

# EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES



## ORKLA ASA PROGRESS REPORT SUBMITTED ON 16<sup>TH</sup> JULY 2025 For the fiscal year 2024

Orkla ASA (Orkla) is a leading industrial investment company. Orkla's investments strategy is focused on brands and consumer-oriented companies. As of 31<sup>st</sup> December 2024, Orkla had 10 portfolio companies with operations in the Nordics, Baltics, Central Europe, India and other selected markets. Orkla ASA is listed on the Oslo Stock Exchange with headquarter in Oslo.

Orkla has a long-term and industrial approach to investments and will contribute to value creation by combining strong brand expertise with the mindset of an investment company. Sustainable growth is a central part of Orkla's business strategy, and Orkla's overarching ambition as an investment company is to create sustainable value through active ownership.

### 1.0 Orkla's commitment to the EU Code of Conduct

Companies in the food value chain have an important role to play in reducing climate gas emissions and achieving the UN Sustainable Development Goals towards 2030. To show Orkla's commitment to sustainable production and consumption, Orkla signed the EU Code of Conduct on Responsible Food Business and Marketing Practices in July 2021.

The objectives described in the EU Code of Conduct cover areas in which Orkla's food-related portfolio companies have been engaged for a long time. Orkla strives to commit to all the seven aspirational goals of the EU Code of Conduct, and as part of Orkla's Sustainability Policy<sup>1</sup>, we require portfolio companies to prepare long-term strategies with time-bound targets for how to live up to these commitments when material. Orkla has specific goals, addressing aspirational goals of EU Code of Conduct with KPIs and their progress which are described in **3.0** and **4.0**. While Orkla's draft targets await final Board approval in Q4 2025, the company remains committed to proactively operationalizing the EU Code of Conduct objectives. Interim implementation actions are underway, and we expect to initiate external verification of progress from 2026. Orkla will update its commitments to the EU Code of Conduct as soon as the new targets are formally approved. .

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<sup>1</sup> Orkla's Sustainability Policy [Orkla's Sustainability Policy](#)

## 2.0 Orkla's sustainability goals and strategy

Orkla's sustainability ambition is to create positive change by enabling a responsible transition towards net zero and sustainable production and consumption. In connection with Orkla's transition from a group structure to an industrial investment company, Orkla expects each portfolio company to develop their own sustainability targets, actions and policies addressing material sustainability impacts, risks and opportunities. In addition, Orkla has developed some draft sustainability targets for the group, which is currently being part of extensive stakeholder engagement, before formal approval by its Board of Directors. Orkla addresses both foundational and strategic topics through policy commitments, draft targets, clear expectations towards the portfolio companies and systematic engagement with the companies through board participation and procedures for reporting and risk management. Guidance and support are provided by Orkla and its shared service companies to portfolio companies on matters such as sustainability, legal, compliance and corporate affairs, responsible sourcing and more. Orkla's food safety standards apply to all companies producing or selling food products and are managed by a central food safety team. The requirements from Orkla to its portfolio companies are well-stated in Orkla's Sustainability Policy. Further Orkla's Annual Report includes a Sustainability statement aligned with EU CSRD requirements.

The Orkla portfolio companies have come a long way in integrating sustainability work into business plans, decision-making processes and day-to-day activities. All Orkla's portfolio companies have increased their efforts in the past few years, and the work is generating positive results. A description of progress is given in section 4.

Orkla has been affiliated with the UN Global Compact since 2005 and supports its ten principles in the areas of human and workers' rights, the environment and anti-corruption. Orkla have also been a member of Ethical Trade Norway since 2012 and have committed to the principles for responsible business practices described in their code of conduct.

## 3.0 Orkla's commitments to the EU Code of Conduct aspirational objectives

EU Code of Conduct - Aspirational objectives	Orkla's commitments with baseline year *	KPIs
1. Healthy, balanced and sustainable diets for all European consumers	<ul style="list-style-type: none"> <li>Draft targets: <ul style="list-style-type: none"> <li>100% of companies to create positive health impact for consumers by 2030.</li> <li>100% of companies producing food to have food and packaging materials from Orkla Food Safety Standards (OFSS) approved suppliers by 2026</li> </ul> </li> </ul>	To be decided, potential KPIs; <ul style="list-style-type: none"> <li>Nutri score</li> <li>Number of OFSS approved suppliers</li> </ul>
2. Prevention and reduction of food loss and waste	<ul style="list-style-type: none"> <li>Orkla ASA does not have any targets, but the food producing PortCos will have their own goals related to food loss and waste, if material.</li> </ul>	N/A
3. A climate neutral food chain in Europe by 2050	<ul style="list-style-type: none"> <li>Net zero emissions of greenhouse gases (GHG) by 2045. Science-based targets for GHG emissions reduction (baseline 2016): <ul style="list-style-type: none"> <li>Scope 1 &amp; 2 <b>-70%</b> vs. 2016</li> <li>Scope 3 FLAG <b>-30,3%</b> vs. 2020</li> <li>Scope 3 Energy &amp; Industrial <b>-42%</b> vs. 2020</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>GHG emissions reduction scope 1 and 2, absolute (tCO<sub>2</sub>e)</li> <li>GHG emissions reduction scope 3, absolute (tCO<sub>2</sub>e)</li> </ul>
4. An optimized circular and resource-efficient food chain in Europe	<ul style="list-style-type: none"> <li>Orkla does not have group-wide energy targets, but companies are expected to set clear, time-bound goals to reduce energy use and transition to renewable energy in line with climate ambitions</li> <li>Draft target: 100% of packaging to be recyclable by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Total energy usage, own operations (GWh)</li> <li>Total energy usage per revenues (GWh/NOK million)</li> <li>Share of total packaging materials that is recyclable (%)</li> <li>Share of total packaging materials with recycled content and/or from renewable sources (%)</li> </ul>

5. Sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> <li>Draft targets: <ul style="list-style-type: none"> <li>Pay adequate wages to 100% of employees by 2026</li> <li>Have gender-balance in BoDs, MTs and total employees by 2030</li> <li>low rate in injuries and work-related ill-health by 2030</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Percentage of employees paid below the applicable adequate wage benchmark</li> <li>Gender pay gap</li> <li>Boards gender diversity ratio</li> <li>Number of work-related injuries and work related ill-health</li> </ul>
6. Sustainable value creation in the European food supply chain through partnership	<ul style="list-style-type: none"> <li>Draft target: 100% of high-risk raw materials certified or with actions by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Share of certified raw materials for prioritized raw material categories (%)</li> </ul>
7. Sustainable sourcing in food supply chains	<ul style="list-style-type: none"> <li>Human rights due diligence process implemented for own operations and supply chains by 2025</li> <li>Draft targets: <ul style="list-style-type: none"> <li>100% of high-risk suppliers have implemented measures for adequate wages and against child and forced labour by 2030</li> <li>100% of high risk materials certified or with actions</li> <li>100% deforestation-free sourcing by 2025</li> <li>100% deforestation and conversion free high-risk raw materials by 2030</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Total number and share of portfolio companies that have carried out human rights risk assessment, incl. updated action plans</li> <li>Total number and share of suppliers linked to significant inherent risk for incidents of child labor, forced or compulsory labor</li> <li>Share of certified raw materials for prioritized raw material categories (%)</li> </ul>

#### 4.0 Developments in 2024

In connection with the transition to a new operating model in 2023, Orkla have prioritized establishing robust management procedures for work on ESG topics, and all portfolio companies and other directly owned companies are making good progress on incorporating Orkla's ownership expectations and requirements into their management systems and operating procedures.

Orkla's total greenhouse gas emissions from own operations (scope 1 and scope 2 market-based) were 5,6% lower than in 2023 and 64.2% lower than in the base year 2016. The renewable energy proportion of total energy consumption was 54,3% in 2024. The Orkla companies have continued their efforts to help reduce greenhouse gas emissions in the value chain (scope 3) and work on understanding the impact from all 15 categories in scope 3. Orkla has reduced Scope 3 emission by 3,5% since 2020. In 2023, Orkla launched an internal program focusing on the decarbonization plans for each of its portfolio companies to achieve net zero by 2045. During 2025, Orkla will further develop year-on-year targets and action plans supporting Orkla's Net Zero Transition Plan. Key measures include shifting to renewable energy, improving resource efficiency across operations and raw material production, engagement with suppliers and increasing collaboration in research and partnerships to develop climate solutions.

In 2024 Orkla continued its efforts within responsible sourcing. This involves strict contract standards, risk assessment of suppliers, raw materials and supply chains. In 2024, actions were taken across all portfolio companies towards further implementation of relevant processes within contract management, supplier and supply chains risk assessments on-site visits, external ethical audits, supplier engagement and third-party certifications.

Orkla portfolio companies are expected to strive for sustainable sourcing and the use of renewable resources, and to ensure that sustainability certifications or other mitigating actions are in place for raw materials with high risk of negative impact. In 2024, as part of the preparations for the EU Deforestation Regulation (EUDR), several Orkla portfolio companies mapped all products containing ingredients covered by EUDR and performed risk assessments.

Orkla ASA is committed to eliminating deforestation from key commodities—beef, palm oil, soy, cocoa, and timber—by 31 December 2025. In 2024, the Board supported draft 2030 sustainability targets, including 100% deforestation-free sourcing of these commodities by the end of the decade.

During 2024, the Orkla portfolio companies continued their efforts to develop new packaging solutions which minimize the use of fossil raw materials, are easy to recycle and facilitate higher recycling rates. In 2024, the share of recycled content was 90,9%. The share of biological materials used in products (including packaging) which is sustainably sourced was 32,7%.

Orkla's portfolio companies are expected to work systematically to improve their products' health profiles, with particular attention to products intended for children, and to promote healthier products and government-endorsed product labelling. In 2024, several Orkla companies implemented initiatives to promote healthier food choices, including reducing salt, sugar, and red meat content. In Sweden, Orkla Foods reduced the salt content in 26 products, equivalent to 8.8 tonnes less salt, and launched meatballs containing 50% plant-based ingredients. In Estonia, the amount of red meat in ready meals was reduced by 46%, while in Austria, the company introduced a vegan goulash soup with 7.7% less salt and launched several plant-based alternatives. In Latvia, Orkla Snacks released a line of chips with 30% less salt than the market standard. In the Netherlands, Sonneveld developed salt formulations aimed at achieving a 43% reduction in sodium by 2025. In 2025, the portfolio companies will prepare positive health impact plans for this work towards 2030.

More information about Orkla's sustainability goals, approach to sustainability management and the result of its work is shared in the company's 2024 Annual Report (in the Sustainability Statement chapter):

[Orkla-Annual-Report-2024.pdf](#)

4.1 Progress on KPIs and goals in 2024

The table below describes the progress for the KPIs defined for each of the commitments Orkla have made linked to the aspirational objectives of the EU Code of Conduct.

EU Code of Conduct - Aspirational objectives	Progress on KPIs and goals in 2024
1. Healthy, balanced and sustainable diets for all European consumers	<ul style="list-style-type: none"><li>• Draft target: 100% of companies to create positive health impact for consumers</li><li>• Not reported on in 2024.</li></ul>
2. Prevention and reduction of food loss and waste	<ul style="list-style-type: none"><li>• In 2024, Orkla reported total waste generated (metric ton) of 97 943, compared to 101 876 in 2023. This is a reduction of 3,86%. This is the total amount of waste and includes the total of all material discarded, excluding internally recycled materials.</li><li>• Orkla has reduced food waste through donations, discounted sales, and a consumer campaign in Norway promoting leftover use. Orkla Foods has also developed new KPIs and targets for reducing residual waste and food loss from 2025.</li></ul>
3.A climate neutral food chain in Europe by 2050	<ul style="list-style-type: none"><li>• In 2024, Orkla's GHG emissions were 115,119 tCO2e (scope 1 and 2 market-based) compared to 321 471 in the baseline year 2016, representing a reduction of 64,2%.</li><li>• The scope 3 greenhouse gas emissions in 2024 were 6 467 449 tCO2e, compared to 6 699 034 tCO2e in baseline year 2016, representing an estimated 3,46% reduction<sup>2</sup></li><li>• The total energy consumption for Orkla's own operations in 2024 was around 1 GWh with a share of 52.8% from renewable sources.</li></ul>
4. An optimized circular and resource efficient food chain in Europe	<ul style="list-style-type: none"><li>• The total energy consumption for Orkla's own operations in 2024 was around 1 GWh with a share of 52.8% from renewable sources.</li><li>• The rate of recyclable content in product packaging in 2024 was 90,9%.</li><li>• The share of biological materials used in products (including packaging) which is sustainable source was 32,7%.</li></ul>

<p>5. Sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> <li>• According to Orkla Sustainability Policy, Orkla companies are expected to ensure decent working conditions, fair compensation, reasonable working hours, and support for work-life balance, including family-related leave. They are also expected to promote equal opportunities, equal pay, gender balance, and greater diversity and inclusion across the value chain.</li> <li>• In 2024, portfolio companies took various actions to promote fair working terms and good conditions, including employee surveys, liaison committees, performance reviews, and annual pay adjustments.</li> </ul>
<p>6. Sustainable value creation in the European food supply chain through partnership</p>	<ul style="list-style-type: none"> <li>• Orkla has engaged in lobbying activities for terms and regulations that are responsible, fair and that promotes a level playing field. Orkla and its companies engage in dialogue with politicians and public officials both directly and through relevant industry organizations and collaborative efforts. Orkla believes that this is an important role for businesses in a democratic society, you can read more in Orkla Annual Report 2024.</li> <li>• Orkla's vision as an investment company is to create sustainable value through active ownership in brands and consumer companies.</li> </ul>
<p>7. Sustainable sourcing in food supply chains</p>	<ul style="list-style-type: none"> <li>• In 2024 Orkla portfolio companies continued their efforts to increase their purchase of certified raw materials as a means of managing human rights and other relevant risks linked to raw material production.</li> <li>• No external reporting on certified raw materials of total volume purchased in 2024.</li> <li>• The Board of Directors supported the following draft target for 2030: 100% of high-risk raw materials certified or with actions</li> </ul>