If we receive communications about irregularities or nonconformities that affect consumer health and/or give rise to a safety risk, they will be treated as emergency cases and reported immediately to Orkla's emergency preparedness team. The aim is for the subsidiaries to have the knowledge and skills to handle different situations.

At an overarching level, and through its work on food and product safety, Orkla contributes to UN Sustainable Development Goal 2, 12 and 17.

Goals towards 2025

- 100% food-producing factories at green level¹
- 100% approved suppliers¹
- Continue to ensure that all our products are safe

¹ In accordance with the Orkla Food Safety Standard.

Developments in 2022

Safe food production

The COVID-19 pandemic impacted Orkla's food safety work in 2021. Audits and courses were carried out digitally, but we succeeded nonetheless in maintaining high standards for our suppliers and clear traceability throughout the value chain. In 2022 we saw the value of being able to perform some tasks digitally. At the same time, the relaxation of the COVID-19 restrictions made it possible to conduct physical audits again. We are proud of having been able to maintain a high level of activity through the pandemic and are satisfied with the positive learning effects we achieved through increased use of digital tools. The audits demonstrate that Orkla has firm control of food safety in its own operations. In 2022, we revised the Orkla Food Safety Standard on the basis of the requirements in Version 9 of the British Retail Consortium's standard, and we will conduct audits according to this version from 1 February 2023. This will yield further improvements, including even greater emphasis on root cause analysis and follow-up. Further requirements will also be made of documentation in connection with procurement of manufacturing equipment and materials that are in contact with raw materials and products. The number of audits increased in 2022 and is expected to continue to rise somewhat over the next few years.

In 2022 several companies improved their systems for simpler detection of any manufacturing defects or unforeseen obstacles. Belusa Foods has installed UV light in its manufacturing process to make it easier to deactivate microbes, and as a result the company now manufactures several products without preservatives. Orkla Eesti has installed X-ray scanning of ready

meals at its Põltsamaa factory to detect and remove potential foreign bodies from its products, and Orkla Danmark has done the same in its nut factory. The companies work systematically to minimise faults in production processes, and in 2022 several experienced a reduction in the number of recalls and withdrawals. This benefits the consumers, while the companies enjoy more stable, cost-effective operations.

NutraQ improved its emergency preparedness procedures in 2022 after having to recall some Maxulin brand products in 2021 because of the risk that they contained the illegal and potentially carcinogenic substance ethylene oxide. The company has implemented extensive improvements to enable it to act swiftly if anything similar should happen again. There have been no reports of any of the emergency preparedness cases leading to fines or penalties, and these reactions occur very rarely. Our companies have also continued their work of implementing and meeting the requirements arising from both the Orkla Food Safety Standard and Orkla's Hazard Analysis and Critical Control Points (HACCP) manual, used for identification and management of critical control points for food safety in production. This work brings us steadily closer to our goal, that all food-producing companies must be at green level pursuant to the Orkla Food Safety Standard by 2025.

Safe raw materials

In 2022 Orkla developed a new system in its digital supplier portal for risk evaluation, approval and follow-up of suppliers. The risk picture is naturally complex, given the multitude of raw materials, production sites and suppliers. Orkla requires that all parties abide by our guidelines for safe production of raw materials, and that we are vigilant in cases where nonconformities are detected. Orkla also conducts supplier audits and

uses questionnaires to collect information from its suppliers. The breadth of the follow-up measures and regular contact make our suppliers very aware of the importance of good food safety standards.

Safe products (non-food)

In 2022 the companies that manufacture household products and products for the professional market continued their work to assure a high level of quality and product safety. All these companies have procedures for assessing product safety. The companies themselves are responsible for establishing systems and procedures for quality management and product safety, and many of the manufacturing sites are externally certified under ISO 9001 or ISO 14001.

Orkla Home & Personal Care has continued its substitution work, which entails replacing ingredients that may potentially have a harmful effect on health or the environment with other, safer or more environmentally friendly ingredients. For example, the company has reduced the content of hazard-labelled tensides in several products and replaced them with enzymes. The favourable effect can be maintained in this way, but the products will be milder. This has made it possible to place the Swan label for environmental soundness on major products such as Omo liquid detergent.

Lilleborg has continued its efforts to teach customers and partners about hygienic measures, correct use of products, and environment, health and safety (EHS). This encourages more efficient and sustainable practices among the company's customers in the professional cleaning market. In 2022 Lilleborg also replaced one complex binder, EDTA, with another, MGDA. Complex binders bind lime and metals in water and prevent them from

detracting from detergent effectiveness. The result of the substitution is a more benign environmental profile for several detergents.

Emergency preparedness

It is crucial that Orkla put in place emergency preparedness procedures for responding to new risks. Some risk factors that apply to the food industry are food fraud, traces of prohibited chemicals, and diseases that are transmissible to humans. In the past, some incorrect allergen content labelling has presented a challenge, but considerable improvements were made in 2022. The Orkla companies must have sufficient knowledge and be prepared to tackle a variety of situations, so that necessary action can be taken to ensure that all products are safe to use and to prevent Orkla from suffering adverse effects. We build knowledge about relevant risk factors through resources in our own organisation and through access to external experts. Orkla also has a shared overarching plan for emergency preparedness work and provides the companies with guidance.

Increased efforts are still needed to reduce the number of emergencies associated with quality and food safety. In 2022 we did not have any Class 1 emergency cases associated with food safety, i.e. incidents that involved a serious health hazard. However, there was an increase in other serious incidents, including an attack on IT systems which led to temporary challenges for the operations of some of our companies. Despite some emergency cases, there were very few recalls across our companies in 2022. We place emphasis on learning from emergency cases and conduct systematic root cause analyses, while following up the affected companies. In our remedial work, we focus on particular areas and causes that are common to several emergency cases and companies.

The way ahead

Orkla will continue its efforts to ensure sound, cost-effective control of risk to food safety. In 2023 we will implement the updated food safety standard and continue our extensive course activities. Among other things, in May we will hold the Orkla Food Safety Conference, an internal conference for food safety specialists. Orkla is currently in an acquisition phase and the organisation is growing. We will therefore continue to prioritise smooth integration of acquired companies, with a prompt introduction to Orkla's systems and ways of working.

The non-food companies will continue their systematic efforts for product safety, improvements and innovation in 2023. Common to all the non-food companies is that they are constantly updating themselves on regulatory changes and new versions of the quality standards that are applied. Intensified efforts are still needed to reduce the number of emergencies associated with food and product safety. The newly developed Orkla Supplier Portal provides a one-source solution which offers a full overview and control of all suppliers, their activities and their risk. We expect that this will make it possible to tackle challenges at an earlier stage and thereby reduce the number of emergency cases.

Care for people and society

Contents

- 1. Local value creation
- 2. Responsible and inclusive employer
- 3. Integrity
- 4. Occupational health and safety



The big picture

After two years of extraordinary circumstances caused by the COVID-19 pandemic, in 2022 we experienced war in Europe resulting in an energy crisis, inflation and higher cost of living. This has led to many people facing uncertainty in their everyday lives and a more difficult financial situation.

Human rights were also under pressure in 2022, with attacks on homosexuals, suppression of women and exploitation of migrant workers featuring in the international news. Individuals, companies and governments must commit themselves and cooperate to protect human rights. Orkla wants to use its presence in many countries and sectors to make a difference. We want to promote equal opportunities, equal worth and human rights, and to epitomise the change we want to see.

Our influence

We want to help to bring about local solutions for addressing the major global challenges. With some 20 500 employees in 22 countries, it is also important for us to be an attractive employer with good working conditions and fair and competitive terms. We wish to make a positive contribution to our employees' well-being and personal development by investing in skills development and working systematically to provide a good and safe working environment. We also collaborate with other actors in the various industries in which we operate, to tackle complex challenges. Moreover, our companies create economic ripple effects for local communities in the form of jobs, tax revenues and purchases from local suppliers.

Our approach

Orkla's ambitions going forward to 2030 include being a local driving force for sustainability. Orkla has several goals for the period 2018–2025 which set the course for the companies' work, but each individual company makes plans and follows up the work within the framework of overarching goals and guidelines. Orkla annually surveys the risk of departures from our human rights policy in all the companies. In connection with our restructuring to a new operational model, we will update our governance documents in 2023.

Goals towards 2025

- Create strong local commitment to sustainability
- 100% compliance with Orkla's human rights policy
- Healthy workplaces with zero injuries
- Women in 50% of leadership positions at all levels
- A culture of integrity throughout Orkla

We contribute to UN Sustainable Development Goal 17 through our local involvement. Our efforts to promote good workplaces with emphasis on diversity and inclusion, a safe working environment and respect for workers' rights contribute to the achievement of UN Sustainable Development Goals 5 and 8.

Developments in 2022

Local value creation

Orkla has a strong local presence, with 119 factories in 22 countries. Many of our companies are cornerstone enterprises and important employers in their local communities. Our 300-odd brands reach a substantial portion of the population, so it is important that they can place their trust in us.

The Orkla companies support socially beneficial projects by working with local authorities, schools and organisations. In 2022, several of our projects concerned the war in Ukraine and assistance for those affected. Many collaborations centred around the energy crisis and the higher cost of living, while several of our projects help to safeguard children's rights. We contributed a total of around NOK 70 million in support for various types of socially beneficial projects in 2022.

Support for Ukraine

Our companies have mobilised support for those impacted by the war in Ukraine in several ways. Orkla ASA has donated NOK 2.67 million to the Norwegian Women's Public Health Association and their work for refugees, among others. Many companies have also donated their own products to the emergency relief work, such as first-aid equipment from Orkla Health and Orkla Wound Care and food products from Orkla Eesti, Orkla Foods Česko & Slovensko, Orkla Suomi and Orkla Foods Sverige. A number of companies have also donated money to charitable organisations that provide aid, including Orkla Suomi and Orkla House Care. Odense Marcipan has employed war refugees, and Orkla Eesti employees have collected clothing and equipment for Ukrainian children. Orkla Foods Česko & Slovensko has

played an active part in the local community and contributed in several ways to Ukrainian refugees. Amongst other things, they have distributed food to refugees at the border between Ukraine and Slovakia, where people could stand in queues for up to 30 hours. The Bzenec and Byšice factories have also offered Ukrainians a place to live and a job, and they have distributed welcome packages of products to the families of Ukrainian employees.

Help for children and disadvantaged groups

Several of our companies have long-standing partnerships with organisations that work with children and particularly vulnerable groups. This year the energy crisis and higher cost of living have made this work even more crucial. The companies Orkla Foods Norge, Orkla Confectionery & Snacks Norge and Orkla Home & Personal Care have supported the Women's Public Health Association for three consecutive years by donating food and products for financially or socially challenged families with children. Over 2,600 bags of food and products were distributed in several Norwegian towns at Christmas 2022. Orkla Latvija supported the Laima Charity House for the eleventh consecutive year, and donated Christmas presents to 1,500 children. TORO, Pierre Robert Group and KiMs make annual contributions to the work of the Salvation Army. TORO has donated more than 150,000 dinners, Pierre Robert Group donates one pair of woollen socks for every pair of Hyggesokken socks sold, and KiMs donates 50 øre for each bag of KiMs Christmas Joy snacks (Juleglede) that is sold. Orkla Confectionery & Snacks Sverige gives financial aid to Maskrosbarn, an organisation that supports children whose parents have a dependence problem or mental disorder. Orkla Danmark supported the Danish children's aid organisations Julehjælpen and Barnas Kræftfond with products worth NOK 1 million. The energy crisis and rise in the cost of living in several countries have



impacted disadvantaged families with children, and many have had to seek help from local food banks to make ends meet. Orkla Foods Česko & Slovensko donated food worth NOK 450,000 for this work in the Czech Republic, and Orkla Foods Norge contributed NOK 2 million worth of products and financial support to the Matsentralen food centre. Orkla Foods Sverige supports Matmissionen, a supermarket where disadvantaged people can buy products nearing the end of their shelf life at reduced prices.

Activities for better public health

Our companies are involved in a variety of local projects and activities designed to improve public health. Orkla Foods Sverige has entered into a sponsorship agreement with Friluftsrämjandet, which is Sweden's biggest outdoor association. Friluftsrämjandet offers a range of activities intended to boost public health, joy of living and respect for nature. The collaboration is for a three-year period and includes shared activities in shops, pharmacies and online. Credin Sverige has taken part in this collaboration and has arranged courses in the right to roam for employees in Sweden, which has inspired employees to take advantage of what nature has to offer. Kalev arranged the annual Mesikäpp run for youngsters, with over 12,200 participants, and Põltsamaa sponsored products for various Estonian cycling races with over 16,000 participants. In addition, several of the companies sponsor local sports clubs.

Restructuring and social impact

In 2022 we invested in new companies, improved production and some major restructuring projects, with a view to creating a business that is competitive in the longer term.

Orkla Health has strengthened its position in dietary supplements by acquiring the companies Vesterålen Marine Olje and British Healthspan. Orkla Latvija opened its new chocolate manufacturing factory in Adazi under the brand name Laima. At the same time, the company established Orkla Biscuit Production, a completely new biscuit factory in Latvia outside Riga. In connection with the closure of the old biscuit factory of Orkla Confectionery and Snacks Sverige in Kungälv, 144 employees became redundant, while the new biscuit factory outside Riga will secure jobs for around 300 employees in Latvia. Orkla Wound Care decided to move parts of its production at Norgesplaster in Vennesla to the company's factory in Bigues, Spain. The production of Ekström's powdered desserts and soups has been moved from Orkla Foods Sverige's operations at Örebro to Orkla Foods Norge's facility at Arna. Orkla Foods Sverige's production of powdered potato at Eslöv has been discontinued and replaced by products from an external source. In connection with the merger of MTR Foods and the newly acquired company Eastern, two warehouses in Gaziabad and Varanesi were closed down. Orkla Foods Česko & Slovensko has conducted an efficiency improvement project which has resulted in some redundancy in the company's administration and at some production sites. Orkla House Care has made staff cutbacks at its operations in the UK and China as a consequence of reduced demand for paint products. Nic UK also needed to reduce its staffing because of lower demand. A total of about 470 employees became redundant as a consequence of restructuring in 2022. Of these, 50 have obtained new positions within Orkla and the others have received help in finding new jobs.

In spring 2022 Orkla decided to end its operations related to Hamé Foods ZAO in Russia because of Russia's war against Ukraine. The sales process affected 342 employees.

Complaints and dialogue with the local community

We consider it important to have a good dialogue with the neighbours around our factories on how our operations affect the local community. In 2022, four of our factories received complaints from neighbours about noise from manufacturing operations. Our factories held discussions with the persons who complained and took steps to stop or reduce the noise. Orkla Danmark received a complaint about the odour from cabbage production, and Jästbolaget received a complaint about odour from yeast production. Both companies are working to find solutions that will reduce the odour. In the course of the year, seven factories were in dialogue with local supervisory authorities about technical production problems and other matters relating to operations that led to minor emission incidents, and management of these emissions.

Subsidies

In 2022 our companies received NOK 28.5 million in public subsidies for operations, investment in energy, innovation and labour and environmental measures. In addition, Orkla received NOK 131 million in raw material price compensation for the Norwegian food companies. This scheme provides compensation for the cost disadvantage to Norwegian food producers of choosing goods produced in Norway rather than imported goods under the regulations governing the purchase of Norwegian agricultural raw materials. In 2022, errors were discovered in previous applications from Orkla Foods Norge for price compensation for two raw materials. This entailed that the Norwegian Directorate of Agriculture decided in January 2023 that the company had to repay an amount that was wrongly received as a subsidy, and also decided to reduce the eligible subsidy as a result of incorrect reporting.

Integrity

We seek to foster a corporate culture based on integrity and good business practices. The work of ensuring responsible business operations and respect for rules and regulations is integrated into Orkla's daily activities, with clear expectations and ethical guidelines for all employees. Orkla has central training programmes on these topics. In 2022 there were few cases connected with possible infringements of regulations. The cases in question are described below.

Good, responsible marketing

We are committed to conducting responsible consumer marketing on all communication platforms where we have a presence. Orkla's marketing is intended to inform and engage the public, and to contribute to developing and improving our products. As the owner of more than 300 brands, it is important that we have stringent internal procedures to ensure that all claims are legal and based on fact.

We hold regular courses in marketing and marketing law for relevant personnel at both group and company level. In 2022 we held courses in the rules for the use of claims relating to sustainability.

Our companies are particularly cautious in their marketing of high-energy, salty, sweet or low-nutrient food products, to avoid exerting an undesirable influence on children and young people. We support the principles of the EU Pledge, which is a voluntary initiative from leading food manufacturers designed to shield children and young people from marketing of products with a high content of salt, sugar and/or saturated fat. We are represented on the voluntary Board of the Food and Drink Industry Professional Practices

Committee (MFU), which promotes responsible marketing to children and young people. The committee has tightened its guidelines on marketing to young adults and is initiating measures to make the scheme better known among consumers.

We are also active on the Professional Committee for Influencer Marketing (FIM), which promotes sound, responsible practices for players engaged in influencer marketing. The goal of the committee is to reduce body image pressure. Our companies strive to choose influencers, models and actors who represent diversity in respect of background, ethnicity and body type.

In 2022, Orkla companies were involved in a few cases associated with marketing and product labelling rules. The Swedish Consumer Agency (Konsumentverket) questioned the marketing of detergent cartons as CO2-neutral, since neutrality is partially achieved through compensatory measures. The agency maintained that this did not emerge clearly enough in the marketing. Despite having thorough documentation for the climate accounts forming the basis for the marketing, Orkla chose to change it.

In another case, the Swedish Advertising Ombudsman concluded that Orkla Confectionery & Snacks Sverige had infringed marketing guidelines in a film showing a group of women who were exercising while eating OLW snacks. The Ombudsman was of the view that the film could lead to body image pressure, and Orkla has taken note of this. In a third case, Orkla Confectionery & Snacks Sverige was contacted by the Advertising Ombudsman, who considered that the marketing on the packaging of an OLW product could be misleading in that it maintained that care for the environment was exhibited in all stages of the production process.



The documentation on which the claim was based was considered to be too complicated, and the case was therefore dismissed without any infringement being established.

NutraQ received a complaint from the Italian marketing supervisory authority for an advertisement for Oslo Skin Lab in an Italian magazine. The authority reacted to the fact that reference had been made to clinical studies without adequate information regarding the method and results. MTR Foods in India was fined by local authorities for incorrect placement of labelling on wholesaler packaging. Felix Austria received a warning from local supervisory authorities because a product in the Vitality range was labelled organic although the product contained non-organic sesame seed.

All such cases are taken very seriously by Orkla and are followed up with the appropriate remedial measures and internal training.

Ethical guidelines and internal whistleblower systems

Work to ensure awareness of Orkla's own Code of Conduct and prevent undesirable behaviour is constantly ongoing. Orkla's compliance team holds courses and provides guidance to the companies as needed. Orkla's internal audit function is responsible for managing the group's whistleblower system and investigates and deals with any matters reported. The whistleblower channel enables employees to submit anonymous reports in their mother tongue, which also ensures that Orkla is in compliance with personal privacy and information security rules. In 2022, 42 cases were reported of possible breaches of the Code of Conduct. The cases vary in scope and nature and are dealt with according to internal and external guidelines. The majority of the cases in 2022 proved not to constitute a breach of the Code of Conduct.

Anti-corruption, sanctions and competition law

We have zero tolerance for corruption, breach of international sanctions or activities that restrict free competition. Orkla has activities in numerous countries and a large number of suppliers and other business partners. We work systematically to reduce the risk of corruption through Orkla's anti-corruption programme. This programme has been overhauled and strengthened in recent years, and the implementation of the programme continued in 2022. A compliance network has been established with a compliance coordinator in each company who is responsible for following up procedures in the area.

In September 2022 Orkla launched a new e-learning course on anti-corruption that has been translated into 24 languages. The course provides examples of what bribery and corruption mean in practice, and guidance on how employees should behave and act. In addition, we have adapted digital classroom teaching for some companies. Training is a crucial means of building awareness among the employees, and the goal is for all employees in administrative positions to take these courses. In 2022 the members of Orkla's Board of Directors and 82% of Orkla employees in administrative positions had undergone anti-corruption training. There is also an ongoing e-learning programme on competition law.

Orkla has zero tolerance for corruption among suppliers, distributors or other business partners. This is laid down in Orkla's Code of Conduct for Suppliers and Business Partners and in our requirements for other relevant third parties. Orkla works continuously to reinforce monitoring of third parties, and in 2022 introduced improved instructions for surveying risk and taking follow-up action. These instructions include measures to reduce the

risk of breach of international sanctions. Orkla's digital portal solution for suppliers makes it possible to conduct risk-based integrity surveys and to monitor third parties for breach of sanctions. At present, monitoring of other third parties is a manual process, but sanction-related and integrity surveys are conducted using an external search engine.

When making acquisitions and major investments, Orkla assesses the risk of being involved in breaches of anti-corruption regulations and competition law. Where we consider the risk to be significant, we take steps to mitigate it. There were no cases relating to potential breaches of anti-corruption regulations or competition law in 2022.

Protection of privacy

Orkla has stringent requirements regarding protection of personal privacy based on the principles of the EU General Data Protection Regulation (GDPR). Orkla thus has stringent guidelines for protection of privacy for all parties in contact with our companies, and constantly implements improvements where they are needed. In the course of 2022, Orkla gave priority to the work of ensuring the legality of transmission of personal data to "third countries", primarily any jurisdiction outside the EU/EEA. We monitor closely changes in regulations and recommendations from the EU Commission and other relevant authorities with respect to protection of privacy, and adjust our processes regularly. No significant protection of privacy cases were reported in the course of 2022.

Responsible and inclusive employer

We work systematically across countries, companies and functions to ensure that our employees have a safe, fair and stimulating workday.

We will respect human rights in every part of the group, and we will be a diversified and inclusive workplace that guarantees equal opportunities and adequate conditions for all. Of Orkla's in all 20,471 employees, around 1,120⁹ are temporary, mainly employed in connection with seasonal work in the production process and internships for students. All permanent employees must be represented in important processes and actively involved in their own personal development. Our efforts to be an attractive employer include investing in skills development and internal career development.

Active employee participation

Orkla has a decentralised corporate democracy model. We require all group companies to have formal channels for employee participation, and we have overarching guidelines that we urge the companies to follow. In accordance with EU rules and regulations, Orkla has a forum for its European employees, the European Works Council (EWC). Every EU company with more than 500 employees has the right to send representatives elected from among the employees to the forum.

Orkla respects the right of its employees to form unions, and we want consultations between management and employee representatives to proceed at the lowest possible level, at either company or factory level. Relevant matters are passed up to the liaison committees in the business area for further follow-up. Orkla also has a special central committee that meets with the CEO and Senior Vice President of Human Resources, in advance of Board meetings.

Important topics in the dialogue between management and employees in 2022 were wage negotiations, working environment, health and safety,

well-being and restructuring projects. Employee representatives have been involved in the process of transforming Orkla into an industrial investment company. When we implement changes that affect employees, the employees' representatives must be involved at an early stage, in accordance with guidelines agreed with centrally elected employee representatives. The notification period for major changes varies, depending on national legislation and the companies' agreements with the employees. On average it is eight weeks.

The Orkla Junior Advisory Board is an internal body that functions as an advisory forum for the Orkla Management Team and is elected for a period of two years. New members were elected in 2022, with representation across companies and geographical areas. The forum has among other things provided input to Orkla's work on diversity and inclusion, digitalisation and talent development. Some of our business areas have also involved the forum in projects related to product development, growth opportunities and social responsibility. We regard the Junior Board as a valuable source of input and contributions to our efforts to make Orkla an attractive employer.

Respect for human rights

Orkla works systematically to ensure that all group companies comply with the principles set out in Orkla's Human and Labour Rights Policy. The companies conduct an annual survey of risk of nonconformities in the areas covered by the policy, including the right to freedom of expression, health and safety at work, fair working conditions and skills development. In 2022, 95% of Orkla companies conducted the survey.

⁹ There is uncertainty associated with these figures and they may be somewhat higher.

As in 2021, the risk survey for 2022 shows that none of the companies have high risk in any of the areas covered by the policy. We assess the risk of undesirable conditions as medium in some areas. For example, this applies to the right to health and safety in the workplace. It may be a matter of risk of occupational accidents, high work pressure or increased sickness absence. Some companies also report on risk to the right to skills development as a consequence of staffing changes or lack of systematic performance appraisal interviews at factories. There are reports from some companies of medium risk of failure to meet the requirements regarding notification of overtime work, and a risk of a decline in real wages due to high inflation.

The companies use risk surveys as a basis for developing and implementing new measures. In 2022 some companies performed extra EHS audits and reviews of safety procedures. Other follow-up measures include adapted leadership training, extra wage adjustments and dialogue and raising of awareness about risk topics through town hall meetings.

92% of Orkla's companies practise an 18-year age limit for employment, and none of the companies employ children under the age of 15. All our companies consider that the risk of breaches of children's rights and the right to organise and to collective bargaining in their own activity is low. There are no cases of forced labour within our companies.

Competitive wage and pension conditions

Orkla is committed to offering fair and competitive conditions for all employees. We use negotiation to set wages for employees who are covered by collective agreements. Wage-setting for other employees is largely driven by competitive factors and benchmarking against other companies

using external benchmarking tools. In 2022 around 50% of our permanent employees were covered by collective agreements.

None of the Orkla companies offer a wage that is lower than the nationally stipulated minimum wage, and the starting salary in many of our companies is significantly higher. In a few companies we have nonetheless identified a risk that the starting salary for some positions may be lower than what is regarded as the national living wage level. In the course of recent years we have intensified our efforts to ensure that all employees receive a wage that at least covers basic needs. Orkla uses the Anker model¹⁰ to calculate the living wage for our employees in different geographical areas, and we have developed a calculation model that the companies can use to identify risks of this type. We see that our companies largely make extraordinary wage adjustments in various markets in order to compensate for the employees' increased cost of living.

The vast majority of permanent employees in our companies are covered by pension agreements, either through government pension plans or through the companies' own pension plans. These are described in more detail in Note 12 to the financial statements, on page 213. Almost all companies offer health insurance to their permanent employees, and more than half have an option of an organised exercise programme and arrange for healthy food in the company canteens.

10 Anker, R. & Anker, M. (2017). Living wages around the world.

Learning and development

Learning and skills development play an important part in our employees' commitment and performance, and we therefore strive to offer ample opportunities for development to employees at all levels in the group. Skills development takes place through a combination of global and local programmes and of formal courses, social dialogue and practical assignments to be carried out on the job.

Much of Orkla's course portfolio is offered digitally, with virtual gatherings. In this way, far more employees can be reached than would be possible with physical courses. At the same time it is cost-effective. To optimise the effectiveness of this learning, in 2022 we combined digital and physical gatherings, heightening the social aspect of the learning experience.

One of the new initiatives in 2022 was Orkla Foods Europe's launch of a sustainability academy. The academy is an extensive competence-development programme that provides a thorough introduction to the sustainability topics of greatest concern to Orkla. Our ambition is to see the programme rolled out through the whole of Orkla.

The Orkla Leadership Compass, Orkla's own programme for new managers, was held for 110 managers. The programme was developed to give new managers an introduction to and training in basic management tools and communication, and is organised by local HR representatives in local languages. The programme won a prestigious award at the international Brandon Hall Excellence Awards for 2022, namely silver in the category Best Advance in Leadership Development.

Performance appraisal interviews

Performance appraisal interviews are vital for maintaining engagement and providing a good opportunity for feedback between managers and employees, and for ensuring good performances, development and inclusion. Our goal is for all employees to be covered by procedures for regular performance appraisal interviews. In 2022 the companies intensified their efforts to achieve this goal, and the percentage of employees who had a performance appraisal interview was substantially higher than the previous year. We see good progress among both administrative employees and factory employees. In 2021, Orkla's policy for performance appraisal reviews was updated. In 2022 we focused on increasing the share of performance appraisal reviews, particularly in new companies and in companies with many factory employees. A pilot project is in progress to establish a uniform interview questionnaire and process and thereby strengthen the procedures for individual performance appraisal interviews for operators. We have a well-established system for holding the interviews with office employees.

Attractive employer

Orkla's HR strategy aims at ensuring employee job satisfaction, preserving our values and realising our overarching business ambitions in the period up to 2030. The strategy provides clear guidelines for the companies' work in strategic areas such as leadership, learning and development, diversity and inclusion and our attractiveness as an employer. We carry out annual measurement and evaluation of how successful we are in developing leaders internally and retaining employees with key skills. The key figures show favourable developments in this area, but we need to work continuously to be competitive in a demanding labour market. Important aspects of this

39.5%

share of women in senior executive positions

work are skills development, competitive conditions and developing an inclusive working environment.

In 2022 there were more than 1 100 applicants for our summer internship programme, and 45 students were employed. The students worked in areas such as marketing, finance, investor relations, value chain, human resources and IT. The programme lasts for eight weeks, from mid-June to mid-August, and the students work on specific projects in the companies in which they are employed.

Diversity, equity and inclusion at the workplace

Orkla wants to develop an inclusive culture, where our employees thrive, feel that they belong and feel safe. We have a decentralised structure, and the company managers are mainly recruited locally. In 2022 we introduced a new strategy for our work to promote diversity, equity and inclusion based on internal input and best practice at other large companies. The strategy is designed to ensure breadth in our work to achieve diversity and make it an integral part of our work throughout the organisation. We place emphasis on working towards general goals while at the same time giving the Orkla companies the flexibility to set their own priorities.

Orkla has a relatively good gender balance in the organisation as a whole, with women making up 46% at global level. There is a somewhat lower share of women than men in executive positions, and a higher share of women among office workers than among manufacturing, warehousing and maintenance employees. Orkla's goal is to have 50% women in executive positions. This is being followed up in HR processes across the group, and all companies are asked to report annually on the share of women managers

overall and at senior executive level. We see a positive trend, with a 39.5% share of women in senior executive positions in 2022. When recruiting to the management team at company or business area level, we have a requirement that there must always be at least one woman candidate. There must also be at least one woman on the interview panel during the recruitment process.

In 2022 Orkla joined the research-based AFFs FiftyFifty programme to boost leadership development for a selection of woman employees. Twelve participants from different countries and position levels were selected to take part. The goal is both to build leader identity and to elicit input on how Orkla can do more to bring about greater gender equality.

In 2022 several companies took steps to increase awareness about diversity and unconscious discrimination generally, not only with respect to gender balance. Several workshops for managers were held, and an extensive joint training programme has also been launched for both HR and Orkla managers to bring about more long-term honing of competencies. The aim of the training is to achieve greater diversity, but also active inclusion of all our employees. There were no reports of breach of the discrimination regulations or Orkla's internal guidelines in this area in 2022.

Survey of wage differences and taking of parental leave

We survey wage differences and the taking of parental leave annually to enable systematic work to rectify disparities. In 2022 we surveyed gender differences in wage and bonus payments in 32 companies in 12 countries, based on data as of 31 December 2021 at four different position levels.¹¹ This is a change from the corresponding survey in 2021, which covered wages at seven levels. The change has been made to reduce the risk of incorrect

reporting, and to achieve better data quality. The survey was restricted to the geographical areas in which we have the largest presence, and was expanded this year to include factory employees. The companies that were selected have a total of around 9,100 employees, or around 43.5% of the total number of employees in the group.

Orkla's global reporting is based on the GRI 405-2 reporting standard, but the figures in Table 2 have not been broken down to regional level because of uncertainty in the underlying data. Overall, women's basic salary is on average equivalent to 93% of men's salary. If we look at total compensation including bonuses, women's average earnings are 90% of men's. The largest wage difference occurs at the highest executive level (level 1) where women earn 76% of what men earn on average, and the smallest difference is at operator level, where women earn on average 93% of what men earn. The differences for managers and middle managers can be partly explained by the fact that there are more men in positions with direct responsibility for performance. At the same time, the results of the survey show that the differences between the genders are smaller in the Nordic countries and India than in the Baltic and Central European companies. The change in the method and scope of the survey makes it difficult to assess the change from 2021. In the wage settlement where we have uncovered biases, we have given the companies leeway to exceed the limit for salary growth for women who have lower salaries than men in equal or similar positions.

We performed a more extensive survey for the Norwegian companies, based on requirements in the Gender Equality Act. This survey shows that, on average, total compensation for women in the Norwegian companies in 2022 amounted to 91% of total compensation for men. If we look at the

Table 2: Average salary and total compensation for women compared with men

Position levels 1-4*	Total number Women and men	Number of women	Number of men	Share of women, in %	Share of men's salary, in %	Share of men's salary, total compensation, in %
Level 1	164	66	98	40%	81%	76%
Level 2	901	368	533	41%	92%	91%
Level 3	3,253	1,696	1,557	52%	83%	92%
Level 4	4,804	2,086	2,718	53%	96%	93%
Total	9,122	4,216	4,906	46%	93%	90%

*Level 1 Members of management teams

Level 2 Senior managers and managers

Level 3 Functionaries

Level 4 Operators

** Total compensation includes salary, yearly bonus, overtime pay and irregular supplements

different levels, the discrepancy was greatest among executives at level 1, where women earned 74% of what men earned, and least among managers at level 2, where women's average salary was 95% of the corresponding salary for men. Part of the explanation may again be that there are more men in positions with more direct responsibility for performance. We also see that age and seniority may have something to say for salary differences.

11 Level 1 is the management team, level 2 is senior and middle managers, level 3 is office workers and level 4 is operators.

When it comes to gender differences in connection with taxable benefits in kind, the survey revealed that women received 88% of what men did. There is a clear discrepancy between women and men at level 3. We assume that this is because level 3 covers a large group of employees, some of whom receive a car allowance. More men receive a car allowance and therefore receive higher taxable benefits. In order to rectify the discrepancies identified between men and women, in 2022 we adjusted salaries for women in excess of approved wage adjustment limits, so that on average women received an approximately 0.8% higher adjustment than men.

Table 3: Average salary and other compensation for women compared with men in Orkla's Norwegian companies¹²

Position level 1-4*	Total number		Share of women, in %	Share of men's salary, total compensation**, in %	Share of men's salary, taxable payments in kind, in %
	Women and men	Number of women			
Level 1	79	34	43%	74%	94%
Level 2	377	158	42%	95%	109%
Level 3	1,226	706	58%	91%	93%
Level 4	1,165	438	38%	94%	92%
Total	2,838	1,336	47%	91%	88%

*Level 1 Members of management teams

Level 2 Senior managers and managers

Level 3 Functionaries

Level 4 Operators

** Total compensation includes salary, yearly bonus, overtime pay and irregular supplements

Figures for temporary appointments, parental leave and part-time work in the Norwegian companies were also collected and analysed. The analysis shows that the percentage of employees in temporary positions (5%) and part-time positions (5%) is low. The gender difference between those in temporary positions is small: 60% are women and 40% are men. There is a larger share of women (80%) than men (20%) among the part-time employees. Internal surveys indicate that there are relatively few involuntary part-time workers in the companies. Having a part-time position is regarded in most companies as a benefit.

Orkla ASA wishes to make it easier for all parents to be able to take parental leave, regardless of gender. The survey shows that men take about 39% of the amount of parental leave taken by women in the Norwegian companies. This is an increase of 15 percentage points on 2021 and is probably partly attributable to some men in higher positions only taking the statutory portion of their parental leave.

Occupational health and safety

Orkla's occupational health and safety policy applies to all companies and factories. We want to build a strong culture in this area and have a vision of zero injuries. Measures to ensure monitoring and improvements are followed up at company and business area level through reports to the company management teams, the Orkla Management Team and the Board of Directors. Companies, factories and warehouses are audited regularly according to Orkla's EHS standard. After two years with many adjustments

12 The figures cover Orkla ASA, Orkla Foods Norge, Orkla Home & Personal Care, Orkla Health, Orkla House Care, Lilleborg, Pierre Robert Group, Orkla Confectionery & Snacks Norge and Idun Group.

due to the COVID-19 pandemic, 2022 has been a virtually normal year.

Training, participation and awareness-building

Good training and risk management are crucial for preventing injuries and occupational illnesses. All companies must assess risk regularly and work to ensure that all employees understand the actual and potential risk associated with the operations and their own workplace. Risk tends to be associated with ergonomics, use of machines, work at different heights and on slippery floors, storage and handling of chemicals and the psychosocial working environment. Preventive measures have been implemented across the group in addition to local initiatives. All companies have committees on which managers and employees cooperate on EHS work. We also expect employees to have the opportunity to take part in developing goals and plans, in risk analyses and in investigations after accidents.

In 2022, for the fifth consecutive year, an EHS Week was held across the group. The purpose of this week is to strengthen internal commitment and involve everyone in developing the culture to achieve our vision of zero injuries. The 2022 EHS week focused mainly on how the EHS dialogue can be used to detect potential risks in the workplace, so that preventive steps can be taken. During the week, many employees took part in local courses on topics such as ergonomics and machine and electricity safety. The companies also arranged fire drills, first-aid courses and talks on mastering stress and on mental health.

Injuries, follow-up and emergency preparedness

The total recordable rate (TRR), which includes all injuries, was 5.9 in 2022, which is a decrease from 2021. Most injuries were of a minor nature, such as

cuts, blows or crushing injuries. In 2022 few serious incidents were reported, where three associated with risk of explosion have received special focus. There were no critical injuries as a result of the incidents. The incidents were subsequently followed up with online meetings, with a review of the risk of explosion and a description of the incident and the steps that were taken. Sharing of experiences and knowledge following incidents is an important part of preventive EHS work.

All injuries were followed up in the respective companies. Orkla's EHS standard contains a requirement that procedures be developed for reporting accidents and incidents. The standard also describes how systems for doing so should be established. There are also requirements for preparing procedures to protect the employees at the workplace. Employees can report anonymously on possible or actual accidents and are protected against reprisals. Orkla is striving for a culture in which employees can speak out about any type of matter or risk. Reporting and investigation of incidents provides information that is important for preventing future incidents. We therefore share injury reports across our companies. Risk-mitigating measures include extensive training and various types of safety measures, such as increased use of protective equipment, better labelling and replacement of old equipment.

Work to promote health

Registered sickness absence across our operations was 4.9% in 2022, an increase on 2021, when the absence was 4.4%. Sickness absence is affected by a multitude of factors and is a complex field. There are significant variations across both countries and companies, and we work continuously to make improvements, including following up on absences and carrying out preventive activities. In 2022 we found that the pandemic situation

affected our procedures for sickness: more people stayed home when they experienced symptoms. This led to relatively high short-term absences, but absences that were desirable in view of the risk of infection in our businesses.

Preventive activity is important for avoiding future sickness absence. Orkla's EHS standard requires that the risk associated with and implementation of measures to improve ergonomic, physical and psychosocial conditions are surveyed. We increasingly see sickness absence linked to psychosocial conditions. The MyVoice working environment survey, which was conducted throughout Orkla in 2021, provided us with important input on factors associated with occupational health. The survey results were followed up in 2022 by measures at each individual workplace, amongst other things to reduce stress and ensure that employees remain and feel that they are seen by management.

The way ahead

In 2023, in connection with the restructuring to an industrial investment company, we will make relevant changes in Orkla's governance principles and documents. Among other things, we will develop clear owner requirements and expectations of responsible business practices and the companies' work with social issues and business ethics.

The companies will follow up risk factors identified in the annual risk survey related to human and workers' rights, and intensify work to promote a good and inclusive working environment, upgrade competencies and ensure responsible business practices and compliance with rules and regulations

and ethical guidelines. The new framework for diversity, equity and inclusion will be implemented through a collaboration between Orkla and the companies. Orkla's compliance network will be strengthened through the establishment of new positions with responsibility for risk management, governance and compliance in the largest portfolio companies.

Development in key targets

Revenues from most sustainable products

Indicator references		Unit	2022	2021	2020
WEF Prosperity	Estimated share of revenues from products classified as “most sustainable products” ¹	%	11	16	15
Self-defined	Estimated share of revenues from vegan products ^{2,3}	%	27	26	28
Self-defined	Estimated share of revenues from vegan and lacto-ovo vegetarian products ^{2,4}	%	58	50	49
Self-defined	Estimated share of revenues from products which contribute to healthier diet ^{5,6}	%	19	16	17
Self-defined	Estimated share of revenues from products with a balanced profile ⁵	%	41	37	39
Self-defined	Estimated share of revenues from indulgence products ⁵	%	40	47	44
WEF Prosperity	Estimated share of revenues from eco-labelled products ⁷ (Nordic Swan Ecolabelling, Good Environment Choice, GOTS, MSC, EU Ecolabel and more)	%	17	16	11
WEF Prosperity	Estimated share of revenues from certified organic products ⁸	%	4	2	2
WEF Prosperity	Estimated share of revenues from keyhole products or other labelling schemes for health and wellness ²	%	3.5	3	3

1 Share of total revenues in Orkla Foods Europe, Orkla India, Orkla Confectionery & Snacks, Orkla Care and Orkla Food Ingredients. The classification is an internal management tool developed by Orkla, and we have made the criteria stricter in 2021 and 2022. Therefore, the underlying development is more positive than indicated by the figures.

2 Applies to total revenues in Orkla Foods, Orkla Confectionery & Snacks and Orkla Food Ingredients.

3 Products suitable for vegan diet as defined by Food Drink Europe.

4 Products suitable for vegetarian diets as defined by Food Drink Europe. May contain egg and dairy ingredients.

5 Applies to classified revenues in Orkla Foods, Orkla Confectionery & Snacks and Orkla Food Ingredients. 75% of revenues are classified according to criteria for health and wellness in 2022.

6 Includes foods with less salt, sugar and saturated fat, healthier lacto-ovo vegetarian and vegan products, products with more than 50% of whole-grain cereals, official nutrition labelling and products with specific health benefits.

7 Applies to revenues in the non-food companies Orkla Home & Personal Care, Orkla Wound Care, Lilleborg, Pierre Robert Group and Orkla House Care.

8 Applies to total revenues in Orkla Branded Consumer Goods.

Climate impact and emissions

Indicator references	Indicators	Unit	2022	2021	2020	Baseline year ¹
GRI 305-1	Greenhouse gas emissions from own operations, Scope 1 ²	tCO ₂ e	108,277	115,519	115,253	128,719
GRI 305-1	Biogenic greenhouse gas emissions, Scope 1 ²	tCO ₂ e	592	493	495	428
GRI 305-2	Indirect greenhouse gas emissions, Scope 2, location-based calculation ^{2,3}	tCO ₂ e	52,636	62,775	70,597	87,293
GRI 305-2	Indirect greenhouse gas emissions, Scope 2, market-based calculation ^{2,3}	tCO ₂ e	69,677	10,202	21,808	167,471
GRI 305-3	Greenhouse gas emissions, Scope 3 ⁴	tCO ₂ e	2,019,995	2,012,319	2,097,308	2,010,21
GRI 305-4	Greenhouse gas emissions (Scope 1 and 2 market-based) per FTE ⁵	tCO ₂ e/ FTE	9.1	6.5	7.0	10.7
GRI 305-4	Greenhouse gas emissions (Scope 1 and 2 market-based) per revenue ⁵	tCO ₂ e/ mill. NOK	3	2,4	2,6	5,2
GRI 305-5	Greenhouse gas emissions reductions from reduction activities (Scope 1 and 2) ⁶	tCO ₂ e	68,698	129,241	136,228	0
GRI 305-6	Emissions of ozone-depleting substances (ODS) used in cooling media	tCFC-11e	0.0004	0.0030	0	0.0066
GRI 305-7	Emissions of sulphur dioxide ⁷	Tonnes	11	10	9	16
GRI 305-7	Emissions of nitrogen oxide ⁷	Tonnes	101	102	102	114

1 For GHG emission figures the baseline year is 2016. For other figures the baseline year is 2014.

2 The calculations are based on the Greenhouse Gas Protocol Initiative (GHG protocol). Includes CO₂, CH₄, N₂O, HFC, PFC, SF₆ and NF₃. Orkla uses standard conversion factors for various types of fuel, updated annually based on DEFRA and IEA. Historical figures have been adjusted for the new information.

3 Location-based emissions reflect the average GHG emissions intensity of grids on which energy consumption occurs. Market-based emissions take into account the effect of contractual instruments that Orkla has used (Guarantees of Origin or Renewable Electricity Certificates and Power Purchase Agreement).

4 Raw materials, packaging and waste management account for around 95% of emissions from Scope 3 activities, other Scope 3 categories are not disclosed due to the lack of reliable data. The variance in Scope 3 values is explained by the difference in data coverage. Orkla mainly uses conversion factors for greenhouse gas emissions from a database owned by the RISE institute, as well as conversion factors for energy from DEFRA and the IEA. Data for biogenic Scope 3 emissions is not disclosed due to unavailable information. Intensity figures are not disclosed due to uncertainty in Scope 3 data.

5 The intensity figures reported for previous years have remained unchanged and not adjusted for structural changes.

6 The reductions are reflected in the reporting of GRI 305 1&2. The disclosed data represents the initiative with significant contribution to reduction; the securing of renewable electricity through Renewable Energy Certificates and Guarantees of Origin.

7 Average emission factors for various fuel types are used. Emission factors are based on DEFRA.

Resource Management

Indicator references	Indicators	Unit	2022	2021	2020	Baseline year 2014
GRI 302-1	Electricity from internally generated hydropower, sold	GWh	2 237	2 065	2 885	2 570
GRI 302-1	Total energy consumption, own operations	GWh	1 068	1 110	1 095	1 068
GRI 302-1	Total energy consumption from renewable sources ¹	GWh	295	504	494	11
GRI 302-1	Energy consumption from non-renewable sources ²	GWh	773	606	601	1 057
GRI 302-1	Energy consumption – electricity	GWh	426	458	461	466
GRI 302-1	Energy usage – purchased thermal energy, incl. remote heating	GWh	70	53	41	46
GRI 302-3	Energy usage per FTE ^{1,2,3}	MWh/FTE	55	60	63	66
GRI 302-3	Energy usage per revenue ^{1,2,3}	MWh/ NOK million	18	22	23	29

1 Includes documented renewable electricity, renewable part of district heating, renewable electricity produced on site and energy from renewable biomass. Orkla uses standard conversion factors for various types of fuel, updated annually based on DEFRA and IEA.

2 Includes use of natural gas, propane, oil, diesel and petrol. Orkla uses standard conversion factors for various types of fuel, updated annually based on DEFRA and IEA.

3 The intensity figures reported for previous years have remained unchanged and not adjusted for structural changes.

Water

Indicator reference	Indicators	Unit	2022	2021	2020	Baseline year 2014
GRI 303-3	Total water withdrawal, own operations	MI	7,625	7,299	7,715	10,260
GRI 303-3	Water withdrawal from collected rainwater and surface water ^{1,2}	MI	0	0	0	0
GRI 303-3	Water withdrawal from groundwater ¹	MI	3,132	2,888	2,842	3,051
GRI 303-3	Water withdrawal from external water works (third-party) ¹	MI	4,493	4,411	4,872	7,209
GRI 303-3	Total water withdrawal, own operations in water-stressed areas ^{1,3}	MI	210	227	224	198
GRI 303-3	Water withdrawal from surface water from areas with water stress ^{1,3}	MI	0	0	0	0
GRI 303-3	Water withdrawal from third-party water from areas with water stress ^{1,3}	MI	113	176	174	153
GRI 303-3	Water withdrawal from groundwater from areas with water stress ^{1,3}	MI	97	51	50	44
Self-defined	Water recycled in own operations	%	3.8%	8.3%	8.5%	0.0%
GRI 303-4	Total water discharge to all areas ¹	MI	4,041	4,225	5,318	6,982
GRI 303-4	Discharge of wastewater to seawater ¹	MI	0	0	0	0
GRI 303-4	Discharge of effluents to external treatment plants (third-party) ¹	MI	2,325	2,431	3,061	6,034
GRI 303-4	Discharge of effluents to surface water ¹	MI	1,715	1,793	2,258	947
GRI 303-4	Discharge of effluents to groundwater ^{1,4}	MI	0	0	0	0
GRI 303-4	Emissions to water – BOD ⁵	Tonnes	3,483	3,592	5,099	7,289
GRI 303-4	Emissions to water – COD ⁵	Tonnes	5,305	5,982	9,419	9,749
GRI 303-4	Emissions to water – particles ⁵	Tonnes	239	188	944	528
GRI 303-4	Total water discharge to all areas with water stress ³	MI	132	136	139	138
GRI 303-5	Total water consumption from all areas	MI	3,584	3,075	2,396	3,278
GRI 303-5	Total water consumption from all areas with water stress ³	MI	78	92	85	60

1 The breakdown of water into fresh water and "other water" has not been reported, due to lack of information.

2 Orkla does not withdraw water from surface water; rivers, lakes and wetland areas.

3 Water-stressed area is defined by WRI Aqueduct tool and represents locations in India and Romania.

4 None of the Orkla companies discharge effluents to groundwater, therefore values set as zero.

5 We report on the substances which are identified as relevant for Orkla; BOD, COD and particles. These parameters are required to be monitored by the local authorities. Other potential substances of concern will be assessed going forward.

Waste

Indicator reference	Indicator	Unit	2022	2021	2020	Baseline year 2014
GRI 306-3	Total waste	Tonnes	107,025	114,001	115,250	123,913
GRI 306-3	Organic waste ^{1,2}	Tonnes	81,876	85,866	81,762	89,937
GRI 306-3	Organic waste per revenue ³	Tonnes/ NOK. mill	1.4	1.4	1.7	3.0
GRI 306-3	Non-hazardous waste – sorted ^{1,2}	Tonnes	95,292	100,606	97,814	108,241
GRI 306-3	Non-hazardous waste – mixed ^{1,2}	Tonnes	11,240	12,916	16,876	15,248
GRI 306-3	Hazardous waste ^{1,2}	Tonnes	493	479	560	424
GRI 306-4	Total waste diverted from disposal ^{1,2}	Tonnes	87,819	87,558	90,087	94,733
GRI 306-4	Hazardous waste diverted from disposal by preparation for reuse ⁴	Tonnes	0	0	0	0
GRI 306-4	Hazardous waste diverted from disposal by recycling ^{1,2}	Tonnes	16	49	0	2
GRI 306-4	Hazardous waste diverted from disposal by other recovery operations ^{1,2}	Tonnes	29	1	2	0
GRI 306-4	Non-hazardous waste diverted from disposal by preparation for reuse ⁴	Tonnes	0	0	0	0
GRI 306-4	Non-hazardous waste diverted from disposal by recycling ^{1,2}	Tonnes	9,852	11,629	11,545	13,324
GRI 306-4	Non-hazardous waste diverted from disposal by other recovery operations ^{1,2}	Tonnes	77,921	75,878	78,540	81,407
GRI 306-5	Total waste directed to disposal ^{1,2}	Tonnes	19,205	26,443	25,163	29,180
GRI 306-5	Hazardous waste directed to disposal by incineration (with energy recovery) ^{1,2}	Tonnes	446	428	557	422
GRI 306-5	Hazardous waste directed to disposal by incineration (without energy recovery) ⁵	Tonnes	0	0	0	0
GRI 306-5	Non-hazardous waste directed to disposal by landfilling ^{1,2}	Tonnes	0	0.5	0	0
GRI 306-5	Non-hazardous waste directed to disposal by incineration (with energy recovery) ^{1,2}	Tonnes	14,430	21,018	20,709	26,320
GRI 306-5	Non-hazardous waste directed to disposal by incineration (without energy recovery) ⁵	Tonnes	0	0	0	0
GRI 306-5	Non-hazardous waste directed to disposal by landfilling ^{1,2}	Tonnes	4,329	4,997	3,897	2,438

1 Orkla centrally gathers data on waste generation, which is mostly supplied by companies through invoices from waste management companies or waste reports.

2 The breakdown of waste directed to disposal onsite and offsite has not been reported, due to lack of information.

3 The intensity figures reported for previous years have remained unchanged and not adjusted for structural changes.

4 Values for waste diverted from disposal by preparation for reuse has been set as zero due to lack of data on this topic.

5 Amount of waste disposed via incineration without energy recovery has been set as zero due to unavailability of data.

Responsible sourcing procedures

Indicators references	Indicators	Unit	2022	2021	2020
GRI 308-1	Share of new suppliers screened for environmental risk	%	100	100	100
GRI 308-2	Suppliers screened for environmental risk through audit or self-assessment	Number	64	66	65
GRI 308-2	Suppliers with identified environmental non-compliances	Number	8	11	1
GRI 308-2	Share of suppliers with environmental non-compliances where improvement has been agreed	%	100	100	100
GRI 308-2	Share of environmental non-compliances that have been remediated	%	50	71	0
GRI 308-2	Share of suppliers with environmental non-compliances where the agreement has been terminated	%	0	0	0
GRI 414-1	Share of new suppliers screened using social criteria	%	100	100	100
GRI 414-2	Suppliers screened using social criteria through audit or self-assessment	Number	64	66	65
GRI 414-2	Suppliers with identified social non-compliances	Number	48	52	30
GRI 414-2	Share of suppliers with social non-compliances where improvement has been agreed	%	100	100	100
GRI 414-2	Share of social non-compliances that have been remedied	%	73	66	76
GRI 414-2	Share of suppliers with social non-compliances where the agreement has been terminated	%	0	0	0
GRI 204-1	Share of sourcing from local suppliers ¹	%	56	56	56

1 By local suppliers we mean suppliers located in the same country as Orkla's receiving business.

Sustainable raw materials

Indicator references	Indicators	Unit	2022	2021	2020
301-1	Consumption of raw materials ¹	Tonnes	884,615	998,006	1,064,307
301-1	Share of renewable raw materials ²	%	94	95	93
Self defined	Share of certified cocoa ingredients (UTZ Certified or Fairtrade) of total volume purchased	%	92	81	84
	– Segregated		37	36	
	– Mass Balance		55	45	
Self defined	Share of certified marine raw materials (MSC or ASC) of total volume purchased	%	27	52	66
Self defined	Share of certified palm oil, palm kernel oil and derivatives of total volume purchased ³	%	98	96	92
	– RSPO SG	%	43	44	36
	– RSPO MB	%	28	21	25
	– RSPO Credits	%	28	31	31
Self defined	Share of certified soya of total purchased volume (RTRS - Roundtable on Responsible Soy, ProTerra, Donau Soja, Field to Market, ISCC, FSA Silver equivalent standards) ³	%	64	15	11
Self defined	Share of certified hazelnuts of total purchased volume (Rainforest Alliance) ³	%	59	54	2
Self defined	Share of revenues from textile products from products with environmental product labelling (Nordic Swan, GRS, Modal)	%	18	24	19
Self defined	Share of cotton purchase value from certified organic cotton (GOTS, OCS)	%	97	96	84
Self defined	Share of verified mulesing-free merino wool of total volume purchased	%	100	100	100

1 Raw materials purchased excluding finished goods. Historic data have been adjusted to reflect the same basis.

2 Includes raw materials from agriculture, share of total raw materials (purchase value).

3 Excl. finished goods purchases.

Sustainable packaging¹

Indicator references	Indicators	Unit	2022	2021	2020
GRI 301-1	Share of packaging materials made from renewable sources ^{2,3}	%	42	36	35
GRI 301-2	Share of total packaging materials which are fully or partly recycled ³	%	55	54	47
Custom	Share of total packaging materials which is made of recycled or renewable sources ³	%	70	67	61
Custom	Share of total packaging materials that is recyclable ³	%	96	96	95
GRI 301-1	Packaging consumption, all types ^{2,3}	Tonnes	169,971	163,342	156,717
GRI 301-1	Plastic packaging consumption ^{3,4}	Tonnes	34,358	33,596	32,332
GRI 301-2	Share of plastic packaging materials from renewable or recycled sources ³	%	14	10	9
GRI 301-1	Consumption of packaging per revenue, all types	Tonnes/ mill. NOK	3	3,3	3,3
GRI 301-1	Consumption of plastic packaging materials per revenue ⁴	Tonnes/ mill. NOK	0.62	0.68	0.69

1 Time period covered 2021-11-01 to 2022-10-31.

2 Includes paper-based materials and bio-based plastics.

3 Based on collected supplier data.

4 Includes both pure plastic packaging and composite materials.

Reduction of salt, saturated fat and sugar¹

Indicator references	Indicator	Unit	2022	2021	2020
Self-defined	Decrease in salt consumption due to reduction activities compared to previous year	Kg	45,131	62,000	168,100
		%	0.4	0.5	1.7
Self-defined	Consumption of salt (own production) per revenue	Kg/ million NOK	264	321	280
Self-defined	Decrease in saturated fat consumption due to reduction activities compared to previous year	Kg	1,331,364	1,142,000	808,800
		%	2.4	2.3	2.0
Self-defined	Decrease in sugar consumption due to reduction activities compared to previous year	Kg	437,017	1,602,000	2,233,700
		%	0.4	1.7	2.2
Self-defined	Consumption of sugar (own production) per revenue	Kg/ million NOK	2,506	2,713	2,856

¹ Concerns Orkla Foods Europe, Orkla Confectionery & Snacks and Orkla Food Ingredients. Historical figures have not been adjusted for subsequent changes in corporate structure. The figures are associated with uncertainty due to variations in the calculation method over time and between companies.

Safe food production¹

Indicators references	Indicator	Unit	2022	2021	2020
GRI 416-1	Share of significant product and service categories for which health and safety impacts are assessed for improvement:				
	– Food products ²	%	100	100	100
	– Non-food consumer goods products	%	54	-	-
GRI 416-2	Incidents of non-compliance concerning food safety, risk level 1 (life threatening health hazard)	Number	0	1 ³	0
GRI 416-2	Incidents of non-compliance concerning food safety, risk level 2 (serious health hazard or serious quality deviation)	Number	5	9	10

1 Concerns companies with food production.

2 Newly acquired companies are in an integration process in which the Orkla Food Safety Standard is being implemented.

3 One incident linked to possible salmonella contamination of product.

Safe deliveries of raw materials

Indicators references	Indicator	Unit	2022	2021	2020
Self-defined	Risk assessment of suppliers: Self-assessments	Number	1,160	1,776	1,311
Self-defined	Risk assessment of suppliers: Assessments carried out by Orkla	Number	1,290	1,815	1,409
Self-defined	Risk assessment of suppliers: Supplier audits	Number	172	150	119

Food safety training

Indicators references	Indicator	Unit	2022	2021	2020
Self-defined	Participants in courses run by Orkla's Food Safety Team	Number	661	867	353
Self-defined	Extent of courses run by Orkla's Food Safety Team	Hours	4,405	6,919	3,094
Self-defined	Participants in courses run by Orkla factories	Number	8,970	8,587	8,294
Self-defined	Extent of courses run by Orkla factories	Hours	17,090	23,117	18,716

Stakeholder dialogue and social engagement

Indicators references	Indicator	Unit	2022	2021	2020
GRI 203-1	Support for external organisations and projects				
WEF	– Investment in local infrastructure	NOK million	0	0,5	0,1
Prosperity	– Total donations and support for external projects	NOK million	71.4	32.4	46.9
	– Total support for external projects linked to social causes ¹	NOK million	56.5	-	-
	– Estimated value of product donations and pro-bono work	NOK million	24.2	7.4	16.5
	Financial support received from government during the year				
GRI 415-1	– Subsidies for operational, energy investments, innovation, labour and environmental measures	NOK million	28.5	43.5	107.7
	– Raw material price compensation	NOK million	131.6	132.7	160.2
GRI 415-1	Total value of political contributions	NOK million	0	0	0
WEF Prosperity	Total research and development expenses	NOK million	314	305	343

1 Applies to external projects and organisations linked to health, welfare and charity. Comparable figures for 2020 and 2021 are not available.

Responsible employer
Diversity and equal opportunity

Indicator references	Indicators	Unit	2022	2021	2020
GRI 2-7,	Employee diversity				
GRI 405-1,	– Total number of employees ¹	Number	20,471	21,423	18,109
WEF People	– Permanent employees ²	Number	19,347	-	-
	– Temporary employees ²	Number	1,124	-	-
	– Total share of women employees ¹	%	46.9	47.0	43.9
	– Share of employees in commercial and staff functions ²	%	45.8	46.2	43.1
	– Share of women	%	47.9	51.4	50.0
	– Under 30 years old	%	12.2	12.3	-
	– 30–50 years old	%	61	59.5	-
	– Over 50 years old	%	26.7	28.3	-
	– Share of employees within production, maintenance, and warehouse	%	53.2	53.8	56.2
	– Share of women	%	47.9	43.2	40.7
	– Under 30 years ³	%	14.8	16.4	-
	– 30–50 years ³	%	49.5	46.3	-
	– Over 50 years ³	%	35.5	37.3	-
	– Share of employees under 30 years old ²	%	13.4	14.5	13.3
	– Share of employees 30–50 years old ²	%	54.2	52.4	52.3
	– Share of employees over 50 years old ²	%	32.3	33.1	33.5
	– Share of employees by region ^{1,4}				
	– Asia	%	19.2	-	-
	– Baltics	%	9.4	-	-
	– Nordics	%	44.7	-	-
	– Rest of Europe	%	26.5	-	-
	– Total number of permanent employees ^{2,3,4}	Number	19,347	-	-
	– Female permanent employees	%	43	-	-
	– Male permanent employees	%	49	-	-
	– Permanent employees per region ^{2,3,4}				
	– Asia	%	-	-	-
	– Baltics	%	90	-	-

	– Nordics	%	97	-	-
	– Rest of Europe	%	97	-	-
	– Total number of temporary employees ^{2,3,4}	Number	1,124	-	-
	– Female temporary employees	%	53.8	-	-
	– Male temporary employees	%	46.1	-	-
	– Temporary employees per region ^{2,3,4}				
	– Asia	%	-	-	-
	– Baltics	%	0.15	-	-
	– Nordics	%	2.6	-	-
	– Rest of Europe	%	2.7	-	-
GRI 405-1	Diversity in management				
	– Total number of managers at all levels	Number	2,512	2,535	2,167
	– Total share of women in management ⁵	%	40.0	41.8	41.5
	– Total share of managers under 30 years old	%	3.2	3.4	2.6
	– Total share of managers 30-50 years old	%	63.7	63.0	65.1
	– Total share of managers over 50 years old	%	33	33.6	36.1
	– Managers on Orkla's Group Executive Board	Number	10	9	10
	– Share of women on Orkla's Group Executive Board	%	30	22	20
	– Managers in management teams at Group, business area and business unit level	Number	470	363	422
	– Share of women in management teams at Group, business area and business	%	39.5	38.0	35.9
GRI 202-2	Share of management team members recruited from the country where the business is located	%	93	93	86
GRI 406-1	Formal complaints or cases related to breaches of anti-discrimination regulation	Number	0	0	0
WEF People	Costs of any losses (fines, compensation, or legal costs) as a result of legal proceedings related to discrimination cases	NOK	0	0	0

1 Total number of employees as of 31 December 2022 based on internal system for financial reporting.

2 Based on an internal HR reporting system and covers 98% of total number of employees.

3 Covers the Baltics, Nordics and Rest of Europe. The figures are associated with uncertainty due to varying degree of registration of employment type.

4 Corresponding figures for 2020 and 2021 are not available.

5 The reduction in total share of women managers from 2021 to 2022 is due to structural changes and improvements in the reported data.

Employment and Wages

Indicator references	Indicator	Unit	2022	2021	2020
GRI 401-1, WEF Prosperity	Workforce changes – Number of new employee hires	Number	2,492	2,076	2,323
WEF People	– Under 30 years ⁶	%	31.3	36.1	-
	– 30–50 years ⁶	%	53.2	48.4	-
	– Over 50 years ⁶	%	17	15.5	-
	– Share of women ⁶	%	52.2	51.8	-
	– Nordics	%	35.5	-	-
	– Baltics	%	23.6	-	-
	– Rest of Europe	%	30.8	-	-
	– India	%	9.7	-	-
	– Total employees who have left the company ⁶	Number	3,828	2,952	-
	– Under 30 years ⁶	%	34.1	27.8	-
	– 30–50 years ⁶	%	43.4	43.9	-
	– Over 50 years ⁶	%	22.4	28.2	-
	– Share of women ⁶	%	42.2	51.9	-
	– Nordics	%	40	-	-
	– Baltics	%	7.8	-	-
	– Rest of Europe	%	26.8	-	-
	– India	%	21.3	-	-
	– Share of employee hires (new employees/total number of employees)	%	12.3	10.4	13
	– Employee turnover (employees left/total number of employees)	%	19	14.8	-
WEF People	Lowest entry level wage compared to local legal minimum wage ⁷				
	– Baltics	Ratio	1.2	1.5	-
	– Other Europe	Ratio	1.2	1.2	-
	– Asia	Ratio	1.7	4.4	-
WEF People	The CEO's financial compensation related to the average compensation for the group's other employees ⁸	Ratio	30,6	28,3	19,2

⁶ Based on an internal HR reporting system and covers 98% of total number of employees. Corresponding numbers for 2020 is not available.

⁷ Lowest entry level wage for production employees for Orkla's operations in relation to the national minimum wage in the countries in question. The Nordic countries are not included since wages are determined through national collective bargaining agreements.

⁸ Orkla's CEO started in the position on 11 April 2022. For calculation of the ratio, the CEO compensation for 2022 has been adjusted to reflect a full-year basis.

Training and education

Indicator references	Indicators	Unit	2022	2021	2020
GRI 404-1 WEF People	Average hours of organised training per employee				
	– Total ⁹	Hours	7.1	9.6	8.6
	– Women ¹⁰	Share	58.2	53.1	
	– Men ⁹	Share	41.8		
WEF People	Average training cost per employee	NOK	1,040	750	-
GRI 412-2	Employee training on human rights issues ¹¹				
	– Total number of hours of training	Hours	28,229	22,653	23,427
	– Share of employees who have received training during the year (unique individuals not registered)	%	94	77	81
GRI 404-3	Share of employees covered by procedures for regular performance appraisal				
	– Total	%	70	60	59
	– Managers	%	93	88	93
	– Administrative employees	%	90	83	80
	– Sales personnel	%	91	95	79
	– Employees within production, maintenance, and warehouse	%	56	46	40

9 Includes both centrally organised training and training organised by business units.

10 Includes centrally organised training only.

11 Training on human rights and important sub-topics, including occupational health and safety and diversity, equity and inclusion.

Integrity

Indicator references	Indicators	Unit	2022	2021	2020
GRI 205-2	Anti-corruption training				
	– Number of employees trained during the year	Number	11,163	3,830	1,733
	– Share of employees trained during the year	%	54.3	17.9	9.6
GRI 205-3	Formal complaints and cases related to breaches of anti-corruption regulation	Number	0	0	0
GRI 206-1	Formal complaints and cases related to breaches of competition law	Number	0	0	1
GRI 417-2	Formal complaints and matters related to product labelling laws and regulations	Number	2	2	0
GRI 417-3	Formal complaints and matters related to marketing laws and regulations	Number	6	4	3
GRI 418-1	Formal complaints and cases related to breaches of privacy regulation (GDPR)	Number	0	0	0
	Non-compliance with laws and regulations in the social and economic area				
GRI 419-1, WEF Governance	– Value of significant fines ¹	NOK million	0.4	0.4	0
	– Costs related to legal processes	NOK million	0.2	0.5	-
	– Number of non-monetary sanctions	Number	5	5	0
	– Number of cases brought through dispute resolution mechanisms	Number	9	4	4
GRI 2-27	Material fines and sanctions for non-compliance with environmental laws and/or regulations ¹	Number	2	0	1
	Material fines for non-compliance with environmental laws/and or regulations ¹	NOK million	0.4		0.1
GRI 102-17, WEF Governance	Number of notification cases related to potential breaches of legal requirements or Orkla's ethical guidelines ²	Number	42	44	47

¹ We define material fines as having a value above NOK 100,000.

² Cases reported through Orkla's central whistleblowing system.


Occupational health and safety

Indicator references	Indicators	Unit	2022	2021	2020
	Sickness absence ¹				
GRI 403-10	– Sickness absence, total	%	4.9	4.4	4.6
	– Sickness absence, Norway	%	6.1	5.4	5.0
	– Sickness absence, Nordics (excl. Norway) and Baltics	%	5.2	4.9	4.1
	– Sickness absence, rest of world	%	4.2	3.8	4.9
	Injuries		-		
GRI 403-9	– Lost Workday Rate ² (LDWR), total		3.8	3.8	3.8
	– Lost Workday Rate ² , Norway		4.0	1.5	3.1
	– Lost Workday Rate ² , Nordics (excl. Norway) and Baltics		5.2	6.2	5.4
	– Lost Workday Rate ² , rest of world		2.8	2.8	2.6
	– Total Recordable Rate ³ , total		5.9	8.3	7.5
	– Total Recordable Rate ³ , Norway		6.3	5.0	7.0
	– Total Recordable Rate ³ , Nordics, (excl. Norway and Baltics)		8.9	15.0	12.6
	– Total Recordable Rate ³ , rest of world		3.5	4.5	3.3
	– Work-related fatalities		0	0	0
GRI 403-8	Share of employees covered by the Orkla Environment, Health and Safety policy	%	100	100	100

1 Figures for contracted workers are not reported due to lack of data.

2 Number of injuries leading to absence per million hours worked.

3 Number of injuries leading to absence, need for medical treatment or restricted work per million hours worked.



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INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT

To the board of directors in Orkla ASA

Scope

We have been engaged by Orkla ASA to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Orkla ASA's climate and environmental reporting as defined in Orkla ASA's GRI Index (publicly available on <https://www.orkla.com/reporting-and-results/>) (the "Subject Matter") as of 31 December 2022 and for the period from 1 January to 31 December 2022.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the sustainability report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Orkla ASA

In preparing the Subject Matter, Orkla ASA applied the relevant criteria from the Global Reporting Initiative (GRI) sustainability reporting standards (the "Criteria"). The Criteria can be accessed at [globalreporting.org](https://www.globalreporting.org) and are available to the public. Such Criteria were specifically designed for companies and other organizations that want to report their sustainability impacts in a consistent and credible way. As a result, the Subject Matter information may not be suitable for another purpose.

Orkla ASA's responsibilities

The Board of Directors and Group Chief Executive Officer (management) are responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.


We conducted our engagement in accordance with the International Standard for Assurance Engagements *Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000'). This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of

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Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies *International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:


- Review of Orkla ASA's process for preparation and presentation of the sustainability report to develop an understanding of how the reporting is conducted within the company
- Interviewed those in charge of sustainability reporting to develop an understanding of the process for the preparation of the sustainability reporting
- Verified on a sample basis the information in the sustainability reporting against source data and other information prepared those in charge
- Assessed the overall presentation of sustainability reporting against the criteria in the GRI Standards including a review of the consistency of information against the following GRI standards;
 - EY has provided limited assurance on the following GRI-indicators: 302-1, 302-3, 303-1, 303-2, 303-3, 303-4, 305-1, 305-2, 305-3, 305-4, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4 and 306-5.
 - EY does not provide attestation on GRI 3 for any of the above standards.

We believe that our procedures provide us with an adequate basis for our conclusion. We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 31 December 2022 and for the period from 1 January 2022 to 31 December 2022 in order for it to be in accordance with the Criteria.

Independent accountant's assurance report - [Orkla ASA] [2023]
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Oslo, 14 March 2023
ERNST & YOUNG AS

Petter Frode Larsen
State Authorised Public Accountant

(This translation from Norwegian has been made for information purposes only.)

Independent accountant's assurance report - [Orkla ASA] [2023]
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