

## 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 2021, Orkla had 21,369 employees. The Group's turnover in 2021 totaled NOK 49.2 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 2021, 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 2021	December 31 2021

### 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	Not disclosing	Manufacturing	
Other - Coffee	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>

### F0.5

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**(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**  
No

## F0.6

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**(F0.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	0010848237

## F1. Current state

### F1.1

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**(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

Finland  
Norway  
Russian Federation  
Sweden

##### % 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

1-5%

##### 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  
Netherlands  
Norway  
Poland  
Slovakia  
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.

## F1.2

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**(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	41-50%	To calculate this figure we have looked at all products containing timber-related materials. Many of our products have paper-based packaging, hence the high estimate.
Palm oil	1-5%	To calculate this figure we have looked at all products containing palm oil.
Cattle products	6-10%	To calculate this figure we have looked at all products containing cattle-related raw materials - in our case this is primarily beef.
Soy	1-5%	To calculate this figure we have looked at all products containing soy.
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
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	<Not Applicable>
Other - Coffee	<Not Applicable>

**F1.5a**

**(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.**

**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Commodity production/ consumption volume**

62000

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

100

**Please explain**

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

**Forest risk commodity**

Palm oil

**Data type**

Consumption data

**Commodity production/ consumption volume**

60444

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

65

**Please explain**

During 2021, 65% of our purchased palm oil was RSPO certified (MB or SG). A further 31% was covered through RSPO credits.

**Forest risk commodity**

Soy

**Data type**

Consumption data

**Commodity production/ consumption volume**

5400

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

95

**Please explain**

During 2021, over 95% of our purchased soy came from non forest risk countries. The percentages have been calculated based on purchased volumes and supplier origin data.

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**Forest risk commodity**

Cattle products

**Data type**

Consumption data

**Commodity production/ consumption volume**

10118

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

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.

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**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.

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**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.

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**Forest risk commodity**

Soy

**Country/Area of origin**

Brazil

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Mato Grosso)

**% of total production/consumption volume**

1

**Please explain**

Approximately 1% of the soy we purchase comes from Brazil and Mato Grosso. The state of Mato Grosso includes two main biomes: the Amazon and the Cerrado. The Amazon biome is covered predominantly by dense moist tropical forest, with relatively small inclusions of several other types of vegetation. The Cerrado biome mainly consists of savanna. Our volumes come from both of these biomes. All of our suppliers are committed to Brazil's Amazon Soy Moratorium (ASM) and operate in accordance with this. The percentages have been calculated based on purchased volumes and supplier origin data.

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**Forest risk commodity**

Soy

**Country/Area of origin**

India

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Madya Pradesh, Maharashtra, Rajastan)

**% of total production/consumption volume**

1

**Please explain**

Approximately 1% of the soy we purchase comes from India and the states Madya Pradesh, Maharashtra and Rajastan. These states mainly consist of tropical and subtropical moist broadleaf forests. The percentages have been calculated based on purchased volumes and supplier origin data.

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**Forest risk commodity**

Soy

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

&lt;Not Applicable&gt;

**% of total production/consumption volume**

98

**Please explain**

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

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Malaysia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Sarawak, Sandakan, Johor, Sabah, Perak, Pahang, Kelantan)

**% of total production/consumption volume**

76

**Please explain**

Orkla purchase the main part of our palm oil volume from Malaysia, around 76%. We purchase around 20% from Indonesia 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.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Indonesia

**State or equivalent jurisdiction**

Specify state/equivalent jurisdiction (Jawa Timur, Riau, North Sumatra, Sumatera Seletan)

**% of total production/consumption volume**

20

**Please explain**

Orkla purchase the main part of our palm oil volume from Malaysia, around 76%. We purchase around 20% from Indonesia 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.

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

5

**Please explain**

Orkla purchase the main part of our palm oil volume from Malaysia, around 76%. We purchase around 20% from Indonesia 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.

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**F1.5e**

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**(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**

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**F1.6**

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

No

**F1.7**

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**(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.**

**Forest risk commodity**

Timber products

**Have you monitored or estimated your deforestation/conversion footprint?**

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

**Coverage**

<Not Applicable>

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

<Not Applicable>

**Known or estimated deforestation/ conversion footprint (hectares)**

<Not Applicable>

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

<Not Applicable>

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**Forest risk commodity**

Cattle products

**Have you monitored or estimated your deforestation/conversion footprint?**

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

**Coverage**

<Not Applicable>

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

<Not Applicable>

**Known or estimated deforestation/ conversion footprint (hectares)**

<Not Applicable>

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

<Not Applicable>

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**Forest risk commodity**

Palm oil

**Have you monitored or estimated your deforestation/conversion footprint?**

Yes, we estimate deforestation/conversion footprint based on sourcing area

**Coverage**

Full consumption volume

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

Other, please specify (The calculation refers to 2021)

**Known or estimated deforestation/ conversion footprint (hectares)**

6780

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

1 hectare of land produces approximately 4 tons of palm oil. The percentage of certified deforestation-free palm oil is 65% , which leaves 45%. As no thorough monitoring of the conversion of the utilized land for palm oil production has been conducted, the conservative assumption made here is that the remaining percentage has led to conversion. If so, the estimated deforested area is 6780 hectares.

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**Forest risk commodity**

Soy

**Have you monitored or estimated your deforestation/conversion footprint?**

Yes, we estimate deforestation/conversion footprint based on sourcing area

**Coverage**

Full consumption volume

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

Other, please specify (The calculation refers to 2021)

**Known or estimated deforestation/ conversion footprint (hectares)**

59

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

1 hectare of land produces approximately 3.17 tons of soy. The percentage of certified deforestation-free soy is 95% , which leaves 5%. As no thorough monitoring of the conversion of the utilized land for soy production has been conducted, the conservative assumption made here is that the remaining percentage has led to conversion. If so, the estimated deforested area is 59 hectares

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## F2. Procedures

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### F2.1



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

Yes, forests-related risks are assessed

F2.1a

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**(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 as part of an established enterprise risk management framework

**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

**Issues considered**

Availability of forest risk commodities  
Quality of forests risk commodities  
Impact of activity on the status of ecosystems and habitats  
Regulation  
Climate change  
Tariffs or price increases  
Brand damage related to forests risk commodities  
Corruption  
Social impacts

**Stakeholders considered**

Customers  
Employees  
Investors  
Local communities  
NGOs  
Other forest risk commodity users/producers at a local level  
Regulators  
Suppliers

**Please explain**

We assess forest-related risks annually through different processes. This assessment includes availability, cost and quality of the products we buy. Suppliers are also monitored for sanctions and corruption issues. We also carry out a structured climate risk analysis in line with the recommendations from the TCFD. We have a central team monitoring upcoming regulations in the markets where we operate. Social impacts are handled through a separate assessment. Lastly we monitor the risk of brand damage related to paper based materials. We also develop long term risk assessments (with time horizon>6 years) based on dialogue with suppliers, NGOs and publicly available reports.

**External consultants:**

In 2021, we assessed the impact that Orkla's activities and products have on people, the environment and society throughout our value chain, and the risk that sustainability challenges pose for us as a company. The assessments were prepared by Orkla's central sustainability team with the assistance of the audit and consulting firm EY, on the basis of the concept of double materiality.

**Internal company methods:**

Every year Orkla carries out a general risk screening of its present portfolio of suppliers and of new suppliers assessing current risks. 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. We have chosen this method to ensure that all our suppliers are assessed in the same way.

**National specific tools and databases:**

We examine the country of origin of our paper based packaging to ensure that we do not purchase materials from high risk countries. Here we use national specific tools and databases to assess the risk of the paper based materials we buy. We have chosen this method to ensure that we detect climate- and deforestation risk related to our paper based materials.

The most significant issue is most likely price increases where we are using internal company methods such as risk assessments and analyses together with market insight information to assess the significance.

## **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)

### **Issues considered**

Availability of forest risk commodities

Quality of forests risk commodities

Impact of activity on the status of ecosystems and habitats

Regulation

Climate change

Impact on water security

Tariffs or price increases

Brand damage related to forests risk commodities

Corruption

Social impacts

### **Stakeholders considered**

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

### **Please explain**

We assess forest-related risks annually through different processes. This assessment includes availability, cost and quality of the products we buy. Suppliers are also monitored for sanctions and corruption issues. We also carry out a structured climate risk analysis in line with the recommendations from the TCFD. We have a central team monitoring upcoming regulations in the markets where we operate. Social impacts are handled through a separate assessment. Lastly we monitor the risk of brand damage related to palm based materials. We also develop long term risk assessments (with time horizon>6 years) based on dialogue with suppliers, NGOs and publicly available reports.

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 palm oil we ask for information about the suppliers' procedures and initiatives to avoid deforestation as part of the contracting process.

External consultants:

In 2021, we assessed the impact that Orkla's activities and products have on people, the environment and society throughout our value chain, and the risk that sustainability challenges pose for us as a company. The assessments were prepared by Orkla's central sustainability team with the assistance of the audit and consulting firm EY, on the basis of the concept of double materiality.

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. Further we take into account external assessments such as SPOTT to understand supplier progress.

The most significant issue is most likely increased regulation which is welcomed from our side but which can have negative side-effects if the transition period is too short. Here we are aligning with our legal department to ensure that we are able to meet the upcoming demands. We are of course also aligning with our suppliers and certification bodies.

**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  
National specific tools and databases  
Other, please specify (SAI Platform)

**Issues considered**

Availability of forest risk commodities  
Quality of forests risk commodities  
Impact of activity on the status of ecosystems and habitats  
Regulation  
Climate change  
Impact on water security  
Tariffs or price increases  
Brand damage related to forests risk commodities  
Corruption  
Social impacts

**Stakeholders considered**

Customers  
Employees  
Investors  
Local communities  
NGOs  
Regulators  
Suppliers

**Please explain**

We assess forest-related risks annually through different processes. This assessment includes availability, cost and quality of the products we buy. Suppliers are also monitored for sanctions and corruption issues. We also carry out a structured climate risk analysis in line with the recommendations from the TCFD. We have a central team monitoring upcoming regulations in the markets where we operate. Social impacts are handled through a separate assessment. Lastly we monitor the risk of brand damage related to cattle related materials. We also develop long term risk assessments (with time horizon >6 years) based on dialogue with suppliers, NGOs and publicly available reports.

External consultants:

In 2021, we assessed the impact that Orkla's activities and products have on people, the environment and society throughout our value chain, and the risk that sustainability challenges pose for us as a company. The assessments were prepared by Orkla's central sustainability team with the assistance of the audit and consulting firm EY, on the basis of the concept of double materiality.

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 cattle suppliers 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 2021 none of the originated from countries with deforestation risk. For some our volumes we use national certifications which include environmental and social parameters.

The most significant issue is likely climate change where the animal products we purchase stand for a large share of our scope 3 emissions. Here we have used an internal database combined with emissions factors from RISE to estimate the share of emissions.

## 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)

### Issues considered

Availability of forest risk commodities

Quality of forests risk commodities

Impact of activity on the status of ecosystems and habitats

Regulation

Climate change

Impact on water security

Tariffs or price increases

Brand damage related to forests risk commodities

Corruption

Social impacts

### Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

### Please explain

We assess forest-related risks annually through different processes. This assessment includes availability, cost and quality of the products we buy. Suppliers are also monitored for sanctions and corruption issues. We also carry out a structured climate risk analysis in line with the recommendations from the TCFD. We have a central team monitoring upcoming regulations in the markets where we operate. Social impacts are handled through a separate assessment. Lastly we monitor the risk of brand damage related to soy materials. We also develop long term risk assessments (with time horizon>6 years) based on dialogue with suppliers, NGOs and publicly available reports.

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 soy suppliers 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:

The results are used to engage with our suppliers and update our sustainability strategies. During the past years we have carried out an extensive mapping of our soy purchases, mapping over 90% of our consumption.

External consultants:

In 2021, we assessed the impact that Orkla's activities and products have on people, the environment and society throughout our value chain, and the risk that sustainability challenges pose for us as a company. The assessments were prepared by Orkla's central sustainability team with the assistance of the audit and consulting firm EY, on the basis of the concept of double materiality.

The most significant issue is likely brand damage related to soy as consumers sometimes link this commodity with deforestation and health concerns. We assess this issue through internal data, market insight and origin/certification information.

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## F2.2

**(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?**

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Palm oil	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Cattle products	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Soy	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F2.2a**

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**(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).**

**Forest risk commodity**

Timber products

**Scope of value chain mapping**

Own operations

Tier 1 suppliers

**% of total suppliers covered within selected tier(s)**

100

**Description of mapping process and coverage**

We have a central spend management system where we gather data from more than 50 local ERP solutions and aggregate on Orkla level. In this system we are able to see all our tier 1 suppliers as well as our own companies and their production sites.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

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**Forest risk commodity**

Palm oil

**Scope of value chain mapping**

Own operations

Tier 1 suppliers

**% of total suppliers covered within selected tier(s)**

100

**Description of mapping process and coverage**

We have a central spend management system where we gather data from more than 50 local ERP solutions and aggregate on Orkla level. In this system we are able to see all our tier 1 suppliers as well as our own companies and their production sites.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

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**Forest risk commodity**

Cattle products

**Scope of value chain mapping**

Own operations

Tier 1 suppliers

**% of total suppliers covered within selected tier(s)**

100

**Description of mapping process and coverage**

We have a central spend management system where we gather data from more than 50 local ERP solutions and aggregate on Orkla level. In this system we are able to see all our tier 1 suppliers as well as our own companies and their production sites.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

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**Forest risk commodity**

Soy

**Scope of value chain mapping**

Own operations

Tier 1 suppliers

**% of total suppliers covered within selected tier(s)**

100

**Description of mapping process and coverage**

We have a central spend management system where we gather data from more than 50 local ERP solutions and aggregate on Orkla level. In this system we are able to see all our tier 1 suppliers as well as our own companies and their production sites.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers' production and primary processing sites: attach a list of names and locations (optional)**

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**F3. Risks and opportunities**

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**F3.1**

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**(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	<Not Applicable>
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 2021, we assessed our climate-related risk according to the Task Force on Climate-Related Financial Disclosures (TCFD) framework. In the risk assessment we considered three different scenarios for global warming – increases of +1.5°C, +2°C and >3°C – and how these would affect our operations and value chain. We assessed the risk and opportunities in respect of both climate and water.

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, bad weather and other factors have 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.

Orkla has a diversified company and product portfolio, which reduces the risk of significant profit fluctuations. In addition, we keep introducing measures throughout the value chain in order to mitigate the risk.

**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**

Negative media coverage

**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. This has been the case in Norway where there has been a lot of attention on the negative sides of palm oil. It could also have negative consequences related to other stakeholder groups. One secondary impact of this is that we could need to move away from palm oil in some of our products. Orkla purchase around 60 400 MT palm oil per year, the biggest amount being used for margarine production. 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-high

**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)**

8000000

**Potential financial impact figure - maximum (currency)**

38000000

**Explanation of financial**

We estimate that 1-5% of our revenue is dependent on palm oil. During 2021 our revenue was 50,4 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 8-38 million NOK.

**Primary response to risk**

Increased use of sustainably sourced materials

**Description of response**

As part of our strategy Orkla has ambitious 2025 sustainable sourcing targets for our prioritized raw materials (palm oil being one). We 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 96 %) and collaborating with the RSPO. This response is underway and we are improving our certification share year on year. The response has been quite effective in mitigating this risk as a third-party certification as RSPO helps to improve the image of palm oil and decrease the risk of negative media coverage, however further mitigating actions can be needed.

**Cost of response**

11000000

**Explanation of cost of response**

The cost above is related to our total business strategy to secure sustainable palm oil. The figure is based on membership fees to RSPO and ASD as well as the premium we pay to buy certified palm oil and credits.

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**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 due to decreased sales of products containing soy. A secondary impact could be that we have to switch away from soy to other materials in our products - this means increased innovation costs.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Low

**Likelihood**

More likely than 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)**

15000000

**Potential financial impact figure - maximum (currency)**

76000000

**Explanation of financial**

We estimate that 1-5% of our revenue is dependent on soy. During 2021 our revenue was 50,4 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 15-76 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 soy based 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. These responses are all underway and work will continue during 2022. We consider these responses to support us well in mitigating the risk.

**Cost of response**

500000



### Explanation of cost of response

The cost above is related to our total business strategy to secure sustainable soy. The figure is based on the premium we pay to buy certified soy.

## 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	<Not Applicable>
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 2021 reached a share of 96%, which has increased from 94% in 2020. 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. The outcome of 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.

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**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. Part of the expected outcome of our strategy is that we can communicate this to our customers and consumers, thus increasing the brand value of those products. Orkla's goal is to become one of Europe's leading competitors in the alternative proteins space before 2030. Plant-based foods produced by Orkla had an aggregate turnover of NOK 1,047 million in 2021 and growth of 23 per cent compared with 2020. Orkla's most important plant-based brands are NATURLI®, Anamma, Felix Veggie, Frankful, Beauvais Veggie and Lecora Green line. In 2021, Orkla Alternative Proteins (OAP) was established as a separate company to coordinate and strengthen our investment in plant-based food. OAP supports Orkla companies' efforts to develop best possible products along important dimensions such as texture, taste, health and sustainability. 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**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

3000000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

This estimation is based on our target of attain a turnover of NOK 3 billion in plant-based food by 2025. This target is to be achieved through a combination of organic growth and acquisitions.

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**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. The outcome of the strategy gives us opportunities to promote our work on a global corporate level as well as national individual brand level - thus increasing brand value. This strategy is underway and during 2021 our companies have launched a number of products with new packaging solutions that help to increase recycling of packaging waste, products with a smaller climate footprint and healthier food products, snacks and bakery goods. One example Orkla Home & Personal Care launched Lypsyl in new plastic-free packaging. The new cardboard packaging reduces the use of plastic by six tonnes each year, and all the packaging can be recycled.. They also launched Jordan Green Clean toothpicks with associated packaging, which is a 100 per cent plastic-free product. Both the toothpicks and the packaging are FSC-certified. In 2021, Orkla Home & Personal Care opened a new production line at the detergents factory at Ski, which produces refill soap in a certified carbon-neutral cardboard carton from renewable raw materials. In 2021 Orkla Home & Personal Care launched the concept of Klar bars, a series of non-liquid shampoos, balsams and shower soaps. A bar of soap or shampoo is equivalent to two ordinary bottles, while a balsam bar is equivalent to as much as four ordinary bottles. The products are vegan and come in recycled cardboard packaging. The Klar range was also expanded to include refill in cardboard cartons for Klar hand soap and Klar liquid laundry detergents. The refill carton consists of 90 per cent carbon-neutral packaging, and both cartons and caps can be recycled with cardboard and paper. The proportion of recycled material has increased to 70 per cent in the packaging for toffees and hard confectionery from Orkla Eesti, 80 per cent for NATURLI® Tasty burgers and 80 per cent in the packaging for KnusPerli porridge and muesli. 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.

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**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 2021, 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 as an outcome of our strategy this is 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.

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## F4. Governance

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### F4.1

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**(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
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.

F4.1d

**(F4.1d) Does your organization have at least one board member with competence on forests-related issues?**

Row 1

**Board member(s) have competence on forests-related issues**

Yes

**Criteria used to assess competence on forests-related issues**

Board members have the competence on forests-related issues based on their self assessment. Additionally they receive regular sustainability updates on the status and strategy.

**Primary reason for no board-level competence on forests-related issues**

<Not Applicable>

**Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future**

<Not Applicable>

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
Other C-Suite Officer, please specify (Executive Vice President, Corporate Functions)	Both assessing and managing forests-related risks and opportunities	Annually	The Executive Vice President, Corporate Functions leads the sustainability committee which meets quarterly to discuss the sustainability area. This includes the sustainable sourcing strategy and direction as well as forest related risks and opportunities. As an example of its responsibilities, the sustainability committee monitors and ensures progress towards our 2025 targets which includes our certification targets for palm oil, cocoa and soy. We are currently at 96% for palm oil, 81% for cocoa and 15% for soy.

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
Row 1	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to no land clearance by burning or clearcutting Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE) Commitment to take action beyond own supply chain to tackle environmental issues Commitment to resolving both social and environmental issues in own operations and supply chain Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and engagement Commitment to align with the SDGs Recognition of the overall importance of forests and other natural ecosystems	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 2025.

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
Timber products	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to no land clearance by burning or clearcutting 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 take action beyond own supply chain to tackle environmental	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 2025. 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 2025, 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 decisionmaking, one example is when selecting new suppliers.

	Do you have a commodity specific sustainability policy?	Scope	Content Commitment to resolving both social and	Please explain
			<p>environmental issues in own operations and supply chain</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Commitment to align with the SDGs</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 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>	
Palm oil	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to no land clearance by burning or clearcutting</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 take action beyond own supply chain</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 supplier selection 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 environmental issues Commitment to resolving both social and environmental issues in own operations and supply chain	Please explain
			Commitment to stakeholder awareness and engagement Commitment to align with the SDGs Recognition of the overall importance of forests and other natural ecosystems Description of business dependency on forests 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	
Cattle products	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to no land clearance by burning or clearcutting 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 take action	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 supplier selection 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 own supply chain to tackle environmental issues	Please explain
		<p>Commitment to resolving both social and environmental issues in own operations and supply chain</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Commitment to align with the SDGs</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 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>	
Soy	Yes	<p>Company-wide</p> <p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to no land clearance by burning or clearcutting</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</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 supplier selection 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 beyond own supply chain to tackle environmental issues	Please explain
			Commitment to resolving both social and environmental issues in own operations and supply chain Commitment to stakeholder awareness and engagement Commitment to align with the SDGs Recognition of the overall importance of forests and other natural ecosystems Description of business dependency on forests 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	
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<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) 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  
 Adoption of the UN International Labour Organization principles  
 Resolution of complaints and conflicts through an open, transparent and consultative process  
 Build community capacity and incentivize engagement in multi-stakeholder processes  
 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 2021 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 2021 the share of recyclable packaging was 96% and the share of packaging containing recycled materials was 54% - improvements from previous year. One example of an initiative is that during 2021, Orkla Home & Personal Care launched Lypstyl in new plastic-free packaging. The new cardboard packaging reduces the use of plastic by six tonnes each year, and all the packaging can be recycled. In 2021 the company also launched Jordan Green Clean toothpicks with associated packaging, which is a 100 per cent plastic-free product. Both the toothpicks and the packaging are FSC-certified, which is a guarantee that the material comes from sustainably managed forests.

**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  
 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  
 Adoption of the UN International Labour Organization principles  
 Resolution of complaints and conflicts through an open, transparent and consultative process  
 Build community capacity and incentivize engagement in multi-stakeholder processes  
 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 2021, we had reached 96% certified palm oil across all our operations. The palm oil we source mainly comes from Indonesia and Malaysia. Palm oil and palm kernel oil are important raw materials, also for companies that manufacture household cleaning and personal hygiene products. In 2020, Orkla Home & Personal Care joined the Action for Sustainable Derivatives (ASD), an industry initiative targeting suppliers and manufacturers that use derivatives, not pure oil. ASD's goal is to be able to trace raw materials all the way back to plantations. Every year, ASD identifies environment-related and/or social challenges and helps to bring about improvements locally. In 2021, several ASD working groups were held to address various challenges in the palm oil industry, such as corruption and women's rights violations. ASD has established the Collective Action Fund, through which members can provide financial support for projects that contribute directly to improvements in the risk-exposed areas of the palm oil industry

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#### 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  
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  
Adoption of the UN International Labour Organization principles  
Resolution of complaints and conflicts through an open, transparent and consultative process  
Build community capacity and incentivize engagement in multi-stakeholder processes  
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. 15% 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 and 2021. Orkla has a good plan for 2022, 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.

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#### 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  
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  
Adoption of the UN International Labour Organization principles  
Resolution of complaints and conflicts through an open, transparent and consultative process  
Build community capacity and incentivize engagement in multi-stakeholder processes  
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%

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**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 2021 100% of Orkla's cattle products were sourced from European countries which are not on the deforestation risk list.

**F5. Business strategy****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	5-10	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 5-10 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. We also have ambitious SBTi climate targets related to scope 1, 2 and 3. Reducing deforestation is an important part of emissions reduction within our scope 3 and something we target through among other things certification. During 2021 we saw positive development in terms of share of certified materials. Our plans include all disclosed commodities.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	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 5-10 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	16-20	The TCFD 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 2021, outlining more of our work within this area. Work on estimating potential risk impacts for Orkla's operations will continue in 2022. The potential risk impacts include forest risk assessments for several commodities, including soy and palm oil which 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 2021 we reached 96%.

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

&lt;Not Applicable&gt;

**Third-party certification scheme**

RSPO Segregated  
RSPO Mass Balance  
RSPO Book and Claim

**Start year**

2014

**Target year**

2022

**Quantitative metric**

<Not Applicable>

**Target (number)**

<Not Applicable>

**Target (%)**

100

**% of target achieved**

96

**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 2022 100% of our palm oil should be RSPO certified.

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**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 96 per cent of the packaging that Orkla used in 2020 was made of materials that can be recycled.

**Linked commitment**

Other environmental commitments

**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**

96

**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.

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**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**

15

**Please explain**

During 2020 and 2021 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 15%. Due to changing of certification our certification level has gone down, this will increase 2022. Our approach to meeting this target is to ensure that our suppliers can provide soy certified on minimum FSA Silver level.

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**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**

80

**Please explain**

During 2021 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 80%. 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.

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#### 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

75

#### 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. 75% 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.

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#### 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

**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 54 % of the packaging that Orkla used in 2020 was made of recycled materials.

**Linked commitment**

Other environmental commitments

**Traceability point**

&lt;Not Applicable&gt;

**Third-party certification scheme**

&lt;Not Applicable&gt;

**Start year**

2014

**Target year**

2025

**Quantitative metric**

Percentage

**Target (number)**

&lt;Not Applicable&gt;

**Target (%)**

75

**% of target achieved**

54

**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**

&lt;Not Applicable&gt;

**Third-party certification scheme**

&lt;Not Applicable&gt;

**Start year**

2018

**Target year**

2025

**Quantitative metric**

&lt;Not Applicable&gt;



**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 .

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**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.

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**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 2021 and intend to collect better information during 2022. 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.

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**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**

95

**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.

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**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**

**(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 2021 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, 96% 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 2021 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, 15% was certified during 2021.	Not applicable	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<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	95
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	Yes	90
Palm oil	Yes	96
Cattle products	No, but we plan to adopt a third-party certification scheme within the next two years	<Not Applicable>
Soy	Yes	15
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
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**

Timber products

**Third-party certification scheme**

FSC Chain of Custody

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

90

**Form of commodity**

Primary packaging

**Volume of production/ consumption certified**

55800

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

In 2021 approximately 90% of our paper-based packaging was FSC certified, this translates into 55800 MT. Orkla purchase 100% of our packaging materials from non forest risk countries and the majority of this is FSC certified. The percentages have been calculated based on purchased volumes and supplier certification data.

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**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO Segregated

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

44

**Form of commodity**

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Palm oil derivatives

**Volume of production/ consumption certified**

26595

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

Orkla has during 2021 reached 96% RSPO certified palm oil, out of this 44% was segregated. This translates to 26595 MT out of our total volume. Over the past years we have seen a steady increase in the share of certified palm oil, we will continue this work during 2022.

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**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**

21

**Form of commodity**

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Palm oil derivatives

**Volume of production/ consumption certified**

12693

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

Orkla has during 2021 reached 96% RSPO certified palm oil, out of this 21% was mass balance. This translates to 12693 MT out of our total volume. Over the past years we have seen a steady increase in the share of certified palm oil, we will continue this work during 2022.

**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO Credits/Book &amp; Claim

**Chain-of-custody model used**

&lt;Not Applicable&gt;

**% of total production/consumption volume certified**

31

**Form of commodity**

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Palm oil derivatives

**Volume of production/ consumption certified**

18738

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

Orkla has during 2021 reached 96% RSPO certified palm oil, out of this 31% was credits/Book & Claim. This translates to 18738 MT out of our total volume. Over the past years we have seen a steady increase in the share of certified palm oil, we will continue this work during 2022.

**Forest risk commodity**

Soy

**Third-party certification scheme**

ProTerra certification

**Chain-of-custody model used**

Mass balance

**% of total production/consumption volume certified**

15

**Form of commodity**

Whole soy beans

Soy derivatives

**Volume of production/ consumption certified**

810

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

Orkla has during 2021 reached 15% certified soy. This translates to 810 MT out of our total volume. Over the past years we have seen a steady increase in the share of certified soy, we will continue this work during 2022.

**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	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<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.

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**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. 2021 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**

100%

**% of total suppliers in compliance**

100%

**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.

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**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. 2021 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**

100%

**% of total suppliers in compliance**

100%

**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**

Soy

**Operational coverage**

Supply chain

**Description of control systems**

We regularly follow up our soy suppliers on which origin we receive cattle products from. 2021 we received the majority of our soy from non forest risk countries. Additionally we work with third-party certification and have during 2021 reached 15% certified on a global level.

**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**

**(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	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.6a**

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

**Palm oil**

**Procedure to ensure legal compliance**

The procedure followed to ensure legal compliance is that Orkla uses RSPO certified palm oil which requires compliance with law as part of their standard. 96% of our palm oil was RSPO certified during 2021. Furthermore we use tools such as the SPOTT to track supplier development in terms of ESG issues. These tools and methods ensure legal compliance within our supply chain.

**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**

The procedure followed to ensure legal compliance is that Orkla uses ProTerra certified soy which requires compliance with law as part of their standard. This ensures legal compliance within our supply chain. 15% of our soy was ProTerra certified during 2021.

**Country/Area of origin**

Brazil

**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 2021, 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 Offering on-site technical assistance and extension services Providing agricultural inputs Disseminating technical materials Organizing capacity building events	300	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 2021, 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	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
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 96% certification 2021. 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 15% certification 2021. 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>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
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 2021, 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. Our main strategy is to engage in transnational efforts to encourage the development of better recycling systems through joint projects and dialogue with government authorities. As part of this we are investing in pilot projects to improve the recyclability of our products. During 2021 we have been part of several pilot projects targeting increased recyclability and focusing on our indirect suppliers.
Palm oil	Yes, working beyond first tier	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Offering on-site training and technical assistance Participating in workshops	Our strategy for indirect supplier engagement is to actively engage in RSPO and with our suppliers to reach beyond tier one. Through RSPO we provide on-site training and assistance. The goal of RSPO is to secure measurable impacts by ensuring that smallholders are able to achieve a sustainable livelihood through their inclusion in sustainable palm oil supply chain. They have three main objectives: 1. Smallholder livelihoods are improved through capacity building efforts, organization, and tools that increase their yields, support adoption of better management practices. 2. The number of smallholders included in the RSPO system is increased through a simplification of the RSPO certification approach and pro-active engagements with pilots such as jurisdictional approaches 3. The business case is made for smallholder inclusion in the RSPO system through increased support, including market linkages as well as financial and non-financial incentives.
Cattle products	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 Participating in workshops	During 2021, 100% of our cattle products came from non forest risk countries. Our main strategy to interact with our indirect suppliers are to engage with our suppliers to understand the compliance of our animal welfare policy further down in the supply chain. We do this partially through supplier questionnaires but also through on-site meetings with indirect suppliers.
Soy	Yes, working beyond first tier	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Offering on-site training and technical assistance	Orkla is actively engaged with different certifications and with our suppliers to reach beyond tier one. Our main strategy is to engage with our indirect suppliers through third-party certifications where we support with on-site training. We also engage with our suppliers through questionnaires to achieve better supply chain and origin data.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

**(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?**

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Please explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No, but we are planning to engage in landscape/jurisdictional approaches in the next two years	Lack of internal resources	We have identified this as an important area but has so far not been able to launch own projects here. The landscape approach is however deemed as very important.

F6.11

**(F6.11) Do you participate in any other 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

**Country/Area**

Other, please specify (Global)

**Subnational area**

Not applicable

**Initiatives**

UN Global Compact

Global Reporting Initiative (GRI) Community Member

Roundtable on Sustainable Palm Oil (RSPO)

European Palm Oil Alliance (EPOA)

Other, please specify (Action for Sustainable Derivatives (ASD))

**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 manufacturers that use derivatives, not pure oil. ASD's goal is to be able to trace raw materials all the way back to plantations. Every year, ASD identifies environment-related and/or social challenges and helps to bring about improvements locally. In 2021, several ASD working groups were held to address various challenges in the palm oil industry, such as corruption and women's rights violations. ASD has established the Collective Action Fund, through which members can provide financial support for projects that contribute directly to improvements in the risk-exposed areas of the palm oil industry.

**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Other, please specify (Global)

**Subnational area**

Not applicable

**Initiatives**

UN Global Compact

Global Reporting Initiative (GRI) Community Member

Forest Stewardship Council (FSC)

**Please explain**

Orkla is supporting FSC through purchase of certified packaging materials - in 2021 around 90% of the paperbased packaging we purchased was FSC-certified. 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 2021 the share of recyclable packaging was 96% and the share of packaging containing recycled materials was 54%. 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.

**Forest risk commodity**

Soy

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Other, please specify (Global)

**Subnational area**

Not applicable

**Initiatives**

UN Global Compact  
Global Reporting Initiative (GRI) Community Member  
Roundtable on Sustainable Soy (RTRS)  
Sustainable Agricultural Initiative (SAI)

**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. The companies work purposefully to ensure that all soya is certified, and in 2021 15 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 2021. Orkla has a good plan for 2022, 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

**Country/Area**

Other, please specify (Global)

**Subnational area**

Not applicable

**Initiatives**

UN Global Compact  
Global Reporting Initiative (GRI) Community Member  
Sustainable Agriculture Initiative (SAI)

**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.

**F6.12**

**(F6.12) 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**

Timber products

**Coverage**

Supply chain

**Primary barrier/challenge type**

Other, please specify (Other, please specify (during 2021, 100% of our timber products were sourced from non forest risk countries.))

**Comment**

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**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Primary barrier/challenge type**

Lack of adequate traceability systems

**Comment**

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**Forest risk commodity**

Cattle products

**Coverage**

Supply chain

**Primary barrier/challenge type**

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

**Comment**

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**Forest risk commodity**

Soy

**Coverage**

Supply chain

**Primary barrier/challenge type**

Value chain complexity

**Comment**

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F8.2

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**(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 (During 2021, 100% of our timber products were sourced from non forest risk countries.)

**Comment**

---

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Main measure**

Increased demand for certified products

**Comment**

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**Forest risk commodity**

Cattle products

**Coverage**

Supply chain

**Main measure**

Other, please specify (During 2021, 100% of our cattle products were sourced from non forest risk countries.)

**Comment**

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**Forest risk commodity**

Soy

**Coverage**

Supply chain

**Main measure**

Improvement in 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	CSO	Chief Sustainability Officer (CSO)

**SF. Supply chain module**

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**SF0.1**

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

	Annual revenue
Row 1	50441

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 (FSA Silver)

**Total volume of commodity sold to member**

49

**Metric**

Metric tons

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

100%

**Comment**

---

SF2.1

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

SF2.2

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(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

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(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**

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## Submit your response

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### In which language are you submitting your response?

English

### Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

### Please confirm below

I have read and accept the applicable Terms