

Governing document:	Orkla's Sustainability Policy
Document owner:	SVP CoE ESG & Sustainability, Orkla ASA
Executive functional owner:	CEO, Orkla ASA
Approved by:	Board of Directors, Orkla ASA
Approved on:	11.12.2024

Orkla's Sustainability Policy

1. ABOUT THIS POLICY

1.1. Purpose and scope

Orkla ASA (hereafter "**Orkla**") is an industrial investment company, committed to sustainable value creation through active ownership of brands and consumer companies. By systematically managing sustainability impacts, risks and opportunities (IROs), Orkla shall strive to make sustainability an integrated part of operations and business decisions throughout its portfolio.

Orkla's Sustainability Policy covers environmental, social and governance (ESG) impacts, risks and opportunities related to Orkla's operations and business decisions, as well as Orkla's role as an owner of companies. The objective of this policy is to communicate Orkla's sustainability ambitions and expectations to Orkla, all Orkla's investments, business partners (including their activities and geographies, upstream and downstream value chains) and other stakeholders and to ensure common action towards Orkla's sustainability ambitions.

As an owner, in following up on these ambitions and expectations, Orkla shall focus on sustainability matters that are relevant and material for Orkla, Orkla's portfolio-, business service companies and other investments where Orkla has significant influence¹ (hereafter "**Orkla Companies**").

Orkla's Sustainability Policy is based on the following frameworks:

- The UN Global Compact and the UN Guiding Principles for Business and Human Rights.
- The OECD Guidelines for Multinational Enterprises.
- The EU Taxonomy regulations and the EU Corporate Sustainability Reporting Directive 2022/2464.
- The EU Code of Conduct on Responsible Food Business and Marketing Practices.
- The Norwegian Transparency Act.

1.2. Roles and responsibilities

Orkla's Sustainability Policy is reviewed by Orkla's Board Audit Committee (BAC) annually to capture changes in legal requirements, stakeholder expectations, Orkla's strategy or assessment of material sustainability impacts, risks and opportunities. The policy is approved by Orkla's Board of Directors (BoD). The President and CEO of Orkla is responsible for the operationalisation, monitoring, and enforcement of this policy.

Orkla's Centre of Excellence for ESG & Sustainability has the following responsibilities related to Orkla's Sustainability Policy:

- to ensure that the Policy is aligned with relevant external regulations and Orkla's business activities, and initiate required updates,
- to engage with internal subject matter experts and other internal and external stakeholders in developing the Policy and strive to ensure that the policy meets stakeholders' needs and expectations,
- together with relevant compliance functions in Orkla and its companies, coordinate development of procedures and tools, training and support for compliance monitoring and internal controls linked to implementation of this Policy,
- to participate in reporting to Orkla Investment Committee, Orkla BAC and Orkla BoD on the status of compliance with this Policy,
- when required, to support handling of whistleblowing cases and investigations linked to the topics covered by this Policy.

1.3. Violations of this policy

Any observed or suspected breaches of Orkla's Sustainability Policy should be reported at the lowest possible level in the organisation, as illustrated by the reporting ladder described in **Orkla Whistleblowing Policy**, or via **Orkla's central whistleblowing channel** ([Whistleblowing - Orkla.com](https://www.orkla.com/whistleblowing)).

If any Orkla Company is associated with serious and/or systematic violations of this Policy, laws, regulations or international norms for ethical behaviour, actions will be taken to mitigate adverse impacts.

¹ Significant influence is defined as 20% of the voting rights (including joint ventures).

Orkla will not have operations in or invest in any companies with revenues from:²

- Weapons or key components of weapons that violate fundamental humanitarian principles.
- Fossil fuel (coal, oil sands-based operations, conventional oil and gas).
- Production of tobacco, gambling services or pornography.

1.4. Reference to other relevant governing documents

Orkla's Sustainability Policy is based on the principles of Orkla's Code of Conduct. Some of the commitments and requirements covered by this policy are described in more details in Orkla's governing documents and position papers ([Orkla policies - Orkla.com](#)).

1.5. Stakeholder management

In development of Orkla's Sustainability Policy, interests and needs of relevant stakeholders have been taken into consideration. All stakeholders have access to the policy on Orkla's website and can provide feedback or raise concerns linked to the policy via established channels ([Contact - Orkla.com](#)).

2. SUSTAINABILITY GOVERNANCE IN ORKLA

2.1. Sustainability in Orkla's business model and strategy

As an industrial investment company Orkla's core business activities include investments, active ownership and divestments. Sustainability matters are fundamental in all these activities. Orkla shall ensure that the ambitions, commitments and expectations in this document are integrated into investment and divestment decisions and ownership practices.

2.2. Board of Directors' and Management's role and responsibilities

Orkla is committed to good corporate governance and Board oversight of sustainability matters. The BoD of Orkla approves Orkla's double materiality assessment and related policies, targets and reporting. The BAC acts as a preparatory and advisory working committee for the BoD and carry out management and supervisory tasks relating to sustainability reporting, including reporting processes, and monitor the company's internal control over sustainability reporting. The President and CEO of Orkla is responsible for management of material topics and operationalisation of the relevant policies, targets and action plans in companies with Orkla's operational control.

Orkla shall actively engage in corporate development and support its companies in implementing sound corporate practices and governance through membership of the companies' BoDs, nomination- and audit committees, the exercise of ownership rights at general meetings and regular dialogue with senior executives. Regular engagement with companies shall include e.g. investment reviews, ownership- and resource network meetings and reviews in connection with quarterly and annual reporting.

Orkla shall strive to ensure that the BoDs of Orkla Companies, including the BoD of Orkla, meet relevant independency requirements, have a diverse composition, and have access to ESG-related competence.

Orkla Companies are expected to:

- **Ensure sustainability governance by:**
 - ensuring that the company's BoD approves double materiality assessment and related policies, targets and reporting, and has oversight of material sustainability impacts, risks and opportunities,
 - ensuring that the CEO is responsible for management of material topics and operationalisation of the relevant policies, targets, and action plans,
 - assigning the responsibility for sustainability management and reporting to a dedicated member of the company's management team,
 - ensuring sufficient resources and competence to manage sustainability topics in an adequate way with clearly defined and assigned roles and responsibilities,
 - including ESG-related performance in executive remuneration schemes,

² Potential exposure to activities within any of these categories shall be thoroughly assessed as part of investment decisions, and any deviation from the non-investment principle must be approved by Orkla ASA BoD.

- **Ensure sustainability impact, risk and opportunity management by:**
 - performing regular assessments of impacts, risks and opportunities and managing material topics by i.a. integrating them in corporate strategy, choice of business model and management of value chain,
 - implementing a BoD-approved sustainability policy, which covers material sustainability matters and operationalises expectations from Orkla's Sustainability Policy,
 - setting sound and time-bound targets for material impacts, risks and opportunities followed by necessary actions and resources to ensure progress towards target achievement,
 - monitoring, evaluating, and reporting on the progress of compliance and sustainability work to the BoD at least annually,
 - establish relevant sustainability management systems in line with international standards, e.g. ISO 14001, SA8000 and ISO 45001,
 - carrying out due diligence addressing material sustainability matters in relation to business activities, transactions, and relationships,
 - building awareness and providing risk-based and targeted training linked to material sustainability topics for relevant workers in own operations and the value chain.
- **Ensure sustainability reporting by:**
 - establishing sustainability reporting processes to report on progress in addressing material sustainability matters in line with legal requirements and Orkla's sustainability reporting requirements,
 - establishing internal procedures and systems for collecting, registering, reviewing, consolidating and reporting the sustainability data points in line legal requirements and Orkla's sustainability reporting requirements,
 - performing risk assessment of sustainability reporting, implementing relevant and adequate internal controls for sustainability reporting, working systematically to ensure data quality, and keeping records of reported data and information.

2.3. Stakeholder dialogue on sustainability matters

Orkla Companies are expected to ensure open dialogue with their stakeholders about potential impacts from products, services and business operations and to diligently consider the views of key stakeholders in developing the sustainability agenda, i.a. double materiality assessment and sustainability targets.

Orkla Companies are expected to establish effective mechanisms for raising concerns and needs by their stakeholders, internal procedures to handle these concerns and needs in a diligent and effective manner and to provide remediation in cases where Orkla has caused or contributed to material negative impacts.

If any Orkla Company causes, contributes to or is linked to actual or potential adverse human rights impacts for own workforce, workers in the value chain, people in the affected communities, consumers and end-users, Orkla Company shall take necessary steps to remedy actual adverse impacts, cease, prevent or mitigate potential adverse impact.

3. MATERIAL ENVIRONMENTAL TOPICS

Orkla Companies are expected to strive to protect, preserve and restore the environment, nature and biodiversity on land and in the ocean, manage environmental impacts, risks and opportunities and take actions for progress on targets.

3.1. Climate change

Orkla Companies are expected to strive to mitigate and adapt to climate change and manage climate-related impacts, risks and opportunities. Orkla Companies are expected to organize their business activities such that their associated emissions are in line with the UN Framework Convention on Climate Change (Paris Agreement) and the 1,5-degree pathway. Orkla Companies are expected to implement action plans and contribute to Orkla's ambition to reach net zero by 2045.

Orkla Companies are expected to carry out climate risk and opportunity assessment on a regular basis and in the event of major/significant changes in business scope or operations. Orkla Companies are expected to strive for energy efficiency and to use renewable energy in their operations and value chain.

3.2. Pollution

Orkla Companies are expected to manage its material impacts, risks and opportunities related to pollution of air, water and soil in its own operation and its upstream and downstream value chain, including prevention, control and remediation. Orkla companies shall strive to ensure strict control of emissions and use of hazardous substances in their own operations and along their value chains, substituting and minimizing the use of substances of concern, and phasing out substances of very high concern, in particular for non-essential societal use and in consumer products.

Orkla Companies are expected to implement prevention and control measures to minimize risk of accidents, spills and emissions, and to establish processes to report and manage deviations and non-compliance which are aligned with the **Orkla Contingency Plan**. Orkla companies shall strive to avoid incidents and emergency situations, and if and when they occur, control and limit their impact on people and the environment.

3.3. Water and marine resources

Orkla Companies are expected to strive to protect, preserve and restore water and marine resources in their own operations and throughout their value chain, and to manage related impacts, risks and opportunities.

Orkla Companies are expected to ensure responsible use and sourcing of water and marine resources, ensure that sufficient water treatment is in place, and prevent and abate any water pollution resulting from their activities.

Orkla Companies are expected to strive to ensure that product and service design addresses water-related issues and the preservation of marine resources, to commit to reduce material water consumption in areas at water risk in their own operations and along the upstream and downstream value chain.

3.4. Biodiversity and ecosystems

Orkla Companies are committed to reducing pressure on nature, biodiversity and ecosystems on land, in fresh waters, and in oceans and seas, particularly in or near biodiversity sensitive areas and potential impacted endangered species. Orkla Companies are expected to contribute to increased biodiversity by restoring and regenerating nature in collaboration with suppliers and business partners.

Orkla Companies are expected to implement targets and action plans to end deforestation and conversion of natural ecosystems linked to their activities, aligned with **Orkla's No Deforestation and Conversion Policy**.

Orkla Companies are expected to support traceability of their products, components and raw materials with material actual or potential impacts on biodiversity and ecosystems along their value chains.

3.5. Resources and circular economy

Orkla Companies are expected to manage their material impacts, risks and opportunities related to resource use and circular economy in own operations and along their upstream and downstream value chain.

Orkla Companies are expected to aim for all packaging to be recyclable, strive to reduce the use of virgin resources and increase the use of reused, recycled or renewable resources in products and packaging.

Orkla Companies are expected to strive for sustainable sourcing and the use of renewable resources and ensure that sustainability certifications or other mitigating actions are in place for raw materials with high risk of negative impact.

4. MATERIAL SOCIAL TOPICS

Orkla Companies are expected to manage their material social impacts, risks and opportunities linked to their own workforce, workers in the value chain, affected communities and consumers and end-users.

4.1 Own workforce

Orkla Companies are expected to respect and protect human rights and decent working conditions for all³, and abide by minimum social safeguards⁴ and strive to identify, prevent, and report on actual and potential adverse human

³ Orkla defines human rights as the human rights enshrined in the Universal Declaration of Human Rights (1948), the two international covenants on civil and political rights (1966) and economic, social and cultural rights (1966) and the core conventions of the International Labour Organization (ILO).

⁴ Minimum social safeguards involve abiding by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of

rights impacts. This includes the prevention of trafficking in human beings, child labour, forced labour, and modern slavery, and the protection of vulnerable individuals and groups such as migrant workers, others who may be negatively affected by Orkla Companies' activities and those who raise concerns about how Orkla Companies conduct their business.

Orkla Companies are expected to recognise and respect the right to freedom of expression, association, and organization, trade union rights, collective bargaining and privacy, and will strive to safeguard these rights. Orkla Companies are expected to strive to ensure that it does not cause or contribute to adverse impacts when engaging in procurement, licensing, trade and use of technology, developing products and services, including the gathering and use of data.

Orkla Companies are expected to strive for decent working conditions, offer reasonable and lawful working hours, fair compensation and adequate wages, safeguard a good work-life balance, and ensure holidays and leaves which protect workers' rights, including workers' right to take family-related leave.

Orkla Companies are expected to carry out due diligence in line with the OECD Guidelines for multinational enterprises and the UN Guiding Principles for Business and Human Rights, including assessing and addressing actual and potential adverse impacts on human rights and decent working conditions.

Orkla Companies are expected to strive for equal opportunities, equal pay, a balance in gender representation at all levels, and increased diversity and inclusion throughout their value chain.

Orkla Companies are expected to strive for an inclusive and open culture where workers feel involved and are given the opportunity to develop. No harassment or form of discrimination based on racial and ethnic origin, colour, sexual orientation, gender identity, disabilities, age, religion, political opinion, national extraction or social origin or race, religious beliefs, any other form of discrimination covered by EU regulation or national law or on any other basis shall be tolerated.

Orkla Companies are expected to work systematically to safeguard health, safety, and psychological well-being, and to strive for zero harm to their workers and continuous improvement within these areas. Orkla Companies are expected to establish an OHS management system based recognized standards, which includes workplace accident prevention and systematic efforts to promote good workers health.

Orkla Companies are expected to engage with their workforce through regular manager and worker dialogue, formal channels for consultation, like the Global Works Council, and regular engagement surveys.

4.2. Workers in the value chain

Orkla Companies are expected to actively engage with suppliers and other business partners to ensure human rights and decent working conditions for workers in the value chain and use their leverage to drive positive changes.

Orkla Companies are expected to initiate, monitor and follow up implementation of a business partner Code of Conduct, aligned with **Orkla Supplier Code of Conduct** and/or **Business Partner Code of Conduct**. Orkla Companies are expected to actively engage with their business partners to ensure commitment to and compliance with these documents and to ensure that the rights of workers in their value chain are included in the scope of business partner selection process and business partner audits performed by the Companies.

4.3. Affected communities

Orkla Companies are expected to manage their material impacts, risks and opportunities on affected communities. Orkla Companies are expected to seek to create positive economic ripple effects in communities affected by Orkla's business through job creation, tax payments, local sourcing, and by contributing to local initiatives and charitable organisations.

Orkla Companies are expected to engage with affected communities and strive to meet their concern and needs in relation to the Companies' impacts. Orkla Companies are expected to respect the human rights of communities and endeavour to obtain the free, prior, and informed consent of indigenous communities, and interact with indigenous communities in a way that respects their history, culture, and customs.

4.4. Consumers and end-users

Orkla Companies are expected to manage material impacts of their products and services on consumers and end-users. Orkla Companies are expected to respect the human rights of consumers and end-users, engage with consumers and end-users and strive to meet their concern and needs in product development, innovation and design, marketing and product labelling.

Human Rights. Further, we recognize the UN Convention on the Rights of the Child and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and our responsibilities under these.

Orkla has taken an uncompromising stance on the safety of its products, and Orkla Companies are expected to work systematically to control and improve product safety. Orkla Companies are expected to be committed to continuously improve the safety and quality culture and have quality systems to ensure that Orkla-produced and distributed products are safe and meet all legal requirements.

Orkla Companies producing and selling food and drinks are expected to implement food safety and quality standards, aligned with **Orkla's policy on Food Safety & Quality**, the **Orkla Food Safety Standard (OFSS)** and/or **Orkla Food Safety Standard Storage & Distribution (OFSS S&D)** and the Food Safety requirements within the **Orkla Supplier Portal** (OFSS for Suppliers) and take part in Orkla's required audit programme.

Orkla Companies are expected to work systematically to improve the health profile of their products, with particular attention to products intended for children, and to promote healthier products and government-endorsed product labelling.

Orkla Companies are expected to strive to ensure responsible marketing, consistent with applicable legislation and that marketing which includes claims related to sustainability, health, quality, and similar themes are based on objective and verifiable facts. Orkla Companies are expected to strive to protect children and other vulnerable groups from marketing activities which may have unintended, negative impacts. Orkla Companies are expected to actively engage with peers to promote responsible marketing practices and support relevant international or national self-regulation initiatives.

5. MATERIAL BUSINESS CONDUCT TOPICS

Orkla Companies are expected to respect and manage their material impacts, risks and opportunities related to business conduct matters and to foster corporate culture based on their values.

Orkla Companies are expected to ensure that functions at risk have appropriate awareness and receive regular risk-based and targeted training on the material business conduct topics.

If any Orkla Company causes, contributes to or is linked to actual or potential adverse business conduct impacts, Orkla Company shall take necessary steps to remedy actual adverse impacts, cease, prevent or mitigate potential adverse impact.

5.1. Code of conduct

Orkla Companies are committed to doing business responsibly, using ethical and sound business practices and complying with all applicable laws and regulations.

Orkla Companies are expected to implement a Code of Conduct, aligned with Orkla Code of Conduct, as well as proper measures to ensure that all employees are made aware of and comply with the Code of Conduct, and to conduct targeted risk-based trainings of all employees annually and of new employees during the onboarding period.

5.2. Anti-corruption

Orkla Companies shall prohibit bribery and corruption in every form and are expected to make active efforts to ensure that bribery and corruption do not occur in their business activities. Orkla Companies are expected to implement an effective anti-corruption programme, aligned with the **Orkla Anti-Corruption Programme**.

5.3. Whistleblowing

Orkla Companies encourages internal and external stakeholders to report breaches, or possible breaches, of the Orkla Code of Conduct. Orkla Companies are expected to establish a whistleblowing policy and procedures in line with **Orkla's Whistleblowing Policy** and manage whistleblowing cases in compliance with requirements.

Orkla's **central and relevant local whistleblowing channels** are available via Orkla's website ([Whistleblowing - Orkla.com](https://www.orkla.com)) and may be used by all stakeholders.

5.4. Trade sanctions

Orkla Companies are expected to comply with national and international trade restrictions and sanction regulations that are applicable in the countries in which they operate, including sanctions or restrictions imposed by the UN, EU, UK, US, Norway or any other applicable authority or government.

Orkla Companies are expected to implement an adequate procedure to ensure compliance with relevant sanctions regulations, including the establishment of a process for sanction screening of their business partners.

5.5. Privacy

Orkla Companies are expected to respect the privacy of all individuals and to process personal data honestly, ethically, and in compliance with applicable laws. Orkla Companies are expected to be transparent about their processing activities, to provide relevant individuals with required information, and to meet accountability requirements and document their compliance efforts.

Orkla Companies are expected to develop and implement appropriate and effective privacy compliance programmes.

5.6. Competition law compliance

Orkla Companies are expected to compete fairly and to always act in compliance with relevant competition law. Orkla Companies are expected to implement an effective competition law compliance programme, including developing and implementing a competition law manual with a description of conduct that will or may infringe competition law, and a dawn raid process to be followed in the event of an (unexpected) inspection by national or international public authorities or governmental institutions.

5.7. Taxes

Orkla Companies are expected to act as a responsible taxpayer and to foster constructive, professional and transparent relationships with the tax authorities. Orkla Companies are expected to apply professional diligence and care in managing their tax affairs, in line with **Orkla Group Tax Strategy**.

5.8. Political engagement and lobbying activities

Orkla Companies are expected to strive to build government and political relations based on fundamental principles of transparency, honesty, accessibility, consistency, and long-term commitment. Orkla Companies are expected to engage with politicians and government officials both directly and through industry organizations of which Orkla Companies are members of. The engagement shall be linked to specific business-related issues or broader industry challenges.

When engaging in public discourse and advocacy, Orkla Companies are expected to ensure transparency and integrity in such activities and refrain from seeking or accepting exemptions related to e.g. human rights, environment, health, safety, labour, taxation, financial incentives, which are not addressed by the statutory or regulatory framework.

5.9. Management of relationships with suppliers

Orkla Companies are expected to be a responsible and fair business partner for their suppliers and in their procurement practices. Orkla Companies are expected to strive to pay their invoices in a timely manner and be diligent in setting payments terms when dealing with SMEs.

In order to manage material sustainability matters related to their supply chains, all Orkla Companies are expected to initiate, monitor and follow up implementation of a business partner Code of Conduct, aligned with **Orkla Supplier Code of Conduct** and/or **Business Partner Code of Conduct**, to actively engage with their suppliers to ensure commitment to and compliance with these documents, and to ensure that Orkla's requirements linked to business conduct are included in the scope of supplier selection process and supplier audits performed by Orkla Companies.

Orkla Companies are expected to implement procurement policies, supplier risk assessment and compliance due diligence procedures, and supplier selection, evaluation and audit procedures that address relevant sustainability matters.

5.10. Animal welfare

Orkla Companies are expected to strive to safeguard animal welfare in their value chain and uphold responsible animal welfare practices based on the five freedoms, aligned with the World Organisation for Animal Health (WOAH) Terrestrial Code, and tailored to the specific focus areas of relevant species. Orkla Companies are expected to commit to the 3R Principle to avoid animal experiments altogether (Replacement), to limit the numbers of animals (Reduction) and their suffering (Refinement) in tests to an absolute minimum.