Orkla ASA - Water Security 2022

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 2021, Orkla had 21,369 employees. The Group's turnover in 2021 totaled NOK 49.2 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 2021, 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 2021	December 31 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

Austria
Czechia
Denmark
Estonia
Finland
Germany
Hungary
Iceland
India
Latvia
Lithuania
Malaysia
Netherlands
Norway
Poland
Portugal
Romania
Russian Federation
Slovakia
Spain
Sweden
Switzerland
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

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	0010848237

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 the production process. Therefore, freshwater supply is vital for our direct operations. When it comes to indirect operations, freshwater supply is vital as large parts of Orkla's raw materials are agricultural products, and water for irrigation is crucial. The importance of good quality freshwater will remain vital for our direct and indirect operations. Freshwater remains a key ingredient for number a of Orkla's products, therefore its availability was assessed as vital.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	Around 8% of the water withdrawn is recycled after treatment in the companies' own production process. Treated water can be used in the production of food products, but low-quality water is not of sufficient quality to be used in food production and is therefore assessed as not very important for our direct operations. It can, as an alternative, be used in cooling systems as long as it has no contact with products. The importance of low-quality water will remain not very important for our direct operations as long as it cannot be used for food production Further, in agriculture, good quality water is needed for high yield production. Therefore, we assessed use of recycled/brackish water as not very important in our indirect operations and we assume it will remain not very important in our indirect operations if it does not meet quality criteria. Also in agriculture, good quality water is needed for high yield production. Therefore, we assessed the use of recycled/brackish water as not very important in our indirect operations and we assume it will remain not very important 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 an FMCG company producing different types of merchandise including food products we continuously monitor different water aspects. Orkla has more than 100 production sites and the monitoring practice will vary. These water aspects are monitored with the 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 of the site. The monitoring varies from site to site depending on production. Where on-site meters are installed, the measurement is continuous. Overall, at minimum, monthly or weekly monitoring is performed depending on the requirements of the particular location. 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, divided into: surface water, groundwater, municipal water and other water supply. This water aspect is monitored with the 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 of the site. The monitoring is 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 the 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 the 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 wastewater 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 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 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 annually. 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	7700	About the same	Water withdrawal has not significantly changed compared to 2020. Slight fluctuations can be explained following improved data quality. However, water withdrawal has decreased by 2.5% since 2020 and in accordance with Orkla thresholds was assessed as about the same in comparison with the previous year. The 2.5% decrease in total water withdrawals was mainly caused by improved water management. Orkla has optimized washing processes on several sites. The future volumes of water withdrawal will depend on the growth of production and slight increase can be expected. Nevertheless, Orkla keeps introducing different initiatives aiming at reduction of water withdrawals through, for instance, an increase in water recycling on-site.
Total discharges	3700	Lower	Water discharge has decreased by 22% compared to 2020. The decrease can be explained by an increase in water consumption as well as improved water management. Orkla is constantly improving the data, therefore there can be slight deviations in volumes year over year. The future volumes of water discharge will depend on growth of production and we expect to see some slight increase in total discharge. However, Orkla is constantly working on increasing the amount of recycled water and decreasing withdrawal in order to minimize it's environmental impact.
Total consumption	4000	Higher	Water consumption has increased by 22% since 2020. The increase in total water consumption was mainly caused by improved quality of data in 2021 compared with 2020 and increased production. 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 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 2020. Water stressed area is then defined as an area with an overall 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 the 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.
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.
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.
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 there 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 and to identify areas, where we need to work together with our suppliers on building water resilience. No major change in sourcing origin is 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 and to identify areas, where we need to work together with our suppliers on building water resilience. No major change in sourcing origin is 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 in sourcing origin is 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 in sourcing origin is 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 in sourcing origin is 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 - the same as in 2020. 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 2021 since it was not needed.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	Orkla does not use this type of water within its on-site operations and is therefore assessed as not relevant.
Groundwater – renewable	Relevant	2772	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. The volume of withdrawn groundwater was slightly lower (2,5%) than in 2020 and in accordance with Orkla thresholds was assessed as about the same. A slight increase was observed in certain locations as a result of improved data quality.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	Orkla does not use this type of water within its on-site operations and is therefore assessed as not relevant.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	Orkla does not produce any water and is therefore assessed as not relevant.
Third party sources	Relevant	4928	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 slightly lower (2,5%) in comparison with 2020 and in accordance with Orkla's thresholds assessed as about the same.

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	1200	About the same	The data are sourced from direct measurements. The water discharge destination is relevant because 30% of the total water discharge is discharged here. The water discharge to fresh surface water was 22% lower in comparison with 2020. The reason for such a significant decrease in water discharge to surface water was improved data quality for 2021. Another reason for the observed decrease is through the use of more efficient cleaning processes. There was an increase in water consumption due to increase in production in the reporting year.
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	2500	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 70% of the total water discharge is discharged here. The water discharge was 22% lower in comparison with 2020. The 22% decrease in water discharge to third-party destination was caused by improved data quality for 2021 and more efficient cleaning processes. There was an increase in water consumption due to increased production in the reporting year.

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. Orkla does not have any dangerous or harmful discharges since we do not produce any commodities and monitor water processing carefully on the sites to mitigate the risk of contamination. Orkla is following local and national regulations for wastewater treatment.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	A minuscule amount of discharge goes to secondary treatment and is therefore assessed as irrelevant. Orkla is following local and national regulations for wastewater treatment. Water discharged by Orkla is of quality that does not require secondary treatment, according to the regulations. Therefore, Orkla is not using advanced wastewater treatment.
Primary treatment only	Relevant	407	Lower	11-20	Reported volume relates to total water amount recycled within Orkla sites. For internal use primary level of treatment is considered as relevant as per Orkla EHS standard, due to the low level of wastewater contamination. All Orkla's sites are following local and national regulations for wastewater treatment as well as Orkla EHS standard.
Discharge to the natural environment without treatment	Relevant	1000	About the same	1-10	Reported volume relates to total water discharged to environment in Orkla Food Ingredients, Jastbolaget site. Most of the withdrawn water isn't used in the production process and therefore isn't contaminated and can be released to the environment without any treatment. All Orkla's sites are following local and national regulations for wastewater treatment as well as Orkla EHS standard.
Discharge to a third party without treatment	Relevant	2293	About the same	1-10	Reported volume relates to total water discharged to municipal water treatment plant without any pre-treating on site. The discharged water is of the quality that is accepted by municipal water treatment plants. All Orkla's sites are following local and national regulations for wastewater treatment as well as Orkla EHS standard.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	504000000 00	7700	6545454.54545455	We expect an increase in water withdrawal efficiency, due to the number of implemented initiatives for reduction of water withdrawal.

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 water-related 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 water-related 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 water-related 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 water-related 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 water-related 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
About the same

Please explain
The figure above refers to beef. This year we have carried out a more thorough water risk assessment and have improved our data. However, we have not gathered supplier data on this topic, but a preliminary supplier water risk assessment helped to identify raw materials and locations that Orkla should monitor thoroughly and take measures to mitigate possible risk. By using WWF water risk filter hot spots were identified and taken into account in strategic planning. For example, regions with water risks are monitored more thoroughly and actions such as certification of suppliers and collaboration on building of water resilience been taken.

In the future more detailed data will be collected, and we do not anticipate an increase in water intensity. Future intensity will depend on the ability of Orkla of building water resilience in its value chain. Orkla is aiming to reduce water consumption throughout the value chain and work closely with the suppliers on the sustainability issues.

Agricultural commodities
Palm oil

Water intensity value (m3)
4971

Numerator: Water aspect

Total water consumption

Denominator
Tons

Comparison with previous reporting year
About the same

Please explain
The figure above refers to crude palm oil. This year we have carried out a more thorough water risk assessment for and have improved our data. However, we have not gathered supplier data on this topic, but a preliminary supplier water risk assessment helped to identify raw materials and locations that Orkla should monitor thoroughly and take measures to mitigate possible risk. By using WWF water risk filter hot spots were identified and considered in strategic planning. For example, regions with water risks are monitored more thoroughly and actions such as certification of suppliers and collaboration on building of water resilience been taken.

In the future more detailed data will be collected, and we do not anticipate an increase in water intensity. Future intensity will depend on the ability of Orkla of building water resilience in its value chain. Orkla is aiming to reduce water consumption throughout the value chain and work closely with the suppliers on the sustainability issues.

Agricultural commodities
Rice

Water intensity value (m3)
2500

Numerator: Water aspect
Total water consumption

Denominator
Tons

Comparison with previous reporting year
About the same

Please explain
The figure above refers to paddy rice. This year we have carried out a more thorough water risk assessment and have improved our data. However, we have not gathered supplier data on this topic, but a preliminary supplier water risk assessment helped to identify raw materials and locations that Orkla should monitor thoroughly and take measures to mitigate possible risk. By using WWF water risk filter hot spots were identified and considered in strategic planning. For example, regions with water risks are monitored more thoroughly and actions such as certification of suppliers and collaboration on building of water resilience been taken

In the future more detailed data will be collected, and we do not anticipate an increase in water intensity. Future intensity will depend on the ability of Orkla of building water resilience in its value chain. Orkla is aiming to reduce water consumption throughout the value chain and work closely with the suppliers on the sustainability issues.

Agricultural commodities
Soy

Water intensity value (m3)
2145

Numerator: Water aspect
Total water consumption

Denominator
Tons

Comparison with previous reporting year
About the same

Please explain
The figure above refers to soybeans. This year we have carried out a more thorough water risk assessment and have improved our data. However, we have not gathered supplier data on this topic, but a preliminary supplier water risk assessment helped to identify raw materials and locations that Orkla should monitor thoroughly and take measures to mitigate possible risk. By using WWF water risk filter hot spots were identified and considered in strategic planning. For example, regions with water risks are monitored more thoroughly and actions such as certification of suppliers and collaboration on building of water resilience been taken.

In the future more detailed data will be collected, and we do not anticipate an increase in water intensity. Future intensity will depend on the ability of Orkla of building water resilience in its value chain. Orkla is aiming to reduce water consumption throughout the value chain and work closely with the suppliers on the sustainability issues.

Agricultural commodities
Sugar

Water intensity value (m3)
920

Numerator: Water aspect
Total water consumption

Denominator
Tons

Comparison with previous reporting year
About the same

Please explain
The figure above refers to sugar made from sugar beet. This year we have carried out a more thorough water risk assessment and have improved our data. However, we have not gathered supplier data on this topic, but a preliminary supplier water risk assessment helped to identify raw materials and locations that Orkla should monitor thoroughly and take measures to mitigate possible risk. By using WWF water risk filter hot spots were identified and considered in strategic planning. For example, regions with water risks are monitored more thoroughly and actions such as certification of suppliers and collaboration on building of water resilience been taken

In the future more detailed data will be collected, and we do not anticipate an increase in water intensity. Future intensity will depend on the ability of Orkla of building water

resilience in its value chain. Orkla is aiming to reduce water consumption throughout the value chain and work closely with the suppliers on the sustainability issues.

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, which defines what we consider to be necessary for the proper conduct of business. Close monitoring of suppliers plays a crucial role in ensuring compliance with our strict guidelines. Orkla's branded consumer goods companies have more than 25,000 direct 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. Orkla subjects all its main direct suppliers to a bi-annual risk screening using a proprietary tool based on criteria relating to working conditions, the environment and anticorruption. Approx. 4500 suppliers are considered critical Tier 1 suppliers, standing for 90% of the total purchasing spend, which is the suppliers included in our engagement. 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 and therefore increased revenues for the suppliers. In addition, suppliers are incentivized through dialog and sharing information about importance of water security.

Risky suppliers are assessed in greater detail based on a standardised method developed by the organisation Sedex. Orkla attaches importance to maintaining a good dialogue with its suppliers to promote good practices and continuous improvement. A large part of the Orkla companies' purchases come from local suppliers located in the company's home country. The Nordic region and the Baltics are the primary markets for Orkla's branded consumer goods. 60% of Orkla's overall sourcing comes from local suppliers. The inherent risk of breaches of workers' and human rights, as well as environmental issues, are assessed as higher in connection with purchasing from suppliers in Asia and in certain complex supplier chains for products such as cocoa, palm oil and fish.

Impact of the engagement and measures of success

All suppliers receive the Orkla Supplier Code of Conduct which outlines our expectation towards our suppliers. By Orkla supplier Code of Conduct suppliers should minimize water pollution and promote efficient water use. For all suppliers, relevant discharge permits shall be obtained where required. All Orkla's suppliers are requested a plan for reduction of environmental impacts. They are required to sign and return the document in which it is stated that environmental impact is considered throughout the value chain. The signing of the Code of Conduct is documented and followed up through internal databases and that's how we measure our success in these terms. We systematically assess all new suppliers as part of a pre- screening process. All existing critical suppliers based on spend are assessed every other year through a desktop assessment including dimensions such as corruption, water security and inherent category risk. We ask our high-risk suppliers to become Sedex members. Sedex is a global organization to drive improvement for sustainable business practices in global supply chain. Water consumption is a part of the SAQ (self-assessment questionnaire) that the suppliers are filling out. Based on the risk level defined in Sedex process, selected suppliers are assessed through SMETA 4-pillar audits. In our monitoring of direct suppliers, we primarily identify minor discrepancies, which the suppliers are required to remedy. Measure of success here is share of non-compliances closed. For non-tier 1 suppliers we have a category-based risk assessment process and follow up through our tier 1 suppliers and various type of improvement activities such as certification or supplier led improvement projects.

Moreover, in 2020-2021, we adopted the Farm Sustainability Assessment (FSA) tool, which is a framework developed by SAI Platform to advance sustainable production of agricultural raw materials. The FSA includes information on water related issues. This information is then used for identifying hot spots and initiate dialog with suppliers. We have set a target for all our priority raw materials to be sustainably produced at minimum FSA Silver level or the equivalent by 2025 and measure our success in terms of target fulfilment.

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 96% 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?

Orkla EHS standard is a company-wide framework that regulates internal environmental requirements, starting with identifying environmental aspects and possible risks. A specific subchapter is dedicated to water security. This subchapter describes the procedures for risk identification and based on the risk assessment water pollutants are identified and classified. As a part of the regular risk assessment, we assess the effect associated with changes in any raw materials or processes and analyse the potential environmental impact such as water pollution. In our direct operations, we classify the 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 special focus on organic pollutants to meet the requirements, such as environmental permits imposed by local and national authorities, and to be compliant with general standards in this matter, such as the "EU Wastewater Directive" and "Forskrift om begrensning av forurensning (forurensningsforskriften)". 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 the 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 a 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 matter present in water. The greater 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 perish. The magnitude of the potential impact is therefore assessed to be high. Orkla views monitoring of BOD as 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 wastewater 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. On the factory level (where applicable) we have a target to maintain low level of pollution to meet the permits and take actions to mitigate pollution, if necessary.

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 wastewater 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. On the factory level (where applicable) we have a target to maintain low level of pollution in order to meet the permits and take actions to mitigate pollution, if necessary.

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 to avoid destruction of ecosystems. Orkla continuously monitors amounts 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 wastewater 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. On the factory level (where applicable) we have a target to maintain low level of pollution in order to meet the permits and take actions to mitigate pollution, if necessary.

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.

Value chain stage
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

Tools and methods used
WWF Water Risk Filter

Contextual issues considered
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered
Customers
Employees
Investors
Local communities
NGOs
Regulators
Water utilities at a local level

Comment

Value chain stage
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

Contextual issues considered
Implications of water on your key commodities/raw materials
Status of ecosystems and habitats

Stakeholders considered
Suppliers

Comment

W3.3b

(W3.3b) 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 classification at a company level, and at an asset level.

Orkla has adopted a structured approach to identifying risk factors and implementing risk-mitigating measures in its operations. 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. Water-related issues in direct operation and supply chain are assessed and classified through the use of WRI Aqueduct tool, SEDEX reporting, WWF Water Risk Filter, Orkla EHS standard and audits.

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.

ii) Level of coverage, contextual issues considered

We are monitoring thoroughly all of the water related risks on the sites, which ultimately leads to 100% coverage of direct operations.

Water availability and quality at basin/catchment level is monitored through the audits and WRI Aqueduct tool. 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 assess the risks level in sites. Water availability and quality at basin/catchment are considered as relevant issues for Orkla, since Orkla's factories are using water in the production.

Stakeholder conflicts is another relevant issue for direct operations, since it can disturb water supply and therefore provision of products. Hence, Orkla is monitoring stakeholder conflicts through audits.

Status of ecosystems and habitats is relevant as well for direct operations and monitored via audits and use of WWF Water Risk Filter. In Orkla we understand that decline of ecosystems will affect the whole food value chain and as a food manufacturer we are responsible for preserving ecosystems.

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.

Supply chain:

We were able to cover 100% of supply chain in our initial water risk assessment and identify risks associated with implications of water on our key commodities/raw materials and status of ecosystems and habitats. WWF Water Risk Filter was used to get the full picture. These are relevant issues for Orkla, because availability of raw materials is of high importance for our business and therefore all issues that may affect it are given priority. The WWF Water Risk Filter is used in Orkla to identify hot spots within our supply chain and correct the strategy accordingly.

iii) Relevance of stakeholders considered

Customers are always included in our assessments and strategy. Since our products require water in the use phase and we consume water in direct operation as well as supply chain, it is important for us to reduce consumption of water in the whole circle. We work on reducing water usage for our products and inform consumers about it through advertising.

Employees are important for Orkla's water risk assessment, because we are working with reduction of water wastage in our operations. We are providing sustainability training for our employees that includes awareness of water issues.

We are reporting to CDP and other investors initiatives on annual basis providing water-related information to our investors. We meet our investors to report and discuss sustainability issues including water related aspects.

We cooperate with NGO, communities, regulators and water utilities at a local level. Dialogue with these stakeholders is a part of our water-related risk assessment process and contribute to have a complete overview of waterrelated issues in relevant locations. We meet with leaders of organizations to get an overview of situation in locations where we operate and cooperate on identified issues.

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.

iii) Implication of risk assessment

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?

Orkla has conducted structured climate and water risk analysis in line with the recommendations from the TCFD both in 2019 and in 2021. This work has increased Orkla's understanding of how water-related risks and opportunities can affect Orkla's business, financial conditions, and strategy in the future. Orkla evaluates water risks at all levels, risks assessed as having a low impact is included at the same level as high risks as these risks might have a more substantial financial or strategic impact in the future. Orkla is continuously evaluating risks and updating the risk matrix on a regular basis.

Orkla defines substantive financial or strategic impact as an impact that has a material effect on Orkla's current or future profitability. In the context of a water-related risk, Orkla considers impacts with a cost above 25 MNOK as high in our risk assessments, as well as in contingency cases. The thresholds established to identify water-related risks that are evaluated to have a substantive financial or strategic impact are defined as follows:

- A risk with a low financial or strategic impact is defined as an EBDITA-impact of below 5% of enterprise value, with a likelihood of 20%.

- A medium risk is defined as having an EBDITA-impact of 5% of enterprise value, with a likelihood of between 20-60%.

- A high risk is defined as having an EBDITA-impact of more than 5% of enterprise value, with a likelihood of more than 60%.

Orkla has a diversified company and product portfolio, which reduces the risk of significant profit fluctuations. Moreover, the hotspots outlined in risk assessment have been taken into account and such mitigation strategy as building water resilience across the value chain has been implemented.

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	According to conducted risk and opportunity assessment and WRI tool, there is a risk of water scarcity for our sites in India and Romania. As it was stated in section 1 this accounts for 2% of the total water withdrawal in Orkla Group. Therefore, the financial and strategic implication of this risk is low, firstly because the calculated risk is 7 MNOK and it is by Orkla's definition risk with low financial impact, secondly because Orkla has already taken measures to reduce water use on sites and MTR Foods Pvd Ltd India is one of the examples where closed loop water system is implemented. Therefore, the dependency on water on sites in India is reduced to minimum and impact of the risk is considered not substantive. We keep introducing measures on our sites in Romania and expect to mitigate possible risk of water scarcity within the next years.

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	According to the conducted risk and opportunity assessment at the moment just 1% of Orkla's suppliers are located at the areas affected by the droughts and water scarcity. 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. Moreover, Orkla is constantly working with it's suppliers to ensure that water related issues will not disturb the provision of services.

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?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity
Resilience

Primary water-related opportunity
Other, please specify (Cost savings)

Company-specific description & strategy to realize opportunity
Building water resilience is a strategic opportunity for Orkla, it will allow the company to save the costs associated with delayed production due to water scarcity. Risk assessment showed that in long term perspective water scarcity can affect some of Orkla´s sites and suppliers. Therefore, Orkla is already reducing water dependency trough optimized usage and consumption. An example can be the MTR site in India, where innovative measures to reduce water withdrawal have been implemented, such as increasing water circulation. Another pathway for mitigating risk for Orkla is addressing water shocks and stresses by designing products that can work well with less water or low-quality water and it is a standard part of Orkla's innovation process. Orkla also sees that collaboration with supplier plants to secure raw materials that require lower water consumption will be essential in future and we started our work by increasing certification of supplied raw materials, we have a goal to have all of the priority raw materials to be sustainably produced at minimum FSA Silver level or the equivalent by 2025. But we beleive that building water resilience in the whole value chain will take more than 3 years, since Orkla has around 25 000 supplliers and selling products in more than 100 countries.

Estimated timeframe for realization
4 to 6 years

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
20000000

Potential financial impact figure – maximum (currency)
25000000

Explanation of financial impact
We estimated that 1 day of interruption of production due to water scarcity affecting sites and suppliers will cost Orkla 1 MNOK and we estimate that delays in supply and production can last 1 month.
1 MNOK x 20 working days = 20 MNOK
1 MNOK x 25 working days = 25 MNOK
This number is based on the delayed transition and current policies scenarios up to 2030. We took into account just 257 supplier plants that will be affected and only sites in India.

Therefore, the potential financial impact was considered to be medium and saved loss in revenue is defined as cost savings.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy that is 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 are company-wide. Detailed requirements are described in the Orkla Environmental, Health and Safety Standard. Orkla has targets and goals for reduction of water in its own operations which is a part of the Sustainability strategy and 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 consumes raw materials that require high-quality water. Orkla is therefore both directly and indirectly dependent on water supplies of high quality. Hence, business dependency on water is an important part of our water policy. The scarcity of water predicted in several areas of 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 requires both use of water and discharge that need to be controlled. Therefore, we set our own water-related targets and goals and are committed to several SDGs. With SDG 15: “Life on Land” Orkla has several initiatives including a 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 initiatives and actions needed for reaching water-related targets and goals. To exemplify, the board recommended that Orkla should conduct a water risk assessment in 2020. The assessment was conducted in 2021.

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 risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Setting performance objectives	Orkla has developed Group targets for sustainability towards 2025. These include water-related targets: 30% water reduction by 2025. Orkla’s Board of Directors monitors the Group’s efforts by means of an annual assessment of progress in general sustainability work, annual assessment of progress in environmental work, quarterly reviews of changes in key environmental climate 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.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	Board members have competence on water related issues, based on their self-assessment. Moreover, annual competence is provided by SVP of EHS department through reporting on water security.	<Not Applicable>	<Not Applicable>

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
Assessing future trends in water demand
Assessing water-related risks and opportunities
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)
Other C-Suite Officer, please specify (Executive Vice President for Group Functions)

Responsibility
Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

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

Please explain
Executive Vice President for Group Functions has a delegated responsibility for EHS within the Group Executive Board.

Name of the position(s) and/or committee(s)
Chief Sustainability Officer (CSO)

Responsibility
Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

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

Please explain
Chief Sustainability Officer is developing the strategy, support organization in planning and finding initiatives to reduce water consumption and follow up on performance. Chief Sustainability Officers monitors 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) Chief Sustainability Officer (CSO)	Reduction in consumption volumes 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 monitor this indicator. We see a need for improvement of water measurement. 2020 improvements were low, but in 2021 we made improvements and decreased our water withdrawal and increased water efficiency. However, in order to reach our targets, we keep increasing focus on this topic.
Non-monetary reward	Chief Executive Officer (CEO) Other, please specify (Business unit manager; Facility manager)	Reduction in consumption volumes 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 monitor this indicator. We see a need for improvement of water measurement. 2020 improvements were low, but in 2021 we decreased the water withdrawal this year and mostly because increased efficiency in cleaning processes. Therefore, employee awareness is an important part of the program for reduction of water use. In order to reach our targets, we keep increasing focus on this topic.

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?

Yes (you may attach the report - this is optional)

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	No, water-related issues were not reviewed and there are no plans to do so	<Not Applicable>	We have a target to reduce water consumption in our operations, the communicated goal is 30% by 2025, but we aim to achieve more significant reductions by 2045. We are committed to setting a net-zero target to mitigate climate change and prevent water scarcity. In addition, we are committed to setting Science Based Targets for Nature including water. Setting ambitious targets is important for us since conducted water risk assessment showed that from a long-term perspective, there several sites that can be at risk of water scarcity. An direct example of such a site is Orkla's division in India. Therefore, such measures as increasing water circulation and reducing consumption via process optimization are included in our long-term strategy, which is reflected in Orkla's annual report.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	Our water reduction targets are part of our sustainability strategy. Our long-term strategy includes issues related to consumption of water. We aim at cooperation with suppliers providing us with raw materials and together find solutions to decrease water intake within cultivation and production.
Financial planning	No, water-related issues were not reviewed and there are no plans to do so	<Not Applicable>	In terms of financial planning, we are taking considering 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)

2

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

5

Water-related OPEX (+/- % change)

3

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

5

Please explain

The provided numbers are the estimates, based on number of conducted projects. We are currently building a system to estimate the expenditure in more detail.

W7.3

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

	Use of 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. For conducted climate and water risk assessment we have used the combination of several scenarios in order to get the full picture. We used RCP, Shared Socioeconomic Pathways and IEA Scenarios as recommended by TCFD and developed following scenarios: Net Zero 2050, Delayed transition and Current policies. These 3 scenarios were used to assess climate and water related risks and opportunities for Orkla throughout it´s value chain and results were used to inform business strategy.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	Climate and water risk and opportunity assessment was conducted in line with recommendations from TCFD and the combination of following pathways were considered: Representative Concentration Pathways, Shared Socioeconomic Pathways and IEA Scenarios. The chosen scenarios were: Net Zero 2050 - an ambitious scenario that limits global warming to +1.5 °C by 2100 through stringent and immediately introduced climate policies and innovation, reaching net zero CO_2 emissions around 2050. It's linked to RCP 2.6 and IEA 2DS. Delayed transition - Follows a path in which social, economic, and technological trends do not shift markedly from historical patterns but the world takes action to limit emission growth but fails to cut emissions in the short term and misses Paris goals resulting in close to +2o C warming by 2050 but lowered using carbon sequestration and storage (CSS). It's linked to RCP 4.5. Current policies – "Climate chaos" Assumes that only currently implemented policies are preserved. World does not cut emissions and climate change accelerates causing 2,5o C of warming by 2050 and >+3o C by 2100 bringing irreversible changes. It's linked to RCP8.5.	For delayed transition scenario and current policies scenario the following risks were outlined: next 3-7 years water scarcity may impact prices or disrupt Orkla's production due to delivery delays from 44 supplier plants, but there may be alternative supplier plants or prices can be baked into consumer prices. Beyond 2050 delayed transition and current policies scenario pose higher risk and we expect disruption in Orkla's production due to delivery delays from 257 supplier plants, due to lack of water. The likelihood of water scarcity in these scenarios was assessed as high.	In order to minimize the effect of described risks Orkla is building water resilience throughout the value chain. We have clear goals to reduce water consumption and decrease dependency on water resources in our products, we work systematically with our suppliers and have started a collaboration with farmers to ensure use of best practices and avoid waste of resources. Furthermore, Orkla takes a share of it's responsibility for climate change as well as biodiversity loss and nature degradation. Therefore, Orkla is committed to set net-zero target and Science Based Target for Nature including water. We already have implemented climate change mitigation strategy and currently working on nature policy which will include water security strategy. We believe that these efforts will help to avoid the risk of water scarcity and we are committed to implement more measures to reduce our environmental impact and increase resource efficiency.

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 water.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Important but not an immediate business priority	Water risks are not identified as significant for Orkla at the moment, since Orkla does not produce any agricultural commodities. Therefore, it does not directly significantly contribute to water scarcity. Most of Orkla's product are produced with minimum water usage or without direct use of water for production.

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 in areas with low to medium risk of water shortage, but Orkla acknowledges 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 targets 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. Orkla sets targets based on guidelines and own ambition level. Targets are set to a 26% reduction by 2021 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 Annual Report 2021, pages 108-129 p). We do not have a publicly communicated target on reduction of water pollution, since the environmental impact of our operations on water is low and very site specific. Nevertheless, we are constantly monitoring quality of wastewater on the factory level and aiming to maintain low level of pollution to meet the permits and take actions to mitigate pollution, if necessary.

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 withdrawals

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
Absolute reduction in total water withdrawals

Baseline year
2014

Start year
2014

Target year
2025

% of target achieved
86.6

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
Engagement with suppliers to reduce the water-related impact of supplied products

Level
Company-wide

Motivation
Water stewardship

Description of goal
Our goal is to reduce water-related impacts of raw materials through increased certification. This goal is monitored and implemented on the corporate level. For several of our high-risk commodities such as cocoa, palm oil and soy, we are already buying certified raw materials. One example of supplier engagement is through the RSPO standard for palm oil where several water-related requirements are included. Another example is our commitment to use certification standards on minimum FSA Silver level for supplied agricultural materials. Certifications, such as a RSPO and FSA silver level of raw materials is a requirement set by Orkla Group Procurement, which regulates relationships with suppliers on the company level. This goal is relevant for Orkla since as a food producer, we are highly dependent on the nature and services that ecosystems provide. By ensuring that purchased raw materials are produced sustainably we secure provision of raw materials in the future. Furthermore, in conducted risk assessment water scarcity affecting the suppliers was outlined as one of the possible risks for Orkla and by engaging with suppliers now we are building water resilience and mitigating the risk.

Baseline year
2014

Start year
2014

End year
2025

Progress
In 2021 96 % of palm oil was certified (RSPO SG, RSPO MB and RSPO Credits). Our target is 100%.

We started working closely with FSA in 2021, therefore it is our first year and progress will be reported in 2022, but our target is all our priority raw materials to be sustainably produced at minimum FSA Silver level or the equivalent by 2025.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	W1.2b, W1.2h & W1.2i: total water withdrawals, total water discharges, total consumption volumes for Orkla ASA.	ISAE 3000	Independent account´s assurance report on Orkla ASA´s Sustainability reporting for 2021." Ernst&Young has undertaken a limited assurance engagement as defined by International Standards on Assurance Engagements, to report on Orkla ASA 's climate and environmental reporting as the Orkla ASA have defined and referred to in the Orkla ASA's GRI Index (see the document GRI 2021 Index on https://www.orkla.com/sustainability/results-and-reporting/the-gri-index/, "Environmental Engagement") for the period from 1 January 2021 to 31 December 2021. GRI indicators for water and effluents, data verified: GRI 303-3 total water withdrawal., GRI 303-4 total discharge.

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	Chief Sustainability Officer	Chief Sustainability Officer (CSO)

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 understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms