

Sustainability and responsible business practices

12/2023



Orkla's ESG governing principles, ownership requirements and expectations of portfolio companies and other directly owned companies

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Introduction

At Orkla, we believe that responsible business practices and a desire to contribute to sustainable development are important to succeed as a company and build trust in our products, services and companies. We strive to minimize the footprint from our operations and aim to create positive change by enabling a responsible transition towards net zero and sustainable production and consumption.

We manage the commercial risks that may arise from global sustainability challenges with foresight and care, and we want to actively explore business opportunities for Orkla and our companies linked to meeting society’s future needs. By doing this, we aim to build prosperous, long-lasting business operations.

This document outlines Orkla’s governing principles as an owner, as well as our requirements and expectations of Orkla’s portfolio companies, business service companies and other directly owned companies (hereafter called Companies) with regard to addressing important environmental, social and governance topics. The document is intended as support in managing legal requirements and in ensuring common action towards Orkla’s sustainability ambitions.

The document is approved by Orkla’s Board of Directors and will be updated once a year to capture changes in legal requirements and risks, stakeholder expectations, and changes in Orkla’s strategy.

Orkla’s Sustainability Ambition



We create positive change by enabling a responsible transition towards net zero and sustainable production and consumption



Protecting the environment

We strive to minimize and prevent adverse effects on the environment, and take actions to ensure that nature is protected, preserved, and restored.



Empowering people

We empower the people linked to our business to drive positive change. We build a culture of diversity & inclusion, and actively engage in the social challenges linked to our value chains.



Governance and Ethics in Business

We build a culture of integrity in everything we do, in every part of our organization. We only acknowledge success achieved through high integrity standards.

Sustainability management

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1.1 Responsible business conduct and sustainability at Orkla

Orkla is committed to responsible business conduct with respect for people, environment and society. As owner, we require that all Orkla companies take necessary steps to ensure responsible business practices in line with legal requirements and the internationally recognised principles within the UN Guiding Principles for Business and Human rights and the OECD Guidelines for Multinational Enterprises¹.

Sustainability is often defined as the ability to meet our own needs without compromising the ability of future generations to meet their needs. At Orkla, we want to mobilise for the global Sustainable Development Goals towards 2030 (SDGs). Given the importance of consumer goods in Orkla’s portfolio of companies, we have selected SDG 12 - responsible consumption and production - as a guiding star for our work together with SDG 17 – partnership for the goals. Our stakeholders are key in helping us in our journey of facilitating a responsible transition towards net zero and sustainable production and consumption.

We expect the Orkla companies to engage in the environmental and social challenges linked to their products, operations and value chains. Important dimensions of the work include contribution to sustainable raw material production and recycling of materials, reduction of GHG emissions from operations across the whole value chain and development of products and services which may contribute to a healthier lifestyle. By engaging in these important topics, we also contribute to achieving several of the other global sustainable development goals.

Orkla and the SDGs



Our guiding stars



Orkla’s primary contribution to sustainable development is to facilitate a sustainable lifestyle through product innovation and value chain improvements, and UN Sustainable Development Goal 12 - responsible consumption and production - is a guiding star for our companies.



Stakeholder dialogue and partnerships are key to making the transition to net zero and sustainable production and consumption.

Important Sustainable Development Goals (SDGs) for our work



Diversity and gender balance



Respect for human rights in the workplace and supply chain



Continuously reduce greenhouse gas emissions throughout the value chain to reach Net-Zero



Sustainable sourcing of marine resources



No contribution to deforestation and conversion of ecosystems. Sustainable agriculture and nature restoration

¹[The UN Guiding Principles on Business and Human Rights](#)



1.2 Sustainability strategy and material topics

Sustainability management requires a good understanding of a company's impact on people, environment and society as well as of financial risks and commercial opportunities linked to the sustainability challenges. From 2024, the EU Corporate Sustainability Reporting Directive introduces an obligation for companies² to carry out an assessment of impacts, risks and opportunities based on the principle of double materiality. A sustainability topic is material to the company when it meets the criteria defined for impact or financial materiality, or both. Adequate sustainability management requires establishing goals, plans, policies, systems and processes for all material topics.

To show our commitment to sustainable production and consumption, Orkla has signed the EU Code of Conduct on Responsible Food Business and Marketing Practices³. The Code is part of the EU Farm to Fork strategy and includes a set of seven aspirational objectives. Each objective has specific targets and recommendations for how to contribute to a food environment that makes healthy and sustainable food choices easier. Orkla has made commitments to each of the seven objectives³.

The Orkla requirements to Companies:

- Identify material topics based on a double materiality assessment. The materiality assessment is to be updated at least every second year and approved by the Company's Board of Directors
- Establish goals, plans, policies and procedures for managing all sustainability topics identified as material, to meet legal obligations, contribute to Orkla's sustainability ambitions and meet the expectations outlined in this document
- Companies that produce food are to prepare long-term strategies with time-bound targets for how to live up to Orkla's commitment to the EU Code of Conduct on Responsible Food Business and Marketing Practices

[The OECD Guidelines for Multinational Enterprises](#), [The OECD Due Diligence Guidance for Responsible Business Conduct](#)

²The reporting requirements will be phased in over time for different kinds of companies.

Companies which are currently subject to the Non-Financial Reporting Directive must start reporting from 2024 (in reports published in 2025).

³[EU Code of Conduct on Responsible Food Business and Marketing Practices](#), [Orkla's commitments and KPIs](#). Orkla will prepare an updated report for 2022

1.3 Sustainability due diligence

The due diligence requirement is defined by the OECD Guidelines on Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and in EU and national legislation. Sustainability due diligence involves working in a systematic way to identify, assess and address actual or potential negative impacts on the environment or people connected with a company throughout the value chain. It also involves monitoring progress and reporting on the identified challenges, actions taken and their outcome.

The Orkla requirements to Companies:

- Integrate the principle of due diligence in relevant internal policies
- Implement due diligence procedures for own operations and supply chains which meet legal requirements and the principles of the OECD Due Diligence Guidance for Responsible Business Conduct⁴
- The procedures must cover guidelines for carrying out risk assessment, improvement activities, complaints procedures, monitoring of progress and external communication of progress. The supply chain due diligence must cover all tiers of the supply chain and all purchased goods and services
- Update the due diligence assessment and plan for improvements once a year and report progress to the Board of Directors

1.4 Sustainability reporting

Orkla prepares an annual sustainability report as part of our annual report, in compliance with applicable regulations, the Oslo Stock Exchange guidance on corporate social responsibility reporting, and the GRI Standards. The report covers all the Companies that are consolidated into Orkla's financial statements.

The Companies may be requested to submit progress reports and other information to membership organisations or other stakeholders. Such reporting is each Company's responsibility.

The Orkla requirements to Companies:

- Establish internal procedures and systems for collecting, registering, reviewing, consolidating and reporting the data points and information necessary to meet legal requirements and Orkla's reporting instructions
- Ensure data quality and keep records on reported data and information. Report information to Orkla as input for the annual sustainability report and other monitoring and communication purposes. Orkla will prepare guidelines and tools for the reporting of consolidated information from each Company
- Companies which prepare their own external sustainability reports are to make sure that the reports meet local legal reporting requirements and standards

1.5 Stakeholder dialogue

Active and open dialogue is important for understanding stakeholder needs and perspectives and for building trust in our companies and products. Important stakeholder groups for the Orkla companies include investors, consumers, customers, employees and public authorities.

The Orkla requirements to Companies:

- Establish procedures for stakeholder dialogue that allow internal and external stakeholders to address matters of importance to them and build trust in the company
- Actively engage in multi-stakeholder collaboration when this is relevant to find solutions to complex sustainability challenges

⁴OECD has developed a [guidance document](#) for due diligence

Environmental topics

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Foto: Bjørn Wad

As the owner of Orkla companies, we want our companies to strive to minimize and prevent adverse effects on the environment, and take actions to ensure that nature is protected, preserved, and restored.



2.1 Environmental management system

The aim with an environmental management system (EMS) is to sustain legal compliance and effective leadership, reduce risk, minimize environmental impact and continuously improve environmental performance.

The Orkla requirements to Companies:

- Establish an EMS which:
 1. Is based on international standards (e.g., ISO 14001), external verification is not required
 2. Covers all organizational levels, considering impacts from own operations and products in the value chain
- Prepare an environmental impact assessment in line with EMS requirements

The EMS may be stand-alone or integrated with occupational health and safety and/or quality management systems.

2.2 Climate change

It is a goal for Orkla to reduce GHG emissions throughout the value chain in line with the 1.5°C pathway and work towards Net-Zero by 2045. Orkla's targets are approved by the Science Based Targets Initiative and cover Scope 1, 2 and 3 according to the Greenhouse Gas Protocol⁵. Targets for 2025, 2030 and a long-term target to reach net zero by 2045 are set.

The Orkla requirements to Companies:

- Carry out climate risk and opportunity assessment at least on a bi-annual basis and in the event of major/significant changes in business scope or operations
- Develop plans and implement actions to reach the above-mentioned targets
- Ensure documentation of renewable electricity through SBTi-approved instruments such as Guarantees of Origin (GOs), Renewable Energy Certificated (RECs) and Power Purchase Agreements

⁵Scopes 1 and 2 relate to own operations, where energy reduction and transition to renewable energy sources will be the main actions to reach the targets. Scope 3 relates to the activities upstream and downstream of our value chain. Orkla's main impact is linked to the raw materials and packaging used for our products. Reaching Scope 3 targets involves product development, portfolio strategy, supplier requirements and cooperation, and informing consumers to support choices that benefit the climate.

2.3 Biodiversity and ecosystems

Orkla is committed to reducing pressure on nature and ensure that we do not contribute to deforestation, nor conversion of natural ecosystems. Additionally, we aim to contribute to increased biodiversity through collaboration and innovation. Ecosystems are critical for the production of many raw materials, and the consequences of biodiversity loss represent a fundamental sustainability and business risk.

The Orkla requirements to Companies:

- Prioritise and manage impacts on biodiversity and ecosystems from own operations and value chain based on the environmental impact assessment, including consideration of legal requirements
- Develop plans, targets, policies and implement actions in line with Orkla's sustainability ambitions
- Ensure that certifications or programs are in place by end of 2025 for raw materials with high environmental risk
- Prevent contribution to deforestation or conversion of natural ecosystems, in line with the principles described in the Orkla Zero Deforestation Policy and SBTN (Science-based Target Network) guidelines
- Contribute to increased biodiversity by restoring and regenerating nature in line with SBTN guidelines⁶ and in collaboration with suppliers and partners

2.4 Resources and circular economy

We want our companies to explore opportunities for product and systems innovation to minimize environmental impact throughout the whole value chain and contribute to sustainable use of resources and a circular economy.

The Orkla requirements to Companies:

- Prioritise and manage natural resources in own operations and value chain based on the environmental impact assessment, including consideration of legal requirements
- Develop plans, targets, policies and implement actions in line with Orkla's sustainability ambitions
- Innovate and develop products to minimise their environmental impact in the whole value chain
- Aim for all packaging to be recyclable and significantly increase the use of recycled and renewable materials in products and packaging
- Monitor and implement measures to control and reduce waste generation in the value chain

2.5 Water and marine resources

It is an aim for Orkla to ensure that nature, including fresh water and marine resources, is protected, preserved and restored. We strive to minimize and prevent adverse impacts and contribute to sustainable use of marine resources.

The Orkla requirements to Companies:

- Prioritise and manage water and marine resources in own operations and value chain based on the environmental impact assessment (including consideration of legal and the due diligence requirements)
- Develop plans, targets, policies and implement actions to ensure responsible management of water and marine resources

⁶Orkla is a member of the Science-Based Targets Network. Orkla's Centre of Excellence Sustainability can be contacted for more information.
<https://sciencebasedtargets.org/about-us/sbtl>

2.6 Pollution

Orkla strives to prevent adverse effects on the environment and ensure strict control of emissions and hazardous substances.

The Orkla requirements to Companies:

- Prioritise and manage pollution based on the environmental impact assessment including consideration of legal requirements and local permits
- Minimise, substitute and handle substances of concern and phase out substances of very high concern
- Implement prevention and control measures to minimize risk of accidents, spills and emissions
- Report deviations and non-compliance in accordance with the Orkla Contingency Plan



Social topics

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3.1 Human rights

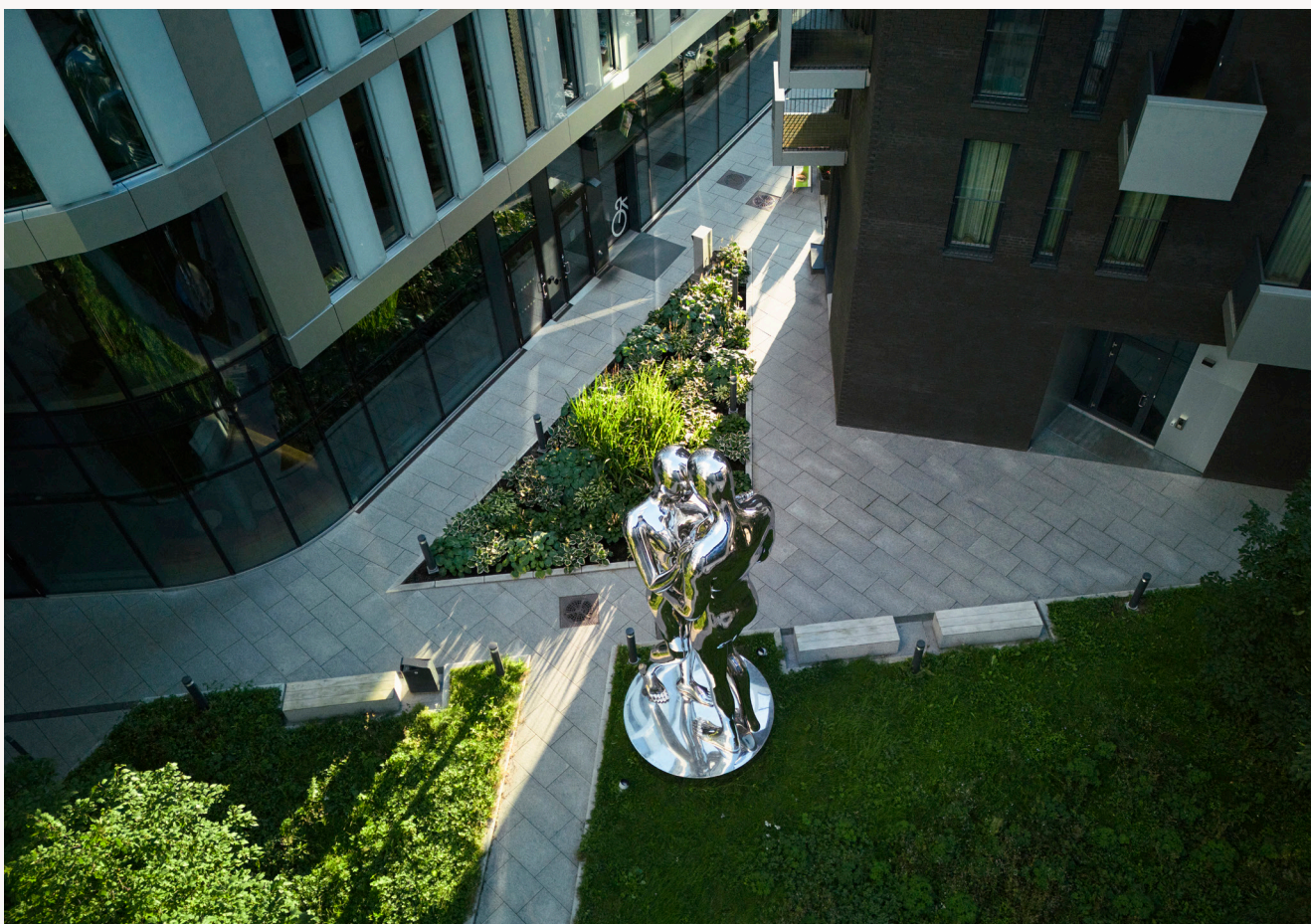
We respect the human rights⁷ of people who are affected by our activities. We will carry out our business with due diligence to avoid becoming involved in violations of human rights and address negative impacts.

Orkla's Human and Labour Rights Policy describes our guiding principles for handling the human and workers' rights which have particular relevance for our daily operations.

We believe in empowerment of people linked to our value chain as a core principle for driving positive change. By engaging in dialogue, building competencies and providing meaningful support, we aim to enable employees, workers in our supply chains and others linked to our business to engage in improvement activities which will have a lasting positive impact on their working conditions and lives.

The Orkla requirements to Companies:

- Comply with Orkla's Human and Labour Rights Policy and integrate the principles of the policy in relevant internal procedures
- Carry out risk-based due diligence to prevent and stop business practices which represent a violation of human rights linked to our business. Particular focus must be given to the risk of child labor, forced labor and other worst forms of human rights violations.
- Work with suppliers and other partners to establish responsible business practices
- Prepare and implement a Positive Human Rights Impact Plan with a horizon towards 2030 and with the purpose of creating lasting positive impacts in areas considered particularly relevant for the Company within own operations and supply chains



⁷Orkla defines human rights as the human rights enshrined in the Universal Declaration of Human Rights (1948), the two international covenants on civil and political rights (1966) and economic, social and cultural rights (1966) and the core conventions of the International Labour Organization (ILO).

3.2 Own workforce

Orkla wants our companies to build a culture of inclusion, trust and organizational learning. We believe that organizational strength starts with a good work environment.

WORKING CONDITIONS

Orkla is committed to offering good working conditions and fair and competitive terms. We respect the right of employees to form unions, and we want to enable meaningful consultations between management and employee representatives.

The Orkla requirements to Companies:

- Carry out employee engagement surveys on a regular basis, prepare improvement plans and follow up the implementation of these
- Establish formal channels for employee consultation
- Regularly assess the wages paid to employees, ensure that the wages as a minimum are sufficient to cover basic needs, and define a plan to close potential gaps



DIVERSITY, EQUITY AND INCLUSION

Diversity, Equity and Inclusion (DE&I) is part of human rights. Orkla is striving for an inclusive and open culture where employees feel involved and given the opportunity to develop. Our aim is that diverse and strong teams are built and that employees are encouraged to speak up and contribute to the value-creation in our businesses, independent of background, age, title, or any other aspect. We want to drive gender balance and diversity in our own businesses, as well as in the businesses we interact with. Our aim is to reflect the societies we are a part of and welcome differences as a way of strengthening our businesses.

The Orkla requirements to Companies:

- Develop a bespoke DE&I policy to systematically promote diversity, equity and inclusion in the workplace. Specific DE&I objectives must be defined and integrated in business strategy and processes
- Aim for balance in gender representation in management teams at all levels
- Develop and systematically follow a non-discriminatory equal pay practice

Orkla expects the companies to fulfil Orkla's chosen strategic approach to achieving sustained DE&I progress (the Orkla House model), and to discuss progress regularly at management and board meetings.

TRAINING AND SKILLS DEVELOPMENT

In Orkla, we see employee development as important to achieve our business targets and be an attractive place to work. We want people to grow and flourish so they can deliver at their full potential.

The Orkla requirements to Companies:

- Establish an internal plan for strategic competence development
- Establish procedures for individual performance review and development which cover all employees



OCCUPATIONAL HEALTH AND SAFETY (OHS)

At Orkla, we are committed to creating healthy and safe workplaces with the vision of zero harm to employees. We want our companies to do their utmost to prevent injuries and work-related diseases for employees, contractors and others linked to the business. The aim of an OHS management system is to ensure sustained legal compliance, effective leadership and reduced risks based on the following core elements:

- Describe the context of the organization at all levels
- Develop occupational health and safety policy
- Assess risk and opportunities that need to be managed
- Define goals and prepare activity plans
- Establish control procedures, and carry out and report on OHS activities

The Orkla requirements to Companies:

- Establish an OHS management system, which:
 1. Is based on international standards (e.g. ISO 45001), external verification is not required
 2. Covers all organizational levels
 3. Ensures that all employees, contract workers, and suppliers are made aware of their responsibility in respect of OHS and are involved in activities to assess, control, and improve OHS performance at their workplace

The OHS management system may be stand-alone or integrated with environmental and/or quality management systems.

3.3 Local communities

Orkla wants to create a positive impact for the communities in which we operate. Through responsible and financially robust business practices we will seek to create economic ripple effects for local communities in terms of jobs, tax revenues and purchases from local suppliers.

The Orkla requirements to Companies:

- Assess actual or potential negative impacts on local communities and update the assessment at least every second year
- Establish targets and plans for managing negative impacts, advancing positive impacts, and managing material risks and opportunities linked to the local communities





3.4 Consumers and end-users

CONSUMER HEALTH

Orkla wants to contribute to consumer health by developing products which contribute to a healthier diet and inspire to a healthier lifestyle. To do this, we must provide attractive and tasty solutions that make healthier and more sustainable choices easier.

The Orkla requirements to Companies (applies to companies producing food and beverages):

- To develop a positive nutrition impact plan with a horizon towards 2030
- Work systematically to improve the nutritional profile of their products
- Seek to increase the nutrient-density of products by using nutrient-rich raw materials and reduce the content of salt, sugar, and saturated fat
- Promote a healthier diet by using government-endorsed nutrition-related labels, such as the Keyhole in the Nordics
- Cooperate with the authorities and other stakeholders in the food and beverage value chain to make healthier and more sustainable products more available and affordable.

RESPONSIBLE MARKETING

Orkla is committed to effective, fair, and honest marketing, consistent with applicable legislation. It is of importance that marketing which includes claims related to sustainability, health, quality, and similar themes are based on objective and verifiable facts.

Orkla strives to protect children and other vulnerable groups from marketing activities which may have unintended, negative impacts. We are also conscious of the potential health and environmental impacts of over-consumption and seek to develop marketing activities which promote a healthier and more sustainable lifestyle.

The Orkla requirements to Companies:

- Ensure that the impression left by marketing, including claims is not mis-leading
- Prevent vague and unsubstantiated sustainability claims
- Aspire to use marketing and communication which promotes a healthier lifestyle and a balanced diet
- Avoid marketing of food products high in sugar, salt and saturated fat targeted towards children and commit to the EU Pledge⁸ or other relevant national self-regulation initiatives

⁸<https://eu-pledge.eu>

Governance topics

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4.1 Governance

ROLES AND RESPONSIBILITIES

The Company Board of Directors has the overall responsibility for overseeing the management of Orkla's sustainability and responsible business practice and governing principles.

The CEO of each Company is responsible for establishing the necessary policies, management procedures, systems, goals, and action plans to meet Orkla's requirements and expectations regarding responsible business practices and sustainability management.

The Orkla requirements to Companies:

- Assign the responsibility for sustainability management and reporting to a dedicated member of the Company's management team
- Ensure sufficient resources and competence to manage sustainability topics in an adequate way with clearly defined and assigned roles and responsibilities

TRAINING AND AWARENESS

Training and awareness are critical measures to meet and manage regulatory requirements and important sustainability topics for the company.

The Orkla requirements to Companies:

- Establish a plan for building awareness and knowledge about responsible business conduct for all relevant employees.
- The plan shall be updated, and completion rates monitored, at least annually

MONITORING AND EVALUATION OF PROGRESS

Monitoring and evaluating performance is critical to demonstrate commitment and to ensure adherence to regulatory requirements and Orkla's governing principles for sustainability and responsible business.

The Orkla requirements to Companies:

- Monitor, evaluate, and report on the progress of its compliance and sustainability work to the Board of Directors at least annually

RISK ASSESSMENT

Adequate risk management is necessary to support the business in reaching its value creation targets and comply with rules and regulations.

The Orkla requirements to Companies:

- Establish a risk management process including internal procedures for how to identify, assess and mitigate relevant risks to an acceptable level
- Conduct the risk management process at least annually, using a suitable tool for documenting the risk identification and assessment
- Implement adequate risk mitigating measures based on the company's risk acceptance level and Orkla ASA's governing principles and requirements
- Report the overall results of the risk management process to the Company BoD at least annually

INTERNAL CONTROL

Orkla wants a well-functioning internal control system that supports the business in reaching targets, increasing the quality of operations, ensuring compliance with applicable requirements, and reducing the probability of errors and fraud occurring.

The Companies shall design an adequate internal control system, applying a business process orientation, where the following elements are identified and described:

- Overall strategic business objectives
- Processes supporting the strategic business objectives
- Assessment of risks and risk acceptance levels in the processes
- Key internal controls needed to mitigate risks in line with the acceptance level
- Roles and responsibilities in the processes and key internal controls
- Annual evaluation of the effectiveness and efficiency of the internal control system, and necessary adjustments

If third-party service providers conduct internal control activities on behalf of the company, the company remains responsible for the output and risks related to the outsourced activities.

COMPLAINTS, REMEDIATION AND WHISTLEBLOWING

Orkla is committed to establishing procedures for dealing with complaints from external stakeholders and for providing remediation in cases where it is identified that Orkla has caused or contributed to negative impacts. Such procedures are part of responsible business practices.

Orkla also encourages internal and external stakeholders to report breaches, or possible breaches, of the Orkla Code of Conduct. Orkla's Whistleblowing Policy outlines the requirements for reception and management of whistleblowing reports. These requirements are applicable to all Companies. Orkla's central whistleblowing channel can be accessed through this URL: <https://report.whistleb.com/orkla>

The Orkla requirements to Companies:

- Establish internal procedures for handling complaints from external stakeholders
- Establish internal procedures to make it easier for stakeholders to report breaches, or breaches of the Orkla Code of Conduct, in line with Orkla's Whistleblowing Policy
- Provide information on the whistleblowing procedure through posters in the local language, available at all locations, and on the intranet and internet
- Manage whistleblowing cases in compliance with internal and relevant external requirements
- Companies in the EU with 50+ employees shall implement local whistleblowing schemes, in addition to being covered by Orkla ASA's central whistleblowing system
- Consider establishing an internal committee to handle formal complaints linked to human rights, environmental legislation or possible breach of other legislation linked to responsible business practices

4.2 Business conduct

ORKLA CODE OF CONDUCT

Orkla is committed to doing business responsibly, using ethical and sound business principles and complying with all applicable laws and regulations. The Orkla Code of Conduct outlines our ethical guidelines for how to behave and conduct our operations.

The Orkla requirements to Companies:

- Implement proper measures to ensure that all employees are made aware of and comply with the Orkla Code of Conduct
- Conduct targeted risk-based trainings yearly, and ensure ongoing roll-out of mandatory trainings for new employees.

ANTI-CORRUPTION

Orkla prohibits bribery and corruption in every form.

The Orkla requirements to Companies:

- Make active efforts to ensure that bribery and corruption do not occur in their business activities
- Implement an effective anti-corruption programme aligned with the Orkla Anti-Corruption Programme
- Develop and implement an anti-corruption manual in local language and English
- Conduct targeted risk-based trainings annually, and ensure ongoing roll-out of mandatory trainings for new employees

TRADE SANCTIONS

Trade sanctions are restrictions on trade with specific organizations, individuals, or companies in certain countries.

The Orkla requirements to Companies:

- Take active measures to monitor sanction risks and ensure compliance with relevant sanction regulations
- Implement the Orkla Business Partner and Sanctions Programme
- Conduct targeted risk-based trainings yearly

PRIVACY (GDPR)

Orkla respects the privacy of all individuals and is committed to processing personal data honestly, ethically, and always in compliance with applicable laws. Orkla is transparent about its processing activities and provides relevant individuals with required information. Orkla meets accountability requirements and documents its compliance efforts.

The Orkla requirements to Companies:

- For companies subject to the GDPR: implement the Orkla Privacy Policy
- For companies subject to other data protection laws: appropriate privacy policy frameworks must be developed and implemented locally
- Ensure compliance with relevant privacy laws and regulations and implement measures to manage privacy risks. Conduct targeted risk-based trainings yearly, and ensure ongoing roll-out of mandatory trainings for new employees



COMPETITION LAW COMPLIANCE

Orkla is committed to competing fairly, and Orkla companies shall always act in compliance with relevant competition law.

The Orkla requirements to Companies:

- Develop and implement a competition law manual explaining the rules and describing conduct that will or may infringe competition law
- Develop and implement a dawn raid manual describing the procedures to be followed in the event of an (unexpected) inspection by national or international public authorities or governmental institutions
- Carry out regular and relevant competition law training for all managers and employees in positions which may be exposed to risk

TAXES

To ensure a consistent approach to tax within the Orkla group, the majority-owned Companies shall adopt and comply with Orkla's Group Tax Strategy.

This includes, but is not limited to:

- Complying with laws and regulations in the jurisdictions in which they operate, both for direct and indirect taxes
- Minimizing tax cost by applying reliefs, incentives, etc. which are legally acceptable and in line with the Group Tax Strategy
- Complying with applicable transfer pricing rules and the arm's length principle
- Not transferring value into tax havens and low-tax jurisdictions unless based on proper substance and business rationale
- Being a fair and transparent taxpayer with a professional and constructive working relationship with the tax authorities

POLITICAL ENGAGEMENT AND LOBBYING ACTIVITIES

Political and government-determined laws and regulations have significant implications for Orkla's operations. Favorable framework conditions are crucial for Orkla to build strong and sustainable businesses and to contribute positively to the society our businesses are part of.

Orkla's government relations are built on fundamental principles of transparency, honesty, accessibility, consistency, and long-term commitment. These principles are central to establishing trust with authorities and facilitating a constructive dialogue to advance our interests.

Orkla engages with politicians and government officials both directly and through industry organizations of which we are members. The engagement can be linked to specific business-related issues or broader industry challenges.

FOOD AND PRODUCT SAFETY

Food safety is a cornerstone in building strong consumer and customer relations and a long-term sound and profitable business. High level of food safety and quality systems applied in a uniform way therefore have the highest priority in Orkla and we have taken an uncompromising stance on this issue.

The Orkla requirements to Companies (applies to all companies handling food and beverages, both production and S&D sites):

- Apply Orkla's policy on Food Safety & Quality. Consequently, the companies shall always meet the requirements in the Orkla Food Safety Standard (OFSS) and Orkla Food Safety Standard Storage & Distribution (OFSS S&D), respectively.
- Apply the Food Safety requirements within the Orkla Supplier Portal (OFSS for Suppliers).

To ensure compliance with OFSS and OFSS S&D, contribute to continuous improvements, uphold the required standard, and share relevant information for Orkla's liability and recall insurances, audits will be performed by the corporate Food Safety Team.

The Orkla requirements to Companies producing and selling non-food products:

- Implement systems to ensure that products are safe and meet all legal requirements.



RESPONSIBLE SOURCING

Orkla is committed to protecting people, animals and nature throughout our supply chain. We strive to ensure verified sustainable production of high-risk raw materials. These are materials with a high risk of negative human rights or environmental impacts.

For cultivated agricultural raw materials we define sustainable as produced in line with criteria which, as a minimum, meet the SAI Platform FSA Silver level⁹. For other high-risk raw materials, relevant third-party verified standards or programmes can be used.

The Orkla Supplier Code of Conduct outlines our expectations of suppliers within the areas of labour standards, health and safety, environment, and business ethics.

The Orkla requirements to Companies:

- Ensure that all suppliers accept our requirements as outlined in the Orkla Supplier Code of Conduct and relevant environmental and social policies
- Assess tier one supplier risk of non-compliance through a three-step risk model:
 1. Carry out a desktop risk assessment of all suppliers based on Sedex¹⁰ or equivalent risk dimensions
 2. Require that risk suppliers carry out a self-assessment through Sedex or equivalent third-party digital platform. Evaluate the results of the assessment
 3. Depending on the site risk level, ensure that a SMETA 4-pillar audit or equivalent is carried out
- Assess the risk of negative impacts beyond tier one, and in particular linked to the production of raw materials. Ensure that high-risk materials as a minimum meet SAI Platform FSA Silver level or relevant third-party standard or programme. High-risk materials in central categories are defined by Orkla Procurement. High-risk materials in local categories are to be defined by the Company
- Develop time-bound targets for improvement and implement plans to reach the targets
- Decide on whether to use Orkla Procurement AS' governance support and systems in facilitating these activities, or develop own systems and procedures which meet legal obligations and Orkla's requirements

ANIMAL WELFARE

Orkla wants to make a difference by safeguarding animal welfare in our value chain. Animal welfare is an important topic to consumers and many stakeholders.

The Orkla requirements to Companies (buying animal-derived products):

- Establish an animal welfare policy based on the five freedoms, aligned with the World Organisation for Animal Health (WOAH) Terrestrial Code, and tailored to the specific focus areas of relevant species
- Establish targets and plans to ensure continuous animal welfare improvement throughout the value chain and engage with suppliers and other partners to drive improvement

⁹Farm Sustainability Assessment is a framework for sustainable agricultural production developed by SAI Platform with specific criteria for managing relevant ESG issues.

¹⁰Sedex is a supply chain assessment platform

At Orkla, we believe that responsible business practices and a desire to contribute to sustainable development are important to succeed as a company and build trust in our products, services and companies

orkla.com

