

# Remuneration report 2023



# Salary and other remuneration of senior executives

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Orkla’s report on salary and other remuneration of senior executives in 2023 has been prepared in accordance with section § 6–16b of the Public Limited Liabilities Companies Act.

The purpose of the report is to make transparent and detailed disclosures on the salary and other remuneration paid to and earned by members of the Orkla Board of Directors, the President and CEO, and the Orkla Management Team in 2023.

Orkla’s guidelines on salary and remuneration of senior executives define the framework for remuneration paid to members of the Board of Directors, the President and CEO, and Orkla’s Management Team. In 2022, Orkla decided to transform the company into a brand and consumer-oriented investment company. As part of this process, the Board proposed various changes to Orkla’s executive remuneration guidelines to ensure their alignment with the new operating structure. The new guidelines, which were adopted by the Orkla ASA Annual General Meeting on 13 April 2023, concern

remuneration agreed after the 2023 ordinary general meeting as well as subsequent changes to agreed remuneration. The changes introduced by the new executive remuneration guidelines are commented on in the report, but can also be viewed in full on the [Orkla website](#).

The 2023 report on salary and remuneration concern remuneration agreed before the 2023 ordinary general meeting and follows the executive remuneration guidelines adopted in 2021. Remuneration actually paid out and earned in 2023 as disclosed in this report is fully compliant with the framework conditions and principles laid down in the guidelines.

## Deviations from the guidelines

In 2023, Orkla made no deviations from the guidelines adopted by the Annual General Meeting in 2021. All decision processes related to the setting, approval and implementation of executive remuneration have complied with the guidelines.

# 2023 Highlights

## Orkla’s transformation in 2023

In 2023, Orkla was transformed into an industrial investment company consisting of 12 portfolio companies focused on consumer-oriented brands and value creation. Orkla ASA’s objective is to exercise active ownership and, together with the boards of the portfolio companies, to ensure optimal management of the companies’ assets. The recruitment of external chairs and board members has added considerable professional expertise and extensive, relevant industry experience to several of the boards of directors. Ambitious strategy plans have been prepared for each portfolio company which will provide a basis for growth and value creation in the years ahead.

## Strategic priorities

At its Capital Markets Day in London, Orkla presented its new strategy for the next three years, which encompasses five focus areas:

- Drive organic value in existing portfolio
- Optimise the existing portfolio
- Financial flexibility and disciplined capital allocation
- Delivery on ambitious ESG targets which support the transition to sustainable production and consumption
- Development of people, culture and organisation

Orkla's strategic priorities will be incorporated into the company's incentive programmes going forward.

## Financial results for 2023

Orkla increased operating revenues by 16.1% from 2022 to 2023, driven by organic growth in all consolidated portfolio companies and positive currency translation effects. The portfolio companies’ organic growth was linked to price increases to compensate for increased input costs. Overall revenue development was negatively affected by a drop in the power prices achieved by Hydro Power following extraordinarily high power price levels in 2022.

The profit before tax amounted to NOK 6,966 million, down 5.2% on 2022. Group EBIT (adj.) fell by 6.6% from 2022 to 2023. The decline in EBIT (adj.) was primarily due to reduced operating profits for Hydro Power, while the consolidated portfolio companies achieved good underlying growth in EBIT (adj.). The short-term incentive (STI) plan for the Management Team in 2023 includes the EBIT (adj.) of the consolidated portfolio companies, including Headquarters.

Jotun, in which Orkla has an ownership interest of 42.7%, delivered a strong result in 2023 and contributed to high profit growth from associates and joint ventures. Higher interest rates and increased financial items had a negative impact on the profit before tax as a result of higher average borrowing rates and an increase in interest-bearing liabilities.

## Remuneration of and changes in the management team

Orkla’s President and CEO chose to forego an annual salary adjustment in 2023 due to challenging market conditions and uncertainty. The other Management Team members received a moderate increase in salary (weighted average 2.3%). The annual bonus result for 2023 ended at 60% of base salary for the President and CEO and an average of 58% of base salary for the Orkla Management Team. The value of options awarded in

2023 corresponded to 30% of base salary for all members of the Management Team.

There were no changes in Orkla ASA's Management Team in 2023.

## Advisory vote on the report on salary and remuneration of senior executives in 2022

The remuneration report for 2022 was submitted to Orkla ASA’s Annual General Meeting for approval (advisory vote) in April 2023. Of the votes cast, 78.5% approved the executive remuneration report, while 21.5% opposed it. 0.07% abstained from voting.

Following the Annual General Meeting, Orkla has had conversations with a number of shareholders and other stakeholders. Several of these parties have indicated that they would like future executive remuneration reports to contain a more detailed account of Orkla’s variable remuneration. An attempt has been made to accommodate this request in this year's report, which provides more comprehensive information on the company’s short- and long-term incentive programmes.

# The Compensation Committee’s work in 2023

The Compensation Committee has three members appointed by and from among the members of the Board of Directors. The Board appoints the committee chair. The Compensation Committee was chaired by Liselott Kilaas in 2023. The other members of the committee were Stein Erik Hagen and Terje Utstrand (employee-elected). A presentation of the committee’s members can be found on pages 74 and 76.

The committee normally holds four to six meetings per year. In 2023, seven meetings were held to accommodate additional work occasioned by Orkla’s restructuring.

## Activities in 2023

In 2023, a large part of the Compensation Committee's work concerned revising the guidelines on remuneration paid to senior executives. This included ensuring that Orkla has suitable variable remuneration programmes in place to support the company's goal of long-term value creation. As part of this work, a new long-term incentive programme (LTI) involving performance shares was established. This supplements the existing share option programme.

During 2023, the Compensation Committee also spent time defining new performance criteria for 2024 which align with the new business strategy, for both Orkla’s short-term and long-term incentive programmes. The Compensation Committee also played an important role as a strategic adviser in connection with the

establishment of new incentive programmes by Orkla’s newly established portfolio companies.

## Changes to the executive remuneration guidelines as of 2024

The revised executive remuneration guidelines reduce the cap on short-term incentives (STI) from 100% to 60% but increase the cap on long-term incentives (LTI) from 35% to 75% of annual base salary. The aim is to keep the STI programme competitive while incentivising long-term value creation more. The overall cap on variable remuneration remains unchanged.

As of 2024, Orkla’s LTI programme will include both share options and performance shares. The performance shares will be transferred to employees after three years, provided that they fulfil predefined, long-term performance criteria. The Board's rationale for supplementing the share option programme with a performance-share programme is that with a purely option-based programme the new LTI cap (up to 75% of annual base salary) could result in a disproportionately high upside in situations where share price increases are due to circumstances beyond Orkla’s control. Moreover, employees’ motivation to stay with the company could be weakened during periods when the Orkla share price is low. By linking share awards to predefined and long-term performance criteria, performance shares can help to motivate and retain employees during periods of weak share price development.

# The Compensation Committee’s mandate

The Committee’s mandate includes:

- Assessing the President and CEO’s performance and proposing a remuneration package to the Board of Directors based on this assessment
- Recommending guidelines on the remuneration of senior executives
- Preparing compensation matters for submission to the Board of Directors
- Preparing the executive remuneration report for submission to the Board of Directors
- Responsible for the annual Board of Directors evaluation processes

Unless the Board of Directors assigns a specific responsibility, the Compensation Committee has no independent decision-making powers.

# Remuneration of the Board of Directors

The members of the Board of Directors receive a fixed annual fee for their work on behalf of the Board. Additional compensation is paid for participation in the Audit Committee and Compensation Committee. Shareholder-elected board members residing outside Norway receive an additional NOK 22,000 per board meeting they attend, by way of travel allowance.

Every year, the Nomination Committee proposes the fee to be paid to members of the Board of Directors, and this proposal is then considered by the Annual General Meeting. Unless special circumstances dictate otherwise, Orkla adjusts the fees paid to Board members annually in accordance with general wage growth.

Against the backdrop of the economic situation characterized by high inflation and increased costs, the committee received a request from the Board to keep the remuneration unchanged for 2023. The committee found reason to comply with this request and therefore proposed no adjustment to the remuneration rates for 2023. The general meeting approved the committee's recommendation.

## Board fees

Amount in 1,000s NOK

Function	Year	Board of Directors	Audit Committee	Compensation Committee
Chair	2023	970	210	167
	2022	970	210	167
Shareholder-elected members <sup>1</sup>	2023	630	140	123
	2022	630	140	123
Employee-elected members	2023	485	140	123
	2022	485	140	123
Deputy members	2022	33 per meeting		

## Compensation paid to board members

Amount in 1,000s NOK

	Year	Board fees <sup>4</sup>	Audit Committee fees	Compensation Committee fees	Total fees	Number of Orkla shares <sup>5</sup>
Stein Erik Hagen	2023	970	0	123	1,093	250,386,411
	2022	940	0	119	1,059	250,386,411
Liselott Kilaas	2023	630	0	167	797	19,100
	2022	610	0	162	772	15,700
Peter Agnefjäll	2023	630	210	0	840	20,000
	2022	610	140	0	750	20,000
Anna Mossberg	2023	630	0	0	630	9,281
	2022	610	0	0	610	7,892
Christina Fagerberg <sup>2</sup>	2023	630	140	0	770	20,000
	2022	420	93	0	513	20,000
Rolv Erik Ryssdal <sup>2</sup>	2023	630	0	0	630	16,000
	2022	239	0	0	239	16,000
Caroline Marie Hagen Kjos <sup>3</sup>	2023	420	0	0	420	
	2022	0	0	0	0	
Terje Utstrand	2023	485	0	123	608	11,174
	2022	477	0	119	596	10,804
Sverre Josvanger	2023	485	140	0	625	26,622
	2022	477	136	0	613	26,622
Karin Hansson	2023	485	0	0	485	2,363
	2022	477	0	0	477	1,993
Roger Vangen	2023	485	0	0	485	11,443
	2022	477	0	0	477	11,073

- 1
- Shareholder-elected members residing outside Norway additionally receive NOK 22,000 per meeting by way of travel allowance.
- 2
- Christina Fagerberg became a board member in April 2022, and Rolv Erik Ryssdal in September 2022.
- 3
- In 2023, Caroline Marie Hagen Kjos went from being Stein Erik Hagen’s personal deputy to a full board member.
- 4
- The payout in 2023 is higher than the payout in 2022 since the increase in board fees for 2022 took effect from the General Meeting in 2022. Board fees were not increased in 2023.
- 5
- All figures reflect total holdings including related parties.

Compensation to employee-elected Board representatives

Amount in 1,000s NOK

		Salary and holiday pay	Board fee	Benefits in kind	Pension costs	Total remuneration
Terje Utstrand	2023	721	608	10	38	1,378
	2022	699	596	9	36	1,340
Roger Vangen	2023	596	485	10	32	1,123
	2022	582	477	8	31	1,098
Sverre Josvanger	2023	618	625	89	34	1,366
	2022	615	613	71	32	1,331
Karin Hansson <sup>1</sup>	2023	439	485	5	33	962
	2022	393	477	5	30	905

1        Salary, benefits in kind and pension agreed in SEK but converted to NOK at the average exchange rate for the year.

Principles governing salary and remuneration paid to senior executives

Orkla's guidelines on salary and other remuneration paid to senior executives are designed to ensure that the company is able to attract and retain managers with relevant experience, a high level of expertise and good leadership qualities. Orkla must be able to offer competitive terms on a par with relevant markets.

Offered compensation must include both fixed elements such as base salary and benefits and variable elements such as an annual bonus and long-term incentives. In addition, pension and insurance schemes are offered. The table on page 56 provides an overview

2        G = grunnbeløp (basis amount)

of the different elements that make up the compensation package for senior executives at Orkla ASA. Unless otherwise specified, the compensation package is offered to all members of the Orkla Management Team.

Base salary

The base salary of senior executives must be in line with the market median in the various local markets, and must reflect the criteria of the specific position with regard to qualifications, responsibilities and complexity, as well as the extent to which the position contributes to the achievement of Orkla’s overarching business objectives.

Orkla uses internationally recognised job evaluation systems to determine the right level of remuneration for each position and the base salary to be offered. Positions are assessed on the basis of their local markets (countries), and a salary range of +/- 20% relative to the market median is used. The employees’ responsibilities, results achieved and performance determine where they are placed on the salary scale. Individual performance must be reflected in the base salary, which must consequently be set on an individual, differentiated basis.

The level of base salary must be evaluated regularly, normally every year.

Benefits in kind

Senior executives at Orkla are offered benefits-in-kind in line with market practice. A fixed car allowance is provided, as well as work-related benefits such as a mobile telephone, internet, newspapers, etc.

Variable remuneration

Orkla offers its senior executives short-term and long-term incentive programmes. The purposes behind these programmes include clarifying Orkla’s shared goals and ambitions, and rewarding performance which contributes to goal achievement. A further aim is that the programmes should safeguard shareholder interests by defining performance criteria which are consistent with long-term value creation and sustainability. A more detailed description of Orkla’s incentive programmes for senior executives can be found on page 58 of the report.

Pension scheme

Orkla’s senior executives are members of the same pension schemes as other employees. In Norway, all employees are members of Orkla’s defined contribution pension scheme. The contribution rates are 5% for salaries up to 7.1 G<sup>2</sup> and 23.1% for salaries between 7.1 G and 12 G.

Orkla also has a defined contribution pension scheme for salaries above 12 G, where the contribution rate is 23.1%. This scheme covers all group employees in Norway, with the exception of employees in a few subsidiary companies which have opted out of the scheme.

Three members of the Orkla Management Team (Grönberg, Mageli and Nagel Johansen) have an agreement entitling them to contractual early retirement, covering the period from when they reach 65 until the age of 67. This scheme is a closed defined benefit scheme and pays out 66% of final salary during the above-mentioned period. New members who have joined the Management Team after 2019 are not included in this scheme.

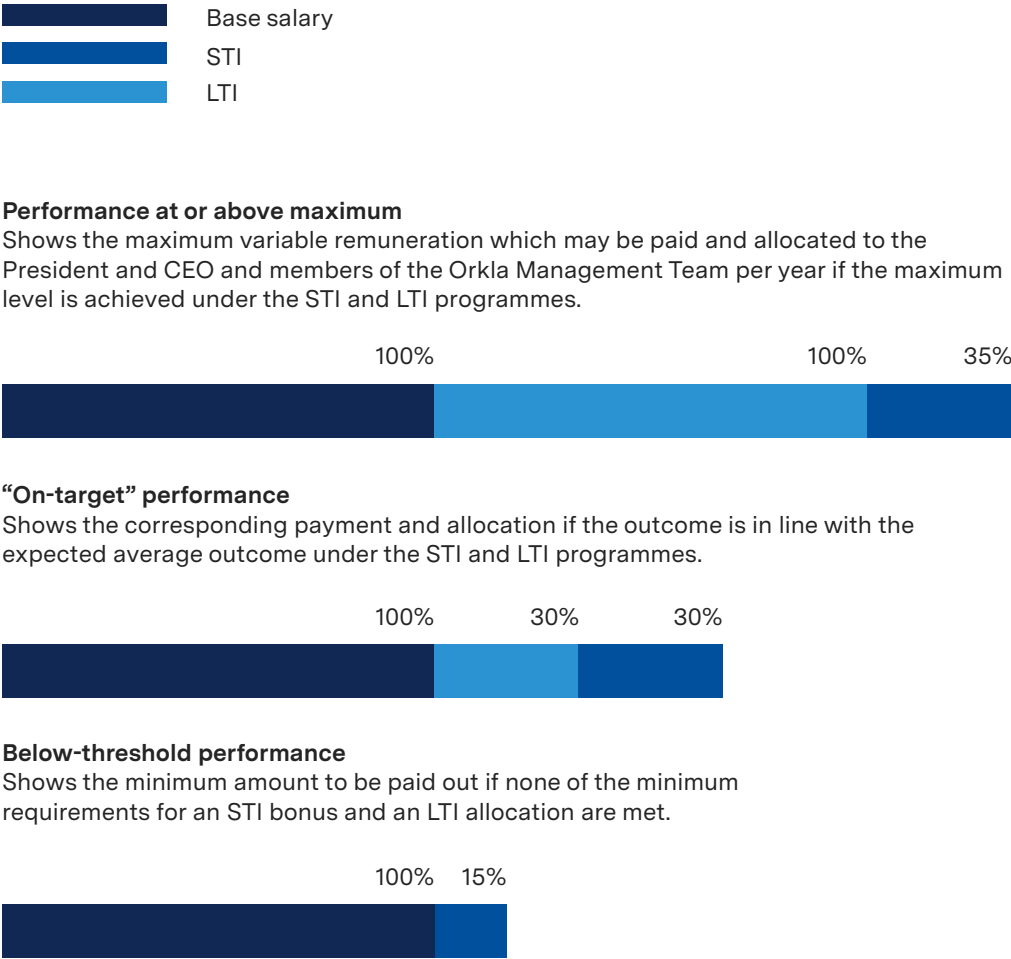
**Termination**

Senior executives must be subject to a mutual six-month notice period. If a senior executive is dismissed or resigns at Orkla’s request, severance pay/post-employment salary may be paid in an amount corresponding to no more than one year’s base salary. If the employment contract includes a provision on severance pay/post-employment salary, this shall, insofar as possible, be conditional on the senior executive waiving his/her employment protection under the employment contract. As a general rule, at least 75% of income from any new employment accepted by the employee during the notice period must be deducted from any post-employment pay from Orkla. It is possible to depart from this rule on the basis of local legislation outside Norway.

Overview of remuneration elements

Base salary	Attract and retain managers with relevant experience, high levels of expertise and leadership qualities.	The base salary shall be competitive and on a par with the salary level for comparable positions in relevant markets.
STI	Motivate and reward achievement of short-term goals which support long-term value creation and sustainability.	Annual bonus capped at 100% of annual salary. The programme must be linked to one or more pre-determined and measurable criteria. The targets used must be clearly linked to Orkla’s business strategy, long-term interests and sustained growth.
LTI	Promote commonality of interest between shareholders and senior executives and create a retention element which enables Orkla to retain the best leaders.	Performance-based long-term incentive programme entailing the allocation of options vesting over a three-year period. The maximum allocation per year may not exceed 35% of annual salary. Gains per year may not exceed six times the allocation value. There is a requirement to purchase shares for 25% of gross gains when exercising the options. The shares must be subject to a lock-in period of three years.
Pension scheme	Help ensure financial security for senior executives and other employees upon reaching retirement age.	Orkla’s senior executives are members of the same pension schemes as other employees. Most of Orkla’s employees in Norway are members of the company’s defined-contribution pension schemes, for which the contribution rates are 5% for salaries up to 7.1 G and 23.1% for salaries above 7.1 G.

Variable remuneration as a percentage of base salary



# Remuneration of the Orkla Management Team

In 2023, the President and CEO received total compensation of approximately NOK 25 million. 53% of the package comprised fixed remuneration elements, while variable remuneration accounted for 47%. The President and CEO’s total compensation increased in 2023 compared to 2022.

The increase is attributable to several factors, including that the President and CEO’s compensation in 2022 related to a shorter period, as he only took up the post of President and CEO on 11 April 2022. Consequently he received no share option grants in 2022.

In addition, due to challenging market conditions marked by high inflation and price increases, the President and CEO voluntarily decided to waive his entitlement to a bonus earned for 2022. For the same reason, the President and CEO also chose to forego a salary increase in 2023.

Members of the Orkla Management Team received a moderate salary increase in 2023 (weighted average of 2.3%). The average salary increase for other employees in Norway was 5.3%. On average, 56% of the compensation comprised fixed remuneration elements, while variable remuneration accounted for 44%.

Remuneration of Orkla Management Team				Fixed remuneration elements		Variable remuneration elements				Fixed vs. variable remuneration	
Amount in 1,000s NOK	Year	Period 1.1–31.12	Annual salary as at 31.12	Salary and holiday pay	Benefits-in-kind	Annual bonus earned (STI)	Value of awarded options (LTI)	Pension costs	Total compensation	Fixed	Variable
Nils K. Selte President and CEO	2023		12,000	11,792	239	7,200	3,600	2,641	25,472	53%	47%
	2022	11.4–31.12	12,000	7,882	171			1,988	10,041	100%	0%
Atle Vidar Nagel Johansen EVP for Investments	2023		6,090	6,334	233	4,007	1,827	1,740	14,141	53%	47%
	2022		6,000	5,768	231	600	1,044	1,733	9,376	78%	22%
Hege Holter Brekke EVP for Investments	2023		3,519	3,927	239	2,157	1,056	690	8,069	56%	44%
	2022		3,450	3,582	229	345	817	639	5,612	77%	23 %
Audun Stensvold EVP for Investments	2023		3,264	3,146	238	1,658	979	609	6,630	56%	44%
	2022	1.11–31.12	3,200	480	35	67		100	682	88%	12%
Maria Syse-Nybraaten EVP for Investments	2023		3,266	3,533	239	1,659	980	607	7,018	59%	41%
	2022	1.10–31.12	3,110	778	309	289		145	1,521	79%	21%
Øyvind Torpp EVP for Investments	2023		6,090	5,976	238	3,094	1,827	1,262	12,397	56%	44%
	2022	1.11–31.12	6,000	1,000	39	300		208	1,547	78%	22%
Harald Ullevoldsæter EVP Finance and CFO	2023		3,390	3,613	240	2,146	1,017	650	7,666	55%	45%
	2022		3,292	3,483	228	411	823	636	5,581	75%	25%
Christer Grönberg <sup>1</sup> EVP HR	2023		3,385	3,465	169	2,075	965	932	7,606	54%	46%
	2022		3,286	3,561	150	390	779	931	5,811	76%	24%
Camilla Tellefsdal Robstad EVP Legal & Compliance	2023		2,800	2,854	257	1,716	840	519	6,186	55%	45%
	2022	13.12–31.12 <sup>2</sup>	2,800	2,119	214	350	396	526	3,605	76%	24%
Håkon Mageli EVP Comm. & Corporate Affairs	2023		2,862	3,081	263	1,597	858	666	6,465	58%	42%
	2022	11.4–31.12 <sup>2</sup>	2,805	3,053	229	351	701	665	4,999	76%	24%

1      Salary agreed in SEK but converted using the average exchange rate for the year.  
2      Member of the Management Team for part of the year, but an Orkla employee the entire year.

# STI 2023

Senior executives at Orkla ASA participate in a Short-Term Incentive (STI) programme. The STI programme has three components:

- financial targets
- ESG<sup>1</sup>-related targets
- individual targets

Financial performance criteria must account for at least 50% of the total bonus outcome. Although the specific performance criteria used in the STI programme may vary from year to year depending on Orkla’s priorities and business strategy, they support Orkla’s goal of long-term value creation.

### Definition of performance criteria and targets

The process of setting performance criteria for the year ahead begins after the company’s annual strategy process, to ensure that prioritised goals and strategies are reflected in the bonus programme. Proposed performance criteria are considered at several Compensation Committee meetings and Board meetings before a final decision is made. To ensure a sufficient level of ambition and challenging targets, the specific target figures for each criterion are set at the start of the current performance period, after the previous year’s results have been finalised.

The STI programme is capped at 100% of annual salary as at 31 December in the year of accrual. Set targets must be ambitious, and full target achievement is only realised if the results are significantly above expectations. A “good performance” (“target”) shall equate to a bonus payment of 30% of annual salary.

### STI 2023 – performance criteria

In the STI plan for 2023, financial targets accounted for 55% and ESG-related targets for 10%. These targets were common to the entire Management Team and are described in the table on the next page.

Individual targets had a weighting of 35%. For 2023, the Board of Directors has increased the weightings of the individual targets for the President and CEO and the Management Team, compared to last year. This was done to incentivise the extraordinary restructuring work carried out in 2023, including the implementation of a new organisational and operational model, the development of a strategy for Orkla ASA, the development of “full-potential plans” for the portfolio companies and the holding of the Capital Markets Day. These activities have laid a solid foundation for future value creation.

The Orkla Board of Directors approves the individual targets for the President and CEO, while the President and CEO approves the individual targets for the other members of the Management Team.

The President and CEO's individual targets for 2023 were linked to the establishment of the new organisational structure and business strategy. The goals were as follows:

- operationalisation of the investment mandate and strategy for Orkla ASA as an industrial investment company
- implementation of a new operating model for Orkla ASA
- operationalisation of Orkla's portfolio companies
- securing progress towards a 12%-14% shareholder return

The Management Team’s individual targets for 2023 were linked to Orkla’s active ownership approach, which includes the establishment of separate boards for the portfolio companies, implementation of a new governance model, preparation of “full-potential plans” and incentive programmes for each individual

portfolio company. In addition, the establishment of business service companies and centres of excellence to provide assistance across the Orkla group and support the realisation of expertise and cost synergies, was also used as a measurement criterion.

### Financial and ESG-related results in 2023










The President and CEO and the Management Team delivered a total bonus result above target in 2023. For the financial bonus elements, total target achievement equalled 27.8%, 11.3 percentage points above target. A strong return on Orkla’s share price compared to the preceding year boosted the bonus outcome. In addition, the consolidated portfolio companies delivered EBIT (adj.) in line with target. The threshold level for improvement of working capital was not reached, and consequently no bonus was earned on this element.

Orkla is seeking to support the transition to sustainable production and consumption, and has adopted ambitious sustainability targets for the period to 2025. One of these targets is a 65% reduction in greenhouse gas emissions from own operations. In the STI programme for 2023, this goal was included as a bonus element with a target of a 60% reduction. This target was achieved with the actual reduction totalling 62%.

The second sub-goal under ESG-related goals was the preparation of a new ESG strategy for Orkla as an investment company. The purpose of the new strategy is, among other things, to define how Orkla will monitor its portfolio companies in its capacity as an active owner, and to define ambitious targets for the years ahead. The Board of Directors conducted a discretionary assessment of goal achievement linked to this element, and concluded that the goal had been achieved. Overall goal achievement for both elements was 5%, with the maximum achievable being 10%. The table on page 60 illustrates goal achievement related to the financial and ESG-related bonus elements.

1 ESG stands for Environmental, Social and Governance.

# STI 2023 – performance criteria and link to Orkla’s strategic priorities

			Orkla's strategic priorities				
			Drive organic value in existing portfolio	Optimisation of existing portfolio	Financial flexibility and disciplined capital allocation	Delivery on ESG goals	Development of people, culture and organisation
Performance criteria	Weighting	Definition					
EBIT (adj.) target for the brand consumer business	25%	Reported operating profit of the consolidated portfolio companies, including Headquarters, before other income and expenses, i.e. EBIT (adj.) Uses the same definition as in external reporting. The bonus outcome is measured as a percentage of a pre-defined target figure.					
Improvement of working capital	5%	Improvement of working capital is defined as the change in the key figure “rolling 12-month average working capital as a percentage of operating revenues over the past 12 months (bonus year)”, compared to the level of the same key figure for the previous 12 months.					
Return on the Orkla share	25%	The return is calculated by first taking the average share price in Q4 less the average share price in Q4 of the previous year, then calculating that amount, plus dividends paid, as a percentage of the share price in Q4 of the previous year. This return plus a fixed element of 5 percentage points equals the bonus outcome. The outcome may not exceed 25% of base salary, and the minimum outcome is zero.					
Reduction of greenhouse gas emissions	5%	60% reduction in greenhouse gas emissions from own operations.					
New sustainability strategy	5%	Preparation of Orkla's new sustainability strategy in its capacity as an investment company, including clear targets for each sub-goal.					
Individual targets	35%	Individual goals will vary and usually include both financial and/or operational targets, as well as targets related to the development of employees, culture and organisation.					

STI results 2023

Performance criteria	Outcomes								
		Below threshold	Threshold	Between threshold and target	Target (30% of max.)	Between target and max.	Max.	Achieved bonus as % of salary	Max. bonus as % of salary
EBIT (adj.) target for the brand consumer business	In 2023, Orkla’s consolidated portfolio companies, including Headquarters, achieved EBIT (adj.) of NOK 6.0 billion, representing an underlying improvement of 7% on 2022. The total bonus outcome for this element was 8.1%, in line with the target.	<div></div>						8.1%	25%
Improvement of working capital	The threshold level for improvement of working capital was not reached, and consequently no bonus was earned on this element.	<div></div>						0%	5%
Return on the Orkla share	The return on the Orkla share as defined for the purposes of this bonus element was 14.7%. This return, plus the fixed element of 5 percentage points, resulted in bonus achievement of 19.7%.	<div></div>						19.7%	25%
Reduction of greenhouse gas emissions from own operations	The overall reduction in greenhouse gas emissions from own operations was 62%, indicating good progress towards Orkla’s target of a 65% reduction by 2025.	<div></div>						2.5%	5%
Development of Orkla’s new sustainability strategy	Orkla has developed a new sustainability strategy in its capacity as an industrial investment company. Orkla’s sustainability goals comprise three pillars: protecting the environment, empowering people and governance and ethics in business.	<div></div>						2.5%	5%
Total goal achievement								32.8%	65%

**The President and CEO’s individual performance in 2023**

The Board of Directors assessed the President and CEO's overall performance on his individual targets at 27%. The maximum achievable figure was 35%. The Board’s reasons for awarding such a high level of achievement are that the President and CEO has demonstrated robust leadership and effective implementation of Orkla’s transformation during a period of major change. The President and CEO has spearheaded the development of ambitious strategic plans for both Orkla ASA and the individual portfolio companies which lay the foundation for future growth and value creation for Orkla’s shareholders.

**The Management Team’s individual results in 2023**

Achievement of individual targets by members of the Management Team averaged 25%. The maximum achievable figure was 35%. 2023 was an extraordinary year for both the President and CEO and the Management Team at Orkla ASA, with the Orkla group undergoing major changes. Together with the President and CEO, the Management Team delivered strong achievements in 2023, including the successful transformation of the company, the establishment of a new operating model, and the development of strategic plans for Orkla’s new portfolio companies.

**Total target achievement by the President and CEO and the Management Team**

The President and CEO’s overall target achievement was 60%, with the maximum achievable figure being 100%. The average target achievement of the members of the Management Team was 58%, with the maximum achievable also being 100%.



# LTI 2023

### Structure

In 2023, Orkla operated an option programme as a long-term incentive. Participation in the programme is based on nomination, with the exception of the President and CEO and members of the Management Team, who participate annually.

Options are allocated the year after nomination. The allocation of options is based partly on position (calculated option value corresponding to 15% of base salary) and partly on a discretionary assessment of whether pre-defined long-term goals have been achieved (calculated option value capped at 20% of base salary).

Based on the above, the outcome for participants in the programme is an option value in the range of 15%–35% of base salary, depending on target achievement. The option value is calculated using the Black-Scholes model.

### Allocation

Options are allocated once a year. The first time this was done was in 2021. Allocation is based on the share price the day after the Annual General Meeting. The Board of Directors decides annually how many share options to allocate to each member of the Management Team. The members may exercise their options no earlier than three years and no later than five years after the allocation date. The options expire after five years.

### Exercise price and required return

The exercise price is set as the market price on the allocation date, plus 3% per year during the vesting period. The exercise price is

adjusted for dividends. Employees who leave the company lose their entitlement to options which have not been exercised.

### Cap on gains

Gains on options allocated in a given year may not exceed six times the value of the allocated options on the allocation date, as calculated using the Black-Scholes model. Accordingly, if a participant is allocated options with a calculated option value equal to 30% of base salary, the gain is capped at 180% of base salary.

### Requirement to purchase shares

Members of the Management Team who exercise their options must use 25% of the gross gain to purchase Orkla shares. Purchased shares are subject to a lock-in period of three years.

## Performance criteria for the award of options

Variable option awards must be based on performance targets in one or more of the following areas:

- ✦ profitable organic growth
- ✦ long-term value creation
- ✦ innovation and increased market share
- ✦ sustainability as a growth factor
- ✦ structural growth in priority categories and geographical regions
- ✦ establishing a cost-effective organisation and realising synergies
- ✦ developing staff and the working environment



LTI tables

Allocation of share options in 2023

Amount in 1,000s NOK

	Allocation	Salary	Allocation value	Value per share option	Number of allocated options	Allocation date	Earliest exercise date	Expiry date	Option exercise price
Nils K. Selte	30%	12,000	3,600	13.95	258,133	14.04.2023	14.04.2026	14.04.2028	kr 73.14
Atle Vidar Nagel Johansen	30%	6,090	1,827	13.95	131,002	14.04.2023	14.04.2026	14.04.2028	kr 73.14
Hege Holter Brekke	30%	3,519	1,056	13.95	75,697	14.04.2023	14.04.2026	14.04.2028	kr 73.14
Audun Stensvold	30%	3,264	979	13.95	70,212	14.04.2023	14.04.2026	14.04.2028	kr 73.14
Maria Syse-Nybraaten	30%	3,266	980	13.95	70,244	14.04.2023	14.04.2026	14.04.2028	kr 73.14
Øyvind Torpp	30%	6,090	1,827	13.95	131,002	14.04.2023	14.04.2026	14.04.2028	kr 73.14
Harald Ullevoldsæter	30%	3,390	1,017	13.95	72,929	14.04.2023	14.04.2026	14.04.2028	kr 73.14
Christer Grönberg <sup>1</sup>	30%	3,215	965	13.95	69,166	14.04.2023	14.04.2026	14.04.2028	kr 73.14
Camilla Tellefsdal Robstad	30%	2,800	840	13.95	60,231	14.04.2023	14.04.2026	14.04.2028	kr 73.14
Håkon Mageli	30%	2,862	858	13.95	61,554	14.04.2023	14.04.2026	14.04.2028	kr 73.14

1      Amounts originally denominated in SEK have been converted into NOK using the exchange rate on 14 April 2023.

Option holdings

	Number of options at beginning of year	Number of exercisable options as at 1 January 2023	Number of options allocated in 2023	Number of exercisable options as at 31 December 2023	Number of allocated options as at 31 December 2023
Nils K. Selte	0	0	258,133	0	258,133
Atle Vidar Nagel Johansen	158,873	0	131,002	0	289,875
Hege Holter Brekke	121,190	0	75,697	0	196,887
Audun Stensvold	0	0	70,212	0	70,212
Maria Syse-Nybraaten	0	0	70,244	0	70,244
Øyvind Torpp	0	0	131,002	0	131,002
Harald Ullevoldsæter	125,278	0	72,929	0	198,207
Christer Grönberg	121,385	0	69,166	0	190,551
Camilla Tellefsdal Robstad	63,286	7,707	60,231	20,363	123,517
Håkon Mageli	90,680	9,368	61,554	27,504	152,233

# Discontinued LTI programme

## Former LTI programme LTI Bonus Bank

Prior to 2020, Orkla operated a cash-based LTI programme. This programme was established before the adoption of the current executive remuneration guidelines. Allocations were based on pre-defined long-term criteria defined the year before allocation. "Good performance" was to result in an allocation equivalent to 30% of base salary. The maximum allocation was 50% of annual salary, and the total value of allocations under the STI programme and the LTI programme in a single year was capped at one year’s salary.

The allocated amount was to be adjusted in line with the performance of the Orkla share in the period preceding payment. The closing price on the day after the Annual General Meeting was to be used. The earliest payment claim dates under the LTI programme were 1/3 after 24 months, 1/3 after 36 months and 1/3 after 48 months.

The table to the right shows the current LTI Bonus Bank holdings. The last payment under the programme will occur in May 2024. Only members of the Management Team who were employed by Orkla before 2020 have been members of the programme and have holdings in the LTI Bonus Bank.

### LTI Bonus Bank, holdings as at 31 December 2023

Amount in 1,000s NOK

Atle Vidar Nagel Johansen	402
Hege Holter Brekke	286
Harald Ullevoldsæter	317
Christer Grönberg	319
Camilla Tellefsdal Robstad	190
Håkon Mageli	274

# Management Team shareholdings

Orkla wishes to facilitate the ownership of shares in the company by senior Orkla executives. A requirement has been introduced that part of gains made under the option programme must be used to purchase shares in Orkla, with a lock-in period of at least three years. The table below shows the Management Team’s ownership of Orkla shares.

## Ownership of Orkla shares

	Shareholding as at 31 December 2023	Purchases in 2023	Sales in 2023	Shareholding as at 31 December 2023
Nils K. Selte	157,395	55,370		212,765
Atle Vidar Nagel Johansen	28,845	370		29,215
Hege Holter Brekke	7,065	8,370		15,435
Audun Stensvold	0	25,370		25,370
Maria Syse-Nybraaten	0	7,370		7,370
Øyvind Torpp	24,200	12,870		37,070
Harald Ullevoldsæter	7,947	370		8,317
Christer Grönberg	16,865	370		17,235
Camilla Tellefsdal Robstad	7,187	4,370		11,557
Håkon Mageli	101,064	370		101,434

All figures reflect total holdings including related parties.



# President and CEO remuneration

## Evaluation of salary levels

The salary levels of the President and CEO and members of the Management Team are evaluated annually by reference to relevant comparable companies from the general Norwegian industrial sector and Nordic investment companies.

In 2023, the President and CEO's salary was compared to the following companies<sup>1</sup>:

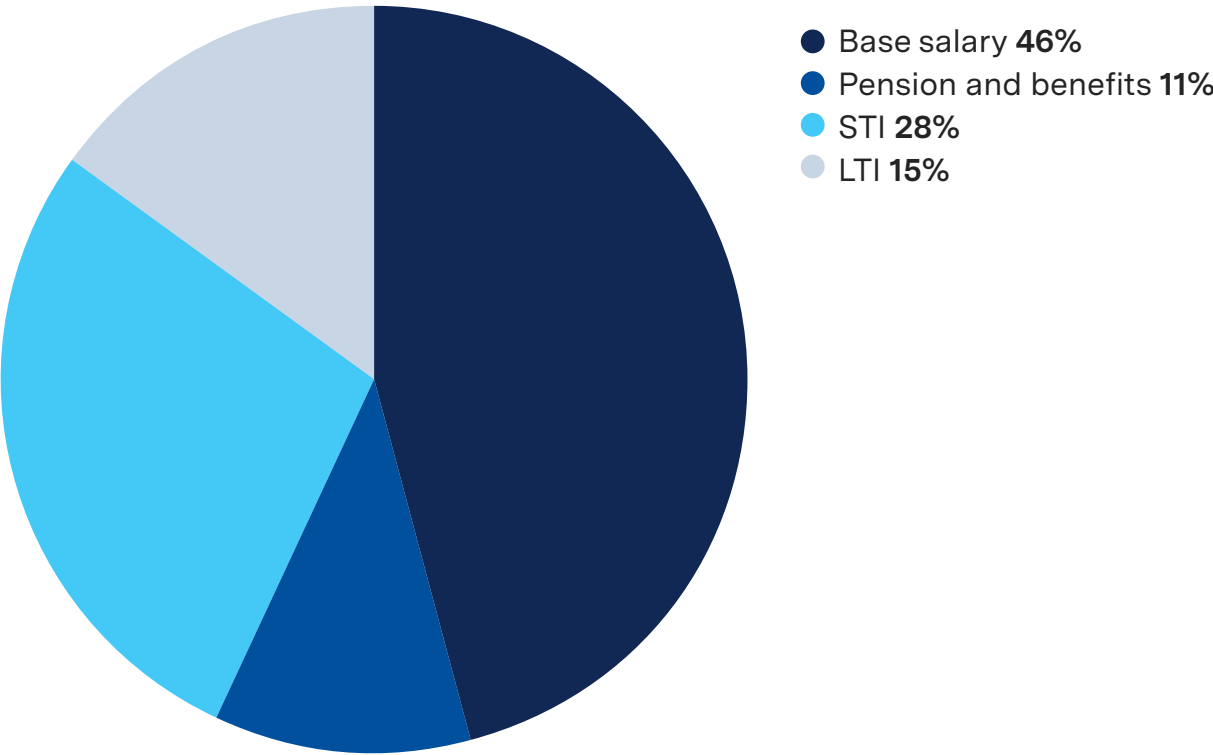
- Equinor, DNB Bank, Storebrand, Norsk Hydro, Telenor, Yara International, Vår Energi and Statkraft (general Norwegian industrial sector )
- Aker ASA, Ferd, Investor AB, Industrivärden AB, Latour AB og Kinnevik AB (Nordic investment companies)

The results of the comparison are as follows for the President and CEO’s remuneration package

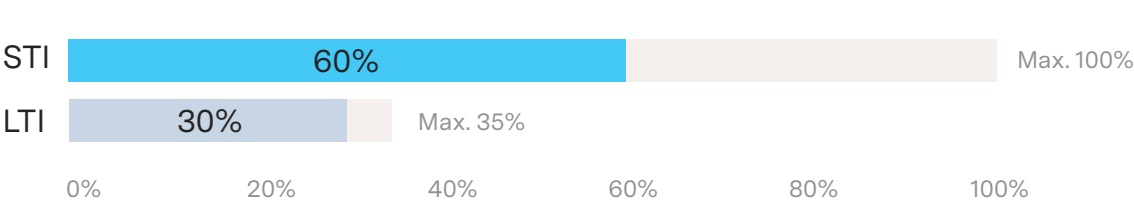
Benchmark	Assessment of total remuneration received by the President and CEO
General Norwegian industrial sector	Above median
Nordic investment companies	Below median

1 The salary analysis was based on salary data from 2022 for both Orkla’s President and CEO and for the comparable companies. Salary data for 2023 will only be publicly available during 2024. The benchmark was conducted with support from an independent third-party consultancy firm.

Relative size of remuneration elements in 2023



Variable remuneration in 2023 (% of base salary)



# Annual changes, last five financial years

The tables below show annual changes in the remuneration received by members of the Management Team, Orkla’s performance and the average remuneration paid to other employees in the last five financial years.

The next page shows annual changes in the remuneration received by former members of the Management Team.

Management Team

Amount in 1,000s NOK

		2023			2022			2021			2020			2019		
Name	Position	Total remuneration <sup>1</sup>	Annual change <sup>2</sup>	Variable share remuneration	Total remuneration	Annual change	Variable share remuneration	Total remuneration	Annual change	Variable share remuneration	Total remuneration	Annual change	Variable share remuneration	Total remuneration	Annual change	Variable share
Nils K. Selte	President & CEO	25,472	90%	47%	10,041		0%									
Atle Vidar Nagel Johansen	EVP & Investment Executive	14,140	51%	47%	9,376	11%	18%	8,468	-13%	31%	9,742	16%	43%	8,428	20%	35%
Hege Holter Brekke	EVP & Investment Executive	8,069	44%	44%	5,612	1%	21%	5,551	0	30%						
Audun Stensvold	EVP & Investment Executive	6,630	62%	44%	682		10%									
Maria Syse-Nybraaten	EVP & Investment Executive	7,018	15%	41%	1,521		19%									
Øyvind Torpp	EVP & Investment Executive	12,397	34%	44%	1,547		19%									
Harald Ullevoldsæter	EVP Finance & CFO	7,666	37%	45%	5,582	-10%	22%	6,209	0%	34%	6,194	0	41%			
Christer Grönberg	EVP Human Resources	7,606	31%	46%	5,798	-14%	20%	6,743	-2%	31%	6,859	5%	38%	6,506	24%	36%
Camilla Tellefsdal Robstad	EVP Legal & Compliance	6,186	72%	45%	3,604		21%									
Håkon Mageli	EVP Comm. & Corporate Affairs	6,465	29%	42%	4,998		21%									

Financial results

Amount in 1,000s NOK

	2023	2022	2021	2020	2019
Organic growth <sup>3</sup>	8.1 %	9.6 %	4.3 %	1.6 %	1.3 %
EBIT (adjusted)	6,921	7,411	6,145	5,492	5,088
Profit per share	5.21	5.04	4.82	4.37	3.84
Annual change in profit per share	3.4 %	4.6 %	10.5 %	13.8 %	18.5 %

Remuneration paid to Orkla group employees

Amount in 1,000s NOK

	2023	2022	2021	2020	2019
Average number of full-time employees throughout the year	19,476	20,098	20,074	17,656	17,622
Average payroll costs	583	486	454	508	465
Annual change in average remuneration paid to Orkla group employees	20.1 %	6.9 %	-10.6 %	9.2 %	6.3 %

- 1Total remuneration = total paid salary and holiday pay, pension accruals for the year, accruals under the STI programme for the year, allocations under the LTI programme for the year and benefits in kind. Quoted figures are for the actual period employed by Orkla.
- 2The annual change is calculated using recalculated figures for the full year if the person was only employed by Orkla for part of the year.
- 3Organic growth is calculated for the consolidated portfolio companies.


Former members

Amount in 1,000s NOK

Name	Position	Period	2023			2022			2021			2020			2019		
			Total remuneration <sup>1</sup>	Annual change <sup>2</sup>	Variable share	Total remuneration	Annual change	Variable share	Total remuneration	Annual change	Variabel andel	Total remuneration	Annual change	Variable share	Total remuneration	Annual change	Variable share
Jaan Ivar Semlitsch	President and CEO	15.8.2019–10.04.2022	7,031	Final payment		21,303		Cumulative payment 2022	15,910	-5%	34%	16,721	11%	40%	5,645	0	32%
Kenneth Haavet	EVP Cons. & Fin. Inv.	1.2.2020–16.2.2022	973	Final payment		3,404		Cumulative payment 2022	6,402	-1%	40%	5,905	0	43%			
Sverre Prytz	EVP Strategy & M&A	1.12.2019–31.10.2022	2,740	Final payment		4,812		Cumulative payment 2022	5,862	-5%	34%	6,128	27%	39%	403	0	24%
Ingvill T. Berg	EVP Orkla Conf. & Snacks	14.1.2021–10.4.2022				4,731		Cumulative payment 2022	5,570	0	34%						
Johan Clarin	EVP Orkla Food Ingredients	1.9.2013–10.4.2022				6,263		Cumulative payment 2022	7,144	8%	31%	6,593	-3%	31%	6,792	17%	35%
Terje Andersen	Acting CEO	7.5.2019–1.2.2020										6,916	Final payment		7,676	0	30%
Ann-Beth Freuchen	EVP Orkla Foods N&B / Conf.& S.	1.7.2015–14.1.2021							10,458	Final payment		8,083	14%	40%	7,071	6%	33%
Jeanette Hauan Fladby	EVP Orkla Conf. & Snacks	1.10.2018–14.1.2021							7,597	Final payment		5,892	-5%	31%	6,171	40%	39%
Jens Staff	CFO	1.6.2014–29.2.2020										4,419	Final payment		6,501	18%	33%
Peter A. Ruzicka	President and CEO	1.2.2014–7.5.2019										6,871	Final payment		16,456	Final payment	
Johan Wilhelmsson	EVP Orkla Foods International	1.10.2018–14.1.2021										7,405	28%	44%	5,775	1%	33%
Karl Otto Tveter	EVP Group Functions & Legal	1.2.2012–30.11.2019													5,260	Final payment	

1      Total remuneration = total paid salary and holiday pay, pension accruals for the year, accruals under the STI programme for the year, allocations under the LTI programme for the year and benefits in kind. Quoted figures are for the actual period employed by Orkla.

2      The annual change is calculated using recalculated figures for the full year if the person was only employed by Orkla for part of the year.



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**INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT**

To the General Meeting of Orkla ASA

**Opinion**

We have performed an assurance engagement to obtain reasonable assurance that Orkla ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

**Board of directors' responsibilities**

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

**Our independence and quality control**

We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.


**Auditor's responsibilities**

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 14. mars 2024  
ERNST & YOUNG AS

A member firm of Ernst & Young Global Limited



Petter Larsen  
State Authorised Public Accountant (Norway)

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

**Independent auditor's assurance report on remuneration report - Orkla ASA 2023**

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Design: ANTI  
Photo: Bjørn Wad