



Evelin Heiberg, Sustainability Manager

Sorainen ESG webinar 20.09.2023

# Ensuring compliance to CSDDD in Orkla Eesti supply chain

# Orkla Eesti AS

*Established in 2018*



*Confectionery  
Since 1806  
Part of Orkla since 2010*

**Põltsamaa**

*Drinks, vegetables, ready meals  
Since 1920  
Part of Orkla since 1996*



*Cafeteria  
Since 1864  
Part of Orkla since 2010*

**TURNOVER\***

**92**

**EMPLOYEES**

**571**

**ANNUAL VOLUME, T**

**30 705**

**SUPPLIERS**

**250**

**CLIENTS**

**736+**



**RESPONSIBLE  
BUSINESS INDEX  
GOLD LEVEL 2023**

\*million €



# Orkla Group

**300**

strong local brands

Market position average

**30% - 80%**

**#1**

*Leading branded consumer goods company in the Nordics and Baltics*



**TURNOVER\***

**5.2**

**EMPLOYEES**

**20 420**

**DIRECT SUPPLIERS**

**> 25 000**

**SELLING COUNTRIES**

**100**

\*billion €



**BUSINESS AMBITION FOR 1.5°C**  



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



# Orkla sustainability goals towards 2025



## ENVIRONMENTAL ENGAGEMENT

> 60% renewable energy

65% reduction in greenhouse gas emissions from own operations (90% reduction by 2045) <sup>1,2</sup>

30% reduction in greenhouse gas emissions in the value chain, outside own operations (90% reduction by 2045) <sup>1,3</sup>

30% reduction in energy and water consumption

50% reduction in food waste



## SUSTAINABLE SOURCING

Ensure respect for workers' rights

Achieve verified sustainable production of key raw materials<sup>4</sup>

Promote sustainable farming and fishing

- 100% recyclable packaging
- 75% packaging made of recycled materials
- 50% plastic packaging made of recycled or renewable materials



## NUTRITION & WELLNESS

>Double consumption of products and services that contribute to a healthier lifestyle

15% less salt and sugar<sup>5</sup>

Inspire people to adopt a healthier lifestyle



## SAFE PRODUCTS

100% food manufacturing facilities at green level<sup>6</sup>

100% approved suppliers<sup>6</sup>

Continue to ensure that all products are safe



## CARE FOR PEOPLE & SOCIETY

Create strong local engagement for sustainability

100% compliance with Orkla's human rights policy

Create healthy workplaces with zero injuries

Women in 50% of leadership positions at all levels

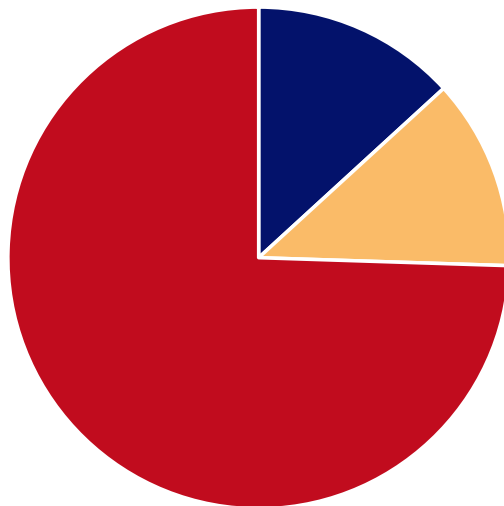
A culture of integrity everywhere

1) Targets for greenhouse gas reduction have been validated by the Science-based Targets initiative.  
 2) Scope 1 and Scope 2 in accordance with the Greenhouse Gas Protocol. Base year 2016.  
 3) Scope 3 in accordance with the Greenhouse Gas Protocol. Base year 2016.

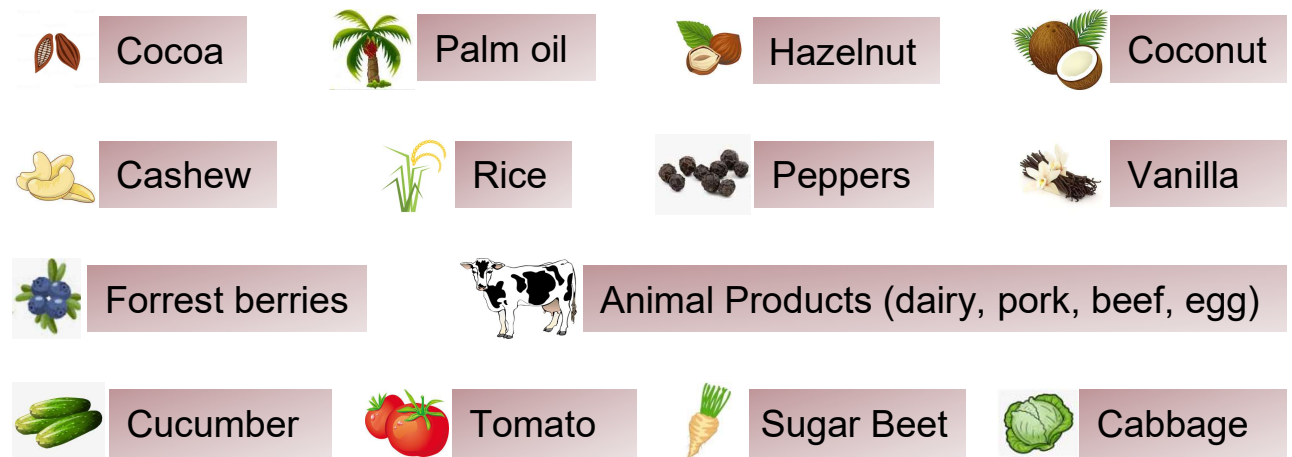
4) The assessment of importance is based on the risk related to and scope of the Group's sourcing  
 5) Reduction in overall consumption of salt and sugar from Orkla's food products. Base year 2015.  
 6) In accordance with the Orkla Food Safety Standard

# Focus on raw materials – highest share of climate emissions and sourcing from challenging regions around the globe

Orkla Eesti 2022 climate emissions distribution



■ Scope 1+2 (own factories) ■ Packaging materials ■ Raw materials

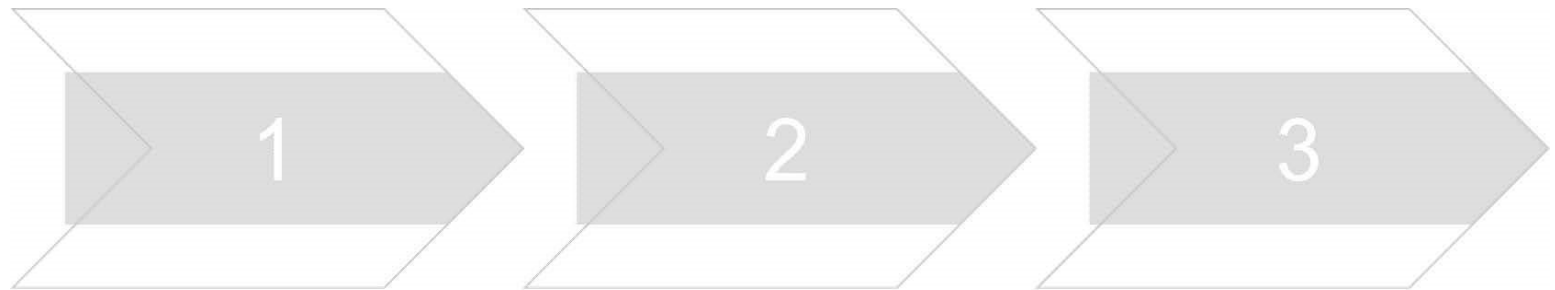


Prioritised ingredients based on strategic importance and sourcing risk (social / environmental / economic factors of raw material) ← where we can have the largest impact

# Supplier risk assessment



Ethical risk process uses Sedex data to determine supplier risk



Desktop assessment by Sedex methodology



Supplier onboarding, SAQ



LABOUR STANDARDS  
HEALTH AND SAFETY  
ENVIRONMENT  
BUSINESS ETHICS

Ethical SMETA 4 pillar audit



# Supplier Code of Conduct

## 4 MAIN AREAS:

- LABOUR STANDARDS
- HEALTH AND SAFETY
- ENVIRONMENT
- BUSINESS ETHICS

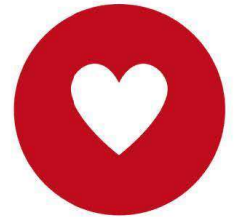
*Basis of our Sustainability cooperation with our suppliers – not a fail-pass document.*



Employment is freely chosen



Freedom of association and the right to collective bargaining are respected



Working conditions are safe and hygienic



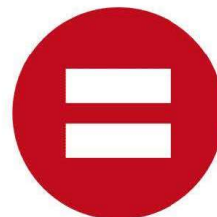
Child labour shall not be used



Living wages are paid



Working hours are not excessive



No discrimination is practised



Regular employment is provided



No harsh or inhumane treatment is allowed

<https://www.orkla.com/supplier-code-of-conduct/>



Please see the full Orkla Supplier Code of Conduct for more information

# Verification on 3rd party level for high-risk ingredients

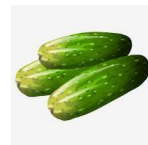
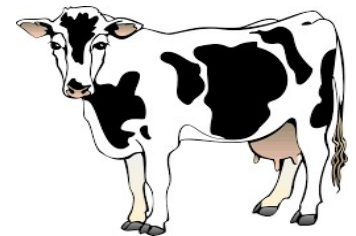


## Animal Welfare Policy

As a leading food producer Orkla wants to make a difference by safeguarding animal welfare in our value chain. The purpose of Orkla's Animal Welfare Policy is to increase awareness, guide our suppliers and contribute to responsible business practices.

### BACKGROUND

Each year millions of animals are raised for human consumption throughout the world. The welfare of these animals depends on the 1 billion people involved in the rearing, handling, transporting and processing of the animals.





# Overview of Orkla guidelines

Sustainability and responsible business practices →

Code of Conduct →

Orkla Human and Labour Rights Policy →

Animal Welfare →

Marine Policy →

Orkla's Policy on GMOs →

Anti-corruption →

Supplier Code of Conduct →

Orkla's zero deforestation policy →

Orkla Policy for Sustainable Palm Oil →

Tax strategy →

Nature and Climate Policy →

<https://www.orkla.com/guidelines/>



# Reporting

Orkla's annual and sustainability report covers all Group companies consolidated in financial reporting.

Report covers:

- Orkla's human rights policy
- Orkla's due diligence procedures
- Supply chain risk and progress in work
- EHS and responsible employer risk in own companies and progress

<https://www.orkla.com/annualreport/>



## Annual Report 2022



## Finishing off with some motivating data.....

**80** million

ha deforested since 1990

**70** %

decline in wildlife since 1970

**25** million

in forced labour 2016

*Cultivating responsible business practices is needed to turn this around.*

