

## Transparency Act Report 2024

Orkla Snacks AS (hereafter "Orkla Snacks") is a portfolio company of Orkla ASA and consists of several subsidiaries in Norway and other countries in the Nordic and Baltic regions. This report describes Orkla Snacks' efforts related to human rights and decent working conditions, including due diligence assessments pursuant to section 5 of the Norwegian Transparency Act.

The report covers Orkla Snacks and its subsidiaries and reported figures relate to the 2024 financial year (1 January–31 December). The reporting on impacts, targets and plans also include information from the latest updated human rights impact assessment which was carried out during the spring 2025. Information about the progress of Orkla Snacks' work with environmental, social and governance topics for 2024 can also be found in Orkla ASA's annual report for 2024<sup>1</sup>.

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<sup>1</sup> Orkla ASA's 2024 annual report is available here: [Annual Report - Orkla.com](https://www.orkla.com/Annual-Report-2024). The 2024 sustainability report can be found on page 45 of the annual report.

## 1. Description of Orkla Snacks' business

Orkla Snacks AS ("Orkla Snacks") holds leading positions in the confectionery, biscuits and snacks categories in the Nordics and Baltics. The company operates in seven markets and had a turnover in 2024 of approximately 9.7 billion NOK.

Orkla Snacks has a portfolio of local and international brands within three product categories – snacks, confectionery, and biscuits. Salty snacks is the company's largest category, accounting for approximately half of the turnover. Orkla Snacks has strong #1 and #2 positions across most of the geographical markets and product categories in which the company is present. The many well-known brands include KiMs, Nidar, Stratos, Sætre, Göteborgs Kex, OLW, Panda, Laima, Selga, Taffel, Kalev, Bubs and Nõi Sírfús.

Orkla Snacks is committed to responsible operations with respect for people, the environment and society and has internal governing documents and procedures for managing environmental, social and governance-related risk issues. Sustainability is an integrated part of the company's business strategy, and Orkla Snacks has defined several strategic priorities for the period 2024-2026 which are linked to human rights due diligence:

- Ensure human rights, safety and local engagement
- Build a collaborative and inclusive culture
- Implement effective ESG governance
- Integrate ESG in ways of working

### Organisation of the business

Orkla Snacks is a public limited liability company and has its registered address at Drammensveien 149, Oslo (Norway). Orkla Snacks' organisation number is NO 930 097 748. From January 2025, the company name changed to Orkla Snacks, from Orkla Confectionery & Snacks. The head office is in Oslo, Norway. Orkla Snacks is one of Orkla's ten portfolio companies. Orkla ASA is listed on the Oslo Stock Exchange.

At year-end 2024, Orkla Snacks had a total workforce of approximately 3,000 employees<sup>2</sup> and approximately 365 non-employees<sup>3</sup> in seven countries. Orkla Snacks has production facilities in Norway, Sweden, Denmark, Finland, Estonia, Latvia and Iceland, and a significant proportion of Orkla Snacks' employees work in manufacturing, maintenance and logistics. Other important functions in the company include marketing, product development, sales, procurement, finance, human resources, communication and sustainability. Orkla Snacks is a significant purchaser of food raw materials with an estimated total number of direct suppliers of more than 4,000. Through Orkla Snacks' own operations and that of suppliers and sub-suppliers, Orkla Snacks may have a direct or indirect impact on several hundred thousand people throughout the company's value chain.

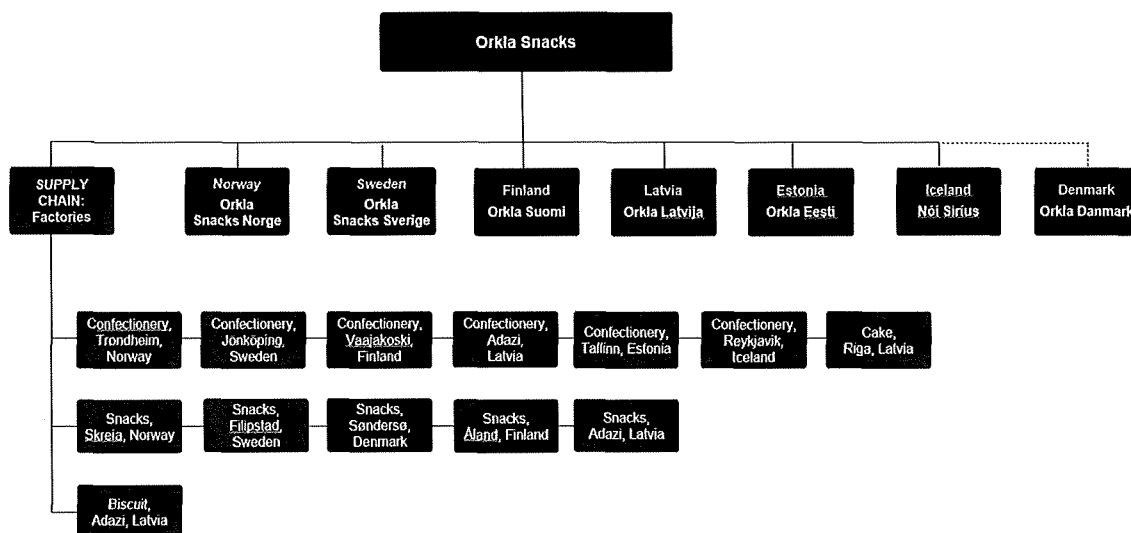
The present report covers Orkla Snacks and its business units.

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<sup>2</sup> Includes permanent employees, temporary employees and employees with non-guaranteed working hours.

<sup>3</sup> Includes self-employed persons (independent contractors) and persons employed by staffing agencies.

## Orkla Snacks' business structure



## 2. Guidelines and governing principles

### 2.1. Orkla Snacks' governing documents on human rights and decent working conditions

Orkla Snacks follows Orkla ASA's guidelines on human rights and decent working conditions. These are enshrined in Orkla's governing documents, including in the Orkla Code of Conduct,<sup>4</sup> the Orkla Sustainability Policy<sup>5</sup>, the Orkla Supplier Code of Conduct<sup>6</sup> and the Orkla Business Partner Code of Conduct. Orkla Snacks has implemented operational policies, systems and procedures to ensure responsible business practices in line with company values, Orkla guidelines and regulatory requirements. Among others, these include Orkla Snacks People Policy, EHS Management System and Whistleblowing Policy.

Orkla Snacks has processes in place for human rights due diligence, including an annual impact assessment and a long-term plan for improvements. Section 2.2 and 2.3 below provide a more detailed description of Orkla Snacks' procedures for due diligence assessments in own operations and the supply chain.

#### The Orkla Code of Conduct

The Orkla Code of Conduct has been adopted by the Orkla Board of Directors and applies to Orkla, its subsidiaries and all persons working for the Orkla group. This includes employees at all levels in Orkla Snacks, board members, contracted personnel, consultants, contractors and others who act on behalf of or represent Orkla Snacks. The Orkla Code of Conduct contains commitments to safeguarding human rights and decent working conditions – including by conducting due diligence assessments – and pursuing improvement measures.

<sup>4</sup>Code of Conduct - [Orkla.com](https://orkla.com)

<sup>5</sup>Orkla Sustainability Policy

<sup>6</sup>Supplier Code of Conduct - [Orkla.com](https://orkla.com)

## The Orkla Sustainability Policy

The Orkla Sustainability Policy covers environmental, social and governance (ESG) impacts, risks and opportunities related to Orkla's operations and business decisions, as well as Orkla's role as an owner of companies. The policy is based on the UN Global Compact and the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the Transparency Act. The policy states that Orkla's companies must respect and protect human rights and decent working conditions, including by:

- recognising and respecting freedom of expression, association and organisation, trade union rights, collective bargaining and data protection;
- promoting decent working conditions, providing reasonable and lawful working hours, fair compensation and adequate pay, ensuring a good work-life balance, and providing holiday and leave arrangements that safeguard workers' rights, including the right to family-related leave;
- promoting equal opportunities, equal pay, a balanced gender ratio at all levels and increased diversity and inclusion throughout the value chain, and combating all forms of discrimination and harassment;
- working systematically to safeguard the health, safety and psychological wellbeing of employees and striving to achieve zero injuries, as well as continuous improvement in these areas;
- conducting due diligence assessments focusing on human rights and decent working conditions; and
- establishing effective mechanisms for raising stakeholder concerns and needs, internal procedures for handling such concerns and needs in a careful and effective manner and ensuring remediation in cases where Orkla has caused or contributed to material adverse impacts.

### 2.1.1. Responsibility

The Orkla Code of Conduct and the Orkla Sustainability Policy are reviewed annually by Orkla's Audit Committee to capture changes in statutory requirements and stakeholder expectations, as well as in Orkla's strategy or assessment of material sustainability-related impacts, risks and opportunities. Policy updates are approved by the Orkla Board of Directors.

The Orkla Snacks Board of Directors is responsible for monitoring policy implementation in Orkla Snacks, and the CEO of Orkla Snacks is responsible for ensuring that employees are familiar and comply with the documents and that training is carried out on an annual basis. Moreover, the Orkla Snacks Board of Directors is responsible for ensuring that the operations are conducted in accordance with relevant regulations, the Orkla Code of Conduct and the Orkla Sustainability Policy.

The Orkla Snacks Governance, Risk and Compliance Officer is responsible for instructing, monitoring and following up the organization on compliance with legal requirements, Orkla's Code of Conduct and internal requirements on business conduct. This includes awareness building, risk management and internal and external reporting on governance topics. The Orkla Snacks Chief R&D and Sustainability Officer is responsible for the sustainability policy and for ensuring adequate management processes for environmental and social topics across the company.

In 2025, Orkla Snacks will review the company's ESG policies and governance procedures and prepare a sustainability policy which mirrors the principles and expectations of Orkla ASA's sustainability policy.

### 2.2. Guidelines and procedures applicable to Orkla Snacks' own workforce

The Orkla Sustainability Policy addresses material topics related to Orkla's own workforce. These include diversity, equity and inclusion, working conditions, fair and adequate pay, working environment, health and safety. In line with the expectations of Orkla's Sustainability Policy, Orkla Snacks carries out an annual human rights impact assessment, covering risk issues within own organisation.

## **Diversity, equity and inclusion**

Orkla Snacks Diversity, Equity and Inclusion Policy describes the company's commitment to fostering, cultivating, and preserving a culture of diversity, equity, and inclusion (DE&I). Orkla Snacks seeks to embrace and encourage differences in age, colour, education, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, and other characteristics that make people unique. The policy outlines the company's commitment to creating an environment that respects and values differences, promotes equal opportunities, and ensures fairness in all aspects of employment. The policy applies to processes and practices on recruitment; compensation and benefits; learning & development; employee exit; and the ongoing development of a work environment built on the premise of diversity, equity & inclusion.

## **Working conditions, occupational health and safety**

Orkla Snacks' People Policy describes the company's aspirations for purpose, values, and company culture, emphasising the importance of treating everyone with dignity and respect. The policy covers several issues related to working conditions, including employee safety, fair and non-discriminating procedures for compensation, no acceptance for bullying or harassment, safety and well-being.

Orkla Snacks seeks to ensure that systematic and proactive steps to promote and preserve health and well-being at work is a natural part of all operations and has a vision of zero accidents. Orkla Snacks prepares an annual high-level assessment of human rights impacts which covers the risks of work-related injuries and work-related illness. In addition, all Orkla Snacks sites prepare systematic, more detailed risk assessments of their operational working environment, health and safety. The company has implemented Orkla's EHS Standard, including systematic procedures for training, risk assessments and improvements.

## **2.3. Policies and procedures for supply-chain due diligence**

Orkla Snacks' commitments to and principles for managing potential impacts on workers in the value chain are incorporated into the Orkla Code of Conduct, the Orkla Sustainability Policy, the Orkla Supplier Code of Conduct and the Orkla Business Partner Code of Conduct. These principles apply to all employees in the value chain, including persons at risk and vulnerable groups, such as children and migrant workers. The documents include a description of processes and mechanisms to ensure compliance with key international frameworks, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. The rights covered by these instruments are considered global, universal human and workers' rights which apply to all workers, regardless of a company's activities. The guidelines include a clear commitment to respect human and workers' rights, to cooperate and have measures in place to remedy adverse impacts, and to stop, prevent or mitigate potential adverse impacts. Critical issues such as forced labour, human trafficking and child labour are explicitly addressed.

The Orkla Supplier Code of Conduct describes Orkla Snacks' ethical requirements and expectations of suppliers. The requirements are based on the UN Universal Declaration of Human Rights, the ETI Base Code and the UN Global Compact's 10 principles for responsible business conduct. The document sets out clear requirements not to accept child labour or forced labour, and addresses freedom of association and collective bargaining, acceptable working conditions, adequate pay, work-life balance, health and safety, and equal opportunities. Orkla Snacks collaborates with Orkla's business service company Orkla Procurement to implement measures to ensure compliance with these principles through supplier dialogue, supplier self-assessments and ethical audits. The requirements have been translated into nine languages, and suppliers are required to sign and comply with them as part of the contract agreement.

Orkla Snacks has, with support from Orkla Procurement, adopted a risk-based approach to ensure effective collaboration with the company's many suppliers and safeguard responsible business practices. Together with Orkla Procurement, Orkla Snacks conducts an annual risk assessment of suppliers and raw material sourcing, covering criteria linked to working conditions, occupational health and safety, the environment and business ethics.

Orkla Snacks requests suppliers to register in Orkla's Supplier Portal. All suppliers who are added to the portal undergo a risk screening based on a sustainability risk assessment tool developed by Sedex. Sedex is a membership organisation offering a global platform for assessing supply chains through standardised methods and sharing of supplier information.

Supplier engagement efforts are prioritised towards suppliers and supply chains with the greatest risk of adverse impacts on fundamental human rights and decent working conditions. For high-risk suppliers Orkla Snacks uses a more detailed risk assessment method developed by Sedex, including a self-assessment and, when deemed necessary, an ethical audit based on the SMETA framework.<sup>7</sup> The SMETA framework provides information on supplier processes and non-conformances, and identified non-conformances are followed up through the Sedex system. As part of supplier audits, a 'Corrective action plan' is drawn up, which contains requirements and deadlines for suppliers to rectify non-conformances.

With regards to high-risk materials, Orkla Snacks selects suppliers who maintain high standards and have dedicated sustainability programmes. For agricultural raw materials, Orkla Snacks aims for sourcing raw materials which have been produced, as a minimum, in accordance with the requirements of the SAI Platform FSA<sup>8</sup> Silver level. For some high-risk food raw materials, Orkla Snacks uses third-party certification standards which include requirements and monitoring procedures for specific risk factors. Orkla Procurement provides support in assessing relevant supply-chain risks and in implementing risk-mitigation measures.

### **2.3.1. Cooperation and partnerships**

As a source of competence-building and stakeholder collaboration, Orkla Procurement actively participates in industry initiatives involving companies, authorities and expert organisations. The most important initiatives include Ethical Trade Norway, AIM-Progress, Sedex (see section 2.3 above) and the Sustainable Agriculture Initiative (SAI) Platform. Orkla Snacks Norge has been a member of Ethical Trade Norway since 2005, actively engaging with the organisation.

### **2.4. Due diligence assessments**

The illustration below gives an overview of the key steps in Orkla's recommended approach to sustainability-related due diligence assessments, including human rights and decent working conditions. Orkla Snacks is committed to following these steps, which are based on the principles of the UN Guiding Principles on Business and Human Rights.

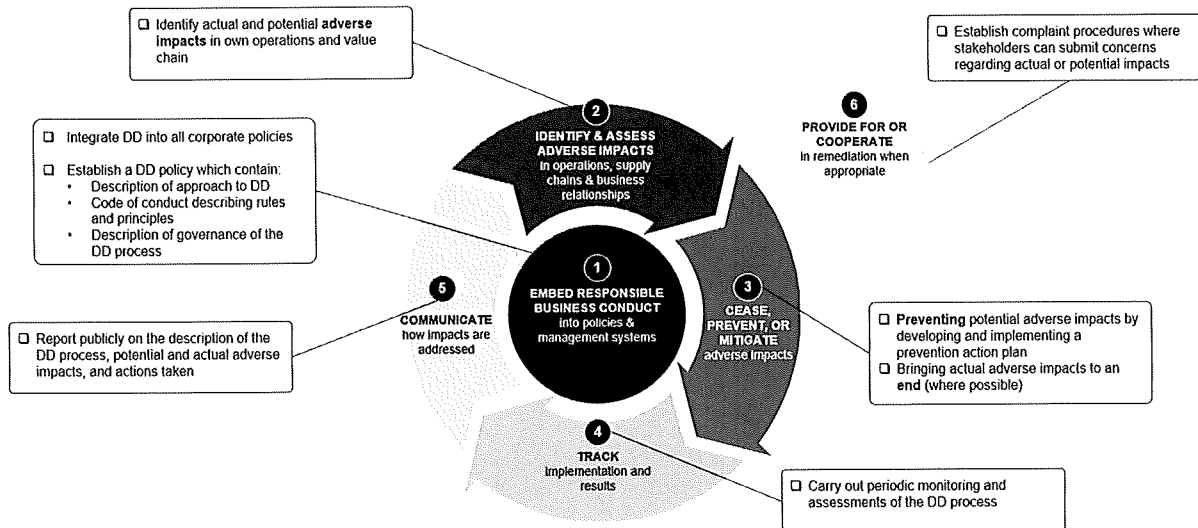
In 2024, Orkla Snacks prepared a human rights impact assessment and long-term plan, covering potential risk issues linked to own workforce, workers in the value chain, consumers and end-users and people in local communities. The assessment was prepared with support from Orkla's Centre of Excellence for Sustainability and from Orkla Procurement. The assessment and plan have been updated during the spring 2025, and the most recent findings linked to own workforce and workers in the value chain have been incorporated into this report.

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<sup>7</sup> SMETA stands for Sedex Members Ethical Trade Audit. The audit focuses on social issues and is carried out on-site by Sedex.

<sup>8</sup> The Farm Sustainability Assessment (FSA) is a framework for sustainable agricultural production developed by the SAI Platform. It includes specific criteria for addressing relevant ESG issues.

## Orkla's approach to sustainability due diligence



## 3. Adverse impacts on fundamental human rights and decent working conditions

### 3.1. Actual adverse impacts

#### 3.1.1 Own workforce

Orkla Snacks' human rights impact assessments for 2024 and 2025 indicate that Orkla Snacks' processes to ensure an inclusive and safe work environment and fair working terms are being implemented in a good way across the organisation, and no serious breaches of human rights and decent working conditions in own operations have been identified.

In 2024, a total of 44 work-related injuries were registered which led to sick-leave and medical treatment and/or restricted work. The injuries were classified as having low or medium high severity with regards to employee health based on Orkla's Occupational Health and Safety Standard, and there were no injuries of high severity. The injuries are not assessed as adverse impacts on fundamental human rights, but work-related injuries and ill-health is an important inherent risk issue for Orkla Snacks and the company's progress on ensuring occupational health and safety for own workforce is reported in section 3.2.

An assessment made of company wages compared to external benchmark data on adequate wage showed that some employees received wages below the external benchmark level used. All employees received wages above the legal minimum wages, and the finding is not considered as an adverse impact on fundamental human rights. Orkla Snacks' progress in ensuring adequate wages is reported in section 3.2.

#### 3.1.2 Workers in the value chain

Through ethical audits of tier-1 suppliers, 140 non-conformances with Orkla's Supplier Code of Conduct were identified in 2024. The majority of these are concerning lack of adequate procedures, and it is difficult to know whether the non-conformances have led to actual negative human rights impacts on workers. Therefore, the findings are treated as potential adverse human rights impacts and reported in section 3.3. The assessments of risks linked to raw material production also revealed risks of several types of adverse impacts. These are also described in section 3.3.

### **3.2. Risk of adverse impacts on fundamental human rights and decent working conditions in Orkla Snacks' own operations**

Orkla Snacks assesses that the risk of violations of children's rights, forced labour and breaches of the right to organise and participate in collective bargaining within own operations is very low. The company applies an 18-year age limit for employment. When younger persons are offered temporary work as part of apprenticeships or school assignments, Orkla Snacks follows national rules and regulations to provide young employees with safe working conditions.

Orkla Snacks' human rights impact assessments conducted in 2024 and 2025 identified a risk of adverse impacts in some areas covered by the Orkla Code of Conduct and the Orkla Sustainability Policy. Potential adverse impacts have been identified linked to the following topics:

- Working terms and conditions
- Occupational health and safety
- Diversity, equity and inclusion

#### **3.2.1. Working terms and conditions**

Through the impact assessment, Orkla Snacks has identified some potential negative impacts linked to working terms and conditions which the company wants to look further into and target with further improvement actions.

##### **Adequate wages**

In 2024, Orkla Snacks prepared an assessment of the compensation paid to own employees compared to external benchmark data for adequate wages provided by the organisation WageIndicator. WageIndicator is a recognised academic organisation which provides regional data on living costs and living wages in more than 200 countries. The calculation of adequate wages considers the cost of living for a typical family and country-specific information about fertility rate, earners per family and tax per worker for a typical family with two children and two working parents. For cases where the lowest living wage estimate is lower than the legal minimum wage, Orkla uses a higher living wage estimate. Keeping track of minimum adequate wages is relevant to measure performance and effectiveness related to actions to reduce negative impact and mitigate risks in respect of working conditions.

Orkla Snacks wants all employees to receive fair wages, and in 2024, Orkla Snacks paid attention to employees' increased cost of living as part of the annual pay adjustments. For employees in Orkla Snacks' production units, wages are determined through negotiated collective agreements. The pay of other employees is set using benchmarking tools which incorporate factors like country, sector, job type and competitive landscape.

The adequate wage assessment prepared in December 2024 showed that all employees received wages above legal minimum wage. However, in certain regions, some wages were found to be slightly below the regional WageIndicator benchmark figures for adequate wage. In 2025, Orkla Snacks will conduct a more in-depth wage assessment in the identified geographical risk areas and prepare a plan for closing the gaps.

##### **Work-life balance**

Orkla Snacks has clear guidelines for working hours which are implemented through employment contracts and internal procedures for human resources management. In an employee survey carried out during the winter of 2025 Orkla Snacks included questions linked to work-life balance. The general score on these questions was acceptable, but the survey indicated that some employees experience high work intensity at times to complete tasks, which may create stress. In addition, several of Orkla Snacks' production units have shift work which may create challenges linked to work-life balance for some employees. In 2025, Orkla Snacks will highlight work-life balance as an important management topic and managers are asked to pay particular attention to this risk issue when reviewing the employee survey results with their teams and preparing improvement plans.



### **Privacy**

As an employer of around 3,000 employees, Orkla Snacks has an inherent risk that personal employee data may be stored on local computers or spread through email. Orkla Snacks has strict procedures in place for compliance with the EU GDPR regulation, and the likelihood of unauthorised spread of information is assessed as low. Video cameras are used in Orkla Snacks' sites for security purposes. Orkla Snacks policy requires that employees are informed about video cameras used, but there is a potential risk that some employees perceive the presence of cameras as intrusive. Orkla Snacks will continue the continuous work to ensure high awareness on privacy issues and regulatory compliance.

### **3.2.2. Occupational health and safety**

Orkla Snacks has many employees engaged in manufacturing activities and thus has a high inherent risk of work-related injuries, including falls, cuts and exposure to chemicals, dust or noise. Although no breaches of human or workers' rights related to injuries were documented in 2024, the relatively high number of manufacturing employees means that there is an inherent risk of adverse impacts.

Orkla Snacks has adopted a zero-injury vision and works systematically to prevent accidents. The rate of recordable work-related accidents in 2024 was 8.5 and the number of injuries which required medical treatment and/or led to sick-leave was 44. There is variation in the number of injuries across units, but none of the injuries in 2024 were classified as severe. The main safety risks include slips and trips, hits and knocks, pinches and crunches. The sick-leave in 2024 was 6.4%, an increase compared to 2023 and above the target of < 4.5%. The share of work-related ill-health is estimated to be 1% and the main risk issues are considered to be ergonomics and stress.

Orkla Snacks has implemented a systematic approach to reducing the risk of injuries and work-related illness. This includes regular training, operational risk assessment and guidance and follow up of the production sites and offices. In 2024, Orkla Snacks organised a week dedicated to awareness-building on occupational health and safety across all business units and production sites. The purpose of this event was to bolster internal engagement and involve all employees in developing the culture needed to achieve the vision of zero injuries. Key themes included vehicle safety, culture-building, mental health and work-life balance.

As part of the systematic occupational health and safety work, the Orkla Snacks sites carried out occupational health and safety dialogues in 2024. These dialogues, which take the form of a structured discussion between a manager and an employee, serve to promote a positive working environment, health and safety.

### **3.2.3. Diversity, equity and inclusion**

Orkla Snacks has procedures in place to avoid unintentional discrimination in connection with pay-setting and promotion, as well as procedures to avoid unintentional discrimination during recruitment. This includes defined HR and recruitment processes, pay-setting frameworks, benchmarking of pay systems, structured recruitment interviews and objective skills tests. Still, it is not possible to exclude that unconscious biases affect decision-making in recruitment and promotion processes.

Through a gender pay gap assessment prepared in 2024, Orkla Snacks has identified a gap between average pay for men and women (total compensation). The assessment showed that the average gross hourly pay for all female employees in Orkla Snacks was 85% of the average pay for all male employees. Pay is defined as the ordinary basic or minimum wage plus all other remuneration – whether in cash or in kind – paid in connection with the employee's employment.

An assessment of base salary for employees in Orkla Snacks AS (without subsidiaries) showed that for level 1 (management team excluding CEO), women on average received 103.9% of men's base salary, on level 2 (other managers), women on average received 75.4% of men's base salary and on level 3 (employees working in administrative and staff functions), women's base salary was 81.7% of that of men. Based on the systematic procedures for compensation and benefits, Orkla Snacks considers that the likelihood that the gaps identified are attributable to discrimination is low. Still, Orkla Snacks made efforts in 2024 to correct imbalances between men and women by permitting larger pay increases for women in cases where women were being paid in the lower end of the wage span for a particular position. In 2025, Orkla Snacks will prepare a more detailed assessment of potential gender pay gaps and prepare an action plan to close potential unsubstantiated gaps.

In 2024, Orkla Snacks carried out training related to diversity, equity and inclusion, among others as part of an Inclusion Week which was organised across the organisational units. A similar event is carried out for 2025. Orkla Snacks will establish an Anti-Harassment policy in 2025 to emphasize our zero tolerance of bullying and harassment.

### **3.3. Material risk of adverse impacts identified in Orkla's supply chains**

Orkla Snacks has extensive and complex supply chains and is, together with Orkla Procurement, a major purchaser of numerous raw materials. The company thus has a material indirect impact on both workers employed by direct suppliers and workers engaged in raw material production, and an opportunity to exert positive influence on business practices in supply chains. Some raw materials are sourced in countries where poverty, weak governance and a lack of robust infrastructure create a risk of poor pay and working conditions and serious human rights violations, including child labour and forced labour.

#### **3.3.1. Salient human rights challenges in Orkla Snacks' supply chains**

Based on a risk assessment of suppliers and of geographical and sectoral risks linked to raw materials production, Orkla Snacks has identified the following human rights challenges as most salient for the company's supply chain engagement, based on an assessment of severity and likelihood:

- 1) *Child labour*
- 2) *Forced labour*
- 3) *Wages below adequate pay*
- 4) *Injuries or work-related ill-health*

##### **Child labour**

Orkla Snacks is associated with a risk of child labour through suppliers in certain countries. No specific cases of child labour have been documented in Orkla Snacks' supply chain in 2024, and most of Orkla Snacks' suppliers are professional players with robust procedures for responsible business practices. Nevertheless, a general risk of child labour is linked to supply chains of certain raw materials in certain countries.

The Orkla Supplier Code of Conduct states that child labour must be prohibited and prevented, and that suppliers must take the necessary measures to ensure that no child labour occurs at their own production or operating sites or at the production or operating sites of their sub-contractors. Unfortunately, the purchase of certain raw materials entails a risk of child labour in connection with raw materials production. Some of Orkla Snacks' suppliers use the Child Labour Monitoring and Remediation System (CLMRS)<sup>9</sup> in supply chains where child labour has been identified as an inherent risk.

Orkla Snacks aims to purchase certified raw materials or take other relevant actions to prevent child labour. The Rainforest Alliance, which Orkla Snacks uses for purchases of cocoa and hazelnuts, is an example of a certification standard which incorporates specific guidelines intended to reduce the risk of child labour. However, certification does not guarantee that child labour does not occur, and in 2025, Orkla Snacks will review and strengthen the company's plans for responsible sourcing to prevent child labour.

##### **Forced labour**

Through the Orkla Supplier Code of Conduct, Orkla Snacks requires suppliers to prohibit forced labour, involuntary or exploitative prison labour, slavery and human trafficking. Despite posing these requirements on suppliers, an inherent risk of forced labour remains in some supply chains. These supply chains may consist of many sub-contractors, making preventive work challenging. Orkla Snacks' primary strategy for eliminating forced labour in the supply chains is to purchase raw materials certified by third parties based on standards designed to prevent forced labour. Orkla Snacks is also focused on selecting suppliers who work systematically and actively to reduce the risk of forced labour.

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<sup>9</sup> Child Labour Monitoring and Remediation are systems designed to identify children in child labour, or at risk of child labour, and put in place support to effectively prevent and address it.

### **Wages below adequate pay**

Orkla Snacks is exposed to the risk of paying less than a living wage in several supply chains, particularly in connection with agricultural production.

Through the Orkla Supplier Code of Conduct, Orkla Snacks requires suppliers' pay and social benefits to meet – as a minimum – national legal standards or industry standards, whichever are higher. Pay must be sufficient to cover basic needs and provide some additional, discretionary income. Social benefits must – as a minimum – comply with national legal or applicable industry standards, whichever are higher. By purchasing certified raw materials, Orkla Snacks helps improve farmers' income. Orkla Snacks also focuses on selecting suppliers who work systematically and actively to safeguard human rights and decent working conditions, and some of Orkla Snacks' suppliers run dedicated sustainability programmes which also address living wage-related challenges.

### **Injuries or work-related ill-health**

Through its supply chains, Orkla Snacks is exposed to occupational health and safety risks (including risks related to injuries, exposure to chemicals, etc.).

Orkla Snacks seeks to promote safe working conditions in the supply chains. The Orkla Supplier Code of Conduct requires suppliers to provide their workers with safe and healthy working conditions, including with respect to protective equipment, drinking water, adequate sanitation, lighting, temperature, ventilation and health and safety training. The requirements are monitored through supplier dialogues, self-assessments and, in some cases, ethical audits. Non-conformance categories identified among suppliers include safety (inadequate fire exits), worker health and handling of chemicals. When a non-conformance is identified, the affected supplier must create a corrective action plan to eliminate the non-conformance by a clear deadline.

### **3.3.2. Non-conformances among direct suppliers**

In 2024, a total of 140 non-compliances were detected through supplier audits of suppliers to Orkla Snacks. Sedex operates with four levels of findings in its audits, reflecting severity and/or scope. The four levels are 'Business critical', 'Critical', 'Major' and 'Minor'. One finding classified as 'business critical' was detected. The finding concerned lack of adequate procedures for health and safety training and was addressed with the relevant supplier. The finding has been closed. 15 findings concerning seven suppliers were categorised as 'Critical' and 91 findings were classified as 'Major'. In accordance with Sedex' procedures, plans and deadlines have been defined for rectifying identified issues. The process is that a *deadline* for eliminating a non-conformance is agreed at the time the relevant audit is conducted and the supplier is then followed up to verify that this has been done.

In 2024, Orkla Snacks worked with Orkla Procurement to prepare risk assessments of all new suppliers with regards to both social and environmental risks. The number of audited suppliers was higher than in 2023, and there was also an increase in the number of detected non-conformances. The non-conformances identified were linked to inadequate procedures for health and safety (e.g. insufficient training, insufficient follow up of incidents, inadequate lighting in the production sites and observed lack of noise protection), excessive working hours, inadequate pay policies, failure to provide social benefits required by local legislation, lack of a works council, lack of a whistle-blowing channel for external stakeholders and lack of updated licenses for certain parts of the supplier's operations.

When serious matters are uncovered through audits, site visits or other means, Orkla Snacks follows up, investigates and seeks to secure rectification of the matters in accordance with the Orkla Sustainability Policy. The efforts to eliminate open non-conformances progressed well during 2024.

### **3.4. Orkla Snacks' most important high-risk raw materials – risks and measures**

Orkla Snacks uses certain raw materials from regions with a high inherent and known risk level related to human rights and decent working conditions, low environmental standards and weaker business practices than in more mature markets. In the annual impact assessment, Orkla Snacks prioritises impacts based on severity and likelihood and takes action to prevent and limit adverse impacts on human rights and decent working conditions. Risks and measures taken for the raw materials assessed as high-risk with regards to serious adverse human rights impacts are described below. In 2025, Orkla Snacks will review and strengthen

the procedures for human rights due diligence in supply chains to further improve the risk assessment and prepare a long-term plan for how to contribute to solving the social and environmental challenges linked to risk raw materials. This may influence the assessment of which raw materials that are seen to have a high risk of being linked to adverse impact on fundamental human rights.

#### **3.4.1. Cocoa**

Cocoa is a key raw material in chocolate production and is used by a number of local chocolate brands owned by Orkla Snacks in the Nordics and Baltics. The main chocolate brands are Nidar, Kalev, Laima, Panda and Noi Sirius.

##### **Risks**

The cocoa sector in West Africa, particularly in Côte d'Ivoire, faces serious challenges in the form of poverty, low productivity, human rights violations and environmental degradation. While global consumption of chocolate has increased over the years, cocoa production is declining due to small crop sizes, lack of farming expertise, pests and diseases. Serious issues such as child labour, deforestation and soil depletion are linked to underlying causes such as poverty, low prices, inadequate infrastructure and weak regulatory authorities.

##### **Measures**

The Orkla Snacks' business units are using certified cocoa. The most common certification body is Rainforest Alliance. Orkla Snacks' Icelandic company Noi Sirius is buying cocoa from a supplier which is engaged in a multi-stakeholder improvement program called 'the Cocoa Horizons programme'. Among other things, the Rainforest Alliance programme provides guidance of cooperatives and farmers and has established mechanisms for complaints-handling and remedial action. In 2025, Orkla Snacks' will continue the collaboration with key suppliers and Rainforest Alliance and prepare a plan for long-term engagement to prevent risks and contribute to a positive development in the cocoa value chain.

#### **3.4.2. Palm oil**

Orkla Snacks has been actively working on replacing palm oil with alternative raw materials in products for many years. As of today, palm oil is used only in a limited number of products where suitable alternatives have not been found.

##### **Risks**

Palm oil is associated with a risk of deforestation, which entails greenhouse gas emissions and the destruction of natural ecosystems and subsequent biodiversity loss. In addition, there is a risk of violations of indigenous people's rights in connection with production in indigenous people's areas. Palm oil is also associated with work safety hazards and a risk of breaches of other workers' rights, particularly in connection with the cultivation of oil palms.

##### **Measures**

Orkla Snacks' goal is for 100% of the palm oil purchased to be certified and is a member of the Roundtable on Sustainable Palm Oil (RSPO). By sourcing RSPO certified palm oil and palm kernel oil, Orkla Snacks reduces the risk of being linked to deforestation and human rights violations in the value chain. Among other things, the RSPO programme has established mechanisms for handling complaints and remedial measures.

In 2025, Orkla Snacks will collaborate with suppliers to meet the requirements of the forthcoming EU regulations on preventing deforestation.

#### **3.4.3. Nuts**

Orkla Snacks buys different types of nuts, as nuts are important ingredients in many of the company's products.

*Cashew nuts*

## Risks

The production of cashew nuts entails a risk of poor working conditions, including violations of working time regulations, unregulated working conditions, poor health and safety conditions, pay below the living-wage level, child labour and forced labour, and traceability in the supply chain is limited. Approximately 90% of cashew nuts purchased by Orkla Snacks are grown in West Africa and processed in Vietnam.

## Measures

It is difficult to ensure that cashew nuts are produced sustainably because there are no certification systems in place which are sufficiently comprehensive or quality-assured. Despite the challenges associated with certification and traceability, Orkla Snacks has adopted the target of using only verified sustainably produced cashew nuts which meet the Farm Sustainability Assessment (FSA) criteria of the SAI Platform<sup>10</sup>.

Alongside Orkla Procurement, Orkla Snacks Norge and Orkla Snacks Danmark have been participating in a project run by Ethical Trade Norway for several years, focusing on developing sustainable supply chains for cashew nuts in Vietnam. From 2018 to 2021, the project focused on managing sustainability risks identified in a baseline study in 2018. This included training of both farmers and producers in good agricultural practices and labour standards. The second phase of the project, which lasted from 2022 to 2024, focused on scaling up the training of farmers in good agricultural practices, environmental management and labour standards, exploring sustainable links in the supply chain, and training and supporting cashew producers and their sub-contractors with respect to labour standards and social dialogue.

In 2025, Orkla Snacks will prepare a plan for further engagement to prevent adverse human rights impacts linked to the cashew nut value chain.

## Hazelnuts

### Risks

Growing hazelnuts can present challenges such as low productivity, sub-standard working and living conditions for seasonal workers and instances of child labour. The biggest challenges related to cultivation are found in areas around the Black Sea.

### Measures

Orkla Snacks aims for all hazelnuts purchased to be Rainforest Alliance-certified or produced in accordance with standards which meet the silver-level of the FSA criteria. In 2022 and 2023, Orkla Procurement worked with the Rainforest Alliance hazelnut suppliers in Italy to establish this certification scheme among Italian producers. In 2025, Orkla Snacks will prepare a plan for further engagement to prevent adverse human rights impacts linked to the hazelnut value chain.

## 3.4.4. Coconut

Orkla Snacks buys coconut oil and coconut flakes as coconut ingredients are important in many of the company's biscuit products and some of the confectionery products.

### Risks

The production of coconut ingredients relies on smallholder farmers and entails a risk of child labour, unsafe working conditions, lack of living wages and limited access to health services and education. The main part of coconut purchased by Orkla Snacks is grown in Thailand, the Philippines and Indonesia.

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<sup>10</sup> SAI Platform, FSA: <https://saipatform.org/fsa/>

## Measures

Orkla Snacks aims for all coconut ingredients to be sustainably sourced and is now mapping certification schemes and available share of certificated materials. A plan for further engagement will be prepared in 2025.

## 4. Whistleblowing and complaint mechanisms to help detect adverse impacts

Orkla's Whistleblowing Policy sets out requirements governing the submission, receipt and handling of whistleblowing reports, and prohibits retaliation against whistleblowers in accordance with the EU Whistleblower Protection Directive. These requirements apply to all Orkla companies and reflect the provisions of the Whistleblower Protection Directive and the Norwegian Working Environment Act.

The whistleblowing systems implemented by Orkla and Orkla Snacks encourage internal and external stakeholders to report actual and potential breaches of laws and regulations, the Orkla Code of Conduct and generally accepted ethical standards.

Orkla operates a centralised whistleblowing mechanism which all group companies and all internal and external stakeholders can use. This mechanism is a supplement to local mechanisms established by the local Orkla Snacks companies. Orkla's centralised whistleblowing mechanism, which is provided by an external supplier, is available 24 hours a day in all relevant languages and ensures whistleblower anonymity. The law prohibits all forms of retaliation against persons who submit, in good faith, whistleblowing reports concerning possible censurable conditions. The whistleblowing mechanism falls within the remit of Orkla's Executive Vice President for Legal and Compliance. Orkla's Senior Vice President of Risk, Control and Investigation monitors and assists with implementation of the guidelines across all relevant Orkla companies.

Through the Orkla Supplier Code of Conduct, Orkla Snacks' suppliers and business partners are required to establish complaint mechanisms which take account of the UNGP guidelines. Some of the certification organisations with which Orkla Snacks and Orkla Procurement collaborate, have established complaint and remediation mechanisms with a presence in high-risk supply chains, for example those relating to palm oil (Roundtable on Sustainable Palm Oil) and cocoa (Rainforest Alliance). These third-party organisations are a valuable supplement to Orkla Snacks' own whistleblowing/complaints-handling mechanisms.

Orkla Snacks does not have a systematic approach for assessing whether workers in the value chain are familiar with and trust complaint mechanisms established by the companies, their suppliers and/or business partners. Stakeholder dialogue has been identified as an area for improvement in 2025–2026.

## 5. Work done in 2024 and plans for 2025

In 2023, Orkla transitioned from a business area-based organisational structure to a structure featuring an investment company with underlying portfolio companies. Occasioned by the change in operating model, Orkla Snacks started a review of the company's governance procedures related to sustainability and responsible business practices based on Orkla's expectations and regulatory requirements. The efforts to ensure robust ESG governance procedures continued in 2024 with satisfactory progress.

In 2024, Orkla Snacks prepared a human rights impact assessment and a double materiality assessment. These assessments were used as important input to the development of a new business strategy for Orkla Snacks, in which sustainability has been included as a key pillar. Long-term strategic targets have been defined for ESG topics identified as material both from an impact and financial perspective. Moreover, a human rights impact plan has been prepared to ensure effective risk mitigation of potential adverse human rights impacts and contribute to protecting human rights and decent working conditions across Orkla Snacks' value chain. The new strategy and human rights impact plan have resulted in increased awareness of salient human rights issues across the organisation and a strong management commitment to the defined targets.

In 2024, Orkla Snacks implemented various measures to promote wellbeing and positive working conditions for own workforce, focusing on areas such as workplace inclusion, safety and injury prevention, equal pay, training and skills development.

- A new and comprehensive employee survey (WeConnect) was introduced to monitor employee engagement and identify potential issues linked to the work environment. The survey will be carried out on an annual basis and is seen as giving valuable insights into employee sentiment, allowing data-driven decisions to improve the work environment
- In collaboration with Orkla Foods, Orkla Snacks started the development of a job architecture framework to support programmes for compensation management, competence and career development. The framework will be implemented in 2025 and is expected to lead to improved management of jobs, roles, skills, pay, careers, and talent across the organisation and is progressing according to plan.
- Also, in collaboration with Orkla Foods, Orkla Snacks defined a project to integrate pay equity and pay transparency into company policies, culture, and ways of working and to establish aligned processes and reporting across the companies, supported by digital solutions to enhance efficiency and accuracy. Solution design is planned for 2025 and company-wide implementation in 2026. The initiative will promote fairness and transparency in compensation across the organisation and is progressing according to plan
- Orkla Snacks prepared an adequate wage assessment with the purpose of identifying improvement areas and preparing for the ESRS reporting. The assessment showed that all employees are paid wages above the legal minimum wage. Orkla Snacks implemented additional pay adjustments to compensate for employees' increased living costs
- Orkla Snacks organised an EHS Week and an Inclusion Week in 2024, involving employees across their various locations. These initiatives are seen as an important contribution to the ambition of developing a strong health and safety culture and an inclusive work environment

Orkla Snacks has also continued the work to ensure responsible working conditions in supply chains, including systematic risk assessment, enrolment of tier-1 suppliers to the Orkla Supplier Portal and increasing the uptake of certified raw materials. Orkla Snacks has sought to ensure that high-risk raw materials are purchased from certified producers and/or from Europe or other low-risk regions.

As part of Orkla Snacks long-term human rights impact plan, the following actions have been defined for the strategy period 2025-2026:

#### **Own workforce**

- Continue systematic EHS monitoring, guidance and support of sites
- Make coordinated efforts across all units to reduce sick leave
- Prepare and implement a fair wages plan for BUs and central functions
- Prepare a detailed gender pay gap assessment to understand whether wage gaps exist which are not based on defined wage criteria and prepare a plan for closing unsubstantiated gaps
- Assess local practices and regulations for social protection and implement relevant improvement initiatives
- Consider implementing a new Learning & Management System covering all employees
- Make improvements to the performance management process

#### **Workers in the value chain**

- Continue implementation of the procedures for tier-1 supplier risk assessment and engagement
- Plan and implement a program for engagement with selected suppliers to encourage actions on key human rights topics
- Prepare a roadmap towards 2030 for risk-mitigation in high-risk supply chains, covering certification and other measures
- Plan and implement relevant improvement initiatives in prioritised supply chains in collaboration with suppliers and external partners
- Establish procedures for monitoring and reporting supplier progress

In 2025, Orkla Snacks will also prepare a sustainability policy based on the expectations in Orkla's sustainability policy and further improve the company's processes for human rights due diligence.

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(signatures on next page)



Oslo, 26th June 2025

The Board of Directors of Orkla Snacks AS



Thomas A. Bittinger  
Chairman of the Board



Gro Krigsvoll



Audun Stensvold



Marthe Kaarbø Mathisen



Stig Gøran Nilsen



Anders Nordgren



Ingvill Tarberg Berg  
CEO Orkla Snacks