

# Orkla Green Bond Investor Report 2022



# About the Orkla Green Bond Framework

In 2021, Orkla established Orkla Green Bond Framework for issuing green bonds. The framework is developed in accordance with the ICMA Green Bond Principles, and the purpose is to finance and/or refinance projects that satisfy the requirements of the framework.



Orkla's Green Bond Framework received the overall assessment "Medium Green" and the governance assessment "Excellent" from the independent climate research institute CICERO.

Supporting documents are available on Orkla's website, [www.orkla.com](http://www.orkla.com), under "Investor Relations" / "Debt":

- Orkla Green Bond Framework
- Orkla Green Bond Second Opinion from CICERO
- Orkla Green Bond Investor Report 2021

Detailed information about Orkla's sustainability goals and work can be found in our sustainability report for 2022 on Orkla's website under "Sustainability".

# Selection of eligible projects

In accordance with the Orkla Green Bond Framework, bonds issued shall be used for financing or refinancing of projects in one of the following categories:

- 1. Eco-efficient and / or circular economy-adapted products, production technologies and processes
  - a. R&D
  - b. Purchasing
  - c. Production
  - d. Packaging
  - e. Circularity
- 2. Energy and resource efficiency
- 3. Green buildings
- 4. Renewable energy

In 2021, Orkla issued two green bonds totaling NOK 1.5 billion:

Name	ISIN	Maturity	Interest	Outstanding amount
ORK85	NO0011013708	2021 - 2028	3 month NIBOR +0.62%	NOK 1 000 mill.
ORK86	NO0011013716	2021 - 2031	2.4425%	NOK 500 mill.

No sales of green bonds from Orkla’s own account have taken place in 2022 and no new green bonds are issued.

# Use of proceeds

The proceeds from the green bond issues have been applied as follows:

Category		(All figures in NOK mill.)		Amount	Estimated value	Allocated to loan		Impact assessment
						ORK85	ORK86	
1B	Sourcing - certified raw materials	Cocoa		259		104	155	Approximately 35 000 tonnes saved CO2 e compared to the use of uncertified volume
		Palm oil		269		269		Approximately 53 000 tonnes saved CO2 e compared to the use of uncertified volume
1C	Production - plant-based food	Investments 2019-2021	Anamma	145			145	Approximately 56 000 tonnes saved CO2 e compared to corresponding consumption of comparable animal products ***
		Investments 2019-2021	Naturli' *	175			175	More than 8 000 tonnes saved CO2 e compared to corresponding consumption of comparable animal products ****
		Production facilities	Naturli' *	25	25		25	Orkla's conservatively estimated value of production facilities used solely for plant-based drinks (milk substitutes)****
3	Green buildings	Orkla House, Drammensveien 149		627	2 000 **	627		Orkla House is classified as BREEAM Excellent and awarded "Energimerke A" from ENOVA
SUM				1 500		1 000	500	

\* Adjusted in accordance with Orkla's ownership interest in the companies in question.

\*\* Orkla carried out an internal valuation of the property based on external market reports in 2021 and arrived at a conservative value of NOK 2 billion.

\*\*\* The calculation is based on data from RISE Food Climate Database, in addition to Orkla's Climate Impact Tool.

\*\*\*\* Naturli' has not calculated the environmental effect for all of its more than 90 plant-based products for 2021.

The reported effect of 8 000 tonnes comes from the 7 largest /most important products and is calculated using Carbon Cloud.

A more complete effect-report for the 2021-production was expected in 2022. Unfortunately, this has been postponed and is now expected in 2023.

In 2021, Orkla used the funds from the green bond issues to refinance investments in the production of plant-based foods, the purchase of certified raw materials and the refinancing of Orkla’s head office in Oslo (Orklahus). The investments related to plant-based production apply to products within the two brands Anamma and Naturli’. The financing of raw materials applies to the purchase of cocoa certified according to the certification scheme Rainforest Alliance Certified, and RSPO-certified palm oil. Funds have also been applied towards refinancing Orklahus, which has been built with several energy-saving solutions and which has achieved the BREEAM-NOR Excellent certification and Energy Label A from Enova.

Allocation to purchase of raw materials is meant to cover the reporting year’s purchase. These figures are thus updated for 2022. The financing still applies to the purchase of cocoa certified according to the Rainforest Alliance MB and SG certification scheme and RSPO MB and SG -certified palm oil.

The other allocations are unchanged, as shown in the table above.

Please also see the independent accountant’s assurance report from EY enclosed in Appendix 1.

# Examples of approved projects financed

## Green buildings

### Orklahus - new head office

In February 2019, Orkla's new head office at Skøyen, Orklahus, was completed. The project received financial support from the administrative agency Enova, which is given to new buildings that implement solutions for energy efficiency. At Orklahus, several innovative and energy-saving solutions have been implemented, including control systems, electric car charging and solar cells on roofs and railings. In addition, all minimum requirements for energy saving according to ENOVA are met. In addition to electricity, the energy supply comes from district heating and heat pumps, which collect surplus heat from the building. Orklahus is centrally located at Skøyen with easy access to public transport such as buses, trams and trains. Orklahus receives energy label A in Enova's energy test, with top marks for both energy and heating. The building is also one of few buildings that have achieved the BREEAM-NOR Excellent certification issued by the Green Building Alliance.



Orkla's new head office at Skøyen







## Production

### **Anamma - vegan meat substitute produced in Sweden**

Orkla Foods Sweden is the largest producer of vegan meat substitutes in the Nordic region, where the Anamma brand accounts for the majority of sales and is sold in several countries. Anamma stands for good, vegan food that is produced with care for people, animals and the environment. Most of the products are produced from certified soy protein, a 100 percent GMO-free protein which, according to the Protein Digestibility Corrected Amino Acid Score and the World Health Organization, is healthier than animal protein. The products have a reduced climate impact compared to products based on animal raw materials. Anamma's factory uses energy from hydropower, and the product packaging largely consists of plastic from sugar cane. In Norway, Anamma products are sold under the brand name Naturli'.

In 2021, the funds from green bonds were used to finance machines, production equipment and production lines at the Anamma factory in Eslöv.









Appendix 1



Statsautoriserte revisorer  
Ernst & Young AS

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INDEPENDENT ACCOUNTANT’S ASSURANCE REPORT ON ORKLA ASA’S ALLOCATION OF PROCEEDS IN ORKLA ASA’S GREEN BOND FRAMEWORK

To the Board of Directors in Orkla ASA

Scope

We have been engaged by Orkla ASA to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Orkla ASA’s allocation of proceeds as included in Orkla’s Green Bond Investor Report 2022 (the “Subject Matter”) against the relevant criteria in the Orkla ASA Green Bond Framework, as of 31 December 2022 and for the period from 1 January to 31 December 2022.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information. This includes statements related to environmental effects of the use of net proceeds from Orkla ASA’s Green Bond Framework.

**Criteria applied by Orkla ASA**

In preparing the Green Bond Investor Report 2022, Orkla ASA applied the relevant criteria from the Orkla ASA Green Bond Framework issued May 2021 (the “Criteria”). The Criteria can be accessed at Orkla’s website and are available to the public.

**Orkla ASA’s responsibilities**

Orkla ASA’s management is responsible for selecting the Criteria, and for presenting the Green Bond Investor Report 2022 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

**EY’s responsibilities**

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements *Other Than Audits or Reviews of Historical Financial Information* (‘ISAE 3000’), and the terms of reference for this engagement as agreed with Orkla ASA on 14 February 2023. This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.



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, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, 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.

**Description of procedures performed**

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Green Bond Investor Report 2022 and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Review of Orkla’s process to prepare and present the Green Bond Investor Report in order to develop an understanding of how the reporting is carried out in the company
- Conducted Interview the one in charge of certified raw materials in Orkla ASA’s Green Bond Framework to develop an understanding of the process for the use of proceeds in accordance with Orkla ASA’s Green Bond Framework
- Reviewed, on a random sample basis, the information in the Green Bond Investor Report against source data and other information prepared by the responsible individuals
- Assessed the overall presentation of the Green Bond Investor Report against the Criteria

We believe that our procedures provide us with an adequate basis for our conclusion. We also performed such other procedures as we considered necessary in the circumstances.

**Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Green Bond Investor Report as of 31 December 2022 and for the period from 1 January 2022 to 31 December 2022 in order for it to be in accordance with the Criteria.

Appendix 1



**EY**  
Building a better  
working world

Oslo, 16 March 2023  
ERNST & YOUNG AS

*The auditor's assurance report is signed electronically*


Petter Frode Larsen  
State Authorised Public Accountant (Norway)

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Independent accountant's assurance report - Orkla ASA Green Bond Investor Report 2022



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**Statsautorisert revisor**  
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