

# Orkla's social responsibility in a pandemic year

In 2020 Orkla played a critical societal role as a manufacturer of foods, cleaning products and personal hygiene articles that people have needed in a pandemic. We have been committed to protecting our employees, preventing infection and maintaining operational efficiency throughout the value chain. At the same time, we have pursued longer-term plans such as acquisitions and continued focus on sustainability.



**Jaan Ivar Semlitsch**  
*President and CEO*



## Being “Your friend in everyday life”

is our vision, and in 2020 it was perhaps more relevant than ever before when we suddenly found ourselves in the midst of a pandemic. As a manufacturer of foods, cleaning products and personal hygiene articles, Orkla has been defined as a business of critical importance to society in several of our home markets. This is a responsibility that we have taken with the greatest seriousness. Early on in the pandemic we determined three clear priorities, which we have maintained at all times:

- Protecting our employees and preventing infection
- Ensuring the flow of goods in all markets
- Maintaining a good cash flow and a strong balance sheet

In our current situation, having experienced in every way the grave impact of a pandemic, I want to applaud the extraordinary efforts of our employees. They have helped to enable Orkla to respond effectively to the COVID-19 situation. We have implemented strict infection control measures and procedures, and have succeeded in maintaining efficient operations throughout our value chain and at our 105 factories.

Our effective, competent response to COVID-19 has given us the latitude to focus on longer-term plans, including acquisitions of new businesses. In 2020, we entered into agreements to purchase several companies, among which I would particularly like to mention Eastern (headquartered in Kerala) which will double our sales in India. This acquisition is clearly aligned with our strategy of strengthening our position in our most important markets. (As of today, the purchase has not been completed.) We also purchased some exciting, smaller companies such as Norgesplaster, Havrefras and Proteinfabrikken. In addition, we invested in sustainability through the acquisition of 24.9 per cent of the company Arctic Seaweed, and subsequent establishment of Orkla Ocean.

Since joining Orkla in 2019, I have made a point of meeting as many employees as possible and visiting our businesses in different parts of the world. Unfortunately, COVID-19 has curtailed this activity in the past year. As a substitute, I have carried out a number of digital “trips” and meetings, which have absolutely been inspiring and given me good insights into what is going on in our many companies.

In this extraordinary situation, we as a group have also chosen to support the Norwegian Women’s Public Health Association (N.K.S.) with both products and funding. It is gratifying to know that our collaboration with N.K.S. has benefited many people, including 3 900 families with children in a vulnerable situation.

One thing that has impressed me since I first started out at Orkla is the employees’ strong commitment to sustainability. And we can be proud of the way we work purposefully to give people sustainable everyday choices. This was again a clear focus for us in 2020. One innovation that I would like to highlight is Frankful, which was launched in Sweden. It is an entirely new brand, consisting of a range of products designed to make tacos even more climate-friendly, with reduced waste and sustainable raw materials. Orkla has also launched several other healthy products: Bare Bra cereals, plant-based NATURLI’® hamburgers and Idun unsweetened ketchup are a few examples in Norway.

An exciting priority area for us is plant-based food. To provide a concrete example of how this can be made trendy and tasty, we opened the NATURLI’® concept café on our own premises at our headquarters in Skøyen.

We are pleased to see that our efforts to promote sustainability are being recognised in several quarters. For the tenth consecutive year, Orkla has been recognised as one of the three leading European food companies by S&P Dow Jones. PwC acknowledges Orkla as one of four Norwegian companies that have achieved real results compliant with the Paris Agreement goals, in addition to which we were given an A ranking by the CDP for climate work (formerly the Climate Disclosure Project).

Sustainability will be no less important in the time to come, and we will strive to live up to our values of being brave, inspiring and trustworthy by offering strong, local and sustainable branded products wherever we are present – and thereby fulfilling our mission of improving everyday life with sustainable and enjoyable local brands.

