

Animal welfare in Orkla

Orkla has a wide range of products that include ingredients or components that derive from animals, such as dairy ingredients, beef and pork meat, poultry, egg and wool. As a leading food producer we want to make a difference by safeguarding animal welfare in our value chain. During 2018 we developed an Animal Welfare Policy which covers the animal welfare before, during and after the productive life of the animals. Our methods for monitoring and improving animal welfare standards throughout our global value chains are based on the Five Animal Freedoms, as defined by the World Organization for Animal Health: freedom from hunger and thirst, freedom from discomfort, freedom from pain, injury or disease, freedom to express normal behaviour and freedom from fear and (chronic) distress. The purpose of Orkla's Animal Welfare Policy is to increase awareness, guide our suppliers and contribute to responsible business practices. We aim to purchase all animal-derived raw materials and products according to this policy by 2025.

During 2022 our animal welfare policy will be revised and updated in order to make it more aligned with current practices, standards and legislation.

Orkla's 2025 targets

The Animal Welfare Policy is applicable for all animal derived raw materials purchased across Orkla's sourcing geographies. In addition, we have developed detailed animal welfare requirements tailored to the demands of each type of raw materials (PCR = Product Category Requirements) for the largest sourcing groups, including Beef, Pork, Dairy and Egg. A policy for poultry has been developed and distributed internally during 2021. The policy has already been adopted by several Orkla Business Units, while it is under review by others. The aim of the PCR documents is to better define our focal areas of animal welfare for each category or specie. The demands in the PCRs are categorized in three levels:

- 1) **Mandatory Requirement:** Non-compliance with these requirements is unacceptable to Orkla
- 2) **Must:** Practice is mandatory, unless there are exceptional circumstances. Any non-compliance must be temporary and addressed through an action plan agreed with Orkla. These requirements will be mandatory by latest 2025.
- 3) **Should:** Strongly advice. These requirements will be mandatory by latest 2025.

In the respective PCR document we have defined our targets for 2025 for each sourcing category. These include:

- **Cattle (dairy & beef):** No surgical operations such as castration, dehorning, disbudding without anaesthesia, elimination of tail docking, no permanent confinement through demands on outdoor time
- **Pigs (pork):** Elimination of tail docking, no surgical operations without usage of anaesthesia and analgesics, use of farrowing crates for sows
- **Laying hens (egg):** Cage-free production for own brands, elimination of beak trimming, environment enrichment through litter scratching and dustbathing and pecking objects such as roughage, whole grains etc
- **Poultry:** The criteria under the European initiative European Chicken Commitment has been adopted, i.e. stocking density of max. 30 kg/m², adoption of slower growing breeds, requirements on adequate lightning and air quality, stunning through CAS (Controlled Atmospheric Stunning). In addition, no cages or beak trimming are allowed, and the birds should have access to environment enrichments.
- **Sheep:** No molesting of Merino wool sheep

General targets include:

- **Antibiotics:** The use of antibiotics should be limited to therapeutic use and not be used for preventive or growth-promoting purposes.
- **Transport:** The amount of time animals spend on a journey should be kept to the minimum, and must not exceed 8 hours (dairy, beef, pork), or 8 hours at daytime and 12 hours at night (egg, poultry).
- **Pre-slaughter stunning:** All animals must be stunned and assured unconscious before slaughter

For a full list of requirements please see the [Animal Welfare Policy](#) and the Product Category Requirements.

The Product Category Requirements will be revised and updated together with the Orkla Animal Welfare Policy during 2022.

Farmed fish is a relatively small sourcing group for Orkla as the main part of the volume is wild caught. Considering farmed finfish, the main specie that we buy is salmon and more than 95% of the volume purchased is of Norwegian origin which means the minimum animal welfare standard is the regulations according to Norwegian law. Please see the Orkla Statement on Farmed fish for more information regarding animal welfare connected to farmed fish.

Orkla internal processes to ensure farm animal welfare policies

The overall policy and ambition responsibility for animal welfare at Orkla is allocated with Orkla Group Procurement. In addition, working groups consisting of sustainability, quality and procurement personnel are being established on main sourcing markets to discuss implementation of policies, engage in dialogue with suppliers, governmental institutions and NGOs.

Information about Orkla's Animal Welfare Policy and category requirements has been sent out to relevant purchasers within the Business Units. Once the updated versions of the Animal Welfare Policy and Product Category Requirements are in place, they will be distributed and followed up by training sessions during the second half of 2022.

Monitoring and implementation

As the Orkla Animal Welfare Policy and Product Category Requirements (PCRs) are distributed to suppliers, different methods to ensure compliance are used:

- **Suppliers:** We are gathering information via our suppliers, notably slaughterhouses, dairies and egg processors, about how they follow-up on farmers to perform in line with our policies and targets. This also includes the supplier's application of independent 3rd party audits both at farms and at slaughterhouses.
- **Certifications:** We consider third-party certifications and control systems as an assurance that our policies and targets are fulfilled. During 2022 we are intensifying our work with benchmarking applicable third-party certifications to verify compliance with our requirements. Examples of standards that are being benchmarked are KSL in Norway and Sigill in Sweden.
- **Legislation:** We are benchmarking national legislations against our policies and targets and as legislation is followed-up by authorities, national laws together with supplier assurance (including 3rd party audits) and independent certifications, can be used as evidence that our policies are followed.

Stakeholder engagement

We are seeking to actively engage with others, such as industry associations, public institutions, NGOs and other relevant stakeholders, to build our own knowledge, share learnings, collaborate on specific improvement projects and more generally, promote best animal welfare practices. As an example we are members of the SAI Platform and therewithin the SDP (Sustainable Dairy Partnership).

We have also engaged in dialogue with both independent expert organizations (veterinaries) and several animal rights organizations seeking input about relevant animal welfare topics to work on going forward.

Performance Reporting

Orkla is continuously addressing our suppliers in order to map out current animal welfare practices in the supply chain. The information gathering is an ongoing process and we are continuously building our database. In 2022 we will implement a new supplier portal which will enable us to gather data more efficiently.

The information summarized below is not exhaustive but provides an insight into the animal welfare status in our supply chain during 2021. Only suppliers where we have been able to verify compliance are reported in this report, i.e. for some parts of the sourced volumes we have not yet assessed the suppliers and therefore the actual share of compliant is likely higher.

If a supplier indicates that a certain part of their volume fulfils a specific requirement but it is not possible to trace the Orkla volume on that detail level, it has been assumed that Orkla receives a similar proportion of supply as the overall proportion fulfilling the requirement. Example: if supplier X indicates that 80% of their cattle are free from tail docking, it is assumed that 80% of Orkla's supply from that supplier comes from cattle free from tail docking.

Yearly variances in purchased volumes are affecting the result in the performance reporting. For example, when Orkla is acquiring new companies, new volumes are added to the data set which has an impact on the total result.

For all animal types we have recently started to gather information about transportation times, which types of enrichments that the animals are provided with, the proportion of animals being ineffectively stunned and animal welfare outcome measures. We are not yet ready to report on these parameters but are in the process of building the data.

DAIRY

Dairy is an important raw material for Orkla and the Orkla Product Category Requirement on dairy addresses important animal welfare aspects including tail docking, usage of anaesthesia and analgesics for painful operations such as disbudding and dehorning and confinement. A large part of Orkla's dairy raw materials are sourced in the Nordic countries where animal welfare laws are strict and does not allow permanent confinement (i.e. in both Norway and Sweden grazing during summer season is enforced by law).

The below table summarizes practice on selected animal welfare topics for the volumes purchased during 2021. The data includes all types of dairy products purchased, such as fresh dairy (milk, butter, cream, cheese etc) and dairy powders (skimmed milk powder, whole milk powder etc). Only suppliers where we have been able to verify compliance are reported in this report, i.e. for some part of the sourced volumes we have not yet assessed the suppliers, and therefore the actual share of compliant suppliers is likely higher. Compliance to the criteria is either supported by laws, certifications, or by supplier assurance.

Topic	% Compliant 2021 (2019)
Supply of dairy products from cows free from tail docking	72,9% (67,7%)
Supply of dairy products from cows having outdoor access*	63,0% (58,9%)
Supply of dairy products from cows where anaesthesia and analgesics have been used for disbudding / dehorning	69,5% (66,1%)

*The largest part in this group have access to grazing.

BEEF

Orkla sources beef meat for the production of meat balls, hamburgers, pizzas and other ready meals. Orkla requires pre-slaughter stunning on 100% of the animal products sourced and we are committed to eliminating painful surgeries without anaesthesia and permanent confinement. A large part of the raw material is sourced from the Nordic countries (e.g. Sweden and Norway) where strict laws apply with regards to anaesthesia and analgesics prior to surgical operations such as disbudding, dehorning and castration. Also, grazing during summer season is regulated by governmental laws in the above-mentioned countries.

The below table summarizes practice on selected animal welfare topics for the volumes purchased during 2021. The data includes all types of beef materials purchased, such as beef trimmings, processed beef meat products, beef fat etc. Only suppliers where we have been able to verify compliance are reported in this report, i.e. for some part of the sourced volumes we have not yet assessed the suppliers, therefore the actual share of compliant suppliers is likely higher. Compliance to the criteria is either supported by laws, certifications, or by supplier assurance.

Minor movements are seen due to reduced self sufficiency in the Norwegian market and increased import shares.

Topic	% Compliant 2021 (2019)
Supply of beef products from cattle free from tail docking	75,2% (71,4%)
Supply of beef products from cattle having outdoor access*	55,6% (53,5%)
Supply of beef products from cattle where anaesthesia and analgesics have been used for disbudding / dehorning and castration	60,54% (61,9%)

*The largest part in this group have access to grazing.

GOAT AND MUTTON

Goat and mutton is a smaller sourcing group for Orkla but as most of the volumes are purchased from Nordic countries the animals have been allowed grazing which is regulated by law.

Topic	% Compliant 2021 (2019)
Supply from goat / mutton that has been allowed to graze	93% (93%)

PORK

Orkla sources pork as ingredients for ready meals, pizza, liver pate etc. Orkla requires pre-slaughter stunning on 100% of the animal products sourced and we are committed to avoid painful operations and confinement for the animals. Accordingly, we have included criteria on sow stalls, tail docking and castration without anaesthesia in our PCR (Product Category Requirement).

The below table summarizes practice on selected animal welfare topics for the volumes purchased during 2021. The data includes all types of pork materials purchased, such as trimmings, liver, ham, bacon etc. Only suppliers where we have been able to verify compliance are reported in this report, i.e. for some part of the sourced volumes we have not yet assessed the suppliers, therefore the actual share of compliant suppliers could be higher. Compliance to the criteria is either supported by laws, certifications, or by supplier assurance.

Minor movements are seen due to reduced self sufficiency in the Norwegian market and increased import shares.

Topic	% Compliant 2021 (2019)
Supply of pork products from pigs free from tail docking	24,17% (24,6%)
Supply of pork products from sow free stalls*	22,91% (24,6%)

*This requirement is regarded as fulfilled only if the sows and gilts can move freely in the barn throughout all their lives, i.e. also in the period before and during farrowing and in the period after insemination with a boar. This means that adherence to the EU Directive 98/58/EC which stipulates that the sows and gilts should only be kept in sow stalls during a period starting from 4 weeks after the service to 1 week before the expected time of farrowing is not considered as compliant. In case the EU regulations would be considered as compliant with the demand of sow free stalls the corresponding figure of volume compliant with this demand is 83,9% (82,7%).

EGG

Orkla buys eggs in many formats – both as liquid solids, egg powder and shell eggs. In 2020 Orkla adopted a cage-free policy for all eggs going into own production, which means that we are committing not to buy eggs from cage production by 2025 for Orkla branded products. The fact that already 76% of the volume of eggs used for the production of Orkla brands is from cage-free hens shows that this is a topic that the various Orkla companies have already worked on since some time back. Apart from confinement, Orkla has made a statement on beak trimming together with feather pecking measures and on enriched environment for the laying hens including litter to allow pecking and scratching and perching space.

The below table summarizes practice on selected animal welfare topics for the volumes purchased during 2021. The data includes all types of egg materials purchased, such as liquid solids, egg powder and shell eggs etc. Only suppliers where we have been able to verify compliance are reported in this report, i.e. for some part of the sourced volumes we have not yet assessed the suppliers, therefore the actual share of compliant suppliers might be higher. Compliance to the criteria is either supported by laws, certifications, or by supplier assurance.

Topic	% Compliant 2021 (2019)
Eggs from cage-free hens (i.e. living either in free range indoor or outdoor systems)*	76,0% (74,0%)
Supply of egg products from laying hens free from beak trimming	47,7% (55,9%**)
Enriched environment (i.e. litter for pecking and scratching and perching space)***	86,0% (88,3%)

*Orkla branded goods.

**Previous reported figure has been adjusted due to updated information.

***Many of our suppliers have demands on farmers above that and also use litter appropriate to dustbathing and pecking objects such as roughage, whole grains etc.

POULTRY

Orkla sources poultry products as ingredients for ready meals such as pizza, pate etc. This category is significantly smaller in terms of volumes compared to beef, pork, dairy and egg. Species included are chicken, turkey, goose, hen and duck but the significantly largest one is chicken.

We have just finalized our Product Category Requirements document for Poultry, which includes criteria in line with European Chicken Commitment, i.e. stocking density of max. 30 kg/m², adoption of slower growing breeds, requirements on adequate lightning and air quality, stunning through CAS (Controlled Atmospheric Stunning). In addition, it is specified that no cages or beak trimming are allowed and the birds should have access to appropriate enriched environment.

The policy has been developed and distributed internally. It has already been adopted by several Orkla Business Units, while it is under review by others.