

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Orkla is a leading supplier of branded consumer goods to the grocery, out-of home, specialized retail, pharmacy, and bakery sectors. The Nordic and Baltic regions and selected countries in Central Europe are Orkla's main markets. The Orkla Group also holds strong positions in selected product categories in India.

Orkla's Branded Consumer Goods business comprises the Orkla Foods Nordic & Baltics, Orkla Foods International, Orkla Confectionery & Snacks, Orkla Care and Orkla Food Ingredients business areas. Orkla also has operations organised under the Orkla Investments business area, consisting of its investment in Jotun (42.6% interest), in addition to Hydro Power and financial assets. Orkla ASA is listed on the Oslo Stock Exchange and its head office is in Oslo, Norway. As of 31 December 2020, Orkla had 18,109 employees. The Group's turnover in 2020 totaled NOK 5.4 billion.

Orkla's strategic objective is to strengthen its position as the leading branded consumer goods company in the Nordics, Baltics, Central Europe, India, and other selected markets. Innovations based on the Group's unique local customer and consumer insight are an important growth driver. By working more closely as "One Orkla", the Group will more effectively exploit economies of scale and create cross-cutting synergies. In this way, Orkla will strengthen its long-term competitiveness, while preserving its local presence. In 2020, Orkla continued its efforts to develop its portfolio in geographies, categories, and channels, and carried out cut cost initiatives across the value chain, in both supply chain and commercial functions. During the year, the Group also strengthened its position as leading branded consumer goods company through the acquisition of several companies.

Orkla wishes to contribute to sustainable development by offering healthy, environmentally friendly products, maintaining high food safety standards, making efficient use of resources, carrying out supply chain improvements and generally operating responsibly. Orkla's sustainability work is pivotal to Orkla's ability to create growth, build trust and remain a competitive business. In 2017 the Group developed new, common sustainability targets that will apply up to 2025. In 2020, Orkla launched a new internal sustainability aspiration up to 2030 which underscores the **importance** of sustainable products and of mobilizing the entire organization. Orkla's sustainability strategy covers the following main topics: nutrition and wellness, safe products, sustainable sourcing, environmental engagement and care for people and society. We are committed to helping solve global health and sustainability challenges and support the UN's global goals. Sustainability has become a natural part of our business model, and we have developed criteria for how we define sustainable products.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1 2020	December 31 2020

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

NOK

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Manufacturing	<Not Applicable>
Palm oil	Disclosing	Manufacturing	<Not Applicable>
Cattle products	Disclosing	Manufacturing	<Not Applicable>
Soy	Disclosing	Manufacturing	<Not Applicable>
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	Disclosing	Manufacturing	<Not Applicable>
Other - Coffee	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?**Timber products****Activity**

Using as input into product manufacturing

Form of commodity

Primary packaging
Secondary packaging
Tertiary packaging

Source

Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

Austria
Belarus
Croatia
Czechia
Denmark
Estonia
Finland
France
Germany
Hungary
Latvia
Lithuania
Norway
Poland
Portugal
Russian Federation
Slovakia
Slovenia
Spain
Sweden
Ukraine
United Kingdom of Great Britain and Northern Ireland

% of procurement spend

1-5%

Comment

Orkla purchase packaging materials consisting of virgin paper and recycled fibre mainly from European producers.

Palm oil**Activity**

Using as input into product manufacturing

Form of commodity

Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Palm oil derivatives
Palm kernel oil derivatives

Source

Trader/broker/commodity market
Contracted suppliers (processors)

Country/Area of origin

Indonesia
Malaysia

% of procurement spend

<1%

Comment

Orkla purchases palm oil mainly from Indonesia and Malaysia as well as South America and West Africa. We do not have own operations in the producing countries, but purchase from European food companies.

Cattle products

Activity

Using as input into product manufacturing

Form of commodity

Cattle
Beef
By-products (e.g. glycerin, gelatin)

Source

Multiple contracted producers
Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

Austria
Czechia
Germany
Ireland
Norway
Sweden

% of procurement spend

1-5%

Comment

Orkla purchases beef products from European origin.

Soy

Activity

Using as input into product manufacturing

Form of commodity

Whole soy beans
Soy bean oil
Soy bean meal
Soy derivatives

Source

Multiple contracted producers
Trader/broker/commodity market
Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

Austria
Brazil
Canada
China
Czechia
France
Hungary
India
Italy
Netherlands
Paraguay
Romania
Russian Federation
Serbia
Slovakia
Spain
Ukraine
United States of America

% of procurement spend

<1%

Comment

Orkla purchases small volumes of a broad range of ingredients that are derived from soy.

Other - Cocoa

Activity

Using as input into product manufacturing

Form of commodity

Other, please specify (Cocoa powder, butter and liquor)

Source

Multiple contracted producers
Trader/broker/commodity market
Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

Côte d'Ivoire
Ghana

% of procurement spend

1-5%

Comment

Orkla purchases cocoa from West-Africa and uses this for chocolate produced in Norway and Estonia.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	71-80%	Many of our products have paper-based packaging, hence the high estimate.
Palm oil	1-5%	Orkla does not have aggregated data on the share of products containing palm oil, hence the figure is a best estimate.
Cattle products	11-20%	Orkla does not have aggregated data on the share of products containing cattle products, hence the figure is a best estimate.
Soy	1-5%	Orkla uses various types of soy based raw materials in different product categories.
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	6-10%	Orkla uses cocoa mainly in chocolate and biscuits products but also some amounts in other food products.
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Cattle products	Consumption data available, disclosing
Soy	Consumption data available, disclosing
Other - Rubber	<Not Applicable>
Other - Cocoa	Consumption data available, disclosing
Other - Coffee	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Timber products

Data type

Consumption data

Volume

54159

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

Forest risk commodity

Palm oil

Data type

Consumption data

Volume

67000

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

Forest risk commodity

Other - Cocoa

Data type

Consumption data

Volume

10602

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

Forest risk commodity

Soy

Data type

Consumption data

Volume

4865

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

Forest risk commodity

Cattle products

Data type

Consumption data

Volume

11246

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

100

Please explain

Orkla purchase 100% of our packaging materials from non forest risk countries. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Cattle products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

100

Please explain

Orkla purchase 100% of our cattle products from non forest risk countries. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Mato Grosso, Campos Gerias, Parana)

% of total production/consumption volume

2

Please explain

The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Soy

Country/Area of origin

India

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Barwani, South Hathipala, Mumbai, Butibori)

% of total production/consumption volume

1

Please explain

The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Soy

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

97

Please explain

The percentages have been calculated based on purchased volumes and supplier origin data. Main origin countries are the US, Canada and several European countries where deforestation risk is low.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (North Sumatra, Medan/Tinggi)

% of total production/consumption volume

70

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (West Sumatra, Padang)

% of total production/consumption volume

3

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (South Sumatra, Palembang)

% of total production/consumption volume

2

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (West Java, Jakarta/Bekasi)

% of total production/consumption volume

3

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (East Java, Gresik)

% of total production/consumption volume

2

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (North Sulawesi, Bitung)

% of total production/consumption volume

2

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (West Kalimantan, Pontianak)

% of total production/consumption volume

2

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Central Kalimantan, Pangkalanbuun)

% of total production/consumption volume

1

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (East Kalimantan, Balikpapan)

% of total production/consumption volume

3

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Penang, Penang)

% of total production/consumption volume

2

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Perak, Lumut)

% of total production/consumption volume

3

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Johor, Pasir Gudang)

% of total production/consumption volume

3

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Sarawak, Bintulu)

% of total production/consumption volume

2

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Sabah, Sandakan)

% of total production/consumption volume

2

Please explain

Orkla purchase the main part of our palm oil volume from Indonesia, around 78%. We purchase around 12% from Malaysia and the rest from other countries. We receive regular traceability updates from our suppliers, this includes RSPO-certified and non-certified volumes. The percentages have been calculated based on purchased volumes and supplier origin data.

F1.5e

(F1.5e) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

<Not Applicable>

Volume produced/consumed

<Not Applicable>

Metric

<Not Applicable>

Country/Area of origin

<Not Applicable>

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

<Not Applicable>

Does the source of your organization's biofuel material come from smallholders?

<Not Applicable>

Comment

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed in an environmental risk assessment

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

FSC Global Forest Registry

Jurisdictional/landscape assessment

Please explain

In 2013 Orkla started reporting to CDP Forests. In 2015 we launched our Zero Deforestation Policy which was based on an internal assessment using external input from NGOs and other parties, this policy will be updated this year. In 2017 we carried out a materiality assessment which further underlined the importance of working with sustainable raw materials and packaging - this assessment has been updated since then and will be carried out in full again this year. Every year Orkla carries out a general risk screening of its present portfolio of suppliers and of new suppliers assessing current risks, this screening is part of our internal company methods. The assessment tool includes criteria relating to environment. Potential high-risk suppliers must undergo a more detailed risk assessment based on a standardised method developed by Sedex. For suppliers of timber, palm oil and other commodities with deforestation risk, we ask for information about the suppliers' procedures and initiatives to avoid deforestation as part of the contracting process. We also develop long term risk assessment (with time horizon >6 years) based on dialogue with suppliers, NGOs and publicly available reports. Another important internal company measure is that we every year survey our suppliers based on our spend data to update the status on our 2025 targets that 100 % of our packaging should be recyclable and 75% of our packaging should be based on recycled materials. This assessment includes all of our operations (Nordics, Baltics, Eastern Europe, etc.). We are currently at 95% recyclable packaging and 47% packaging based on recycled materials with a positive development each year. Orkla's key suppliers of paper and pulp based packaging are mainly located in Europe where deforestation risk is low. Every year we examine the country of origin of our paper-and pulp-based packaging, for 2020 none of our material was sourced from deforestation risk countries. Some of our paper and pulp based packaging suppliers use FSC-certification for monitoring the risk of deforestation, however since the overall risk level is low we have not collected more detailed data about this. We plan to do this within two years.

Palm oil

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

Sustainability Policy Transparency Toolkit (SPOTT)

Jurisdictional/landscape assessment

Please explain

In 2013 Orkla started reporting to CDP Forests. In 2014 we launched our Sustainable Palm Oil Policy. In 2015 we launched our Zero Deforestation Policy which was based on an internal assessment using external input from NGOs and other parties, this policy will be updated this year. In 2017 we carried out a materiality assessment which further underlined the importance of working with sustainable raw materials and packaging - this assessment has been updated since then and will be carried out in full again this year. Internal: Every year Orkla carries out a general risk screening of its present portfolio of suppliers and of new suppliers. The assessment tool includes criteria relating to environment. Potential high-risk suppliers must undergo a more detailed risk assessment based on a standardized method developed by Sedex. For suppliers of timber, palm oil and other commodities with deforestation risk, we ask for information about the suppliers' procedures and initiatives to avoid deforestation as part of the contracting process. External: In 2017 Orkla engaged TFT to carry out an assessment of the current status within our supply chain for palm oil and the progress of our four main suppliers at the time. This assessment covered approximately 90% of our total consumption volume. The assessment was based on GPS coordinates of supplying mills, reports from the suppliers and other available data sources. The assessment will be updated in 2-3 years horizon. We will consider performing the same type of assessment for other risk materials. SPOTT: We strive to only work with suppliers who share the same sustainability vision as ourselves and many of our palm oil suppliers carry out extensive work to ensure more sustainable practices. We have regular follow-up meetings with our palm oil suppliers focusing on sustainability issues, deforestation one of them. Of course we also follow them closely through annual sustainability reports and regular updates on their progress. Further we take into account external assessments such as SPOTT or other by NGOs such as WWF to understand supplier progress. In the case of breaches we try to work with the supplier and help them improve their practices, however if they show no sign of improvement we will terminate our cooperation. Orkla are RSPO members and have reached a share of 94% certified palm oil.

Cattle products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

National specific tools and databases

Please explain

In 2013 Orkla started reporting to CDP Forests. In 2015 we launched our Zero Deforestation Policy which was based on an internal assessment using external input from NGOs and other parties, this policy will be updated this year. In 2017 we carried out a materiality assessment which further underlined the importance of working with sustainable raw materials and packaging - this assessment has been updated since then and will be carried out in full again this year. Internal company methods: Every year Orkla carries out a general risk screening of its present portfolio of suppliers and of new suppliers. The assessment tool includes criteria relating to environment. Potential high-risk suppliers must undergo a more detailed risk assessment based on a standardized method developed by Sedex. For suppliers of timber, palm oil and other commodities with deforestation risk, we ask for information about the suppliers' procedures and initiatives to avoid deforestation as part of the annual contracting process. High risk suppliers are followed up further based on the outcome. We use this method to understand the general risk level of our supply chain. National specific tools and databases: As an example, every year we monitor the origin of our cattle products through the annual contracting process as mentioned above and during 2020 none of the originated from countries with deforestation risk. Orkla's suppliers of cattle products are mainly located in Europe where deforestation risk is low. For some our volumes we use national certifications which include environmental and social parameters. External consultants: We have developed detailed product category requirements for beef and dairy, covering more than 90% of the cattle products we purchase. These have been developed with help from external consultants and NGOs. We have developed there requirements to be able to have more detailed demands based on the specific category. These requirements are part of our contracts.

Soy

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

Sustainability Policy Transparency Toolkit (SPOTT)

Please explain

In 2013 Orkla started reporting to CDP Forests. In 2015 we launched our Zero Deforestation Policy which was based on an internal assessment using external input from NGOs and other parties, this policy will be updated this year. In 2017 we carried out a materiality assessment which further underlined the importance of working with sustainable raw materials and packaging - this assessment has been updated since then and will be carried out in full again this year. Internal company methods: Every year Orkla carries out a general risk screening of its present portfolio of suppliers and of new suppliers. The assessment tool includes criteria relating to environment. Potential high-risk suppliers must undergo a more detailed risk assessment based on a standardized method developed by Sedex. For suppliers of timber, palm oil and other commodities with deforestation risk, we ask for information about the suppliers' procedures and initiatives to avoid deforestation as part of the annual contracting process. High risk suppliers are followed up further based on the outcome. We use this method to understand the general risk level of our supply chain. SPOTT: We follow our biggest soy suppliers in various external assessments, for example SPOTT. The results are used to engage with our suppliers and update our sustainability strategies. During 2019 and 2020 we have carried out an extensive mapping of our soy purchases, mapping over 90% of our consumption. External consultants: As an example we have also cooperated with NEPCo to assess the risk in our supply chain and get feedback on our soy guidelines. As a result we got concrete feedback on our guidelines and strategy going forward. This risk assessment will be repeated in 2-3 years.

Other - Cocoa

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

Jurisdictional/landscape assessment

Please explain

Every year Orkla carries out a general risk screening of its present portfolio of suppliers and of new suppliers. The assessment tool includes criteria relating to environment. Potential high-risk suppliers must undergo a more detailed risk assessment based on a standardized method developed by Sedex. For suppliers of timber, palm oil and other commodities with deforestation risk, we ask for information about the suppliers' procedures and initiatives to avoid deforestation as part of the annual contracting process. During 2020 we have revised of our sustainable cocoa strategy, part of this is an extensive risk assessment together with our suppliers and other partners such as certifications bodies.

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

The issue is covered for some suppliers, facilities, or product lines. This is both current and emerging risk. Orkla obtains information about this from suppliers/other parties and based on this availability of forest risk commodities is assessed. We use RFIs/RFPs, market intelligence and supplier meetings as the primary tools to obtain this information. The information we obtain is discussed with both procurement and sustainability stakeholders to ensure proper mitigating actions.

Quality of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

The issue is relevant for all suppliers, facilities, or product lines. This is both current and emerging risk. Orkla obtains information about this from suppliers/other parties and based on this quality of forest risk commodities is assessed. We use RFIs/RFPs, quality parameters and supplier meetings as the primary tools to obtain this information. The information we obtain is discussed with both procurement and sustainability stakeholders to ensure proper mitigating actions.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, always included

Please explain

The issue is analysed on a broad basis. For palm oil detailed mapping has been carried out through TFT. For the other raw materials more general assessments have been carried out. This is both current and emerging risk. We use RFIs/RFPs, market intelligence, third-party and supplier meetings as the primary tools to obtain this information. The information we obtain is discussed with both procurement and sustainability stakeholders to ensure proper mitigating actions.

Regulation

Relevance & inclusion

Relevant, always included

Please explain

This issue is covered for all suppliers. Compliance with local law is a requirement in the Orkla Supplier Code of Conduct. Orkla regularly monitor regulation changes through external sources such as governments, suppliers, NGOs, etc. This is both current and emerging risk. The information we obtain is discussed with both procurement and sustainability stakeholders to ensure proper mitigating actions.

Climate change

Relevance & inclusion

Relevant, always included

Please explain

This issue so covered for all suppliers. In 2019, Orkla placed climate risk even more clearly on the agenda and has begun a process to identify and report climate risk in line with the recommendations of the international financial initiative, the Task Force for Climate-related Financial Disclosures. We have also significantly improved our scope 3 data during 2020 and now have much better data to work with. Climate change assessments are also part of several of our certifications. This is both current and emerging risk. The information we obtain is discussed with both procurement, sustainability and finance stakeholders to ensure proper mitigating actions.

Impact on water security

Relevance & inclusion

Relevant, sometimes included

Please explain

The issue is covered for some suppliers, facilities, or product lines. This is both current and emerging risk. Orkla obtains information about this from suppliers/other parties and based on this availability of forest risk commodities is assessed. In 2019, Orkla placed climate risk even more clearly on the agenda and has begun a process to identify and report climate risk in line with the recommendations of the international financial initiative, the Task Force for Climate-related Financial Disclosures. Water security assessments are also part of several of our certifications. The information we obtain is discussed with both procurement and sustainability stakeholders to ensure proper mitigating actions.

Tariffs or price increases

Relevance & inclusion

Relevant, always included

Please explain

This issue is covered for all suppliers. Orkla continuously monitors the situation on the market and obtains information about this from suppliers/other parties such as NGOs, governments. Based on this availability of forest risk commodities is assessed. This is both current and emerging risk. The information we obtain is discussed with both procurement and sustainability stakeholders to ensure proper mitigating actions.

Loss of markets

Relevance & inclusion

Relevant, sometimes included

Please explain

The issue is covered as part of Orkla's bi-annual strategy process and uses market intel and consumer insight for the analysis. This is emerging issue. The information we obtain is discussed with various internal stakeholders such as sustainability, strategy, procurement to ensure proper mitigating actions.

Leakage markets

Relevance & inclusion

Not relevant, explanation provided

Please explain

At this point we have not considered this relevant, we will revise this within two years.

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

This issue is covered for all suppliers. Orkla closely monitors brand equity through national measurement tools as well as sustainability ratings such as Sustainable Brand Index. We also follow media coverage of important materials to track potential brand impact. This is both current and emerging risk. The information we obtain is discussed with various internal stakeholders such as sustainability, strategy, procurement and marketing to ensure proper mitigating actions.

Corruption

Relevance & inclusion

Relevant, always included

Please explain

This issue is covered for all suppliers. We screen new suppliers on several parameters, corruption being one of them. The tool we use for this is Compliance Catalyst provided by BvD. We also monitor our existing supply base. This is both current and emerging risk. The information we obtain is discussed with various internal stakeholders such as sustainability, strategy, procurement and compliance to ensure proper mitigating actions.

Social impacts

Relevance & inclusion

Relevant, always included

Please explain

This is both current and emerging risk. We screen new suppliers on several parameters, social impact being one of them. We look at worker rights, corruption and other risk factors. For selected suppliers we carry out ethical audits, SMETA 4-pillar. This area is also covered through some of our certifications such as UTZ and RSPO. This issue is covered for all suppliers. The information we obtain is discussed with both procurement and sustainability stakeholders to ensure proper mitigating actions.

Other, please specify

Relevance & inclusion

Please explain

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, sometimes included

Please explain

We regularly update ourselves on expectations through customer meetings and make sure that our supply chain policies are satisfactory. We include customers in our assessment because they are one of our most important stakeholders and many of them have focus on sustainable products such as our brand Anamma where all soy comes from the US/Europe and is certified. We need to work together with our customers and align on important issues to create change.

Employees

Relevance & inclusion

Relevant, always included

Please explain

Orkla buy our materials from suppliers and none of our 18 000 employees in the Nordics, Baltics and other markets work within the forestry industry.

Investors

Relevance & inclusion

Relevant, always included

Please explain

We regularly update ourselves on investors requirements and expectations through meetings and by following new regulations and make sure that our policies are in line with theirs. Specific investors concerns are addressed in an appropriate manner. We include investors in our assessment because they are important in terms of strategic direction and where to focus our efforts. The focus from investors on forest-related risk has increased over the last years and they have increasing demands on us within this area.

Local communities

Relevance & inclusion

Relevant, always included

Please explain

The needs of the local communities within supply chain are assessed on a general basis together with suppliers. Our suppliers use various methods of engagement such as questionnaires, on the ground staff, trainings, etc. We include local communities in our assessment since they are directly or indirectly affected by our operations. For several deforestation risk materials we aim to buy certified materials, RSPO for our palm oil, Rainforest Alliance for our cocoa, FSC for timber, KRAV for our cattle products and several certifications such as ProTerra for our soy. These certifications often include aspects concerning local communities.

NGOs

Relevance & inclusion

Relevant, always included

Please explain

We have a regular dialogue with a number of NGOs and we are a member of ETI. Our method of engagement differs but often we have meetings or dialogue via phone or email. Through the dialogue we get a valuable input for risks assessment. We include NGOs in our assessment to get important objective input and feedback on our work. When we develop new guidelines and policies we engage in dialogue with NGOs, for example we have discussed our soy guidelines with NEPCo.

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Relevant, sometimes included

Please explain

For several commodities there are particular issues linked to smallholder farming. We include smallholders in our assessment since they are directly or indirectly affected by our operations. Our suppliers use various methods of engagement such as questionnaires, on the ground staff, trainings, etc. Smallholders are especially important when looking at cocoa and palm oil.

Regulators

Relevance & inclusion

Relevant, always included

Please explain

Orkla follows applicable regulations. Our method of engagement is meetings, participating in relevant fora, keeping ourselves updated on regulatory changes through among others AIM-Progress. We include regulators in the assessment because regulatory changes such as carbon pricing potentially has a big impact on our operations.

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

Supplier engagement and dialogue are one of the most important parts of our risks assessment process. We include suppliers in our assessment because they are closer to the origin than we are and we have to include our entire supply chain in our risk assessment. We have more than 23 000 direct suppliers and use a risk-based approach to address relevant suppliers. The Orkla deforestation policy is referenced to in our Supplier Code of Conduct which is included in all our contracts. Much of the work with our deforestation policy is carried out through our suppliers.

Other stakeholders, please specify

Relevance & inclusion

Please explain

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	No
Palm oil	Yes
Cattle products	No
Soy	Yes
Other - Rubber	<Not Applicable>
Other - Cocoa	Yes
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

During 2018 we started looking into the recommendations on risk assessment and reporting from the TCFD. In 2019, we carried out a structured workshop processes to develop a more comprehensive and detailed of climate-related risk assessment and the commercial implications for Orkla. Substantive financial or strategic impact is an impact that has a material effect on Orkla’s current or future profitability. The clear risk criteria’s are defined in the management system.

We see substantial financial opportunities linked to product development and production efficiency. In most of the markets in which Orkla is present, demands for healthy food, plant-based products and grocery products with environmentally friendly packaging are clear consumer trends. Orkla is responding to these changes proactively by maintaining a long-term focus on e.g. sustainable raw material production. Drought and bad weather has impacted the production and hence, the price of certain agricultural raw materials purchased by Orkla. Changing weather patterns also pushed the price of energy and water up in some of the countries in which we have production facilities. We anticipate continued volatility in the price of raw materials, energy and water in the years ahead, but expect the consequences of extreme weather to be moderate for Orkla in the short and medium term. Orkla considers impacts with a cost above 25 MNOK as substantive in our risk assessments, as well as in contingency cases.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Reduced demand for products and services

Company-specific description

Palm oil is a controversial raw material and by many consumers and NGOs seen as not sustainable (despite use of certifications and other mitigating actions). There is a risk that this could lead to media campaigns and customer/consumer boycott of products containing palm oil. It could also have negative consequences related to other stakeholder groups. However Orkla purchase around 67 000 MT palm oil per year and is therefore a relatively small player on the global market. Furthermore we estimate that a low share of our revenue (1-5%) is dependent on palm oil.

Timeframe

4-6 years

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

6990000

Potential financial impact figure - maximum (currency)

34950000

Explanation of financial

We estimate that 1-5% of our revenue is dependent on palm oil. During 2020 our revenue was 46,6 billion NOK. Due to us operating in a wide variety of markets we estimate that maximum 10% of our products containing palm oil would be affected with a 15% decline in sales, this means a potential impact of 7-35 million NOK.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

Orkla respond to the identified risk by selecting suppliers with good programs for sustainable palm oil production, increasing share of certified palm oil (we have now reached 94%) and collaborating with the RSPO. This response has been quite effective in mitigating this risk, however further mitigating actions can be needed.

Cost of response

13000000

Explanation of cost of response

The cost for the response is part of our overall business strategy, it is therefore difficult to provide a total number for this response. The cost above is related to the cost of purchasing RSPO certified material.

Forest risk commodity

Other - Cocoa

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

Our cocoa is sourced from western Africa and faces several challenges, both social and environmental. Over the last years there have been several reports and articles about the cocoa industry and these challenges. The debate about living income and connections to deforestation intensifies and consumers are getting more aware. There is a risk of intensified consumer market campaigns against consumption of products containing cocoa. . If Orkla is perceived as not doing enough to ensure a sustainable industry we might lose market share and experience a decline in sales.

Timeframe

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial**Primary response to risk**

Please select

Description of response

We select suppliers with good programs for sustainable cocoa production and collaborate with UTZ/Rainforest Alliance. We have reached 87% certified cocoa. Currently we are working on our strategy towards 2025 where we will raise our ambition level and cooperate even closer with our suppliers and UTZ/RA.

Cost of response**Explanation of cost of response**

Cost of response is difficult to estimate.

Forest risk commodity

Soy

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Shifts in consumer preference

Primary potential impact

Reduced demand for products and services

Company-specific description

Customers' demands are constantly increasing. In the market, there is a growing trend for increased consumption of plant-based foods and sustainable food to reduce greenhouse gas emissions. It is well known that cultivation of soy can be a contributor to deforestation of vulnerable rainforests. In some of our markets, primarily in the Nordics we have started to see a shift in consumer preference where soy is sometimes less preferred. Orkla has different products containing different types of soy, where the Anamma and Naturli brands are two examples. If the trend in terms of reducing the intake of products containing soy continues, this may negatively affect Orkla's revenue.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

14000000

Potential financial impact figure - maximum (currency)

70000000

Explanation of financial

We estimate that 1-5% of our revenue is dependent on soy. During 2019 our revenue was 46,6 billion NOK. We estimate that maximum 20% of our products containing soy would be affected with a 15% decline in sales, this means a potential impact of 14-70 million NOK.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

For some of our products we are exploring different options not containing soy, for example peas. This will reduce the risk of a reduced demand for our products since these materials are perceived as lower risk. For our soybased materials we focus on buying from low risk regions and third-party certification through RTRS or similar. This is also something we will communicate to our customers and consumers so they are able to make well-informed decisions.

Cost of response

460000

Explanation of cost of response

The cost for the response is part of our overall business strategy, it is therefore difficult to provide a total number for this response. The cost above is related to the cost of purchasing certified material.

Forest risk commodity

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased commodity prices

Primary potential impact

Increased production costs

Company-specific description

Timeframe

1-3 years

Magnitude of potential impact

Please select

Likelihood

Please select

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial**Primary response to risk**

Please select

Description of response**Cost of response****Explanation of cost of response****F3.1c****(F3.1c) Why does your organization not consider itself to be exposed to forests-related risks with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Timber products	Risks exist, but no substantive impact anticipated	An assessment of existing risks have been made and we are not anticipating a substantive financial or strategic impact. This is due to the fact that 100% of our sourcing is coming from non-forest risk countries. One identified risk is that the availability of recycled material becomes low due to high demand., we do not estimate this to be a substantive risk.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	Risks exist, but no substantive impact anticipated	An assessment of existing risks have been made and we are not anticipating a substantive financial or strategic impact since our sourcing mainly comes from European countries with low deforestation risk. One identified risk is that low supply in our regular origin countries might force us to look for new origins, however we do not estimate this to be a substantive risk.
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F3.2**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes
Other - Rubber	<Not Applicable>
Other - Cocoa	Yes
Other - Coffee	<Not Applicable>

F3.2a**(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.****Forest risk commodity**

Palm oil

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased supply chain transparency

Company-specific description & strategy to realize opportunity

Orkla is year-by-year increasing our share of RSPO certified palm oil and have for 2020 reached a share of 94%, which has increased from 87% in 2019. Being part of RSPO is an important part of our implemented strategy to realize the opportunity of increased supply chain transparency. It enables us, a relatively small player, to have a greater impact on the industry. Increased transparency of the supply chain positively affects the reputation of the whole company and in result improve cooperation with partners, members of value chain as well as increase trust of the society so potentially increase demand for the products. The work we carry out with sustainable palm oil has effect in all our markets where we sell products containing palm oil, one example is bakery products provided by our Danish company Dragsbæk. This work goes hand in hand with our 2025 strategy and targets, where sustainable agriculture and transparent supply chains are a high priority. It also fits into our recent 2030 aspirations, where sustainability is an important part.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are currently not able to quantify this impact due to insufficient data on aggregated level.

Forest risk commodity

Soy

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

Our customers and consumers increasingly care about the origin and sourcing aspects of our products. Soy has been climbing on this agenda over the past years and we see an opportunity in sourcing sustainably produced soy from low risk countries or certified soy from higher risk regions to ensure a sustainable supply. This we can communicate to our customers and consumers, thus increasing the brand value of those products. Our strategy is to promote our sustainable soy especially through our brands Anamma and Naturli. Orkla's goal is to become one of Europe's leading competitors in the alternative proteins space before 2030. That is why we have now established Orkla Alternative Proteins (OAP) as a separate business unit. Orkla targets strong growth in plant-based food in the coming years. The plant-based brands, NATURLI', Anamma, Felix Veggie, Beauvais Veggie, and Lecora Green Line had a total turnover of NOK 869 million in 2020 and grew by 21 per cent compared with 2019. Consumption of alternative proteins is still low, and Orkla targets substantial growth in this area. By 2025, the Group aims to attain a turnover of NOK 3 billion in plant-based food. This target is to be achieved through a combination of organic growth and acquisitions.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are currently not able to quantify this impact due to insufficient data on aggregated level.

Forest risk commodity

Other - Cocoa

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased security of production

Company-specific description & strategy to realize opportunity

We carefully select suppliers who share our sustainability vision and work towards a sustainable cocoa industry. We also buy Rainforest Alliance certified cocoa which supports a more resilient supply chain, thus increases security of production. We have currently reached 87% certified cocoa.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are currently not able to quantify this impact due to insufficient data on aggregated level.

Forest risk commodity

Timber products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Supply chain

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

Orkla has an ambitious packaging strategy and targets: 100% recyclable and 75% recycled packaging by 2025. This gives us opportunities to promote our work on a global corporate level as well as national individual brand level - thus increasing brand value. One example is our brand Jordan Geen Clean where more than 90% of the product including packaging is made out of recycled materials. Another example is our brand Frankful which promotes their sustainable packaging actively - their taco spice bag is based on 66% FSC certified material. We are constantly working with our innovation teams and suppliers to come up with new ideas bringing us closer towards our 2025 targets which will bring many brand value strengthening opportunities going forward.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are currently not able to quantify this impact due to insufficient data on aggregated level.

Forest risk commodity

Cattle products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

Over past few years, we have seen an increase in demand for sustainably sourced meat. This has influenced our strategy when it comes to cattle in the way that we have determined that the best path forward is to continue sourcing from non-forest risk countries, as we do today. During 2020, Orkla purchased 100% of our cattle products from non forest risk countries such as Sweden and Norway. Despite the short-term cost savings commonly associated with sourcing from more vulnerable areas, we have determined that the best long term strategy will be to steer away from this. This will not only prevent issues with future forests/cattle related regulations and legislation, but also ensure that we provide the best possible cattle products, which in turn will continue to increase our brand value. As an example of our strategy in action we have our Swedish brand Felix which on their "Klassiska Köttbullar" meatballs (and many other products), which promotes Swedish meat. Sweden is commonly known to produce high quality meat and we see this as a great opportunity to increase our brand value by promoting local production.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium-low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are currently not able to quantify this impact due to insufficient data on aggregated level.

F4. Governance**F4.1****(F4.1) Is there board-level oversight of forests-related issues within your organization?**

Yes

F4.1a**(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.**

Position of individual	Please explain
Chief Sustainability Officer (CSO)	Vice President of Sustainability has responsibility for Orkla's sustainability work and provides an annual progress report on sustainable sourcing to the Group Executive Board and Board of Directors. An example of how the CSO's responsibility is related to forests issues is that the person oversees Orkla's governing documents. As examples, the CSO approved Orklas' Zero-Deforestation Policy and Orklas' Palm Oil Policy.
Director on board	The Orkla Sustainability Strategy and EHS management are anchored at Orkla Group Executive Board and the Board of Directors. The Audit Committee of the Board of Directors performs a review of the risk picture with a 0-5 year perspective, including sustainability risks. The Committee reports to the Chairman of the Board. Example of a forest-related decision made by the Director on board: Orkla committed to removing commodity-driven deforestation from all supply chains. The strategy towards this has been anchored at the Group's board level. With regard to raw materials from tropical regions, Orkla has teamed up with selected suppliers who are carrying our special programmes to ensure deforestation-free raw material production. In 2019, we mapped the status of suppliers' work and identified needs for improvement. Efforts to monitor suppliers and achieve certification by the Roundtable for Sustainable Palm Oil (RSPO) have continued, and 87 % of palm oil is now certified.

F4.1b**(F4.1b) Provide further details on the board's oversight of forests-related issues.**

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities	The board receives an annual update on sustainable sourcing including deforestation. This update guides strategy, major plans of action and business plans.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Procurement Officer (CPO)	Both assessing and managing forests-related risks and opportunities	Annually	The CPO reports to the Executive Vice President and CEO, Orkla Care and Supply Chain. The CPO gets quarterly or annual updates on the sustainable sourcing area including forest related risks and opportunities from the sustainable sourcing manager and relevant category managers. The CPO is also an important member of the sustainable sourcing steering group. As an example of its responsibilities, the CPO monitors and ensures progress towards our certification targets for palm oil, cocoa and soy. We are currently at 87% for palm oil, 77% for cocoa and 55% for soy.
Other, please specify (Sustainable Sourcing Steering Group)	Both assessing and managing forests-related risks and opportunities	Quarterly	The sustainable sourcing steering group meets twice per year to discuss the sustainable sourcing strategy and direction including forest related risks and opportunities.
Chief Executive Officer (CEO)	Managing forests-related risks and opportunities	Half-yearly	CEO is the highest position with responsibility for environmental issues including forest-related issues. CEO is informed about environmental issues by COO who then gathers relevant data from lower management positions.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	No, not currently but we do plan to introduce them in the next two years	

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Scope	Content	Please explain
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	Scope	Content	Please explain
Row 1	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural habitats</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound milestones and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>The Orkla Zero-Deforestation Policy was launched 2015 and is due for revision this year. In general we update our policies every third year unless there are specific updates that need to be incorporated. Orkla's activities potentially impact on forests through some of the raw materials that we purchase. This applies in particular to palm oil, soy, cocoa, cardboard and paper packaging. We seek to promote sustainable development, and have set a goal for ourselves to ensure that the most important raw materials and packaging that we buy are produced in a sustainable manner by 2020. As part of this work, we will make sure that the production of these raw materials does not contribute to deforestation. By deforestation we mean the conversion of natural forest into farmland or for other purposes. In assessing which forests should be conserved, due consideration must be taken of both biological diversity and carbon binding. Orkla is committed to preserving rainforests and other natural forests with high conservation value, and will work systematically and purposefully to ensure that our products do not contribute to deforestation. With regard to our purchasing of agricultural raw materials cultivated in tropical regions and other at-risk areas, we aim, at the latest by 2020, to be able to document that the raw materials are produced sustainably without causing deforestation. When purchasing packaging and other woodbased materials, we will make sure that they do not come from tropical rainforests and are based on sustainable production. This policy is used during internal decision-making, one example is when selecting new suppliers.</p>

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

Do you have a commodity specific sustainability policy?	Scope	Content	Please explain

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>Orkla buys a large amount of raw materials and packaging mostly coming from the Nordics/Europe which have low deforestation risks but recognize that some materials (palm oil, cocoa, soy, etc.) are coming from tropical forest areas with a high risk. Orkla's zero deforestation policy launched in 2015 provides specific requirements for raw material and packaging procurement and production, including commitment to eliminate conversion of natural ecosystems, eliminate deforestation, no deforestation, to no planting on peatlands and to no exploitation (NDPE) as well as commitment to protect rights and livelihoods of local communities. The policy covers our entire operations and supply chain on a global level with a focus on materials coming from tropical forests such as the Cerrado biome. Timber is included in the scope. We use this policy in our internal decision making, as a part of our Supplier Code of Conduct, thus part of our supplierselection process. The policy is being revised every third year. Orkla have also signed the New York Declaration on Forests.</p>

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Palm oil	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>Orkla buys a large amount of raw materials and packaging mostly coming from the Nordics/Europe which have low deforestation risks but recognize that some materials (palm oil, cocoa, soy, etc.) are coming from tropical forest areas with a high risk. Orkla's zero deforestation policy launched in 2015 provides specific requirements for raw material and packaging procurement and production, including commitment to eliminate conversion of natural ecosystems, eliminate deforestation, no deforestation, to no planting on peatlands and to no exploitation (NDPE) as well as commitment to protect rights and livelihoods of local communities. The policy covers our entire operations and supply chain on a global level with a focus on materials coming from tropical forests such as the Cerrado biome. Palm oil is included in the scope. We use this policy in our internal decision making, as a part of our Supplier Code of Conduct, thus part of our supplierselection process. The policy is being revised every third year. The Orkla Sustainable Palm Oil policy was launched in 2014 and further outlines our requirements on palm oil. Orkla have also signed the New York Declaration on Forests.</p>

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Cattle products	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE) Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and engagement Recognition of the overall importance of forests and other natural ecosystems Recognition of potential business impact on forests and other natural ecosystems Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related performance standards for direct operations Description of forests-related standards for procurement	Orkla buys a large amount of raw materials and packaging mostly coming from the Nordics/Europe which have low deforestation risks but recognize that some materials (palm oil, cocoa, soy, etc.) are coming from tropical forest areas with a high risk. Orkla's zero deforestation policy launched in 2015 provides specific requirements for raw material and packaging procurement and production, including commitment to eliminate conversion of natural ecosystems, eliminate deforestation, no deforestation, to no planting on peatlands and to no exploitation (NDPE) as well as commitment to protect rights and livelihoods of local communities. The policy covers our entire operations and supply chain on a global level with a focus on materials coming from tropical forests such as the Cerrado biome. Cattle products are included in the scope. We use this policy in our internal decision making, as a part of our Supplier Code of Conduct, thus part of our supplierselection process. The policy is being revised every third year. Orkla have also signed the New York Declaration on Forests.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Soy	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p>	<p>Orkla buys a large amount of raw materials and packaging mostly coming from the Nordics/Europe which have low deforestation risks but recognize that some materials (palm oil, cocoa, soy, etc.) are coming from tropical forest areas with a high risk. Orkla's zero deforestation policy launched in 2015 provides specific requirements for raw material and packaging procurement and production, including commitment to eliminate conversion of natural ecosystems, eliminate deforestation, no deforestation, to no planting on peatlands and to no exploitation (NDPE) as well as commitment to protect rights and livelihoods of local communities. The policy covers our entire operations and supply chain on a global level with a focus on materials coming from tropical forests such as the Cerrado biome. Soy is included in the scope. We use this policy in our internal decision making, as a part of our Supplier Code of Conduct, thus part of our supplierselection process. The policy is being revised every third year. Orkla have also signed the New York Declaration on Forests.</p>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	Please select	<Not Applicable>	<Not Applicable>	
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

New York Declaration on Forests

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No new development on peat regardless of depth
Restoration and compensation to address past deforestation and conversion
Avoidance of negative impacts on threatened and protected species and habitats
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
Remediate any adverse impacts on indigenous people and local communities
No sourcing of illegally produced and/or traded forest risk commodities
Recognition of legal and customary land tenure rights

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2015

Commitment target date

2020

Please explain

The suppliers must comply with the Orkla Supplier Code of Conduct, in which we refer to our Orkla Zero Deforestation Policy. As an example related to no deforestation, in 2020 we sourced 100% of our paper and cardboard products from countries where deforestation is a non-issue. By sourcing our timber products from Norway, Sweden and other non-risk countries we can to an even greater extent ensure that proper forestry practices are followed and that we are not contributing to deforestation in at-risk ecoregions. Further we have ambitious sustainable packaging targets towards 2025 and for 2020 the share of recyclable packaging was 95% and the share of packaging containing recycled materials was 47%. One example of an initiative is that during 2020, Orkla Eesti introduced cardboard cups for pick-and-mix sweets in their chocolate stores, and replaced plastic lids with a more sustainable alternative. From 2021, the cups will also be produced from FSC-certified cardboard with a protective BioPBS coating. These cups will be completely compostable under natural conditions and recyclable in the paper waste flow. As part of the same project, all plastic bags were replaced with FSC-certified paper bags in Orkla Eesti's chocolate stores.

Forest risk commodity

Palm oil

Criteria

No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No new development on peat regardless of depth
Restoration and compensation to address past deforestation and conversion
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
No sourcing of illegally produced and/or traded forest risk commodities
Recognition of legal and customary land tenure rights

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2015

Commitment target date

2020

Please explain

The suppliers must comply with the Orkla Supplier Code of Conduct, in which we refer to our Orkla Zero Deforestation Policy and our Orkla Palm Oil Policy. A priority for Orkla is to reach our target that 100% of the palm oil used in our products are certified. An inclusion criteria for the RSPO certified oil is that the palm oil has not been sourced illegally. The RSPO certification also outlines demands concerning no conversion of natural ecosystems, zero gross deforestation/no deforestation, Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities as well as restoration and compensation to address past deforestation and conversion. We are increasing our share of certified palm oil and in 2020, we had reached 94% certified palm oil across all our operations. The palm oil we source mainly comes from Indonesia and Malaysia.

Forest risk commodity

Soy

Criteria

No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No new development on peat regardless of depth
Restoration and compensation to address past deforestation and conversion
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
No sourcing of illegally produced and/or traded forest risk commodities
Recognition of legal and customary land tenure rights

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2015

Commitment target date

2020

Please explain

The suppliers must comply with the Orkla Supplier Code of Conduct, in which we refer to our Orkla Zero Deforestation Policy. Orkla sources soy from Brasil, the US and Europe. 11% of the soy we source is certified through Proterra or similar certification on minimum FSA Silver Level. The decrease since 2019 is due to higher data quality and stricter internal criteria for determining which certification programmes to use. This has prompted a change in certification programme for large parts of the sourced volumes. Unfortunately, this process is taking some time, which affected results in 2020. Orkla has a good plan for 2021, and has already switched to sourcing soya with the right level of certification, thereby ensuring better results in next year's reporting. One of the criterias in the ProTerra standard is that areas of native vegetation cannot have been cleared or converted into agricultural areas, or used for industrial or other commercial purposes, after 2008, in particular the following: • Primary Forests (for instance, rainforests); • Riparian Vegetation; • Wetlands; • Swamps; • Floodplains; • Steep slopes; • High above-ground carbon stocks, and • Other as defined by the High Conservation Values Resource Network (HCV 1 to 6). There is also criterias concerning FPIC and zero deforestation.

Forest risk commodity

Cattle products

Criteria

No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No new development on peat regardless of depth
Restoration and compensation to address past deforestation and conversion
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
No sourcing of illegally produced and/or traded forest risk commodities
Recognition of legal and customary land tenure rights
Other, please specify (Human rights due diligence)

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2015

Commitment target date

2020

Please explain

The suppliers must comply with the Orkla Supplier Code of Conduct, in which we refer to our Orkla Zero Deforestation Policy. Our Zero Deforestation policy among others states that the supplier must not be involved in the clearing of tropical rainforest or other high conservation value forest in connection with its own or its subcontractors' activities. Forest areas that have a high conservation value and that bind large amounts of carbon must be protected. In connection with production in tropical regions, we want our suppliers to apply the definitions of "High Conservation Value" and "High Carbon Stock" as their basis for assessing which parts of the rainforest should be conserved. During 2020 100% of Orkla's cattle products were sourced from European countries which are not on the deforestation risk list.

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	11-15	Sustainable sourcing is included in Orkla's 2025 strategic goals and in long-term business plans. This work is carried out both at corporate level as well as in each of our five business areas and all their business units across Europe and India. We have selected 11-15 years since we are currently operating with targets towards 2025 and have launched 2030 ambitions. Part of our 2030 ambition is being the local champion for sustainability, this will be embedded in our strategy going forward. In 2016, in good company with Global Compact companies all over the world, Orkla put the UN's new global goals for sustainable development on its agenda. We have nine prioritized goals where 15 Life on land is one of them. Our plans include all disclosed commodities.
Strategy for long-term objectives	Yes, forests-related issues are integrated	11-15	Sustainable sourcing is included in Orkla's 2025 strategic goals and in long-term business plans. This work is carried out both at corporate level as well as in each of our five business areas and all their business units across Europe and India. We have selected 11-15 years since we are currently operating with targets towards 2025 and have launched 2030 ambitions. Part of our 2030 ambition is being the local champion for sustainability, this will be embedded in our strategy going forward. The plans include all disclosed commodities. As an example of how sustainable sourcing is included in the strategy is year 2015 when Orkla became RSPO-members on group level and set targets for sourcing 100% certified palm oil.
Financial planning	Yes, forests-related issues are integrated	11-15	In 2017, the Task Force for Climate-related Financial Disclosures (TCFD), which was established at the initiative of the Financial Stability Board, launched voluntary guidelines for climate-risk reporting. The guidelines have quickly become the leading framework for assessment and documentation of climate risk. As an example, during the last half of 2019, Orkla initiated a process to be able to report in accordance with this framework. Through internal workshops, we have shared knowledge of the TCFD framework with key in-house personnel and carried out a survey of the risk factors to which Orkla is exposed and the opportunities that this can offer over the next 0-20 years. This year we launched a TCFD report for 2020, outlining more of our work within this area. Work on estimating potential risk impacts for Orkla's operations will continue in 2021. The potential risk impacts include forest risk assessments for several commodities, including soy and palm oil that thus will be an integrated part of the financial planning.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Palm oil

Type of target

Third-party certification

Description of target

Orkla has a commitment to source 100% RSPO certified palm oil. During 2020 we reached 94%.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

RSPO Segregated
RSPO Mass Balance
RSPO Book and Claim

Start year

2014

Target year

2021

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

Please explain

Orkla became members of the RSPO 2015 and have since then worked to increase the share of certified palm oil. The use of certified oil is an important part of our sustainable sourcing strategy in all markets where we use palm oil, therefore we have set the target to 100%. We have increased the share of certified oil year on year and in 2021 100% of our palm oil should be RSPO certified.

Target reference number

Target 3

Forest risk commodity

Timber products

Type of target

Assess and/or verify compliance

Description of target

Orkla has a 2025 goal of 100% recyclable packaging. A total of 95 per cent of the packaging that Orkla used in 2020 was made of materials that can be recycled.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2014

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

95

Please explain

The biggest challenge posed by packaging is that it is often not recycled or reused, leading to excessive use of resources. Poor waste management also results in unnecessary pollution. Sustainable packaging is an important dimension of Orkla's criteria for sustainable products. For Orkla, sustainable packaging means reduced use of resources through the use of packaging that is easy to recycle, optimised in terms of size, storage and transport, and made from recycled materials. Orkla has increased its efforts to optimise packaging, reduce the amount of plastic used, design packaging to simplify recycling and develop new packaging solutions based on recoverable, recycled or renewable materials. We have strengthened our collaboration with centres of excellence, researchers, external experts, organisations and other companies to find effective, innovative solutions. Several Orkla companies are part of a Norwegian collaborative venture, the Design for Recycling project, under the auspices of Green Dot Norway. The object is to learn more about the kind of changes in material and design choices that could simplify recycling of packaging.

Target reference number

Target 2

Forest risk commodity

Soy

Type of target

Third-party certification

Description of target

Orkla has a target of buying 100% certified soy from RTRS, ProTerra or similar. We are members of SAI Platform and aim to use certifications on minimum FSA Silver level. A benchmark has prompted a change in certification programme for large parts of the sourced volumes. Unfortunately, this process is taking some time, which affected results in 2020. Orkla has a good plan for 2021, and has already switched to sourcing soya with the right level of certification, thereby ensuring better results in next year's reporting.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

ProTerra certification

International Sustainability and Carbon Certification (ISCC)

Other, please specify (USSAP, Donau soya, EU organic)

Start year

2014

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

11

Please explain

During 2020 we have continued to map our soy purchases, origin and certifications we buy. We have also benchmarked our standards against the FSA standard. We have set a target of 100% certified soy by 2025 and have currently reached 11%. Due to changing of certification our certification level has gone down, this will increase 2021. Our approach to meeting this target is to ensure that our suppliers can provide soy certified on minimum FSA Silver level.

Target reference number

Target 4

Forest risk commodity

Cattle products

Type of target

Engagement with direct suppliers

Description of target

100% of animal products sourced according to Orkla's animal welfare policy and linked PCR (product category requirement)

Linked commitment

Social commitments

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2018

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

76

Please explain

During 2020 we purchased 100% of our cattle products from non forest risk countries, mainly Europe. We have a target that 100% of our suppliers should have accepted our Animal Welfare Policy and PCR by 2025, we have currently reached 76%. We are planning to meet this target by engaging with our suppliers and ensuring that they are accepting our policy and other demands. 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. Examples of standards that are being used are the 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.

Target reference number

Target 5

Forest risk commodity

Cattle products

Type of target

Assess and/or verify compliance

Description of target

Supply from cattle free from tail docking

Linked commitment

Social commitments

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2018

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

71

Please explain

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 abovementioned countries. 71% of our supply comes from cattle free from tail docking. We are planning to meet this target by engaging with our suppliers and ensuring that they are accepting our policy and other demands.

Target reference number

Target 6

Forest risk commodity

Cattle products

Type of target

Engagement with indirect suppliers

Description of target

Supply from cattle where anaesthesia have been used for disbudding / dehorning and castration

Linked commitment

Social commitments

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2018

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

100

Target (%)

<Not Applicable>

% of target achieved

62

Please explain

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 abovementioned countries. We are planning to meet this target by engaging with our suppliers and ensuring that they are accepting our policy and other demands.

Target reference number

Target 7

Forest risk commodity

Timber products

Type of target

Other, please specify (Recycled content)

Description of target

Orkla has a 2025 goal of 75% recycled packaging. A total of 47 % of the packaging that Orkla used in 2020 was made of recycled materials. For paperbased packaging this number was 62%.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2014

Target year

2025

Quantitative metric

Percentage

Target (number)

<Not Applicable>

Target (%)

75

% of target achieved

47

Please explain

Orkla has increased its efforts to optimise packaging, reduce the amount of plastic used, design packaging to simplify recycling and develop new packaging solutions based on recoverable, recycled or renewable materials. We have strengthened our collaboration with centres of excellence, researchers, external experts, organisations and other companies to find effective, innovative solutions. Several Orkla companies are part of a Norwegian collaborative venture, the Design for Recycling project, under the auspices of Green Dot Norway. The object is to learn more about the kind of changes in material and design choices that could simplify recycling of packaging. One example of our work with recycled content is Orkla Home & Personal Care which has added three new products to the Jordan Green Clean range. The handle of the Green Clean Flosser is made of 100 per cent recycled plastic, while Green Clean toothpicks are 100 per cent plastic-free and certified. The packaging of both products is made of 100 per cent recycled cardboard.

Target reference number

Target 8

Forest risk commodity

Soy

Type of target

Engagement with direct suppliers

Description of target

Orkla has a Supplier Code of Conduct which outlines our expectations on our suppliers, this includes social and environmental demands as well as our Zero Deforestation Policy. One of our 2025 targets is to reach sustainable sourcing of prioritized raw materials by 2025, soy is one of these materials. Here we engage with our suppliers to ensure that we share the same vision and targets. This includes supplier interaction and follow-up.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2018

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

90

Please explain

Supplier engagement is very important in laying a good foundation and reaching our goals. We estimate that we have had interaction about sustainability related topics with 90% of our soy suppliers. We will continue reaching out and having a dialogue with our suppliers through the commercial process and more specific sustainability discussions .

Target reference number

Target 9

Forest risk commodity

Palm oil

Type of target

Engagement with direct suppliers

Description of target

Orkla has a Supplier Code of Conduct which outlines our expectations on our suppliers, this includes social and environmental demands as well as our Zero Deforestation Policy and Sustainable Palm Oil Policy. One of our 2025 targets is to reach sustainable sourcing of prioritized raw materials by 2025, palm oil is one of these materials. Here we engage with our suppliers to ensure that we share the same vision and targets. This includes supplier interaction and follow-up.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2018

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

100

Please explain

Supplier engagement is very important in laying a good foundation and reaching our goals. We estimate that we have had interaction about sustainability related topics with all of our palm oil suppliers. We will continue the dialogue with our suppliers through the commercial process and more specific sustainability follow-up. We also get quarterly updates from our main suppliers on their sustainability progress.

Target reference number

Target 10

Forest risk commodity

Soy

Type of target

Traceability

Description of target

Traceability is an important target for us in enabling sustainable supply chains. Our soy supplier all have traceability targets in place and we get regular updates about the soy origin. We currently have overview of the origin countries and are improving our knowledge about specific regions.

Linked commitment

Zero net/gross deforestation

Traceability point

Country

Third-party certification scheme

<Not Applicable>

Start year

2018

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

95

Please explain

Mapping the origin of our soy is essential to understand the actual deforestation risks in our supply chain, that is the reason why we have a goal of 100% towards 2025. Currently we receive information about soy origin on country level, we have information for about 95% of our volumes. More than 95% of the soy we have traceability information on is coming from countries with low risk of deforestation such as the US, Canada and various European countries. For the high risk countries we are sourcing from we are working on receiving information on more detailed level such as state and region, we have had progress within this area during 2020 and intend to collect better information during 2021. We gather this information through our sourcing process as well as through direct contact with our suppliers with a consequent update of our central databases.

Target reference number

Target 11

Forest risk commodity

Palm oil

Type of target

Traceability

Description of target

Traceability is an important target for us in enabling sustainable supply chain. Our palm oil suppliers have good traceability systems in place and we receive regular reports on their progress through emails and quarterly/annual updates.

Linked commitment

Zero net/gross deforestation

Traceability point

Mill

Third-party certification scheme

<Not Applicable>

Start year

2018

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

90

Please explain

Mapping the origin of our palm oil is essential to understand the actual deforestation risks in our supply chain, that is the reason why we have a goal of 100% towards 2025. We have several palm oil suppliers where suppliers covering over 90% of our volumes have a high traceability to mill (over 95%). Our suppliers are working on improving the traceability to plantation as a next step and have made good progress. We gather this information through our sourcing process as well as through direct contact with our suppliers with a consequent update of our central databases. As a next step in utilizing traceability data we hope to achieve new insight through the RSPO Hotspot Hub which will help to identify issues in our supply chain.

Target reference number

Target 12

Forest risk commodity

Timber products

Type of target

Engagement with direct suppliers

Description of target

Orkla has a Supplier Code of Conduct which outlines our expectations on our suppliers, this includes social and environmental demands as well as our Zero Deforestation Policy. One of our 2025 targets is to reach sustainable sourcing of packaging materials by 2025. Here we engage with our suppliers to ensure that we share the same vision and targets. This includes supplier interaction and follow-up.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2018

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

90

Please explain

Sustainable packaging remained one of Orkla's primary priorities in 2020. Orkla seeks to engage actively in joint projects with suppliers, relevant centres of expertise and other companies to develop recyclable packaging and increase use of recycled and renewable materials. Supplier engagement is therefore very important in laying a good foundation and reaching our goals. We estimate that we have had interaction about sustainability related topics with 90% of our packaging suppliers globally.

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	We monitor our timber product origin through our suppliers and regularly receive updates from them regarding the origin and certifications of our timber products. These updates are often given through RFIs or RFPs. During 2020 we received 100% of our timber products from non forest risk countries.	Not applicable	<Not Applicable>
Palm oil	Yes	We monitor our palm oil origin through our suppliers and regularly receive updates from them regarding the origin and certifications of our palm oil products. The updates are received via email and sustainability briefings. As part of our sustainability work we buy RSPO certified palm oil, 94% was certified during 2020.	Not applicable	<Not Applicable>
Cattle products	Yes	We monitor our cattle product origin through our suppliers and regularly receive updates from them regarding the origin of our cattle products. These updates are often given through RFIs or RFPs, and often via supplier meetings. During 2020 we received 100% of our cattle products from non forest risk countries.	Not applicable	<Not Applicable>
Soy	Yes	We monitor our soy origin through our suppliers and regularly receive updates from them regarding the origin and certifications of our soy products. These updates are often given through RFIs or RFPs as well as supplier meetings. As part of our sustainability work we buy certified soy, 11% was certified during 2020.	Not applicable	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	Yes		Not applicable	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	State or equivalent	95
Palm oil	Mill	90
Cattle products	State or equivalent	100
Soy	Country	99

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	No, we have not adopted any third-party certification schemes for this commodity	<Not Applicable>
Palm oil	Yes	94
Cattle products	No, we have not adopted any third-party certification schemes for this commodity	<Not Applicable>
Soy	Yes	11
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	Yes	84
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Credits/Book & Claim

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

27

Form of commodity

Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Palm oil derivatives
Palm kernel oil derivatives

Volume of production/ consumption certified

18090

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Orkla uses RSPO as certification scheme and continue to work with our suppliers to increase the certification share.

Forest risk commodity

Soy

Third-party certification scheme

ProTerra certification

Chain-of-custody model used

Mass balance

% of total production/consumption volume certified

11

Form of commodity

Whole soy beans

Soy derivatives

Volume of production/ consumption certified

535

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

We have a target that are certifications should be on minimum FSA Silver level, currently ProTerra is the only one living up to this criteria. The decrease since 2019 is due to higher data quality and stricter internal criteria for determining which certification programmes to use. This has prompted a change in certification programme for large parts of the sourced volumes. Unfortunately, this process is taking some time, which affected results in 2020. Orkla has a good plan for 2021, and has already switched to sourcing soya with the right level of certification, thereby ensuring better results in next year's reporting.

Forest risk commodity

Other - Cocoa

Third-party certification scheme

Other, please specify (Rainforest Alliance/UTZ)

Chain-of-custody model used

Mass balance

% of total production/consumption volume certified

84

Form of commodity

Other, please specify (Cocoa)

Volume of production/ consumption certified

Metric for volume

Please select

Is this certified by more than one scheme?

No

Please explain

Orkla uses Rainforest Alliance/UTZ as certification.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

36

Form of commodity

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

24120

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Orkla uses RSPO as certification scheme and continue to work with our suppliers to increase the certification share.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Segregated

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

31

Form of commodity

Crude palm oil (CPO)
Crude palm kernel oil (CPKO)
Palm oil derivatives
Palm kernel oil derivatives

Volume of production/ consumption certified

20770

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Orkla uses RSPO as certification scheme and continue to work with our suppliers to increase the certification share.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Cattle products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Soy	No, but we plan to develop one within the next two years	
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).**Forest risk commodity**

Palm oil

Operational coverage

Supply chain

Description of control systems

We have selected our palm oil suppliers partly based on their sustainability efforts and monitor compliance with our zero-deforestation commitment through them. Our suppliers use geo-spatial monitoring tools, ground-based monitoring systems and community-based monitoring to ensure compliance. Furthermore we source RSPO certified palm oil which also passes through different control points in the supply chain.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Retain & engage
Suspend & engage

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We receive compliance updates from our suppliers on a quarterly basis. If needed we follow up non-compliance more often. We also closely keep watch of RSPOs recommendations as well as NGO and news updates. If there is a non-compliance we engage with the supplier to understand the background and their action plan going forward. Our first choice is always to retain and engage but if we see no improvement or willingness to discuss we will suspend the supplier. If the non-compliance is severe we will suspend and engage immediately. Our response vary depending on the nature and severity of the non-compliance, the goal is always to help the supplier improve.

Forest risk commodity

Timber products

Operational coverage

Supply chain

Description of control systems

We regularly follow up our timber suppliers on which origin we receive timber products from. 2019 we received 100% of our timber products from non forest risk countries.

Monitoring and verification approach

First-party verification

Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Retain & engage

Suspend & engage

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We receive compliance updates from our suppliers on an annual basis. If needed we follow up non-compliance more often. We also keep watch of NGO and news updates. If there is a non-compliance we engage with the supplier to understand the background and their action plan going forward. Our first choice is always to retain and engage but if we see no improvement or willingness to discuss we will suspend the supplier. If the non-compliance is severe we will suspend and engage immediately. Our response vary depending on the nature and severity of the non-compliance, the goal is always to help the supplier improve.

Forest risk commodity

Cattle Products

Operational coverage

Supply chain

Description of control systems

We regularly follow up our cattle suppliers on which origin we receive cattle products from. 2019 we received 100% of our cattle products from non forest risk countries.

Monitoring and verification approach

First-party verification

Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Retain & engage

Suspend & engage

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We receive compliance updates from our suppliers on an annual basis. If needed we follow up non-compliance more often. We also keep watch of NGO and news updates. If there is a non-compliance we engage with the supplier to understand the background and their action plan going forward. Our first choice is always to retain and engage but if we see no improvement or willingness to discuss we will suspend the supplier. If the non-compliance is severe we will suspend and engage immediately. Our response vary depending on the nature and severity of the non-compliance, the goal is always to help the supplier improve.

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	Yes, from suppliers	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	Yes, from suppliers	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	Yes, from suppliers	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.6a

(F6.6a) For you disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Palm oil

Procedure to ensure legal compliance

Orkla uses RSPO certified palm oil which requires compliance with law as part of their standard. This ensures legal compliance within our supply chain. 94% of our palm oil was RSPO certified during 2020.

Country/Area of origin

Indonesia
Malaysia

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

No additional comment.

Soy

Procedure to ensure legal compliance

Orkla uses ProTerra certified soy which requires compliance with law as part of their standard. This ensures legal compliance within our supply chain. 11% of our soy was ProTerra certified during 2020.

Country/Area of origin

Brazil

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

No additional comment.

Other - Cocoa

Procedure to ensure legal compliance

Orkla uses Rainforest Alliance certified cocoa which requires compliance with law as part of their standard. This ensures legal compliance within our supply chain. 87% of our cocoa was Rainforest Alliance certified during 2020.

Country/Area of origin

Côte d'Ivoire

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

No additional comment.

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Not applicable	<Not Applicable>	<Not Applicable>	<Not Applicable>	During 2020, 100% of our timber products came from non forest risk countries. Orkla purchase our timber products from large packaging suppliers. The industry is dominated by large players.
Palm oil	Yes, working with smallholders	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits	400	Through our suppliers we are engaged in several smallholder projects building capacity in the supply chain. We are also sourcing a majority of RSPO certified oil. The RSPO certification helps smallholders increase yields, penetrate international markets, improve their livelihoods, and reduce the risk of land conversion.
Cattle products	Not applicable	<Not Applicable>	<Not Applicable>	<Not Applicable>	During 2020, 100% of our cattle products came from non forest risk countries. Orkla source cattle products mainly from Western Europe where farms are big and smallholders are less common.
Soy	Not applicable	<Not Applicable>	<Not Applicable>	<Not Applicable>	Orkla purchase soy from large industry players where farms are of a bigger size. Most part of our soy stems from larger farms.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	Yes, working with smallholders	Please select	Please select		
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping	Supplier questionnaires on environmental and social indicators Supplier audits	91-99%	Orkla has an overview of all our suppliers in our spend management system. We also send out sustainability questions in connection with RFPs. Sedex and SMETA 4-pillar audits are used on higher risk direct suppliers.
Palm oil	Yes, working with direct suppliers	Supply chain mapping Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Supplier audits Paying higher prices linked to best agricultural practices Financial incentives for certified products	91-99%	Orkla has an overview of all our suppliers in our spend management system. We also send out sustainability questions in connection with RFPs. Sedex and SMETA 4-pillar audits are used on higher risk direct suppliers. Additionally we have carried out an assessment of our palm oil supply chain where our suppliers received more detailed feedback and directions. Orkla primarily purchase RSPO certified palm oil and have reached 94% certification 2020. Through paying a higher price for certified material we contribute to better agricultural practices.
Cattle products	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits	91-99%	Orkla sends out sustainability questions in connection with RFPs. We also use SMETA 4-pillar audits on our high risk direct suppliers. Additionally we have sent out more detailed product category requirements to our cattle product suppliers.
Soy	Yes, working with direct suppliers	Supply chain mapping Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Supplier audits Paying higher prices linked to best agricultural practices Financial incentives for certified products	91-99%	Orkla has an overview of all our suppliers in our spend management system. We also send out sustainability questions in connection with RFPs. Sedex and SMETA 4-pillar audits are used on higher risk direct suppliers. Additionally we have sent out more detailed questionnaires to our soy suppliers to understand more about the sourcing regions. Orkla partly purchase ProTerra certified soy and have reached 11% certification 2020. Through paying a higher price for certified material we contribute to better agricultural practices.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Other - Cocoa	Yes, working with direct suppliers	Supply chain mapping Capacity building Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Offering on-site training and technical assistance Organizing capacity building events Paying higher prices linked to best agricultural practices Financial incentives for certified products	91-99%	Orkla has an overview of all our suppliers in our spend management system. We also send out sustainability questions in connection with RFPs. Sedex and SMETA 4-pillar audits are used on higher risk direct suppliers. Orkla primarily purchase Rainforest Alliance certified cocoa and have reached 87% certification 2020. Through paying a higher price for certified material we contribute to better agricultural practices.
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Participating in workshops Investing in pilot projects	During 2020, 100% of our timber products came from non forest risk countries. A challenge that Orkla companies encounter when they develop recyclable packaging is that local waste systems and recycling technologies are often not advanced enough to actually recycle the packaging waste. As an example of indirect supplier activities Orkla is engaged in transnational efforts to encourage the development of better recycling systems through joint projects and dialogue with government authorities.
Palm oil	Yes, working beyond first tier	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Participating in workshops	As an example of indirect supplier activities Orkla is actively engaged in RSPO and with our suppliers to reach beyond tier one.
Cattle products	Yes, working beyond first tier	Supply chain mapping	Supplier questionnaires on environmental and social indicators	During 2020, 100% of our cattle products came from non forest risk countries. As an example of indirect supplier activities we engaged with our suppliers to understand the compliance of our animal welfare policy further down in the supply chain.
Soy	Yes, working beyond first tier	Supply chain mapping	Supplier questionnaires on environmental and social indicators	Orkla is actively engaged with different certifications and with our suppliers to reach beyond tier one. We engage with our suppliers to achieve better supply chain and origin data.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	Yes, working beyond first tier	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators On-site meetings with indirect suppliers Supplier audits Offering on-site training and technical assistance Participating in workshops Investing in pilot projects	
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

UN Global Compact
Global Reporting Initiative (GRI) Community Member
Roundtable on Sustainable Palm Oil (RSPO)
European Palm Oil Alliance (EPOA)

Jurisdictional approaches

<Not Applicable>

Please explain

Orkla is engaged in following initiatives: UN Global Compact, Roundtable on Sustainable Palm Oil (RSPO), AIM Progress and ETI Norway. Orkla supports the certification organisation Roundtable of Sustainable Palm Oil (RSPO) and the important work that it does. The Orkla Group became a RSPO member in 2015, and is increasing our share of certified raw materials. Orkla has been a signatory to the UN Global Compact since 2005, and actively supports the initiative's Ten Principles for human and labour rights, the environment and anticorruption. Palm oil is an important raw material, also for companies that manufacture cleaning and personal hygiene products. In 2020, Orkla Home & Personal Care joined the Action for Sustainable Derivatives (ASD), an industry initiative targeting suppliers and producers that use derivatives rather than pure palm oil. ASD works to make it possible to trace palm oil all the way back to plantations, to be able to identify environmental and/or social challenges and contribute to

improvements at local level.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

UN Global Compact

Global Reporting Initiative (GRI) Community Member

Forest Stewardship Council (FSC)

Jurisdictional approaches

<Not Applicable>

Please explain

Orkla is supporting FSC through purchase of certified packaging materials. In the past three years, Orkla has significantly upgraded its competence on design for recycling and development of sustainable packaging solutions. The companies are involved in a variety of development projects in cooperation with suppliers, external centres of expertise and other players in the value chain. Orkla's targets for recycling and use of recycled and renewable materials are difficult to attain, but the Group is making progress in this area. A challenge that Orkla companies encounter when they develop recyclable packaging is that local waste systems and recycling technologies are often not advanced enough to actually recycle the packaging waste. Orkla is engaged in transnational efforts to encourage the development of better recycling systems through joint projects and dialogue with government authorities. For 2020 the share of recyclable packaging was 95% and the share of packaging containing recycled materials was 47%. Orkla companies strive to find creative solutions for reducing the amount of material in packaging. This promotes more efficient use of resources and optimises transport, since it results in lower weight or smaller sizes. In 2020, Orkla Food Romania took steps to reduce the amount of cardboard in cardboard boxes. This will lead to a reduction of around 13 tonnes of cardboard per year.

Forest risk commodity

Soy

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

UN Global Compact

Global Reporting Initiative (GRI) Community Member

Roundtable on Sustainable Soy (RTRS)

Sustainable Agricultural Initiative (SAI)

Jurisdictional approaches

<Not Applicable>

Please explain

Orkla contributes to the development of sustainable production of soy through purchase of soy certified with ProTerra, RTRS or similar. We are also members of UN Global Compact and SAI Platform. Orkla is currently drawing up a policy for sustainable sourcing of soya that will cover all soyabased raw materials and soya used as feed in connection with the production of animal raw materials. The companies work purposefully to ensure that all soya is certified, and in 2020 11 per cent of soya was certified. The decrease since 2019 is due to higher data quality and stricter internal criteria for determining which certification programmes to use. This has prompted a change in certification programme for large parts of the sourced volumes. Unfortunately, this process is taking some time, which affected results in 2020. Orkla has a good plan for 2021, and has already switched to sourcing soya with the right level of certification, thereby ensuring better results in next year's reporting.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

UN Global Compact

Global Reporting Initiative (GRI) Community Member

Sustainable Agriculture Initiative (SAI)

Jurisdictional approaches

<Not Applicable>

Please explain

Orkla has been a signatory to the UN Global Compact since 2005, and actively supports the initiative's Ten Principles for human and labour rights, the environment and anticorruption. Orkla has been a member of SAI Platform since 2018 and participates in several of their working groups. This enables us to collaborate with other companies and to drive positive change at a greater scale. We have also decided that certifications we use should be on minimum FSA Silver level, the benchmarking process is ongoing.

F6.11

(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

No, but we plan to implement a project(s) in two years

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, but we are actively considering verifying in the next two years

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Supply chain complexity

Comment

Forest risk commodity

Soy

Coverage

Supply chain

Primary barrier/challenge type

Supply chain complexity

Comment

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Other, please specify (During 2020, 100% of our timber products were sourced from non forest risk countries.)

Comment

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type

Other, please specify (During 2020, 100% of our cattle products were sourced from non forest risk countries.)

Comment

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Other, please specify

Comment

During 2020, 100% of our timber products were sourced from non forest risk countries.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Investment in monitoring tools and traceability systems

Comment

Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Other, please specify (During 2020, 100% of our cattle products were sourced from non forest risk countries.)

Comment

Forest risk commodity

Soy

Coverage

Supply chain

Main measure

Improved data collection and quality

Comment

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	CEO and President Orkla	Chief Executive Officer (CEO)

SF. Supply chain module

SF0.1

(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	47137000000

SF0.2

(SF0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes

SF0.2a

(SF0.2a) Please share your ISIN in the table below.

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	NO	0010848237

SF1.1

(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

Yes

SF1.1a

(SF1.1a) For each of your requesting CDP supply chain members, indicate the percentage of certified volume sold per disclosed commodity(ies).

Requesting member

McDonald's Corporation

Forest risk commodity

Soy

Form of commodity

Soy derivatives

Third-party certification scheme

Other, please specify (US Sustainable Soy Assurance Protocol and Donau Soy standard)

Total volume of commodity sold to member

0.23

Metric

Metric tons

What % of the volume reported in column 5 is certified?

100%

Comment

SF2.1

(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

SF2.2

(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?

No

SF3.1

(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?

Timber products

Estimate GHG emissions and removals from land use and land use change

No

Please explain

Palm oil

Estimate GHG emissions and removals from land use and land use change

No

Please explain

Cattle products

Estimate GHG emissions and removals from land use and land use change

No

Please explain

Soy

Estimate GHG emissions and removals from land use and land use change

No

Please explain

Other - Cocoa

Estimate GHG emissions and removals from land use and land use change

No

Please explain

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms