Orkla ASA - Water Security 2021

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Orkla is a leading supplier of branded consumer goods to the grocery, out-of home, specialized retail, pharmacy, and bakery sectors. The Nordic and Baltic regions and selected countries in Central Europe are Orkla's main markets. The Orkla Group also holds strong positions in selected product categories in India.

Orkla's Branded Consumer Goods business comprises the Orkla Foods Nordic & Baltics, Orkla Foods International, Orkla Confectionery & Snacks, Orkla Care and Orkla Food Ingredients business areas. Orkla also has operations organised under the Orkla Investments business area, consisting of its investment in Jotun (42.6% interest), in addition to Hydro Power and financial assets. Orkla ASA is listed on the Oslo Stock Exchange and its head office is in Oslo, Norway. As of 31 December 2020, Orkla had 18,109 employees. The Group's turnover in 2020 totaled NOK 5.4 billion.

Orkla's strategic objective is to strengthen its position as the leading branded consumer goods company in the Nordics, Baltics, Central Europe, India, and other selected markets. Innovations based on the Group's unique local customer and consumer insight are an important growth driver. By working more closely as "One Orkla", the Group will more effectively exploit economies of scale and create cross-cutting synergies. In this way, Orkla will strengthen its long-term competitiveness, while preserving its local presence. In 2020, Orkla continued its efforts to develop its portfolio in geographies, categories, and channels, and carried out cut cost initiatives across the value chain, in both supply chain and commercial functions. During the year, the Group also strengthened its position as leading branded consumer goods company through the acquisition of several companies.

Orkla wishes to contribute to sustainable development by offering healthy, environmentally friendly products, maintaining high food safety standards, making efficient use of resources, carrying out supply chain improvements and generally operating responsibly. Orkla's sustainability work is pivotal to Orkla's ability to create growth, build trust and remain a competitive business. In 2017 the Group developed new, common sustainability targets that will apply up to 2025. In 2020, Orkla launched a new internal sustainability aspiration up to 2030 which underscores the **importance** of sustainable products and of mobilizing the entire organization. Orkla's sustainability strategy covers the following main topics: nutrition and wellness, safe products, sustainable sourcing, environmental engagement and care for people and society. We are committed to helping solve global health and sustainability challenges and support the UN's global goals. Sustainability has become a natural part of our business model, and we have developed criteria for how we define sustainable products.

W-FB0.1a

(W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?

Processing/Manufacturing

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2020	December 31 2020

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

Austria
China
Czechia
Denmark
Estonia
Finland
Iceland
India
Latvia
Lithuania
Malaysia
Netherlands
Norway
Poland
Portugal
Romania
Russian Federation
Slovakia
Spain
Sweden
United Kingdom of Great Britain and Northern Ireland

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

NOK

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Orkla uses freshwater in the products as well as within production process therefore freshwater supply is vital for our direct operations. When it comes to indirect operations freshwater supply is vital due to the fact large part of Orkla's raw materials are agriculture products and water for irrigation is crucial. The importance of good quality fresh water will remain vital for our direct and indirect operations as long as it is used for food production.
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Not very important	Around 13% of the water withdrawn is recycled after treatment in the companies' own production process. This treated water can 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. But it can be used for example in cooling systems as long as it has no contact with products. The importance of low quality water will remain neutral for our direct operations as long as it can not be used for food production due to low quality. Also in agriculture good quality water is needed for high yields production. Therefore, we assessed use of recycled/brackish water as not very importnat in our indirect operations and we assume it will remain neutral in our indirect operations.

W-FB1.1a

(W-FB1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Cattle products	10-20	Sourced	A broad range of Orkla's products include dairy products and we estimate that 11 - 20% of the revenues come from products with raw materials originating from dairy products.
Sugar	21-40	Sourced	A broad range of Orkla's products include sugar and we estimate that 20-40% of the revenues come from products with sugars as an ingredient.
Palm oil	Less than 10%	Sourced	A range of Orkla's products include palm oil and we estimate that less than 10% of the revenues come from products with palm oil as an ingredient.
Soy	Less than 10%	Sourced	A range of Orkla's products include soy and we estimate that less than 10% of the revenues come from products with soy as an ingredient.
Rice	Less than 10%	Sourced	A range of Orkla's products include rice and we estimate that less than 10% of the revenues come from products with rice as an ingredient.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Orkla measures water withdrawal for all company operations (no exclusions). As a FMCG company producing different types of merchandises including food products we continuously monitor different water apsect. Orkla has more than 100 production sites and the monitoring practice will vary. This water aspect is monitored with use of on site meters, through control of bills from water suppliers or a combination of both. The practice depends on the size and complexity if the site. The monitoring is as we describe varying from site to site depending on production. Where onsite meters, the measurement is continuous, but at least monthly or once a week depending on the requirements to particular production. The reported proportion of monitored water aspect relates to all Orkla's operations.
Water withdrawals – volumes by source	100%	Orkla continuously measures water withdrawal for all company operations dividing it into: surface water, ground water, municipal water and other water supply. This water aspect is monitored with use of on site meters, through control of bills from water suppliers or a combination of both. The practice depends on the size and complexity if the site. The monitoring is as we describe varying from site to site depending on production. Where onsite meters, the measurement is continuous, but at least monthly or once a week depending on the requirements to particular production. The reported proportion of monitored water aspect relates to all Orkla's operations.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Orkla continuously monitors quality of water withdrawal for all company operations. The information about quality of water withdrawals is obtained from water suppliers at least once a month. The reported proportion of monitored water aspect relates to all Orkla's operations.
Water discharges – total volumes	100%	Orkla continuously measures water discharge for all company operations. This water aspect is monitored with use of on site meters or through information from waste water receivers at least once a month. The reported proportion of monitored water aspect relates to all Orkla's operations.
Water discharges – volumes by destination	100%	Orkla continuously measures water discharge for all company operations dividing it into: discharge to environment, discharge to internal treatment plant and discharge to external/municipal treatment plant. This water aspect is monitored with use of on site meters or through information from waste water receivers at least once a month. The reported proportion of monitored water aspect relates to all Orkla's operations.
Water discharges – volumes by treatment method	100%	Orkla collects data related to different methods of of water treatment. The facilities continuously measure the amounts of water treated on site and sent to local municipal treatment plants with use of onsite meters.
Water discharge quality – by standard effluent parameters	100%	Orkla continuously monitors quality of water discharge to environment for all company operations in order to avoid environmental pollution and negative effects of possible errors within operations on site. This water aspect is monitored through regular examination of water samples in laboratory monthly, weekly or daily and reported to local authorities according to permit requirements. The data is reported to Orkla Corporate annualy. The reported proportion of monitored water aspect relates to all Orkla's operations.
Water discharge quality – temperature	100%	Water temperature measurement is implemented and followed up in accordance with local requirements at all sites where relevant. The temperature of discharged water is typically measured once a day. Orkla Corporate controls compliance with local requirements from authorities and regulations through regular corporate audits at all sites.
Water consumption – total volume	100%	Orkla continuously measures water consumption for all company operations. This is done through comparison of water withdrawal with water discharge once a year. The reported proportion of monitored water aspect relates to all Orkla's operations.
Water recycled/reused	100%	Orkla continuously measures amount of recycled/reused water for all operations. This water aspect is monitored with use of on site meters and gathered by Orkla corporate once a year. The reported proportion of monitored water aspect relates to all Orkla's operations.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Orkla continuously measures amounts of water used in facilities providing wash service for workers for all operations. This is done with use of on site meters.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	7823	About the same	Water withdrawal has increased by 5.3% since 2019 and in accordance with Orkla thresholds was assessed as about the same in comparison with previous year. The 5.3% increase in total water withdrawals was mainly caused by improved quality of data in 2020 compared with 2019. In addition, Orkla has also increased production since 2019. The future volumes of water withdrawal will depend on growth of production and we expect to see some slight increase in total withdrawals. At the same time we are introducing different initiatives aiming at reduction of water withdrawals through, for instance, increase in water recycling on-site.
Total discharges	6926	About the same	Water discharge has increased by 4.8% since 2019 and in accordance with Orkla thresholds was assessed as about the same. The 4.8% increase increase in total water discharge was mainly caused by improved quality of data in 2020 compared with 2019. In addition, Orkla has also increased production since 2019. The future volumes of water discharge will depend on growth of production and we expect to see some slight increase in total discharge along with changes in water withdrawals.
Total consumption	897	About the same	Water consumption has increased by 10% since 2019 and in accordance with Orkla thresholds was assessed as about the same. The 10% increase in total water consumption was mainly caused by improved quality of data in 2020 compared with 2019. In addition, Orkla has also increased production since 2019. The future volumes of water consumption will depend on the growth in production and type of production (products with less or more water content). However, per today, we do not anticipate a significant growth in future water consumption.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	1-10	About the same	WRI Aqueduct	We have assessed all locations where Orkla has operations using 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 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 2020. Water stressed area is then defined as area with overal risk level above 2 in accordance with WRI Aqueduct methodology.

W-FB1.2e

(W-FB1.2e) For each commodity reported in question W-FB1.1a, do you know the proportion that is produced/sourced from areas with water stress?

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain
Cattle products	Not applicable	Yes	Orkla does not produce questioned commodity - only sourcing. The water stressed areas were identified with use of WWF Water Risk Filter. Areas with high and very high risk (3.4-5.4) were taken into consideration.
Palm oil	Not applicable	Yes	Orkla does not produce questioned commodity - only sourcing. The water stressed areas were identified with use of WWF Water Risk Filter. Areas with high and very high risk (3.4-5.4) were taken into consideration.
Soy	Not applicable	Yes	Orkla does not produce questioned commodity - only sourcing. The water stressed areas were identified with use of WWF Water Risk Filter. Areas with high and very high risk (3.4-5.4) were taken into consideration.
Rice	Not applicable	Yes	Orkla does not produce questioned commodity - only sourcing. The water stressed areas were identified with use of WWF Water Risk Filter. Areas with high and very high risk (3.4-5.4) were taken into consideration.
Sugar	Not applicable	Yes	Orkla does not produce questioned commodity - only sourcing. The water stressed areas were identified with use of WWF Water Risk Filter. Areas with high and very high risk (3.4-5.4) were taken into consideration.

W-FB1.2g

(W-FB1.2g) What proportion of the sourced agricultural commodities reported in W-FB1.1a originate from areas with water stress?

Agricultural commodities	% of total agricultural commodity sourced from areas with water stress	Please explain
Cattle products	0%	Orkla sources cattle products from Nordic countries and West Europe where are no water stressed areas. We are going to continue sourcing cattle products from these locations in the future. The metric % of commodity sourced from areas with water stress is used as part of the overall sustainability assessment. No major change of sourcing origin predicted.
Palm oil	1-10	Orkla sources palm oil mainly from Indonesia and Malaysia with low to moderate water stress risk. The percentage stated refers to high risk areas. The metric % of commodity sourced from areas with water stress is used as part of the overall sustainability assessment. No major change of sourcing origin predicted.
Rice	11-25	Orkla sources rice from various countries with varying water stress risk from medium to high risk. The percentage stated refers to high risk areas. The metric % of commodity sourced from areas with water stress is used as part of the overall sustainability assessment. Orkla sources rice from various countries with varying water stress risk. No major change of sourcing origin predicted.
Soy	1-10	Orkla sources soy from various countries with varying water stress risk from medium to high risk. The percentage stated refers to high risk areas. The metric % of commodity sourced from areas with water stress is used as part of the overall sustainability assessment. No major change of sourcing origin predicted.
Sugar	Less than 1%	Orkla sources beet sugar from Nordic countries and West Europe where are no water stressed areas. Beet sugar stands for more than 95% of our sugar sourcing. Orkla sources cane sugar from various areas with medium to high risk. The percentage stated refers to high risk areas (total sugar sourcing). The metric % of commodity sourced from areas with water stress is used as part of the overall sustainability assessment. No major change of sourcing origin predicted.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	0	About the same	The data are sourced from direct measurements. The volume of fresh surface water (wetlands, rivers, lakes and oceans) including rainwater was zero for the reporting year - same as in 2019. The water source is relevant because there are withdrawals from this source from time to time. However, there were no withdrawals from this source in 2020 because it was not needed since Orkla uses mainly municipal water.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	Orkla does not use this type of water within its on-site operations, hence the source assessed as not relevant.
Groundwater – renewable	Relevant	2803	About the same	The data are sourced from direct measurements. The water source is relevant because 36% of the total water withdrawal comes from this source. Volume of withdrawn groundwater was slightly higher (1,1%) than in 2019 and in accordance with Orkla thresholds was assessed as about the same. In the location where we use wells the water withdrawal varies from year to year. In 2020 there was same demand for water in these locations due to production as in previous year.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	Orkla does not use this type of water within its on-site operations hence the source assessed as not relevant.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	Orkla does not produce any water hence the source assessed as not relevant.
Third party sources	Relevant	5020	About the same	The data are sourced from direct measurements. Disclosed volume relates to municipal water supplies. The water source is relevant because 64% of the total water withdrawal comes from this source. Reported volume of water from third party sources was 7,8% higher in comparison with 2019 and in accordance with Orkla's thresholds assessed as about the same. The reason for 7.8% increase in water withdrawal from 3rd party was improved data quality for 2020 and increased production in Orkla compared with 2019.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	1977	About the same	The data are sourced from direct measurements. The water discharge destination is relevant because 29% of the total water discharge is discharged here. The water discharge to fresh surface water was 4.6% higher in comparison with 2019 and in accordance with Orkla thresholds assessed as about the same. The reason for 4.6% increase in water discharge to surface water was improved data quality for 2020 and increased production in Orkla compared with 2019.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	The water discharge destination is assessed as not relevant because no water volumes are discharged here.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	The water discharge destination is assessed as not relevant because no water volumes are discharged here.
Third-party destinations	Relevant	4948	About the same	The data are sourced from direct measurements. Reported volume includes discharge of water to internal treatment facilities. The water discharge destination is relevant because 71% of the total water discharge is discharged here. The water discharge to 3rd party destination was 4,8% higher in comparison with 2019 and in accordance with Orkla thresholds assessed as about the same. The 4.8% increase in water discharge to third-party destination was caused by improved data quality for 2020 and increased production in Orkla compared with 2019.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	No water discharge goes to tertiary treatment.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Very little amount of discharge goes to secondary treatment therefore assessed as irrelevant.
Primary treatment only	Relevant	652	Lower	11-20	Reported volume relates to total water amount recycled within Orkla sites.
Discharge to the natural environment without treatment	Relevant	1728	About the same	1-10	Reported volume relates to total water discharged to environment in Orkla Food Ingredients, Jastbolaget site.
Discharge to a third party without treatment	Relevant	3986	About the same	1-10	Reported volume relates to total water discharged to municipal water treatment plant without any pretreating on site.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	

W-FB1.3

(W-FB1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a?

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Cattle products	Not applicable	Yes	Orkla has carried out a water risk assessment using the WWF Water Risk Filter. The assessment looks at basin risk connected to a specific commodity and country. Overall risk comprises of physical risk (1) Scarcity, 2) Flooding, 3) Water Quality, and 4) Ecosystem Services Status.), regulatory risk (5) Enabling Environment (largely concerned with laws & policies), 6) Institutions & Governance (concerned with the ability to convene and engage), 7) Management Instruments (concerned with data & enforcement), and 8) Infrastructure & Finance (concerned with whether funds are accessible to build critical water-related infrastructure) and reputational risk (9) Cultural Importance (of water to local communities), 10) Biodiversity Importance (freshwater biodiversity), 11) Media Scrutiny (coverage of waterrelated issues), and 12) Conflict (risk of hydro-political conflicts in the river basins)
Palm oil	Not applicable	Yes	Orkla has carried out a water risk assessment using the WWF Water Risk Filter. The assessment looks at basin risk connected to a specific commodity and country. Overall risk comprises of physical risk (1) Scarcity, 2) Flooding, 3) Water Quality, and 4) Ecosystem Services Status.), regulatory risk (5) Enabling Environment (largely concerned with laws & policies), 6) Institutions & Governance (concerned with the ability to convene and engage), 7) Management Instruments (concerned with data & enforcement), and 8) Infrastructure & Finance (concerned with whether funds are accessible to build critical water-related infrastructure) and reputational risk (9) Cultural Importance (of water to local communities), 10) Biodiversity Importance (freshwater biodiversity), 11) Media Scrutiny (coverage of waterrelated issues), and 12) Conflict (risk of hydro-political conflicts in the river basins)
Rice	Not applicable	Yes	Orkla has carried out a water risk assessment using the WWF Water Risk Filter. The assessment looks at basin risk connected to a specific commodity and country. Overall risk comprises of physical risk (1) Scarcity, 2) Flooding, 3) Water Quality, and 4) Ecosystem Services Status.), regulatory risk (5) Enabling Environment (largely concerned with laws & policies), 6) Institutions & Governance (concerned with the ability to convene and engage), 7) Management Instruments (concerned with data & enforcement), and 8) Infrastructure & Finance (concerned with whether funds are accessible to build critical water-related infrastructure) and reputational risk (9) Cultural Importance (of water to local communities), 10) Biodiversity Importance (freshwater biodiversity), 11) Media Scrutiny (coverage of waterrelated issues), and 12) Conflict (risk of hydro-political conflicts in the river basins)
Soy	Not applicable	Yes	Orkla has carried out a water risk assessment using the WWF Water Risk Filter. The assessment looks at basin risk connected to a specific commodity and country. Overall risk comprises of physical risk (1) Scarcity, 2) Flooding, 3) Water Quality, and 4) Ecosystem Services Status.), regulatory risk (5) Enabling Environment (largely concerned with laws & policies), 6) Institutions & Governance (concerned with the ability to convene and engage), 7) Management Instruments (concerned with data & enforcement), and 8) Infrastructure & Finance (concerned with whether funds are accessible to build critical water-related infrastructure) and reputational risk (9) Cultural Importance (of water to local communities), 10) Biodiversity Importance (freshwater biodiversity), 11) Media Scrutiny (coverage of waterrelated issues), and 12) Conflict (risk of hydro-political conflicts in the river basins)
Sugar	Not applicable	Yes	Orkla has carried out a water risk assessment using the WWF Water Risk Filter. The assessment looks at basin risk connected to a specific commodity and country. Overall risk comprises of physical risk (1) Scarcity, 2) Flooding, 3) Water Quality, and 4) Ecosystem Services Status.), regulatory risk (5) Enabling Environment (largely concerned with laws & policies), 6) Institutions & Governance (concerned with the ability to convene and engage), 7) Management Instruments (concerned with data & enforcement), and 8) Infrastructure & Finance (concerned with whether funds are accessible to build critical water-related infrastructure) and reputational risk (9) Cultural Importance (of water to local communities), 10) Biodiversity Importance (freshwater biodiversity), 11) Media Scrutiny (coverage of waterrelated issues), and 12) Conflict (risk of hydro-political conflicts in the river basins)

W-FB1.3b

(W-FB1.3b) Provide water intensity information for each of the agricultural commodities identified in W-FB1.3 that you source.

Agricultural commodities
Cattle products

Water intensity value (m3)
15400

Numerator: Water aspect
Total water consumption

Denominator
Tons

Comparison with previous reporting year
This is our first year of measurement

Please explain
The figure above refers to beef. This year we have carried out a more thorough water risk assessment for the first time and have improved our data. We have not gathered supplier data on this topic.

Agricultural commodities
Palm oil

Water intensity value (m3)
4971

Numerator: Water aspect
Total water consumption

Denominator
Tons

Comparison with previous reporting year
This is our first year of measurement

Please explain
The figure above refers to crude palm oil. This year we have carried out a more thorough water risk assessment for the first time and have improved our data. We have not gathered supplier data on this topic.

Agricultural commodities
Rice

Water intensity value (m3)
2500

Numerator: Water aspect
Total water consumption

Denominator
Tons

Comparison with previous reporting year
This is our first year of measurement

Please explain
The figure above refers to paddy rice. This year we have carried out a more thorough water risk assessment for the first time and have improved our data. We have not gathered supplier data on this topic.

Agricultural commodities
Soy

Water intensity value (m3)
2145

Numerator: Water aspect
Total water consumption

Denominator
Tons

Comparison with previous reporting year
This is our first year of measurement

Please explain
The figure above refers to soybeans. This year we have carried out a more thorough water risk assessment for the first time and have improved our data. We have not gathered supplier data on this topic.

Agricultural commodities
Sugar

Water intensity value (m3)
920

Numerator: Water aspect
Total water consumption

Denominator
Tons

Comparison with previous reporting year
This is our first year of measurement

Please explain
The figure above refers to sugar made from sugar beet. This year we have carried out a more thorough water risk assessment for the first time and have improved our data. We have not gathered supplier data on this topic.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?
Yes, our suppliers

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number
1-25

% of total procurement spend
76-100

Rationale for this coverage
At Orkla we work closely with our suppliers all over the world to promote a sustainable value chain for food and grocery products. Regardless of the country concerned, we require that they all comply with the Orkla Supplier Code of Conduct. Orkla's branded consumer goods companies have a total of around 23,000 suppliers. This multitude of suppliers makes it important to give priority to monitoring those considered to be most at risk of failing to comply with our code of conduct. To identify these suppliers, Orkla carry out systematic risk assessments, in which certain countries, production methods and product categories are given a special risk weighting. Approx. 3500 suppliers are considered critical Tier 1 suppliers, standing for 90% of the total purchasing spend. Suppliers are incentivized through our supplier selection process where sustainability is a part and good work within this area can lead to increased volumes or gaining contracts.

Impact of the engagement and measures of success
Orkla has established a programme to follow-up suppliers based on the risk assessment starting the focus on its most at-risk suppliers and raw material chains. All existing critical suppliers are assessed annually. For non-tier 1 suppliers we have category-based risk assessment process and follow up through our tier 1 suppliers and various type of improvement activities such as certification In our monitoring of direct suppliers, we primarily identify minor discrepancies, which the suppliers are required to remedy. We also ask our most important suppliers to report in SEDEX self-assessment audit tool. Water consumption is a part of the questionnaire that the suppliers are reporting and that they are requested to report on. The programme is successful when all relevant suppliers have been assessed and the risk mitigation process started.

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement
Innovation & collaboration

Details of engagement
Encourage/incentivize innovation to reduce water impacts in products and services
Provide training and support on sustainable agriculture practices to improve water stewardship

% of suppliers by number
1-25

% of total procurement spend
26-50

Rationale for the coverage of your engagement
For several of our high risk commodities such as cocoa, palm oil and soy, we buy certified raw materials. One example of supplier engagament is through the RSPO standard for palm oil where several water related requirements are included. Currently 87% of the palm oil we buy is certified. We have used a risk-based approach to select which categories and suppliers we work with. We have chosen to cooperate with our main and largest suppliers but at the same time providing the most critical raw materials. They all together make up around 25% of our all suppliers.

Impact of the engagement and measures of success
The beneficial outcome of cooperation is that we regularly receive impact reports from our certification providers as well as our suppliers. Our measure of success is that we year on year increase our share of certified palm oil, cocoa and soy until we reach 100% certification.

Comment

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
No

W3. Procedures

W-FB3.1

(W-FB3.1) How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?

In our direct operation we consider following organic pollutants: COD, BOD and particles which are measured in tonnes. Each factory has its own measures to monitor water pollution based on local requirements and regulations. As a company producing food products we have a special focus on organic pollutants to meet the requirements and be compliant with general standards in this matter. This is so far only measured in our own production sites and we have requirements in Orkla EHS Standard Based on ISO standard 14001.

Supply chain: The risk assessment carried out for disclosed commodities using the WWF Water Risk Filter includes “Surface Water Contamination Index” which is looking at biological oxygen demand (BOD) as a widely used umbrella proxy for overall water quality; electrical conductivity (EC) as proxy for salinity balance and pH alteration; and nitrogen, to capture nutrient loading in water bodies. Water-related issues in our supply chain are managed through SMETA audits and various third-party certifications (minimum FSA Silver level according to SAI Platform).

W-FB3.1a

(W-FB3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.

Potential water pollutant
Other, please specify (BOD)

Activity/value chain stage
Manufacturing – direct operations

Description of water pollutant and potential impacts
BOD (biochemical oxygen demand) is the amount of dissolved oxygen needed by aerobic biological organisms to break down organic mater present in water. The grater BOD the more rapidly oxygen is depleted in the stream. The consequence of this is that aquatic organisms become stressed, suffocate and in the end die. The magnitude of the potential impact is thus high. Therefore monitoring of BOD is crucial in order to avoid destruction of ecosystems. Orkla continuously monitors BOD in water discharge from direct operations.

Management procedures
Waste water management
Follow regulation standards

Please explain
To avoid the potential impact from BOD Orkla takes care of proper waste water management. The BOD content is regularly measured on annual basis to comply with current regulations and standards. Any deviations are treated and appropriate improvement procedures are implemented. The success is evaluated through comparison of BOD results on year on year basis.

Potential water pollutant
Other, please specify (COD)

Activity/value chain stage
Manufacturing – direct operations

Description of water pollutant and potential impacts
COD (Chemical Oxygen Demand) is a measurement of the oxygen required to oxidize soluble and particulate organic matter in water. Higher COD levels mean a greater amount of oxidizable organic material in water, which will reduce dissolved oxygen (DO) levels. A reduction in DO can lead to anaerobic conditions, which is deleterious to higher aquatic life forms. The magnitude of potential impact is thus high. Therefore monitoring of COD is crucial in order to avoid destruction of ecosystems. Orkla continuously monitors COD in water discharge from direct operations.

Management procedures
Waste water management
Follow regulation standards

Please explain
To avoid the potential impact from COD Orkla takes care of proper waste water management. The COD content is regularly measured on annual basis to comply with current regulations and standards. Any deviations are treated and appropriate improvement procedures are implemented. The success is evaluated through comparison of COD results on year on year basis.

Potential water pollutant
Other, please specify (Particles)

Activity/value chain stage
Manufacturing – direct operations

Description of water pollutant and potential impacts
Particles in water discharge can deposit on the bottom of the reservoirs that can lead to poor water quality, algal blooms and deposition build-up. For aquatic life, excessive suspended sediment can disrupt natural aquatic migrations, as well damage gills and other organs. The magnitude of potential impact is thus high. Therefore monitoring of particles in discharge water is crucial in order to avoid destruction of ecosystems. Orkla continuously monitors amount of particles in water discharge from direct operations.

Management procedures
Waste water management
Follow regulation standards

Please explain
To avoid the potential impact from particles in water discharge Orkla takes care of proper waste water management. The particles content is regularly measured on annual basis to comply with current regulations and standards. Any deviations are treated and appropriate improvement procedures are implemented. The success is evaluated through comparison of particles content on year on year basis.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment
More than once a year

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Other

Tools and methods used
WRI Aqueduct

Comment

Supply chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed as a standalone issue

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market

Tools and methods used
WWF Water Risk Filter

Comment

Other stages of the value chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed as a standalone issue

Frequency of assessment
Not defined

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Databases

Tools and methods used
Regional government databases

Comment
The other parts of value chain are considered a low water related risk.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	We consider in our risk assessment process risks related to water availability at a basin/catchment level regarding our direct operations. The raw materials availability is of high importance for our business and therefore all issues that may affect it are given priority. Water availability at a basin/catchment level is monitored through audits. We are using here WRI Aqueduct tool.
Water quality at a basin/catchment level	Relevant, always included	We consider in our risk assessment process risks related to water quality at a basin/catchment level regarding our direct operations. The raw materials availability is of high importance for our business and therefore all issues that may affect it are given priority. Water quality at a basin/catchment level is monitored through audits. We are using here WRI Aqueduct tool.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Stakeholder conflicts concerning water resources at a basin/catchment level are considered in our water-related risk assessment. The raw materials availability is of high importance for our business and therefore all issues that may affect it are given priority. Stakeholder conflicts concerning water resources are monitored through audits.
Implications of water on your key commodities/raw materials	Relevant, sometimes included	We are currently focusing on implications of water on our key commodities because availability of raw materials is of high importance for our business and therefore all issues that may affect it are given priority. However, we aim at implementing all water aspects into our water-related risk assessment in the future. Risks related to implications of water on key commodities/raw materials are assessed with use of WWF Water Risk Filter.
Water-related regulatory frameworks	Relevant, sometimes included	We are currently focusing on water-related regulatory frameworks because we see it very important to be compliant with all requirements. However, we aim at implementing all water aspects into our water-related risk assessment in the future. Through Orkla EHS standard all companies are required to at least once a year assess all water-related national regulatory frameworks and update their internal procedures. This is recognised as a tool used to identify risks related to water-related regulatory frameworks.
Status of ecosystems and habitats	Relevant, always included	Status of ecosystems and habitats is part of our water risk assessment and assessed with use of Water Risk Filter. The raw materials availability is of high importance for our business and therefore all issues that may affect it are given priority.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Access to WASH services for all our employees is a standard in every location where we operate. This ensures a safe work place, hygienic production and decent conditions for all Orkla employees. The tool used to assess risks related to WASH is Orkla EHS standard.
Other contextual issues, please specify	Please select	

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	We are working with development of products reducing water consumption e.g. detergents used by customers. Since we are a producer of products requiring water in the use phase and on the other hand consumer of water in direct operation as well as supply chain, it is important for us to reduce consumption of water in the whole circle. This is important for several products however are not considered having a water-related risk. We engage with our customers through advertising our products and informing them about our products features in terms of associated water consumption. The information about lower water consumption is provided on the packaging as well as on our website.
Employees	Relevant, always included	We are working with reduction of wastage of water in our all operations. This is important for us to involve all employees in order to contribute to efficient use of water. We are providing sustainability training for our employees that includes awareness of water issues.
Investors	Relevant, always included	We are reporting to CDP and other investors initiatives on annual basis providing water-related information to our investors. We do this on demand from our investors and to provide information to public. We meet our investors to discuss sustainability issues including water related aspects.
Local communities	Relevant, always included	We are reporting in accordance with requirements of local authorities. This is important for us to include local communities in water-related risk assessment since they are vulnerable. We meet with local communities' leaders to get an overview of situation in locations where we operate and solve identified issues.
NGOs	Relevant, sometimes included	We cooperate with local NGO there where relevant. Dialogue with NGO is a part of our water-related risks assessment process and contribute to have a complete overview of water-related issues in relevant locations. We meet with leaders of NGOs to get an overview of situation in locations where we operate and cooperate on identified issues.
Other water users at a basin/catchment level	Relevant, always included	We cooperate with other water users at a basin/catchment level there where relevant. Dialogue with them is a part of our water-related risks assessment process and contribute to have a complete overview of water-related issues in relevant locations.
Regulators	Relevant, always included	We cooperate with regulators there where relevant. Dialogue with regulators is a part of our water-related risks assessment process and contribute to have a complete overview of water-related issues in relevant locations.
River basin management authorities	Relevant, always included	We cooperate with river basins management authorities there where relevant. Dialogue with them is a part of our water-related risks assessment process and contribute to have a complete overview of water-related issues in relevant locations.
Statutory special interest groups at a local level	Relevant, always included	We cooperate with statutory special interest groups at a local level there where relevant. Dialogue with them is a part of our water-related risks assessment process and contribute to have a complete overview of water-related issues in relevant locations.
Suppliers	Relevant, sometimes included	We include our suppliers in water-related risk assessment because we depend upon supply of a vast of different raw materials. To keep production not interrupted we need to make sure our suppliers provide the raw materials and that the raw materials are produced sustainably. We meet with our suppliers and gather information from them through SEDEX reporting.
Water utilities at a local level	Relevant, always included	We cooperate with water utilities at a local level there where relevant. Dialogue with them is a part of our water-related risks assessment process and contribute to have a complete overview of water-related issues in relevant locations.
Other stakeholder, please specify	Please select	

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

i) risks identification and assessment on company level

The Board of Directors attaches importance to ensuring that risk is managed systematically in all parts of the Group and considers this a prerequisite for long-term value creation for shareholders, employees and society at large. Orkla has adopted a structured approach to identifying risk factors and implementing risk-mitigating measures in its operations.

In all aspects of business operations within the Orkla Group, risk evaluation is an ongoing process, including an assessment of regulatory, customer behaviour change, reputational, political, technical, physical risks. Companies within the Group's portfolio operates in different industries and in more than 20 different countries, so all kind of risks are considered before entering into a new business or a new country, including exposure to water-related risks. Risks assessments is carried out routinely in all units, and thereafter presented to and discussed by the internal boards of directors as part of the budget process.

ii) the process for assessing the potential size and scope of identified risks and the process by which organization determines the relative significance of climate-related risks in relation to other risks;

Orkla has developed a materiality assessment of all sustainability issues considered relevant to Orkla, including water-related issues. Water-related issues in direct operation and supply chain are assessed with use of WRI Aqueduct tool and SEDEX reporting. WRI Aqueduct's tools map water risks such as floods, droughts, and stress, using open-source, peer reviewed data. Orkla is using this online tool to map all production sites and assess the risks level. In addition, we are using SEDEX reporting as a way of gathering information on different water aspects from our suppliers. The reporting is on regular basis and the outcomes of it provide us with important information in terms of our water-related strategy.

Through the process we assess the potential commercial and sustainability impact of the risks and opportunities . The methodology is based on the recommendations of GRI.

To ensure ongoing risk monitoring in individual companies, all boards of operational subsidiaries are required to carry out a thorough analysis of the company's risk picture and internal control function at least twice a year, in addition to the risk analysis that is an integral part of the company's decision-making processes. The Group's risk management lies within the remit of the finance functions and is intended to ensure that all risk of significance for Orkla's value creation is identified, analysed and effectively dealt with by business areas and specialised staffs. This entails, among other things, continuously monitoring important risk indicators in order to reassess the Group's level of risk and associated risk mitigation measures, if necessary, and ensuring that Orkla's risk management is in compliance with relevant regulatory requirements and reasonably satisfactory to Orkla's stakeholders. Designated risk management experts carry out detailed risk analyses in certain specialized fields and are responsible for selected measures to mitigate risk at Group level. The Central Finance staff are responsible for Orkla's risk management model, including presenting Orkla's consolidated risk profile to the Group Executive Board, the Board of Directors and the Board's Audit Committee, as well as maintaining instructions and guidelines for risk management and reporting.

iii) how the outcomes of the risk assessment process are used to inform the internal decision making process:

Outcomes of water-related risks assessment are used to set the targets in Orkla sustainability strategy and to develop needed plans and activities to meet the targets. This is followed up on a regular basis.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

During 2018 we started looking into the recommendations on risk assessment and reporting from the TCFD. In 2019, we carried out a structured workshop processes to develop a more comprehensive and detailed of climate-related risk assessment and the commercial implications for Orkla. Substantive financial or strategic impact is an impact that has a material effect on Orkla's current or future profitability. The clear risk criteria's are defined in the management system.

We see substantial financial opportunities linked to product development and production efficiency. In most of the markets in which Orkla is present, demands for healthy food, plant-based products and grocery products with environmentally friendly packaging are clear consumer trends. Orkla is responding to these changes proactively by maintaining a long-term focus on e.g. sustainable raw material production. Drought and bad weather has impacted the production and hence, the price of certain agricultural raw materials purchased by Orkla. Changing weather patterns also pushed the price of energy and water up in some of the countries in which we have production facilities. We anticipate continued volatility in the price of raw materials, energy and water in the years ahead, but expect the consequences of extreme weather to be moderate for Orkla in the short and medium term.

Substantive financial or strategic impact is an impact that has a material effect on Orkla's current or future profitability. Orkla considers impacts with a cost above 25 MNOK as high in our risk assessments, as well as in contingency cases and this relates to both direct operations and supply chain. A substantive risk is 5% of enterprice value. As Orkla do have several small companies, the related cost value will vary.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Most of our factories are located in Europe where water-related risks are identified and assessed. The infrastructure in these countries is in general well maintained and we introduce measures and initiatives where necessary. Therefore, we do not see any issues that could pose us a significant risk.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Our main suppliers are located in the Nordic region and Europe which are not currently defined as water stress areas. The infrastructure in these countries is in general well maintained and we introduce measures and initiatives where necessary. Therefore, we do not see any issues that could pose us a significant risk.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No

W4.3b

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

	Primary reason	Please explain
Row 1	Evaluation in progress	During 2021 we have carried out a water risk assessment using the WWF Water Risk Filter. Currently this tool only includes risk but they are working on implementing an opportunities part which we will use once available. Availability and sourcing materials from local regions (the Nordics and Europe) can be seen as an opportunity. One example of how this can be used is by identifying possibilities for production of agricultural raw materials in Nordic and European countries in order to secure supply of important raw materials that today are produced in areas that may have higher water-related risk. Since we today source a small share of our raw materials from high risk water regions this potential opportunity is estimated as non-substantive. Evaluation of opportunities is an ongoing process and will be accomplished in several years timeframe. For assessment of opportunities we will probably be using different tools as well as internal resources.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy, but it is not publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	Orkla Water Policy, as well as targets to reduce and control water consumption is company wide. Detailed requirements are described in the Orkla Environmental, Health and Safety Standard. Orkla has targets and goals for reduction of water in own operation which is a part of the Sustainability strategy and also communicated in Orkla Annual report. The target for 2025 is a reduction in water consumption of 30% compared to baseline year 2014. Objectives for all operations are to reduce and control the water consumption and discharge of water. In addition to consumption of water in own production Orkla consume raw materials that require high quality water. Orkla is therefore both directly and indirectly dependent on water supplies with high quality. Hence, business dependency on water is an important part of our water policy. The scarcity of water predicted in several areas on the world gives Orkla a responsibility on how to reduce the consumption as well as the impact on water in the value chain. Production of important raw materials for the Orkla operations require both use of water but also discharged that need to be controlled. Therefore, we set our own water-related targets and goals and are committed to several SDGs. By the SDG target “Life on Land” Orkla have several initiatives including focus on water by contributing to responsible farming practices. An example is cooperation with local communities leaving in river basins crucial for our direct and indirect operations we ensure their access to sufficient amount of good quality water. Orkla is one of the first companies to commit to the EU’s sustainability objectives for the food industry. In launching the EU Code of Conduct on Responsible Food Business and Marketing Practices, the European Commission is setting ambitious, clear objectives for ways in which the food sector is to contribute to achieving sustainable food systems. Orkla recognise the linkages between water scarcity and climate change and the SDG Climate Action is an important target also including the focus on water scarcity and the climate effect on water. Orkla has engaged with the Science Based Targets Network to participate in developing SBTs for Nature where water is included as an essential element.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Director on board	The Orkla Sustainability Strategy and EHS management (including water-related issues), are anchored at Orkla Group Executive Board and the Board of Directors. The Audit Committee of the Board of Directors performs a review of the risk picture with a 0-5 year perspective, including sustainability risks. The Committee reports to the Chairman of the Board. Director on Board responsibility is to control achievement of the water-related target and goals. In addition, Director on Board is requesting for initiatives and actions needed for reaching water-related targets and goals.

W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Reviewing and guiding corporate responsibility strategy Setting performance objectives	Orkla has developed Group targets for sustainability towards 2025. These include water-related targets. Orkla’s Board of Directors monitors the Group’s efforts by means of an annual assessment of progress in sustainability work, quarterly reviews of changes in key EHS indicators and ongoing discussion of individual matters considered to be of material importance of Orklas operations. Orkla’s Group Director of Corporate Communications and Corporate Affairs has administrative responsibility for Orkla’s corporate responsibility work, and determines which matters are to be submitted to the Board of Directors. The Board also assesses Orkla’s annual sustainability reporting.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Chief Executive Officer (CEO)

Responsibility
Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Annually

Please explain
CEO has the overall legal and commercial responsibility. The Orkla Sustainability Strategy and EHS-(Environment, Health and Safety) management are anchored at CEO and President of Orkla and the Board of Directors. The CEO has a delegated authority from the Board including the follow-up on EHS performance. An example of water-related decision made by CEO is setting the discussion about reduction of water consumption in own production and creating the plans to set a relevant key performance indicators (KPIs). Board of Directors receives annual report that includes water-related aspects and KPIs. CEO verifies the content and targets in the report that is then sent to Board of Directors.

Name of the position(s) and/or committee(s)
Chief Operating Officer (COO)

Responsibility
Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Annually

Please explain
COO (Chief Operating Officer) has a delegated responsibility for EHS within the Group Executive Board.

Name of the position(s) and/or committee(s)
Other, please specify (Senior Vice President, EHS)

Responsibility
Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Annually

Please explain
SVP is developing the strategy, support organization in planning and finding initiatives to reduce water consumption and follow up on performance. SVP moniotrs collection of data and indicators for the Group.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Operating Officer (COO) Other, please specify (Environment, health and safety manager)	Improvements in efficiency - direct operations	We try to reduce water consumption in our direct operations and produce products with lower content of water to decrease impact from e.g. transportation. Water efficiency is very important for us as a producer of food products. Therefore, we monitore this indicator. We see a need for improvement of water measurement. The last years reduction was slight but we set a higher focus on this issue.
Non-monetary reward	Chief Executive Officer (CEO) Other, please specify (Business unit manager; Facility manager)	Improvements in efficiency - direct operations Implementation of employee awareness campaign or training program	We try to reduce water consumption in our direct operations and produce products with lower content of water to decrease impact from e.g. transportation. Water efficiency is very important for us as a producer of food products. Therefore, we monitore this indicator. We see a need for improvement of water measurement. The last years reduction was slight but we set a higher focus on this issue. Employee awareness is also an important part of the program for reduction of water use.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Contact with authorities and communication with external organisations take place at Group and company level. The management of the individual company maintains a dialogue with local and national political authorities to find workable solutions to individual issues that concern their operations, and to create understanding for the companies' goals, plans and needs. We have an internal communication network where important activities are discussed and coordinated. In case of inconsistency, we get into dialogue with relevant stakeholders to find a solution and implement correction measures. In addition, the Orkla companies maintain an ongoing dialogue with the supervisory authorities to ensure compliance with the operating requirements imposed by the authorities and to obtain advice on practical issues. This contact is administered by the relevant specialist functions at the individual factory. Orkla ASA Corporate Communications and Corporate Affairs maintains a dialogue with the authorities at Nordic level and in Brussels concerning legislation on food and the framework conditions for trade policy. At Group level, Orkla is a member of the Strategic Council for Environmental Technology, the Government's consultative body in work on preparing a national environmental technology strategy. Much of the dialogue with authorities in the countries in which Orkla is represented takes place through national employers' organisations such as the Confederation of Norwegian Enterprise.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	16-20	We have a target to reduce water consumption in our operations by 20% by 2020. This is reflected in our sustainability report and part of our long-term strategy.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	16-20	Our water reduction targets are part of our sustainability strategy. Our long-term strategy includes first of all issues related to consumption of water. We aim at cooperation with farmers providing us with raw materials and together find solutions to decrease water intake within cultivation and production.
Financial planning	Yes, water-related issues are integrated	16-20	In terms of financial planning, we are taking into account increasing cost of maintenance of water infrastructure that is affecting cost of water. While taking decision about acquisition or divestment we are looking into potential costs associated with maintenance, restoration or replacement of water infrastructure as well as how we can be affected in case of potential failures having impact on our production.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

Not possible to assess currently.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	For Orkla's measured Science-based Target we have used IPCC AR 5 and the scenario was identified through the Paris Agreement focus in the news and reviewed by us together with our advisors. The target setting method is based on the allocation mechanism, contraction of absolute emissions, as described in the Science-based Target Setting Manual. The emissions reduction is based on the scenario RCP 2.6 in IPCC's ARG WGIII, chp 6, table 6.3, page 431. Given the lowest overshoot the global emissions must be reduced by 49-72% by 2050 from 2010 levels. 72% reduction over 40 years implies an average of 3.13% annual reduction. This level of contraction is used as an absolute minimum, and both mid-term and long-term target are well on the ambitious side of this annual reduction.

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

No

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

Water-related risks are assessed in materiality analysis and not identified as significant for Orkla currently. Therefore, we have not introduced yet an internal price on carbon and do not have plans to do this in a short future.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Most of Orkla's operations are located in areas with low to medium risk of water shortage, but we see the importance of implementing environmental initiatives to reduce water consumption. We have adopted a systematic approach to the work with clear targets and regular follow-up on performance. Every site sets annual taregts and goals to contribute to achieving the long-term targets and goals for Orkla. Performance is regularly followed up by the companies and in the annual report to Orkla. Orkal sets targets based on guidelines and own ambition level. Targets are set to a 20% reduction by 2020 and 30% reduction by 2025 (baseline year 2014). Every location will at least annually report consumption data, activities and further plans in the Orkla EHS reporting platform in CEMAsys. Performance is reported at Business Unit Reviews and in Orkla's sustainability report (See Orkla Sustainability Report 2020, pages 82-83).

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number
Target 1

Category of target
Water consumption

Level
Company-wide

Primary motivation
Cost savings

Description of target
Reduction of water withdrawals from all sources by 30% until 2025 in comparison with 2014 level.

Quantitative metric
Other, please specify (% reduction in total water withdrawals)

Baseline year
2014

Start year
2014

Target year
2025

% of target achieved
31.5

Please explain
We have recently purchased new factories that led to increase in production and hence water consumption.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal
Engaging with customers to help them minimize product impacts

Level
Brand/product

Motivation
Reduced environmental impact

Description of goal
We provide our customers with products with less water content (higher concentration) in order to reduce impact from transportation. An example are concentrated detergents and syrups/lemonades.

Baseline year
2015

Start year
2015

End year
2020

Progress
The project was successful and we see positive results. Similar initiatives and projects will be developed within coming years.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
No, we do not currently verify any other water information reported in our CDP disclosure

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	CEO and President Orkla	Chief Executive Officer (CEO)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms