

Nature and Climate Policy

Nature and ecosystems are critical to produce raw materials that Orkla is dependent on for food and other products. This means that the consequences of climate change and biodiversity loss represent a fundamental business risk. We realise that our activities have an impact on nature and climate. At the same time, we have a unique opportunity to make changes in a positive direction. We want to do our utmost to prevent negative environmental impacts from our operations and products and contribute to solving the challenges of climate change and biodiversity loss.

Scope

This policy covers the whole Orkla Group and its activities globally, including procurement, manufacturing, logistics, innovation, portfolio development, marketing and sales, investment, finance, and mergers and acquisitions.

Commitments

We work to ensure that water, ocean, air, land, and biodiversity - the global commons that we all depend upon - are protected and restored. We commit to:

- avoid and reduce pressures on nature and ensure that we do not contribute to deforestation and conversion of natural ecosystems¹ with a target date of 2025.
- work with partners to increase biodiversity by restoration and regeneration of nature, with a focus on agriculture from which we source a large share of our raw materials.
- reduce greenhouse gas emissions in the value chain with a focus on abatement of emissions to achieve our short- and long-term targets and use carbon removals as a complement for achieving net-zero emissions by 2045.

Our climate targets are approved by the Science Based Targets Initiative, and we have joined the Science-Based Target Network Corporate Engagement Program to help develop and road-test methods, tools, and guidance for setting nature targets.

Implementation

We take nature and climate aspects into account in our strategy development, decision-making, and work processes. Our main environmental impact is connected to the raw materials that we use in our products, coming from agriculture, forestry, and fishing. This means that innovation, product portfolio development and sourcing of these materials is fundamental for achieving our targets.

A key strategy to reduce climate impact and pressure on land is to drive the shift to more plant-based food. This is facilitated by product development and information to consumers to support choices that benefit nature and climate.

In our sourcing, we pay close attention to raw materials that pose risks for deforestation or conversion of other natural ecosystems, such as palm oil, cocoa, as well as to indirect effects of growing animal feed.

In our own operations, we focus on using materials, energy, and water more efficiently, following specific targets. Increasing circular flows, using renewable energy and renewable or recycled materials, preventing food and other waste throughout the value chain, and promoting packaging recycling and reduced littering are also important.

In our journey, we cooperate with suppliers, customers, academia, non-governmental organisations, and with actors in our business sectors. On an annual basis, we transparently report progress toward meeting our policy commitments.

¹ as defined in the Accountability Framework. Orkla has previously signed the New York Declaration on Forests.
File name: Orkla Nature and Climate Policy.docx
Version: 3.0
ID: DMS01-1326639798-434

Approval Status: Approved
Approved By: Inger Johanne Eikeland
Approved Date: 28/03/2023

References

Overview of Orkla guidelines: www.orkla.com/guidelines/