

Animal welfare in Orkla

Orkla has a wide range of products that include ingredients or components that derive from animals, such as dairy ingredients, beef and pork meat, poultry, egg and wool. As a leading food producer we want to make a difference by safeguarding animal welfare in our value chain. During 2018 we developed an Animal Welfare Policy which covers the animal welfare before, during and after the productive life of the animals. Our methods for monitoring and improving animal welfare standards throughout our global value chains are based on the Five Animal Freedoms, as defined by the World Organization for Animal Health: freedom from hunger and thirst, freedom from discomfort, freedom from pain, injury or disease, freedom to express normal behaviour and freedom from fear and (chronic) distress. The purpose of Orkla's Animal Welfare Policy is to increase awareness, guide our suppliers and contribute to responsible business practices. We aim to purchase all animal-derived raw materials and products according to this policy by 2025.

Orkla's 2025 targets

The Animal Welfare Policy is applicable for all animal derived raw materials purchased and across Orkla's sourcing geographies. In addition, we have developed detailed animal welfare requirements tailored to the demands of each type of raw materials (PCR = Product Category Requirements) for the largest sourcing groups, including Beef, Pork, Dairy and Egg. A policy for broiler chickens is currently under development. The aim of the PCR documents is to better define our focal areas of animal welfare for each category or specie. The demands in the PCRs are categorized in three levels:

- 1) **Mandatory Requirement:** Non-compliance with these requirements is unacceptable to Orkla
- 2) **Must:** Practice is mandatory, unless there are exceptional circumstances. Any non-compliance must be temporary and addressed through an action plan agreed with Orkla. These requirements will be mandatory by latest 2025.
- 3) **Should:** Strongly advice. These requirements will be mandatory by latest 2025.

In the respective PCR document we have defined our targets for 2025 for each sourcing category. These include:

- **Cattle (dairy & beef):** No surgical operations such as castration, dehorning, disbudding without anaesthesia, elimination of tail docking, no permanent confinement through demands on outdoor time
- **Pigs (pork):** Elimination of tail docking, no surgical operations without usage of anaesthesia and analgesics, use of farrowing crates for sows
- **Laying hens (egg):** Cage-free production for own brands, elimination of beak trimming, environment enrichment through litter scratching and dustbathing and pecking objects such as roughage, whole grains etc
- **Poultry:** requirements are under elaboration. Our ambition is to include demands on stocking density, breeds, air quality, environmental enrichment, humane stunning, beak trimming, antibiotics usage and feed without deforestation and third party control. The criteria under the European initiative European Chicken Commitment is being evaluated as a part of this. The demands will be formalized in a Product Category Requirement document that we endeavour to publish during 2021.
- **Sheep:** No molesting of Merino wool sheep

General targets include:

- **Antibiotics:** The use of antibiotics should be limited to therapeutic use and not be used for preventive or growth-promoting purposes.
- **Transport:** The amount of time animals spend on a journey should be kept to the minimum, and must not exceed 8 hours.
- **Pre-slaughter stunning:** All animals must be stunned and assured unconscious before slaughter

For a full list of requirements please see the [Animal Welfare Policy](#) and the Product Category Requirements.

Orkla internal processes to ensure farm animal welfare policies

The overall policy and ambition responsibility for animal welfare at Orkla is allocated with Orkla Group Procurement. In addition, working groups consisting of sustainability, quality and procurement personnel are being established on main sourcing markets to discuss implementation of policies, engage in dialogue with suppliers, governmental institutions and NGOs.

Information about Orkla's Animal Welfare Policy and category requirements has been sent out to relevant purchasers within the Business Units. The distribution of information and documents will be followed up by training sessions in the beginning of 2021.

Monitoring and implementation

As the Orkla Animal Welfare Policy and Product Category Requirements (PCRs) are distributed to suppliers, different methods to ensure compliance are used:

- **Suppliers:** We are gathering information via our suppliers, notably slaughterhouses, dairies and egg processors, about how they follow-up on farmers to perform in line with our policies and targets. This also includes the supplier's application of independent 3rd party audits both at farms and at slaughterhouses.
- **Certifications:** We consider third-party certifications and control systems as an assurance that our policies and targets are fulfilled. Examples of standards that are being used are the KSL in Norway and Sigill in Sweden.
- **Legislation:** We are benchmarking national legislations against our policies and targets and as legislation is followed-up by authorities, national laws together with supplier assurance (including 3rd party audits) and independent certifications, can be used as evidence that our policies are followed.

Stakeholder engagement

We are seeking to actively engage with others, such as industry associations, public institutions, NGOs and other relevant stakeholders, to build our own knowledge, share learnings, collaborate on specific improvement projects and more generally, promote best animal welfare practices. As an example we are members of the SAI Platform and therewithin the SDP (Sustainable Dairy Partnership).

We have also engaged in dialogue with both independent expert organizations (veterinaries) and several animal rights organizations seeking input about relevant animal welfare topics to work on going forward.

DAIRY

Dairy is an important raw material for Orkla and the Orkla Product Category Requirement on dairy addresses important animal welfare aspects including tail docking, usage of anaesthesia and analgesics for painful operations such as disbudding and dehorning and confinement. A large part of Orkla's dairy raw materials are sourced in the Nordic countries where animal welfare laws are strict and does not allow permanent confinement (i.e. in both Norway and Sweden grazing during summer season is enforced by law).

The below table summarize practice on selected animal welfare topics for the volumes purchased during 2019. All dairy raw materials purchased are included in the below overview including product groups such as milk, butter, cheese, cream, skimmed milk powder, whole milk powder etc. Only suppliers where we have been able to verify compliance are reported in this report, i.e. for some part of the sourced volumes we have not yet assessed the suppliers, and therefore the actual share of compliant suppliers is likely higher. We endeavour to finalize the mapping of practice for all Orkla's suppliers during autumn 2020 / spring 2021. Compliance to the criteria is either supported by laws, certifications, or by supplier assurance.

Topic	% Compliant
Supply of Dairy products from cows free from tail docking	67,7%
Supply of Dairy products with access to outdoor access* **	58,9%
Supply of Dairy products where anaesthesia and analgesics have been used for disbudding / dehorning	66%

*The largest part in this group have access to grazing.

**In case a supplier has indicated that a part of their herd is allowed to graze but that it is not possible to say whether the exact volumes that Orkla is buying is from that part of the herd, we have assumed that we get the similar proportion of supply from animals that have been able to graze as indicated from the supplier. Example: Supplier X indicates 80% of their cattle are allowed to graze during summers, then we have assumed that 80% of Orkla's supply from that supplier is from cattle that has been out grazing during the summer.

BEEF

Orkla sources beef meat for the production of meat balls, hamburgers, pizzas and other ready meals. Orkla requires pre-slaughter stunning on 100% of the animal products sourced and we are committed to eliminating painful surgeries without anaesthesia and permanent confinement. A large part of the raw material is sourced from the Nordic countries (e.g. Sweden and Norway) where strict laws apply with regards to anaesthesia and analgesics prior to surgical operations such as disbudding, dehorning and castration. Also, grazing during summer season is regulated by governmental laws in the above-mentioned countries.

The below table summarizes practice on selected animal welfare topics for the volumes purchased during 2019. All beef materials sourced are included, which includes beef trimmings, processed beef meat products, beef fat etc. Only suppliers where we have been able to verify compliance are reported in this report, i.e. for some part of the sourced volumes we have not yet assessed the suppliers, therefore the actual share of compliant suppliers is likely higher. We endeavour to finalize the mapping of all Orkla's suppliers during autumn 2020 / spring 2021. Compliance to the criteria is either supported by laws, certifications, or by supplier assurance.

Topic	% Compliant
Supply from cattle free from tail docking	71,4%
Supply from cattle with outdoor access* **	53%
Supply from cattle where anaesthesia have been used for disbudding / dehorning and castration	62%

*The largest part in this group have access to grazing.

**In case a supplier has indicated that a part of their herd is allowed to graze but that it is not possible to say whether the exact volumes that Orkla is buying is from that part of the herd, we have assumed that we get the similar proportion of supply from animals that have been able to graze as indicated from the supplier. Example: Supplier X indicates 80% of their cattle are allowed to graze during summers, then we have assumed that 80% of Orkla's supply from that supplier is from cattle that has been out grazing during the summer.

GOAT AND MUTTON

Goat and mutton is a smaller sourcing group for Orkla but as most of the volumes are purchased from Nordic countries the animals have been allowed grazing which is regulated by law.

Topic	% Compliant
Supply from goat / mutton that has been allowed to graze	93%

PORK

Orkla sources pork as ingredients for ready meals, pizza, liver pate etc. Orkla requires pre-slaughter stunning on 100% of the animal products sourced and we are committed to avoid painful operations and confinement for the animals. Accordingly, we have included criteria on sow stalls, tail docking and castration without anaesthesia in our PCR (Product Category Requirement).

The below table summarizes practice on selected animal welfare topics for the volumes purchased during 2019. All pork materials sourced are included in the reporting including trimmings, liver, ham, bacon etc. Only suppliers where we have been able to verify compliance are reported in this report, i.e. for some part of the sourced volumes we have not yet assessed the suppliers, therefore the actual share of compliant suppliers could be higher. We endeavour to finalize the mapping of all Orkla's suppliers during autumn 2020 / spring 2021. Compliance to the criteria is either supported by laws, certifications, or by supplier assurance.

Topic	% Compliant
Supply from pigs free from tail docking	24,6%
Supply from sow free stalls*	24,6%

*This requirement is regarded as fulfilled only if the sows and gilts can move freely in the barn throughout all their lives, i.e. also in the period before and during farrowing and in the period after insemination with a boar. This means that adherence to the EU Directive 98/58/EC which stipulates that the sows and gilts should only be kept in sow stalls during a period starting from 4 weeks after the service to 1 week before the expected time of farrowing is not considered as compliant. In case the EU regulations would be considered as compliant with the demand of sow free stalls the corresponding figure of volume compliant with this demand is 82,7%.

EGG

Orkla buys eggs in many formats – both as liquid solids, egg powder and shell eggs. In 2020 Orkla adopted a cage-free policy for all eggs going into own production, which means that we are committing not to buy eggs from cage production by 2025 for Orkla branded products. The fact that already 74% of the volume of eggs used for the production of Orkla brands is from cage-free hens shows that this is a topic that the various Orkla companies have already worked on since some time back. Apart from confinement, Orkla has made a statement on beak trimming together with feather pecking measures and on enriched environment for the laying hens including litter to allow pecking and scratching and perching space.

The below table summarize practice on selected animal welfare topics for the volumes purchased during 2019. All egg materials sourced are included in the reporting including liquid solids, egg powder and shell eggs etc. Only suppliers where we have been able to verify compliance are reported in this report, i.e. for some part of the sourced volumes we have not yet assessed the suppliers, therefore the actual share of compliant suppliers might be higher. We endeavour to finalize the mapping of all Orkla's suppliers during autumn 2020 / spring 2021. Compliance to the criteria is either supported by laws, certifications, or by supplier assurance.

Topic	% Compliant
Eggs from cage-free hens (i.e. living either in free range indoor or outdoor systems) for production of Orkla brands	74%
Not beak trimmed	49,3%
Enriched environment (i.e. litter for pecking and scratching and perching space)*	88,3%

*Many of our suppliers have demands on farmers above that and also use litter appropriate to dustbathing and pecking objects such as roughage, whole grains etc