

# ORKLA'S SUSTAINABILITY WORK – MANAGEMENT APPROACH

This document describes Orkla's management procedures for efforts to address the sustainability topics defined as material and important for the Group. The structure and content of the document are based on the guidelines for reporting on management approach in the standard GRI 103: Management Approach.

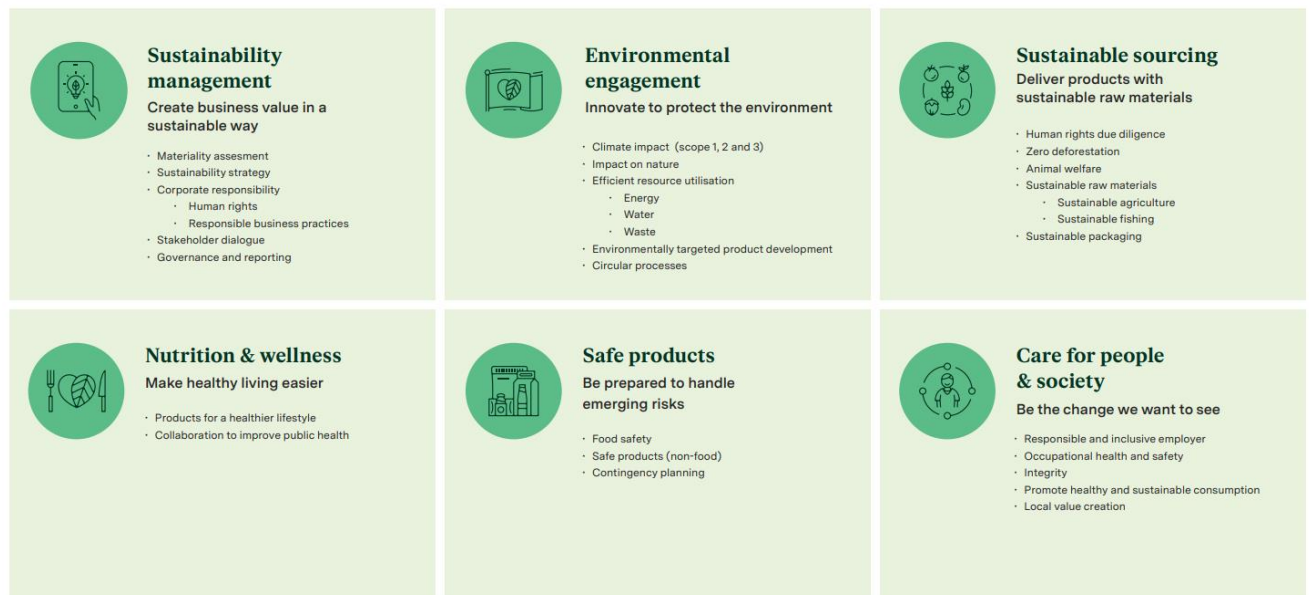
## Materiality

The choice of topics covered by Orkla's sustainability reporting is based on a dual materiality assessment, i.e., an assessment of the impacts of Orkla's products and operations on people, environment and society as well as an analysis of sustainability-related commercial risks and business opportunities for Orkla. The assessment is based on a review of consumer surveys, analyst reports and information available online, in addition to input received through regular dialogue with the retail trade, investors, consumers, authorities and our own employees. The latest version of the materiality assessment was prepared in 2021 by Orkla's central sustainability team with the assistance of the audit and consulting firm EY

Orkla's sustainability report covers all the topics identified as important and material, but greatest importance is attached to the material topics. An overview of the indicators covered may be found at [Sustainability – Orkla.com](https://www.orkla.com/sustainability).

### Material sustainability topics

Figure 2



## Aspect boundaries

The table below shows which topics Orkla identifies as important or material and which parts of the value chain are considered to be relevant for Orkla's reporting. A more detailed description of why each topic is important or material for Orkla, where the impact occurs and Orkla's involvement is included in the description of management approach.

| <b>Main topic</b>                    | <b>Material sub-topics</b>                   | <b>Related GRI topics</b>                                      | <b>Topic boundary</b>         |
|--------------------------------------|--|--|-------------------------------|
| <b>Nutrition &amp; Wellness</b>      | Healthy Lifestyle Products                   | Self-defined   | Own operations                |
|                                      | Collaboration to Improve Public Health       | Self-defined   | Entire value chain            |
| <b>Safe Products</b>                 | Food Safety (Material)                       | GRI 416: Customer Health and Safety 2016                       | Entire value chain            |
|                                      |  | Self-defined   | Own operations, supply chain  |
|                                      | Safe Non-food Products                       | GRI 416: Customer Health and Safety 2016                       | Entire value chain            |
|                                      | Contingency for New Safety Risk Issues       | Self-defined   | Entire value chain            |
| <b>Sustainable Sourcing</b>          | Sustainable Raw Materials                    | GRI 204: Procurement Practices 2016                            | Supply chain                  |
|                                      | Sustainable agriculture                      | GRI 308: Supplier Environmental Assessment 2016                | Supply chain                  |
|                                      | Sustainable fishing                          | GRI 414: Supplier Social Assessment 2016                       | Supply chain                  |
|                                      | Sustainable Packaging                        | GRI 301: Materials 2016  | Entire value chain            |
|                                      |  | Self-defined   | Entire value chain            |
|                                      | Animal Welfare                               | Self-defined   | Supply chain                  |
|                                      | Human rights due diligence                   | GRI 414: Supplier Social Assessment 2016                       | Supply chain                  |
|                                      | Zero deforestation                           | Self-defined   | Supply chain                  |
| <b>Environmental Engagement</b>      |  | GRI 307: Environmental Compliance 2016                         | Own operations                |
|                                      | Climate Impact                               | GRI 201: Economic Performance 2016                             | Own operations                |
|                                      |  | GRI 305: Emissions 2016  | Own operations, raw materials |
|                                      | Environmentally targeted product development | Self-defined   | Entire value chain            |
|                                      | Efficient Resource Utilisation               | GRI 302: Energy 2016   | Own operations                |
|                                      | Energy                                       | GRI 103: Management Approach 2016                              | Own operations                |
|                                      | Water  | GRI 303: Water and Effluents 2018                              | Own operations                |
|                                      | Waste  | Self-defined   | Own operations                |
|                                      |  | GRI 103: Management Approach 2016                              | Own operations                |
|                                      |  | GRI 306: Effluents and Waste 2016                              | Own operations                |
|                                      | Impact on nature                             | -  |                               |
|                                      | Circular processes                           | -  |                               |
| <b>Care for People &amp; Society</b> | Responsible and inclusive employer           | GRI 201: Economic Performance 2016                             | Own operations                |
|                                      |  | GRI 202: Market Presence 2016                                  | Own operations                |
|                                      |  | GRI 401: Employment 2016                                       | Own operations                |
|                                      |  | GRI 402: Labour/Management Relations 2016                      | Own operations                |
|                                      |  | GRI 404: Training and Education 2016                           | Own operations                |
|                                      |  | GRI 405: Diversity and Equal Opportunity 2016                  | Own operations                |
|                                      |  | GRI 406: Non-Discrimination 2016                               | Own operations                |
|                                      |  | GRI 407: Freedom of Association and Collective Bargaining 2016 | Own operations                |
|                                      |  | GRI 408: Child Labour 2016                                     | Own operations, supply chain  |
|                                      |  | GRI 409: Forced or Compulsory Labour 2016                      | Own operations, supply chain  |
|                                      |  | GRI 412: Human Rights Assessment 2016                          | Own operations                |
|                                      | Occupational Health and Safety               | GRI 403: Occupational Health and Safety 2016                   | Own operations                |
|                                      | Integrity                                    | GRI 205: Anti-Corruption 2016                                  | Own operations                |

|   |  |                           |
|---|--|---------------------------|
|   | GRI 206: Anti-Competitive Behaviour 2016 | Own operations            |
|   | GRI 418: Customer Privacy 2016           | Own operations            |
|   | GRI 419: Socioeconomic Compliance 2016   | Own operations            |
| Stakeholder Dialogue                        | GRI 415: Public Policy 2016              | Own operations, community |
| Local value creation                        | GRI 201: Economic Performance 2016       | Own operations, community |
|   | GRI 203: Indirect Economic Impacts 2016  | Own operations, community |
|   | GRI 413: Local Communities 2016          | Own operations, community |
|   | GRI 207: Tax 2019                        | Own operations, community |
| Promote Healthy and Sustainable Consumption | GRI 417: Marketing and Labelling 2016    | Own operations, community |

## Management approach

### *Stakeholder dialogue*

Pursuing a dialogue with stakeholders is essential to understanding the perspectives and needs of the different stakeholder groups and obtaining input for the development of our business. Dialogue and collaboration with other companies, organisations, expert communities, and public authorities are also crucial to achieving the global sustainable development goals. Various types of multi-party cooperation contribute to new expertise, strengthen delivery of results, and promote improvements in established industry practices. Orkla participates in a wide range of networks, organisations and collaborative projects in order to increase our own knowledge, gain access to useful tools and solve complex challenges in cooperation with others.

Orkla's primary stakeholders are our employees, customers and consumers, investors, government authorities, local communities, organizations and suppliers. Dialogues are conducted through meetings and other forms of direct communication, consumer and customer surveys, and participation in networks and industry organisations and joint projects. Our Investor Relations team frequently receives questions from analysts and investors about environmental, social and business ethical issues.

At both central Orkla and company level, we pursue an active dialogue with various stakeholder groups so as to understand their concerns, discuss important topics that affect our business and be able to adapt to changes in society. We consider it important to adopt a common approach to stakeholder dialogue in all our main markets and have drawn up general guidelines that must be followed by all the companies. Responsibility for maintaining a good dialogue with local stakeholders lies with the management of each company. We have also established an internal communications network headed by Orkla's central communications function, which supports the companies' work on communications, contact with authorities and other areas of stakeholder dialogue.

Orkla follows up on the issues raised and results of the companies' stakeholder dialogue through Orkla's communications network, sustainability network and the annual sustainability reporting. In Norway, Sweden and Denmark, Orkla has established internal sustainability networks in which the various Orkla companies collaborate on issues of common interest.

Orkla's approach to stakeholder dialogue is evaluated by the corporate communication and sustainability team as part of strategy reviews and materiality assessments.

## **Nutrition and wellness**

### *Healthy lifestyle products*

Over the past decades there has been a significant increase in lifestyle-related diseases in many countries as a result of an unhealthy diet and insufficient physical activity. The UN Intergovernmental Panel on Climate Change estimates that we need to halve meat consumption worldwide to reach the climate targets set out in the Paris agreement. It is widely acknowledged that global health challenges represent an issue that must be addressed jointly by the food industry, retail sector, expert communities and public authorities. At the same time, the strong focus on the link between diet, lifestyle and health over a period of many years has spurred greater interest in healthy food in many of the markets in which Orkla operates and contributed to positive changes in consumers' eating habits and taste preferences. The shift towards increased consumption of healthier products is reinforced by the demand from numerous grocery chains and other professional customers for plant-based products and products that offer nutritional benefits. As a major supplier of food products, Orkla has a responsibility for encouraging the population to adopt a healthier diet. The shift to healthier diets also offers the Orkla companies' opportunities for innovation.

Orkla helps to promote better public health by developing healthier varieties of foods and products that are part of consumers' daily diet. Relatively small reductions in the content of salt and sugar over many years have proven to be effective. Many of Orkla's product launches in the past few years have had favourable nutritional and health aspects, and we expect that future growth will increasingly come from this type of products. The Nordic Keyhole labelling system is used on many Orkla products, and represents an increasing share of Orkla revenues. Keyhole labelling denotes healthier products, and is used in Sweden, Norway, Denmark and Lithuania in particular.

Orkla's products for a healthy lifestyle include better-for-you options in the snacks, snack meals and biscuits categories, plant-based food and drink and innovative products and services customised for special health needs.

The development of products and services for a healthy lifestyle is done by the individual companies, but the Group has set common, long-term goals that all the companies must strive to achieve, and they are requested to develop long-term plans as part of the strategy process. The goals are linked to growth in consumption of products for a healthier lifestyle and reduction of salt and added sugar. The aim of this approach is to ensure high awareness of this topic and good strategic management across Orkla's business areas. The companies share health-related research and key insights and collaborate to exploit opportunities for health-related innovation across companies and geographical markets.

The Orkla companies' product development and innovation work is based on local needs and taste preferences. Through research projects and close collaboration with external centres of expertise, the companies acquire new knowledge of health and diet. Orkla has internal guidelines for nutritional labelling that apply to all the food companies in the Group. In some areas, we have chosen to exceed mandatory food labelling requirements. Information on nutrition and health and products' nutritional content is available on company websites. The Orkla companies also have consumer service staffs who respond to consumer product inquiries and other questions. The consumer service functions deal with product complaints and other grievances, involving other relevant functions in the companies as necessary.

The relevant business area management teams monitor company performance in this area through business reviews and regular dialogue. Key results are reported annually to Orkla's Group Executive Board and Board of Directors, as well as through Orkla's external sustainability report. Orkla's general goals and strategy in this area are evaluated and updated at regular intervals. Responsibility for the reporting lies with Orkla's central sustainability team.

#### *Collaboration to improve public health*

The global health challenges are complex and call for collaboration and dialogue between the food industry, the retail sector, expert communities and the public authorities. Orkla is committed to being a part of the solution, and works closely with the authorities, specialists and other players in the food industry in several of the countries in which we have a presence. Besides having a positive societal effect, this work also helps to ensure predictable operating parameters and keeps Orkla's product portfolio competitive.

Orkla partners with the food industry and government health authorities on making grocery products healthier. In Norway, Orkla committed in 2016 to the agreement of intent to promote healthier food, which is a joint initiative between Norwegian authorities and the industry. A key element of this collaboration is the Salt Partnership, the goal of which is to reduce the proportion of salt in food products and foods served in restaurants and canteens. As part of the agreement of intent to promote healthier food, Orkla has committed to specific targets for reducing salt, sugar and saturated fat.

In Sweden, Orkla works closely with the authorities, the food industry, the RISE Research Institute of Sweden and other companies to find new, innovative ways of reducing salt in various food categories. In 2020 the Swedish Food Agency was tasked by the Swedish government with creating a favourable climate for reaching agreement in the food industry on reducing salt and sugar in food products. Orkla Foods Sverige contributes to the Agency's work by taking part in a project aimed at reducing the salt content of vegetarian products

. In Lithuania, Orkla works to reduce salt and sugar to achieve targets set in an agreement between the industry and the Lithuanian Ministry of Health. In Denmark, Orkla is a member of the Danish Whole Grain Partnership, a public-private initiative aimed at increasing consumption of whole grain products. Moreover, 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.

One focal sustainability area with a long-term perspective is finding new and innovative ways of using seaweed. Orkla Ocean AS was established in 2021, which has cutting edge expertise on developing and commercialising seaweed for the European market, and which backs up our other companies in their innovation work. Orkla Ocean collaborates closely with and is co-owner of Arctic Seaweed, which cultivates seaweed. The company also works closely with the top research communities in Norway and the Nordic countries.

Responsibility for dialogue and collaboration on promoting better consumer health lies with the individual company, but Orkla's centrally headed communications network plays an important supportive and executive role. The purpose of Orkla's approach in this area is to build internal awareness and promote good management, while adapting efforts to local needs. The progress made in fostering dialogue and cooperation is reported to Orkla's

Group Executive Board and Board of Directors through the annual sustainability reporting process. Responsibility for the reporting lies with Orkla's central sustainability team.

## **Safe products**

Orkla is a leading branded consumer goods company with operations in close to 30 countries, and the Group's many local branded products are purchased regularly by consumers in these countries. This entails a major responsibility for ensuring that the products are always safe to use, in addition to which the potential negative business consequences of inadequate control of food safety and product quality are material. Efforts to ensure food and product safety encompass the entire value chain, i.e. from raw material production and supplier monitoring via Orkla's own manufacturing operations up to the distribution and consumption stage.

Questions and complaints concerning the companies' products are dealt with by each company's consumer service functions. Inquiries regarding non-conformances that could entail a consumer health and safety risk are reported immediately to the management of the company concerned, which in such cases establishes a contingency response team in line with Orkla's common guidelines for dealing with contingencies. All contingency cases shall be reported to Orkla's contingency team, and the central food safety team is involved in issue management and follow-up.

### *Food safety*

The majority of Orkla's operations revolve around food products. Given the multitude of raw materials, production sites and suppliers involved, the risk picture is complex. Consequently, Orkla's common standards and systems for ensuring safe food production, safe raw materials and safe packaging are crucial to ensuring good, cost-effective control of risk at every stage of the value chain. Regardless of the country in which we manufacture or sell our products, we apply the same stringent requirements when it comes to food safety, and when we acquire new companies, we make it a priority to ensure the rapid implementation of Orkla's standards, thereby providing a sound basis for a strong food safety culture.

The Orkla Food Safety Standard forms the foundation for food safety work at Orkla, and ensures high, uniform standards of quality at all the Group's factories. The standard is based on the internationally recognised food safety standard issued by the British Retail Consortium (BRC) and covers all the risk factors that are particularly relevant for the companies' food production. All the food products launched by Orkla have undergone a thorough risk assessment as part of the development process, which enables us to identify and control potential health hazards associated with packaging, ingredients and use. We have introduced a special standard for Orkla's sales and distribution companies, which are monitored through audits performed by Orkla's food safety team. In addition, all suppliers are required to comply with the Group's strict guidelines for safe raw material production. By applying a common system for approving and monitoring suppliers, Orkla ensures that the companies have the necessary tools and guidelines to be able to assess risk factors and to approve and follow up on suppliers of raw materials, packaging and finished goods manufactured under contract. Due to our focus on supplier monitoring by means of self-assessment forms and audits by Orkla's audit team, suppliers are highly aware of the importance of good food safety standards.

All companies are audited on a regular basis to ensure that all requirements in the standards are met and that any required improvements are carried out. As a consequence of the COVID-19 pandemic plaguing 2020 and 2021, digital audits have been developed allowing

audits to continue taking place without auditors having to physically visit the relevant factories and warehouses. Additionally, digital courses have also been developed to prevent participants from physically meeting

The management of each company is responsible for ensuring compliance with the requirements in the Orkla Food Safety Standard. Orkla's central food safety team is responsible for the content of the standard, providing internal guidelines and tools, upgrading skills and overseeing Orkla's team of food safety auditors. The purpose of Orkla's approach is to ensure a high level of expertise, effective risk management and uniform practices. The progress made in the food safety work is reported each quarter to the business areas' management and annually to Orkla's Group Executive Board and Board of Directors, while serious incidents are reported immediately to management at all levels. The Orkla Food Safety Standard is revised regularly, latest in January 2019, and all changes are reviewed by the Group Executive Board.

#### *Safe products (non-food)*

Orkla's non-food business is considerably smaller than its food business, and for Orkla as a whole this topic is therefore deemed to be important, and not material. For the individual company, however, ensuring safe products is just as important as for the food companies. Just as in the manufacturing of food products, the non-food companies within Orkla Care and Orkla Consumer and Financial Investments comply with stringent product safety guidelines in every part of the value chain. Each company is responsible for establishing systems and procedures for quality management and product safety, and many of the production facilities are externally certified under ISO 9001 and ISO 14001.

All our companies consider product safety to be a part of their innovation process. Efforts are based on the precautionary principle, and the companies work methodically to identify risk factors and carry out improvement activities. The companies track relevant external research so as to stay up-to-date on potential health risks, and systematically replace ingredients that could have a negative impact on health and the environment. The purpose of Orkla's approach is to ensure good risk management adapted to each company's product portfolio. This work is followed up and evaluated regularly by the companies' management teams. Key achievements are reported to Orkla's central sustainability team as part of the annual sustainability reporting.

#### *Contingency for new safety risk issues*

In the past few years, fraud related to the quality of raw materials has emerged as a significant risk. Such risk may be linked to the composition and content of the raw materials, their origin or special quality standards. The risk of food fraud is mapped within the companies and measures are implemented where the risk is considered high. The risk assessment and actions taken are reviewed in the internal audits which are carried out in accordance with the Orkla Food Safety Standard.

Another important area is the danger of sabotage against raw materials and finished goods. The current version of the Orkla Food Safety Standard contains stricter requirements for mapping hazards within the entire value chain. In the same way as for food fraud, measures are implemented where the danger is considered high.

At the same time, other changes are taking place in the risk picture related to food and product safety, in part as a consequence of climate change and international trade. More and more consumers want to know who is behind the food and products they buy, what they contain and where they are manufactured. This means that there is growing demand for

transparency and traceability throughout the value chain, while the risk picture is increasingly complex. Good contingency preparedness for dealing with new risks is therefore a material topic that affects the entire value chain, from raw material production to the consumption stage.

To be able to respond to new risks effectively, it is important to have a strong quality culture and procedures for systematic improvement. There is also a need for expertise to be able to identify and handle new risks in the value chain at an early stage. Every year, Orkla provides extensive training in the Orkla Food Safety Standard and in important areas such as hazard analysis and critical control points under the HACCP system, allergen management, supplier audits, root cause analysis and internal audits. This training is largely provided by internal staff members, as well as external specialists from Campden BRI, which is considered to play a leading role in research and applied solutions for the food manufacturing industry.

Orkla has adopted a common contingency preparedness plan for all the companies in the Group to ensure that unforeseen and undesirable incidents are dealt with swiftly and effectively, and we continuously track developments in contingencies. Orkla's central corporate communications department and food safety department carry out contingency exercises for selected management teams at business unit level with emphasis on a good understanding of contingency preparedness, management of contingency situations and media training. Each factory also holds annual drills.

Orkla's food safety team is involved in the due diligence phase of the Group's acquisition projects in order to identify risk at an early stage. The team is also involved in major structural projects involving new buildings and large-scale factory conversions to ensure compliance with OFSS requirements.

The work of ensuring preparedness for new risks is evaluated regularly in connection with strategy formulation, revisions of the Orkla Food Safety Standard and as part of the annual assessment of risk issues for the Group.



## **Sustainable sourcing**

Globally, all companies are expected to establish due diligence procedures to avoid causing or becoming involved in breaches of human rights or environmental laws and regulations, or undesirable practices<sup>1</sup>. Orkla's food production makes the company one of the biggest purchasers of food raw materials in the Nordic region. We work with over 25 000 direct suppliers, meaning our operations have a massive impact on the many workers throughout the supply chain. Moreover, responsible production operations throughout Orkla's value chain is an increasingly important topic to consumers, customers, investors and other stakeholders. Orkla's work to ensure that our purchased materials are sustainably produced is therefore considered material and is motivated both by our responsibility as a leading consumer goods company and by the global need to address sustainability challenges in the supply chain. We act on this responsibility through efforts to promote sustainable agriculture, fishing, packaging and other material production methods that are essential to limiting global greenhouse gas emissions and achieving sustainable resource use. We recognize that promoting sustainable raw material and packaging production is key to offering sustainable products and succeeding in the market.

Orkla has a long-term goal of all the materials we buy being sustainably produced without causing deforestation or other undesirable impacts. The Science Based Targets Initiative has validated our climate targets in line with the 1.5°C limit, this includes scope 3 targets focusing on our supply chain. Responsibility for ensuring sustainable sourcing lies with Orkla's central procurement department and the Group companies. All the companies must contribute to achieving Orkla's general goals in this area and are developing long-term plans as part of the strategy process.

Orkla has responsible sourcing procedures designed to ensure that production at every stage of the value chain is carried out in line with internationally recognised standards for human rights, working conditions, environment and anti-corruption. We require our suppliers to comply with Orkla's Supplier Code of Conduct and monitor the compliance of their sub-contractors. The Supplier Code of Conduct is based on the Universal Declaration of Human Rights, the ETI Base code, and UN Global Compact's 10 principles for sustainable development, and among others cover important topics such as freedom of association, collective bargaining, child labour and forced labour.

The purpose of Orkla's approach to sustainable sourcing is to create awareness and good management procedures in all the companies, while also ensuring that the work is efficiently carried out. The progress made in the Group's work relating to sustainable sourcing is evaluated regularly by the procurement management team and Orkla's Sustainability Committee. The progress made in the sustainable sourcing team's work is reported annually to Orkla's Group Executive Board and Board of Directors. The responsibility for reporting lies with Orkla's central sustainability team.

## **Due diligence for human rights**

Orkla purchases materials from many suppliers every year and has adopted a risk-based approach whereby we focus on the suppliers and supply chains where the risk of non-conformance with Orkla's Supplier Code of Conduct is greatest. Orkla's ethical requirements towards suppliers are based on the UN Universal Declaration of Human Rights, the ETI

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<sup>1</sup> UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises

Base Code and the UN Global Compact's ten principles for responsible business, and contain strict requirements regarding respect for human and workers' rights. Orkla's Supplier Code of Conduct also entails zero tolerance for child labour and forced labour and imposes requirements of respect for the right of freedom of association and collective bargaining. Orkla subjects all its main direct suppliers to an annual risk screening using a proprietary tool based on criteria relating to working conditions, the environment and anti-corruption. Risk suppliers are assessed in greater detail based on a standardised method developed by the organisation Sedex, using the organisation's self-assessment questionnaire and possible SMETA 4-pillar audit if deemed necessary. For high-risk materials we select suppliers with high standards and well-managed sustainability programmes, often coupled with a certification addressing the particular issues of that material. For example, CLMRS (child labour monitoring and remediation system) is used in several places in our supply chain. Orkla attaches importance to maintaining a good dialogue with its suppliers in order to promote good practices and continuous improvement. As a part of our efforts to tackle the challenges related to human rights and environmental protection, Orkla participates actively in industry initiatives involving companies, authorities and expert organisations such as Ethical Trade Norway, AIM-Progress, Sedex and the Sustainable Agriculture Initiative Platform (SAI).

Orkla has not established a separate grievance mechanism for our supply chain but pursue an active dialogue with organisations and other stakeholders at both central Orkla and company level. In accordance with the Group's Guidelines for Corporate Responsibility, all Orkla companies must have procedures for dealing with complaints from external stakeholders. Complaints may also be directed to Orkla's central whistle-blowing function, and information on this function is available on Orkla's website. In 2022, Orkla will introduce a new supplier portal that gives a better overview of our suppliers' practices and enables us to monitor risk factors more effectively.

#### *Zero deforestation*

The majority of the raw materials used by Orkla companies come from countries where the risk of deforestation is low, but there are certain exceptions such as cocoa and palm oil. With regard to raw materials from tropical areas, Orkla collaborates with selected suppliers who carry out their own programmes to ensure deforestation-free raw material production. In addition, Orkla increasingly purchase raw materials certified in accordance with reliable third-party standards that include requirements of deforestation-free production. Orkla has signed the UN New York Declaration on Forests and report through CDP Forests on the progress made in the work. Furthermore, Orkla has a zero-deforestation policy and is committed to preserving rainforests and other natural forests with high conservation value. The policy will be updated in 2022.

#### *Animal welfare*

All over the world, people raise millions of animals for their own consumption. On a global basis, animal welfare is dependent on one billion people who work with breeding, administration, transport and treatment of animals. Orkla has a wide range of products containing ingredients or components that stem from animals, such as beef, pork, poultry, eggs, wool and ingredients in dairy products. As a leading food product manufacturer, we want to make a difference by ensuring proper animal welfare in every part of the value chain. Our work to safeguard animal welfare primarily targets the supply chain, but also affects communications with customers and consumers.

Orkla's animal welfare policy covers the animals' welfare before, during and after the animals' productive life. Our principles and procedures for monitoring and promoting good animal welfare practices in the value chain is based on the World Health Organisation's five freedoms: 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 of animal welfare, provide guidance for our suppliers and contribute to more responsible business practices.

Orkla aims to purchase all important animal raw materials and products from sustainable sources by 2025. This work is headed by Orkla's central procurement department in collaboration with the companies. Progress is regularly reviewed in Orkla's central management team for sustainable sourcing and externally reported on Orkla's website.

### *Sustainable raw materials*

A large part of the raw material purchases are made from producers in the country in which Orkla's manufacturing facilities are located, and for some raw materials we collaborate directly with local farmers. We do of course also source many raw materials globally.

Efforts to promote sustainable raw materials are driven by Orkla's central procurement department together with the companies. These teams carry out control and development initiatives adapted to the specific challenges presented by the different raw materials.

Orkla supports several certification programmes creating improvements for smallholders, increasing yield, combatting deforestation, and supporting improved biodiversity at origin. Some of these partners include the Marine Stewardship Council (MSC), RTRS, Rainforest Alliance and the Round Table on Sustainable Palm Oil (RSPO). In order to target specific areas or issues we also participate in on the ground projects for selected raw materials such as cashew nuts.

Orkla aims to purchase all prioritized raw materials and products from sustainable sources by 2025. This work is headed by Orkla's central procurement department in collaboration with the companies. Progress is regularly reviewed in Orkla's central management team for sustainable sourcing and externally reported through Orkla's sustainability report.

### *Sustainable 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 several pilot projects aimed at promoting regenerative agriculture, which is a relatively new area of sustainability. The purpose of regenerative agricultural practices is to create more sustainable food systems. This necessitates the adoption of common principles and methods, and in the past few years a number of joint projects have been established across industries, voluntary organisations and the academic sector. Orkla continues the work in the SAI Platform project to promote regenerative agriculture in collaboration with several global actors. The goal of this project is to draw up a common framework for regenerative agricultural practices. One of the sub-goals is to make regenerative farming practices an integral part of existing certification programmes, including the FSA. The main principles in the SAI Platform framework entail use of soil cover, minimisation of tillage, use of organic residues and integrated pest control, greater use of organic fertiliser and improvement of biodiversity.

### Sustainable fishing

Several species of fish are threatened by overfishing. Fish is a key raw material for both food-related and health-related Orkla products. Orkla wants to use its role as a purchaser to impact towards more sustainable fishing and pursue an active dialogue with the authorities on sustainable fisheries management at Group level. Certification programmes such as the Marine Stewardship Council (MSC) standard is Orkla's main tool to ensure that the marine raw materials come from sustainable fish stocks. Orkla also carry out own analyses of changes in the stocks of the raw materials the companies purchase. Moreover, Orkla is actively 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 the company buy.

### *Sustainable packaging*

Packaging has an important function in protecting our products throughout the value chain and ensuring that they are safe when they reach the consumer. However, packaging production entails the use of valuable raw materials, and is a source of greenhouse gas emissions. Packaging waste gone astray becomes litter, and plastic packaging waste is a particularly common source of marine pollution. Contributing to the recycling of packaging waste and choosing packaging solutions with a low environmental impact is both a responsibility and an important prerequisite for being able to offer sustainable products. We therefore consider sustainable packaging to be a material topic for Orkla.

Orkla has many thousands of products manufactured by a large number of companies spread across some 30 countries. We work actively to develop more environmentally friendly packaging and products that have a smaller environmental footprint. Orkla's goals are that all the packaging we use should be recyclable by 2025 and 75 per cent of the packaging should be based on recycled or renewable materials.

Responsibility for the sustainable packaging work lies with the individual companies, but Orkla's central procurement function has drawn up detailed guidelines and tools to support the practical work done by the companies. The procurement function is responsible for setting goals and targets, guiding the companies, preparing status updates and evaluating the progress regularly.

Orkla partners with researchers, organisations, other companies and external experts to find solutions to the environmental challenges posed by plastic. This work is carried out at both Group and company level.

The progress made is tracked by the central procurement team and through Orkla's sustainability reporting and reported annually to Orkla's Group Executive Board and Board of Directors. The approach to sustainable packaging is evaluated by the central procurement management team as part of strategy reviews.

## Environmental engagement

To ensure that we steer and improve the environmental work, as well as occupational health and safety work being done in our own businesses, we have drawn up the Orkla EHS Standard. This standard defines the requirements and expectations that must be met by our businesses with regard to the external environment. It also specifies what is required to ensure a good, safe working environment. The Orkla EHS Standard is based on ISO standards (ISO 14001 – Environmental Management, ISO 45001 – Occupational Health and Safety Management, ISO 5001 – Energy Management).

We conduct regular audits to monitor the companies' efforts to implement the standard. The purpose of the audits is to ensure that the businesses are operating in compliance with laws and regulations, and that they have systems and procedures in place to control and reduce the risk of serious incidents. The standard applies to all business areas and companies, and extensive training is provided for management and employees through courses, e-learning, audits and as part of day-to-day work. Changes in Orkla's EHS standard and environment-related requirements are decided by the Group Executive Board. Environmental activities related to sourcing, logistics and production are run by Orklas business areas and companies. Efforts to reduce environmental impacts through product development and by influencing consumer behaviour are organised by the companies.

The purpose of Orkla's environmental work is to prevent negative environmental impacts, promote sustainable development and ensure compliance with relevant regulatory frameworks. The management of each company is responsible for ensuring compliance with the requirements in Orkla's EHS standard.

Orkla Group EHS is responsible for the standard's content, internal guidelines and tools, upgrading skills and Orkla's team of EHS auditors. Orkla has set general goals for its environmental work up to 2025, and all the companies in the Group have drawn up plans for the 2022-2024 period to contribute to achieving these goals.

The companies report regularly to Orkla on their progress on key indicators, and emissions and other serious incidents must be reported immediately to Orkla Group EHS. Progress made in the EHS work is reported regularly to Orkla's Group Executive Board and Board of Directors. Each year, Orkla prepares a set of environmental accounts that show the changes in the companies' impacts and has reported environmental data to the investor-initiated CDP since 2008.

### *Climate impacts (scope 1,2 and 3)*

Climate change is without a doubt the greatest environmental challenge of our time, and food production generates around 25 per cent of global greenhouse gas emissions. There is an urgent need to find solutions, and business and industry are now putting climate risk higher on their agenda. For Orkla, business risk is primarily linked to the price and availability of key agricultural raw materials. Few of our factories are located in areas where there is a risk of flooding or water shortage, but drought and extreme weather can lead to higher water and energy costs. Changes in regulatory frameworks or political parameters can also entail increased costs. At the same time, there is growing awareness of the importance of sustainable consumption, and more and more people want environmentally friendly products. For Orkla this means new opportunities for innovation.

Orkla's climate impact primarily stems from the production of raw materials and the consumption stage. We therefore focus on reducing emissions in every part of our value chain. Orkla has ambitious targets for transitioning to low carbon operations by accelerating

product innovation, investing in renewable energy and reducing energy and water use and waste. To create growth in the coming years, it is important that Orkla is able to offer products and services with a competitive environmental profile. As a growing number of Orkla factories convert to using renewable energy, the climate impact of our products will be reduced, and more and more products will be manufactured using 100 per cent renewable energy.

Orkla has long-term goals for reducing greenhouse gas emissions and transitioning to renewable energy to which all the companies must contribute. In 2018, we set science-based targets for reducing emissions and the targets were validated by the Science Based Targets Initiative. In 2021, Orkla committed to setting net-zero emission targets in line with the Science Based Targets Initiative framework. Moreover, Orkla has assessed climate-related risk according to the Task Force on Climate-Related Financial Disclosures framework. The risk assessment describes risks and opportunities in respect of both climate and water, and the full report can be found on Orkla's website.

All the companies have prepared action plans for achieving the company's environmental goals, which are revised regularly. Key environmental indicators (energy consumption, water consumption and waste) are monitored regularly by management at all levels.

#### *Efficient Resource Utilisation*

Reducing energy use and food waste is a climate imperative. At the same time, reducing energy and water consumption and waste helps to cut costs for Orkla. Orkla has long-term targets for reducing its energy and water consumption and waste and switching to renewable energy sources that apply to the whole Group, and the companies are developing long-term plans for the efforts to achieve these targets as part of the strategy process.

Orkla has common goals for efficient resource utilisation towards 2025 of 50% reduction in organic waste, 30% reduction in energy consumption and 30% reduction in water consumption compared to the base year 2014. Progress towards these goals is monitored at business unit, business area and Orkla level on a regular basis and reported externally through Orkla's sustainability report. The responsibility for reporting lies with the central EHS team.

#### Energy

Orkla companies and factories introduce a growing number of energy-efficiency and renewable energy projects, including solar panels, capture of surplus heat and LED lights. Many of the factories have carried out process improvements that have reduced energy use. Investments have also been made in new, more energy-efficient production equipment. Some companies have cut their energy consumption by moving production to other factories or improving existing factories.

Orkla acquires Guarantees of Origin (GO) for all the electricity used for own operations in Europe. The GOs are linked to Orkla's own hydro power production, and are acquired through a private company, Kinect. The Guarantee of Origin scheme is a voluntary labelling scheme for electricity that allows consumers to choose between renewable and non-renewable power. A GO is a tracking instrument defined in article 15 of the European Directive 2009/28/EC. A GO labels electricity from renewable sources to provide information to electricity customers on the source of their energy. Guarantees of Origin are the only

precisely defined instruments evidencing the origin of electricity generated from renewable energy sources. The GO is standardized through the European Energy Certificate System (EECS) provided by the Association of Issuing Bodies (AIB).

### Water and Effluents

Orkla uses freshwater in the products as well as within production processes therefore freshwater supply is vital for Orkla's direct operations. When it comes to indirect operations freshwater supply is vital since a large part of Orkla's raw materials are agriculture products and water for irrigation is therefore crucial. The importance of high quality fresh water will remain vital for our direct and indirect operations as long as it is used for food production. Around 8% of the water withdrawn is recycled after treatment in the companies' own production process. This treated water can sometimes be used in the production of food products however, other low-quality water does not have a sufficient quality to be used in food production, therefore, assessed as neutral for our direct operations. However, it can be used for example in cooling systems if it has no contact with products. The importance of low-quality water will remain neutral for our direct operations as long as it cannot be used for food production due to low quality.

The majority of the water used by Orkla comes from external waterworks, but some is groundwater. We have assessed all locations where Orkla has operations using the WRI Aqueduct tool. WRI Aqueduct's tools map water risks such as floods, droughts, and stress, using open-source, peer reviewed data. We have mapped all locations where Orkla operates with at least medium high overall water risk using the water risk atlas and concluded that only India and Romania are in water stressed areas. This accounts for 2% of the total water withdrawal in Orkla Group in 2021. A water stressed area is then defined as an area with an overall risk level above 2 in accordance with WRI Aqueduct methodology. Orkla has nonetheless set overarching, Group-wide targets for reducing water consumption which all the Group companies are to contribute towards. Common initiatives include treatment and recycling of water on-site, process improvements, the introduction of measurement programmes and provision of training for company employees. Orkla's EHS standard includes requirements for water treatment with which all the companies in the Group must comply. Furthermore, risk suppliers are assessed by Sedex, where water consumption is part of the questionnaire that suppliers are requested to report on.

Orkla's direct operation considers the following organic pollutants: COD, BOD and particles which are measured in tons. Each factory has its own measures to monitor water pollution based on local requirements and regulations. As a company producing food products Orkla focuses on organic pollutants to meet the requirements and be compliant with general standards in this matter. Thus far, this is only measured in Orkla's own production sites and have the requirements related to Orkla EHS Standard. Water-related issues in Orkla's supply chain are managed through the Sedex reporting and certification tool.

### Waste

Orkla work systematically and on a long-term basis to reduce food waste and other waste across our businesses in close to 30 countries, and have lowered the amount of organic waste by 20 per cent since 2014. We are also participating in industry initiatives to cut food waste in Norway, Sweden and Denmark. Moreover, a number of companies also donate surplus food to worthy causes through various organisations in several countries. Many companies also have factory outlets or deliver goods to stores where they sell products with

minor defects at reduced prices. Moreover, Orkla has established an internal network between the snacks factories aimed at reducing food waste.

### *Environmentally targeted product development*

To curtail climate change, protect the natural environment and achieve sustainable resource use, production and consumption patterns need to be changed. Transitioning to sustainable production and consumption calls for new thinking when it comes to choices of raw materials and packaging, product design, production processes and waste management. To significantly reduce products' environmental footprint and promote circular value chains, Orkla is making sustainability an integral part of its innovation work. This focus is motivated by our sense of responsibility for contributing to sustainable development and our desire to be able to offer attractive products in response to changes in consumer and customer preferences. Environmentally targeted product development encompass the entire value chain, above all suppliers and Orkla's own activities.

The product development is carried out by the companies, but Orkla has set general goals for these activities up to 2025. We want relevant environmental issues to be considered at every step of the innovation process. This is important for the successful development of products and solutions that are good environmental choices. In cooperation with the RISE Research Institute of Sweden, Orkla has developed a Climate Impact Tool, used to calculate products' climate impact. The tool provides an insight into which parts of the products' value chain have the greatest environmental impact and makes it easier to identify potential improvements.

The progress made in efforts to develop environmentally targeted product development is evaluated by the management of the individual company and discussed with management at the business area and Group level. The progress is reported yearly to the Group Executive Board and the Orkla Board of Directors and externally through Orkla's sustainability report

### *Circular processes*

Our approach to circular life cycles is two-pronged. First of all, we try to improve our own production processes, so that as few resources as possible are lost. At several factories, we have therefore introduced technology that recovers heat, water and other waste products. Secondly, we see that our products must be suitable for circular life cycles. This means, in particular, that the packaging we use must be recoverable or recyclable.

### *Nature and biological diversity*

Orkla's work to protect nature and biological diversity revolves around preventing deforestation and promoting sustainable farming, forestry and fishing. Orkla was one of the first companies to sign the EU's new Code of Conduct on Responsible Food Business and Marketing Practices. We have previously signed the WWF's call for a global agreement for nature and the UN's New York Declaration on Forests. It is important for building trust in our work that we set science-based targets for nature and biological diversity, and that we report on them. We are therefore participating in the development of a method and a framework for this process under the auspices of the Science Based Targets Network (SBTN). In the SBTN Corporate Engagement Program, 80 companies from 28 countries are contributing to the development of user-friendly tools for setting science-based targets for nature and biological diversity. Through these efforts, we will also gain access to knowledge from research and other companies that can help us identify and implement the best measures.



## Care for people and society

### *Promote healthy, sustainable consumption*

Given our presence in close to 30 countries, it is important that Orkla finds local answers to the major global challenges. That is why we work to integrate sustainability into our operations and make it an increasingly significant source of innovation and growth. As part of Orkla's sustainability strategy, we want our companies to actively develop products that promote a healthy, sustainable lifestyle, and we carry out campaigns and other activities to provide guidance to and engage consumers and professional customers.

Orkla is committed to responsible marketing to children and young people and has adopted a restrictive practice in this respect. The companies adhere to the principles governing responsible marketing set out in the EU Pledge. In Norway, Orkla has played a key role in establishing the voluntary industry collaboration body, the Food and Drink Industry Professional Practices Committee, and sits on the Committee's Board. Moreover, several Norwegian companies have signed the Guide Against Greenwashing in marketing by SHIFT.

Several of the companies use brand marketing to promote good health, encourage recycling and other good environmental behaviour and support activities of benefit to the community. This work is carried out by the individual companies within the framework of Orkla's general sustainability strategy. The results of these efforts are evaluated by the management of each company and reported to Orkla's central sustainability team and the Group Executive Board in connection with the annual sustainability reporting.

### *Local value creation*

Sustainability challenges, increasing global competition and technological advances give rise to a need for adaptation and innovative thinking with regard to the way value is created. At the same time, many countries are struggling with high unemployment, growing economic inequality and the non-participation of some groups in the labour force. These challenges underscore the vital role played by the business community in creating new jobs, promoting inclusive workplaces, increasing productivity and fostering respect for fundamental rights. Cooperation between business and industry, the authorities and other key social players will be crucial to creating growth that is economically, environmentally and socially sustainable.

As part of Orkla's sustainability strategy up to 2025, we have set goals to create positive ripple effects and make a genuine difference for communities in the countries in which we have a presence. Orkla wants to create good workplaces and help to solve important societal challenges in partnership with others. By collaborating with others, we can also contribute to solving global health and sustainability challenges. Moreover, the Orkla companies generate financial ripple effects for local communities in the form of jobs, tax revenues and sourcing from local suppliers.

Each company has an independent responsibility for identifying local needs and issues, and planning relevant actions. However, we want our engagement to be linked to the main topics in Orkla's sustainability strategy, so as to be able to reap benefits from the work that is being done elsewhere in the Group and achieve maximum impact. The work in the companies is headed by the CEO with the support of the company's sustainability manager. The progress of this work is tracked through Orkla's annual sustainability reporting. Orkla's approach to society engagement is evaluated by the corporate communication and sustainability team as part of strategy reviews.

## Tax

Orkla aims to be a responsible taxpayer. This is recognised by the Orkla Group Tax Strategy, which establishes a clear and strong Group approach based on openness and transparency in tax reporting and compliance, wherever the Group has business operations. The tax strategy is publicly available and can be accessed [here](#). The tax strategy document is effective for the calendar year ending 31 December 2022, and is furthermore formally reviewed and approved by the Board's Audit Committee on behalf of the Board of Orkla ASA.

The Board's Audit Committee sets out the Orkla Group's strategy, policy and approach in conducting its tax affairs and managing tax risks. This Strategy includes all taxes, including but not limited to corporate income tax and indirect taxes such as VAT, excise and customs duties. The Orkla Group Tax Team and the Group centre periodically review this tax strategy. Any amendments will be approved by The Board's Audit Committee, whilst, annual re-approval without material changes is done by the Group Chief Financial Officer.

All Orkla Group companies are obliged to conduct their tax affairs consistent with the objectives outlined in the Tax Strategy linked above. These objectives consider all requirements present in the countries in which the Group operates. The Tax Strategy, §1.3, also refers to the sustainable development strategies within the organization. The Tax Strategy maintains consistency with the Group strategy in that all decisions that may have tax effects shall be consistent with and complement the Group's overall strategy. Additionally, any key business decisions made should be conscious of the tax consequences and aim to optimize the after-tax returns for the Group's shareholders.

The Group Tax Code of Conduct presented in the Tax Strategy outlines the detailed principles setting out how the management of the Orkla Group operates with respect to tax matters when supporting the Group Tax Policy. Each Group company is responsible for conducting its tax affairs in accordance with the Group Tax Code of Conduct. The Group Tax Team is the main tax knowledge resource for the Group and monitors substantial tax risk including compliance and tax optimization at a Group level. The Group Tax Team also collaborates with the Group companies to provide guidance and ensure compliance.

In terms of tax risks, diligent, professional judgment is employed in order to make suitable decisions on how the risk is to be managed. The Group Tax Team conducts tax risk assessments on a regular basis. They additionally cooperate with both the business areas and Group companies ensuring that the requirements of the Group Tax Strategy are met. In the case of identified uncertainties pertaining to the appropriate tax legislation, written advice evidencing the facts, risks and conclusion may be taken from the Group Tax Team or from external advisors to facilitate the decision-making process.

The Orkla Group has a whistleblowing channel through which concerns about potential unethical or illegal behaviour can be reported, also within the tax area. All employees are encouraged to report instances through this channel if reporting to their manager is not desirable.

The Group's quarterly and annual tax reporting process is performed in conjunction with the preparation of the quarterly and annual accounts and is presented to the external market. The tax reporting from the group companies is reviewed and quality checked by a member of the Group Tax Department. Once the consolidated tax numbers are finalized, there is a final review by Head of Group Tax and Head of Corporate Accounting. Subsequently, the consolidated tax numbers are reported internally to the Group Management.

Orkla aims to make complete, accurate and timely disclosures in all returns and other correspondence with the tax authorities. With this goal in mind, Orkla considers resolving all

uncertain material tax issues in advance with the tax authorities. Moreover, any uncertain positions in the current tax year will be reflected in the tax returns. This allows the disclosure of complete and accurate information thus avoiding potential penalties and reputational damage with the tax authorities. As a measure of control to ensure sufficient quality, the auditor generally performs a review of the tax documents prior to submission.

Orkla is a member of the Confederation of Norwegian Enterprise (NHO), and they regularly address issues to Norwegian tax authorities, also on tax issues (for instance in connection with proposed changes to the tax legislation). Further, the Head of Group Tax in Orkla is a member of the tax advisory council for the Confederation, which also addresses tax policy matters.

The Orkla Group has a process for collecting input from internal and external stakeholders through quarterly meetings with different internal stakeholders and the auditor. Every quarter a meeting forum called Group Tax Committee is held and consist of senior participants from different departments such as Internal Audit, Group Accounting, Group Treasury, Group Legal as well as the Group CFO. In addition, there are quarterly meetings with the Orkla ASA Board of Directors' Audit Committee. In this meeting, the board members and the appointed auditor are informed about significant tax matters and are able to ask questions and provide input and direction. Orkla Group Tax also arrange an annual meeting with the auditor to explain in more detail the different tax issues for their input and approval.

#### *A responsible and inclusive employer*

Orkla is a major employer with operations in many countries. This entails a responsibility for safeguarding its employees' health and safety and respecting human rights such as freedom of expression, access to equal opportunities and the right to fair working conditions. By developing good workplaces and engaging in improvement work in the countries where we have a presence, we can improve the welfare of and generate positive ripple effects for thousands of people. This is important, moreover, for creating a strong organisation and achieving our business goals. Orkla's efforts to be a responsible employer are limited to our own operations.

Orkla wants to be an attractive employer that offers good working conditions and fair and competitive terms for all its employees. We have long-term goals for promoting diversity and equal opportunities, fair working conditions, human resource development and workplaces characterised by openness and respect. Orkla's Responsible Employer and Human Rights Policy sets out general guidelines for the way we are to create good workplaces, respect key human rights and promote a culture based on openness, respect and care. Orkla also has more detailed internal requirements and guidelines for several of the topics covered by the policy, developed by the central HR department. This includes efforts to prevent discrimination and harassment, fulfil the right to employee consultation and ensure that all employees receive a wage that meets their fundamental needs. The goals and internal policies in this area have been adopted by Orkla's Group Executive Board and apply to all business areas and companies. Responsibility for driving the work lies with the management of each business unit, with the support of the human resource (HR) and sustainability functions.

Efforts to ensure Human Rights must be based on a preventive approach, with emphasis on the precautionary principle and the principle of continuous improvement. All companies are required to carry out an annual assessment of the risk of undesirable practices in the areas covered by Orkla's Responsible Employer and Human Rights policy and must draw up a plan of improvement initiatives. The assessment is reported to the business areas and

summed up in an annual progress report to Orkla's Group Executive Board and Board of Directors.

Orkla wants to be an attractive employer that offers good working conditions and fair and competitive terms for all its employees and uses external tools for benchmarking pay and conditions. The companies have formal wage-setting procedures and employment contracts that prevent discrimination, safeguard the right to negotiated collective agreements and ensure necessary protection of employee rights. All the companies use written employment contracts for both permanent and temporary employees.

Orkla has a harmonised process and common system solution for evaluating and following up on personnel at all levels (people dialogue), and the target is 100 % completion of this dialogue. In addition, the companies have their own procedures for following up on employees and carry out a wide range of activities to promote collaboration and job satisfaction. Competence development is driven jointly by the Group's central HR staff and the companies. The work is evaluated regularly by Orkla's central Human Resources Development Board. A common portal solution has been established which is used to carry out and follow up on course activities across companies and countries. Orkla has a strong focus on ensuring equal opportunities and fostering a culture of belonging and inclusion of our employees. We believe in diversity and work with specific measures to embrace this through inclusive communication and leadership.

Good formal arrangements for dialogue between management and employee representatives are important for ensuring collaboration on business strategy and proper handling of matters that affect employee interests. Orkla has a corporate agreement that regulates collaboration between Orkla and the employee organisations. Regularly, Orkla conducts a global employee survey (My Voice) to get feedback from employees on topics concerning career development, well-being, management satisfaction and other important topics related to employee engagement.

The employees are represented on Orkla's Board of Directors by four out of a total of 10 Board members. An intra-group cooperation with trade unions is structured around the Group Committee of Trade Union Representatives (GCTUR). The GCTUR is composed of elected trade union representatives from companies and/or undertakings within the Orkla Group in such a way that reflects the membership composition and is representative of the entire Group.

GCTUR elects an Executive Committee (OFR-AU/GCTUR-EC) of up to 7 persons. The Executive Committee shall be representative of the entire Group, and the employee representatives and observers on the Group's Board of Directors also sit on the Executive Committee. The GCTUR-EC meet regularly with the Group's executive management to discuss matters relevant to the Group.

In addition to Orkla's central corporate democracy systems, the companies have local employee consultation procedures. Around 85 per cent of Orkla's employees work in companies that have established formal bodies for cooperation between management and employee representatives. The aim is for all the companies in the Group to have such collaborative bodies.

## *Integrity*

Corruption and other unethical business practices limit the possibilities of economic development and hamper competition on equal terms. Moreover, strict regulations prohibit such practices, and regulatory breaches can result in high fines and other sanctions. Orkla's efforts to promote a corporate culture characterised by high ethical awareness and integrity are therefore focused on regulatory compliance, but also lay a crucial foundation for our ability to succeed as a company. Orkla's integrity work focuses primarily on the Group's own operations, but also covers the supply chain and collaboration with customers and other business partners.

Orkla has set general goals for its long-term efforts to foster an ethical corporate culture that all the companies must strive to achieve. Orkla has zero tolerance for corruption, price-fixing agreements, market sharing or other measures that impede free competition. Orkla's anti-corruption manual, competition law manual and Code of Conduct describe the Group's standards and guidelines in this area.

Orkla provides training in anti-corruption and competition law for management and employees considered to be exposed to risk. Under Orkla's Supplier Code of Conduct, suppliers are required to have zero tolerance for corruption. In connection with acquisitions and large investments, Orkla assesses the risk of becoming involved in breaches of anti-corruption and competition law, and Orkla companies must take risk-mitigating actions to prevent independent business partners from being a party to corruption or other illegal or unethical activities in connection with their business dealings with Orkla.

Responsibility for compliance with laws and regulations and Orkla guidelines lies with the management of the individual company and is monitored by Orkla's compliance and internal audit functions. Regular status reports in this work are submitted to Orkla's Group Executive Board and Board of Directors.

Orkla considers it important to foster an open, constructive dialogue in the workplace, and in the past few years has improved its internal procedures for handling and reporting grievances and whistle-blowing matters. As a general rule, we want employees to report concerns to their immediate superior or another manager at Orkla. If employees do not wish to notify grievances to any of these persons, matters may be reported anonymously to Orkla's central whistle-blowing system. This is administered by an independent company, and the employee is able to communicate in his or her local language. All whistle-blowing matters are dealt with by the head of Orkla's internal audit department.

## *Occupational health and safety*

A safe, healthy working environment is a fundamental right for all employees, and essential to stable, efficient operations. Orkla is committed to promoting the good health of its employees. We apply the same occupational health and safety requirements in every country in which we operate, and our companies work systematically to prevent injuries and promote a healthy workplace. The efforts to ensure occupational health and safety primarily target Orkla's own operations, while responsibility for contributing to good working conditions in the supply chain falls under the topic "Sustainable raw materials".

Orkla's ambition is to run its operations with zero injuries. We aim to achieve this goal by means of effective risk management, systematic efforts to prevent injuries and work-related diseases and by involving all our employees and providing relevant training. Each company

is responsible for diligent and suitable training to facilitate and ensure safe and healthy working environment. Orkla wants all its companies to establish principles for health-promoting workplaces, adapting the principles to conditions in the individual countries.

Both non-occupational medical and health care related services are considered as an “employee good”. Offers around this can vary from company to company. Some examples include providing courses pertaining to dietary improvements and how to quit smoking. Others include offering massages, joint-mobility exercises and covering the costs of gym memberships

The companies’ work on occupational health and safety is based on the requirements and guidelines set out in Orkla’s EHS Standard, and responsibility for compliance with the standard and external regulatory frameworks lies with the management of the individual company. The Group’s systematic improvement efforts are carried out with emphasis on establishing a high level of knowledge and awareness, taking preventive action and ensuring effective rehabilitation. Risk analysis provides the basis for establishing effective action plans, and all the companies have developed such analyses. A significant proportion of risk across companies and countries is related to ergonomics, use of machinery, falls, storage and handling of chemicals, the psychosocial working environment and inadequate knowledge of safety risks and procedures.

Orkla Group EHS is responsible for the content of the EHS Standard, internal guidelines and tools, skills upgrading and Orkla’s team of EHS auditors. Orkla has set general goals for occupational health and safety up to 2025, and all the companies in the Group have drawn up plans for the 2022-2024 period to help achieve these goals.

Orkla GroupEHS carries out regular audits and evaluations of the companies’ systems ,procedures and implementation. The companies report to Orkla regularly on their progress in relation to important key indicators, and serious incidents must be reported immediately to Orkla GroupEHS. The progress made in occupational health and safety work is reported regularly to Orkla’s Group Executive Board and Board of Directors.