

# Orkla Green Bond Investor Report 2021



# 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

Detailed information about Orkla's sustainability goals and work can be found in our sustainability report for 2021 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 has 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.

# 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		276		121	155	Approximately 39 000 tonnes saved CO2 e compared to the use of uncertified volume
		Palm oil		252		252		Approximately 77 000 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 has carried out an internal valuation of the property based on external market reports 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. The effect has been adjusted in accordance with Orkla's ownership interest. A more complete report is expected next year.

In 2021, Orkla has 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.

Orkla's external auditor, EY, confirms that Orkla has purchased certified products as outlined in the above table (category 1B) and made the investments in 2019-2021 for the production of plant-based products (category 1C). They further confirm that these are projects that, in accordance with Orkla's Green Bond Framework, can be financed with green bond proceeds (please, see Appendix 1.)

EY has not assessed Orkla's valuation of the production facilities for Naturli' and Orklahus (categories 1C and 3) but confirms that financing of such buildings is in compliance with Orkla's Green Bond Framework.

# Examples of approved projects financed in 2021

## 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  
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Independent accountant’s assurance report on Orkla ASA’s use of net proceeds in Orkla’s Green Bond Framework

To the Board of Directors of 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 and use of net proceeds as included in Orkla’s Green Bond Investor Report 2021 as of December 31, 2021 and for the year then ended against the relevant criteria in the Orkla ASA Green Bond Framework.

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.

Criteria applied by Orkla ASA

In preparing the Green Bond Investor Report 2021, Orkla ASA applied relevant criteria from the Orkla ASA Green Bond Framework per May 2021, available on Orkla’s web page (Criteria).

Orkla ASA’s responsibilities

Orkla ASA’s management is responsible for selecting the Criteria, and for presenting the Green Bond Investor Report 2021 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’). Those standards require 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

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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 have maintained our independence and confirm that we have met the requirements of the Norwegian Law on Auditors and Auditing and other ethical requirements from the Code of Ethics of the Norwegian Institute of Public Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also 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 had a reasonable assurance engagement 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 2021 and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Review of Orkla ASA’s process for the preparation and presentation of the Green Bond Investor Report 2021 to provide us with an understanding of how the Green Bond proceeds have been allocated in accordance with Orkla ASA’s Green Bond Framework
- Interviewed those in charge of the eligible assets in Orkla ASA’s Green Bond Framework to develop an understanding of the process for the use of net proceeds in accordance with Orkla ASA’s Green Bond Framework.
- Verified on a sample basis the information in the Green Bond Investor Report 2021 on the allocation of net proceeds against source data and other information prepared by Orkla ASA.

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Appendix 1

- Assessed the overall presentation of selected information in the Green Bond Investor Report 2021 against the criteria in the Orkla ASA Green Bond Framework, including a review of the consistency of information.

Emphasis of matter

We have not assessed the valuation of the production facilities for Naturli and Orklahus, but confirm that financing of such buildings is in compliance with Orkla ASA's Green Bond Framework.

We have not assessed the environmental effects of the use of net proceeds from Orkla ASA's Green Bond Framework.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to selected information in the Green Bond Investor Report as of December 31, 2021 and for the year then ended, in order for it to be in accordance with the Criteria.

Oslo, 18 February 2022

ERNST & YOUNG AS

Petter Frode Larsen  
State Authorised Public Accountant (Norway)

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