



# Sustainability Report 2011

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# Sustainable development

In 2011, Orkla refined and honed its strategic direction, and began the process of turning the Group into purely a branded goods company. We intend to focus on the area in which our competencies are strongest, and where we create the greatest value.

Orkla intends to grow and make acquisitions in the branded goods sector, while divesting businesses that lie outside the scope of the Group's core strategy. This means that the organisation will undergo a demanding transformation. In 2011, Orkla completed the sale of Elkem and sold off a substantial portion of its share portfolio. The ability to restructure is an essential prerequisite for long-term profitable operation in demanding markets, and is therefore an important sustainability issue. Restructuring also entails a responsibility for protecting the interests of our employees and other affected stakeholders. When we sell businesses, it is important to us to ensure that the value that Orkla has helped to build up over time is satisfactorily preserved under the new owners. When the restructuring of a business necessitates closing down operations or making workforce reductions, we are committed to ensuring transparency and the involvement of employees and their organisations, in order to ensure that the processes are carried out in the best possible way.

Value is created through such factors as good leadership and the ability to promote human resource development. This is the principle underlying Orkla's vision of "Developing people, creating value". The primary learning arena is at the employee's work place. Orkla has also established skills upgrading programmes, run both centrally by the

Group and by the business areas. I am pleased to note that Orkla's training programmes generate positive feedback from course participants and their managers. These courses are instrumental in spreading experience acquired over several decades to all parts of the Group. In 2011, management staff from a total of 14 countries participated in Orkla's Senior Management Programme, in which I myself teach two days every year. Developing the human capital in every part of the Group is and will remain a critical success factor for Orkla.

Protecting people and the environment is a major responsibility for any company. Orkla's continuous efforts to improve its environmental, health and safety performance produced positive results in many of the companies in 2011. In Orkla Brands, the sickness absence rate fell from 4.5% to 4.0%, and several factories in both Orkla Brands and Sapa operated throughout the year without an injury causing sick-leave. These are gratifying examples of the good effects of systematic efforts over time. Sadly, there were also three accidents in 2011 involving loss of life. These accidents underscore the need for a constant focus on injury prevention efforts throughout the Group.

Orkla's operations are affected by global sustainability challenges in several areas, and the Group strives to effectively address sustainability-related risk and

opportunities. Efforts related to such important issues as energy consumption, nutrition and health made good progress in 2011. For example, Sapa increased its capacity for recycling and re-smelting aluminium during the year, and continued its efforts to develop environmentally-friendly solutions for the building and transport sectors. In 2011, Borregaard made significant advances in developing new technology for the production of biochemicals and second-generation biofuel from different types of biomass. Orkla Brands has succeeded in reducing the content of salt, fat and additives in a number of products. Through the development of products and processes related to its companies' core activities, Orkla is helping to create a more sustainable society.

Orkla has been a member of the Global Compact since 2005. We regard our obligation to promote the Global Compact's ten principles as an inspiration to set our sights increasingly higher. Orkla revised its general corporate responsibility directives in 2011, and I hope that this will help to further strengthen the Group's efforts in the next few years.

Bjørn M. Wiggen  
President and CEO, Orkla ASA



# Orkla's Operations

Orkla's primary goal has always been to create long-term value for customers, employees, shareholders, and society. The ambition is to generate a long-term return on investment for shareholders that is better than relevant investment alternatives. Orkla's strategic focus is on growth within branded goods.

## The Orkla Group

Orkla ASA is an international group of companies that is listed on the Oslo Stock Exchange. Its head office is in Oslo, Norway. The Group currently operates in the branded consumer goods, aluminium solutions and financial investment sectors. Orkla Brands supplies branded consumer goods and concept solutions for the consumer, out-of-home and bakery markets. Sapa supplies aluminium-based solutions for the building, construction, transport and other industries. Orkla's other businesses include Borregaard, Hydro Power, ownership interests in Jotun and REC, and investments in securities and real estate.

In 2011, the Orkla Group had total sales of NOK 61,009<sup>1</sup> million and 29,785<sup>2</sup> employees. Orkla has operations in 41 countries, primarily in Europe, Asia and America. A detailed overview of the Group's operations may be found at [www.orkla.com](http://www.orkla.com).

Orkla refined and sharpened the Group's strategic direction in 2011, and began work on the process of turning Orkla into a pure branded goods company. The Group aims to grow by leveraging its core branded goods expertise, and will allocate

capital and management resources to businesses where this expertise is relevant. By simultaneously exploiting the Group's merger and acquisitions expertise, Orkla intends to consolidate its position as the leading branded goods company in the Nordic region. The change in the Group's strategy will entail the divestment of businesses that lie outside the scope of the Group's defined growth area.

## Orkla's decentralised organisational structure

The Orkla Group comprises a total of around 100 companies in a wide range of product sectors. The Group has a decentralised organisational structure, where responsibility for strategy and value creation lies with each individual company. This structure is designed to ensure that decisions are made by senior executives who are close to their markets and have an insight into local issues and needs. Each company is legally responsible for its own operations and has independent profit responsibility. All of the companies in the Group share the following characteristics:

- Local management and value chain
- Independent legal responsibility
- Independent profit responsibility

- Sales organisations with good customer relationships
- Knowledge of local markets, consumer and customer insight
- No. 1 or no. 2 positions (primarily) in their markets

The Group has established Group-wide requirements where this is appropriate within the framework of Orkla's decentralised organisational structure. Company compliance is monitored by means of the Group's internal reporting systems, internal audits, risk management procedures and the internal board structure. Further information on Orkla's governance procedures may be found at [www.orkla.com](http://www.orkla.com).

## Shareholders

As at 31 December 2011, there were a total of 46,200 Orkla shareholders, 41% of whom were foreign shareholders. The largest shareholdings outside Norway are located in the USA (14%), the UK (13%), Luxembourg (4%), Belgium (3%), Sweden (2%) and Ireland (1%). An overview of Orkla's most significant shareholders may be found in the Orkla Annual Report.

<sup>1</sup>As at 31 December 2011



- Foods Nordic
- Brands Nordic
- Brands International
- Food Ingredients

Operating revenues (NOK million): 24,621  
 EBITA<sup>1</sup> (NOK million): 2,784  
 Number of man-years: 13,581



- Profiles
- Heat Transfer
- Building System

Operating revenues (NOK million): 30,844  
 EBITA<sup>1</sup> (NOK million): 812  
 Number of man-years: 14,314



42.5%

Hydro Power



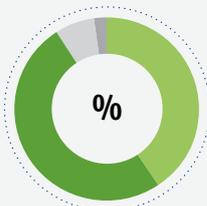
Share Portfolio



39.7%

<sup>1</sup> Operating profit before amortisation and other income and expenses.

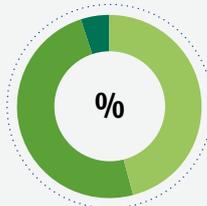
Sales revenues, by business



- Orkla Brands 41%
- Sapa 51%
- Borregaard Chemicals 7%
- Hydro Power 2%

Total sales revenues  
 NOK 60,345 million

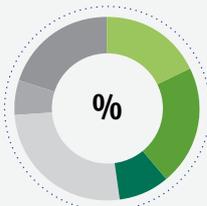
Number of employees, by business



- Orkla Brands 46%
- Sapa 49%
- Other 5%

Number of employees 29,785

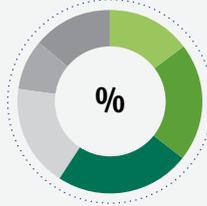
Sales revenues by geographical area, Orkla Group



- Norway 10,743 (18%)
- Nordic region excl. Norway 12,381 (21%)
- Central and Eastern Europe 5,482 (9%)
- Rest of Europe 15,862 (26%)
- Asia 3,803 (6%)
- America/Rest of the world 12,074 (20%)

Total sales revenues NOK 60,345 million

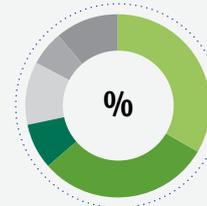
Number of employees, by geographical area



- Norway 4,394 (15%)
- Nordic region excl. Norway 6,147 (21%)
- Central and Eastern Europe 7,246 (24%)
- Rest of Europe 5,234 (18%)
- Asia 2,612 (9%)
- America/Rest of the world 4,152 (14%)

Numbers of employees 29,785

Capital employed, by geographical area



- Norway 33%
- Nordic region excl. Norway 30%
- Central and Eastern Europe 8%
- Rest of Europe 11%
- Asia 6%
- America/Rest of the world 11%

Total capital employed (capitalised)  
 NOK 41,944 million



# Corporate Responsibility at Orkla

Through profitable, responsible operations, Orkla companies generate positive ripple effects for society. Moreover, the companies implement improvement and development measures that help to meet sustainability challenges in areas such as nutrition and health, climate change and energy consumption.

## Orkla's corporate responsibility

Orkla defines corporate responsibility as achieving commercial profitability in a way that is consistent with fundamental ethical values<sup>2</sup> and with respect for individuals, the environment and society. Orkla companies shall operate in accordance with Orkla's Goals and Values and Group directives. Goals and Values will be revised in 2012–2013.

Orkla's directive on corporate responsibility was revised in 2011 and the Group has identified the following main corporate responsibility topics: a strong corporate culture, respect for human and workers' rights, the environment, health and safety (EHS), anti-corruption, responsible marketing practices, responsible sourcing, responsible investments and community engagement. The objective of the revision has been to define more clearly the key standards that Orkla requires its businesses and employees to meet, and to update these standards in the light of developments in external norms.<sup>3</sup> The intention is to ensure

that the directive reinforces Orkla's efforts in these fields.

As a consequence of Orkla's decentralised organisational structure, each company has an independent responsibility for identifying relevant responsibility topics and addressing them in accordance with the Group's general directives and national regulatory requirements. In these efforts, account must be taken of the interests of both Orkla's [stakeholders](#) and Orkla itself. While the Group companies are considered to have good practices with regard to many individual topics, there is a need to improve risk assessment procedures to ensure more systematic identification of the risk of breaches of corporate responsibility and ethical standards. In the coming period, the Group will develop suitable risk management tools and assist the Group companies in implementing them.

The Group's corporate responsibility staff assist the companies with training and guidance on corporate respon-

sibility and business ethics, and in 2011 arranged seminars for around 150 managers and key personnel. This type of training is also included in the Group's training programme for senior managers. In the coming period, corporate responsibility and business ethics will also be included as a topic in other Group training programmes.

## Important sustainability challenges

Orkla's operations are affected by global sustainability challenges in several areas. The companies routinely assess the possible consequences of changes in the supply of resources, framework conditions and demand for sustainable products. Based on these assessments, the Group has identified a special need to promote effective resource utilisation in the value chain, and to find effective ways of addressing challenges related to nutrition and health.

Many of Orkla's companies have seen a significant rise in raw material prices in the past few years, and are working

<sup>2</sup> Orkla endorses the Global Compact's 10 principles, the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises.

<sup>3</sup> The UN Guiding Principles on Business and Human Rights and the revised OECD Guidelines for Multinational Enterprises were used as input in the revision process.

systematically to ensure good price management and raw material utilisation. At the same time, the companies are increasingly implementing improvement measures that target social and environmental challenges in supply chains. Examples of product categories where improvement efforts are being carried out are cocoa, palm oil and fish. This not only leads to improvements within the supply chain, but also ensures more predictable deliveries.

Energy consumption accounts for a substantial share of production costs, both for the Orkla companies and for transporters and suppliers. Improving energy efficiency and increasing the use of renewable energy sources are therefore important, both for cutting costs and for reducing greenhouse gas emissions. The Group companies focus actively on these issues, and have achieved significant improvements, primarily in their own factories. Several of the companies are engaged in systematic efforts to switch from fossil to renewable energy sources, to increase recycling and to improve

transport and logistics solutions. This development work will continue in the years ahead. In the future, the companies will also emphasise the environmental aspect when choosing suppliers.

Fresh water is becoming an increasingly scarce resource in many areas of the world, and the costs of using water are expected to rise. Reducing water consumption in the value chain, primarily by setting requirements for and monitoring suppliers, will therefore be an important priority in the next few years.

The need for more energy-efficient, environmentally-friendly buildings and means of transport offers important market opportunities for Sapa and Borregaard. Sapa's businesses develop aluminium products and solutions that help to reduce energy consumption in buildings and vehicles, and supply profile solutions to the solar cell industry. Borregaard's development and production of second-generation bioethanol is also a result of the global need for more climate-friendly energy. Sapa and

Borregaard's focus on environmentally-friendly product and process innovation is part of the companies' long-term business strategy, and will be maintained.

Orkla's food business is affected by consumer trends related to health and nutrition. The companies in the Group develop products that can support a healthier diet in market segments where this is natural and possible. The companies pay particular attention to reducing the content of salt, sugar and saturated fat. They also attach importance to providing consumer guidance, consumer service and being responsible in marketing.

### Human and workers' rights

In 2011, Orkla developed an internal human rights policy which define the Group's principles with regard to human and workers' rights in an internal human rights policy. The most important human rights issues for Orkla include gender equality, diversity, and consultation and employee engagement. Efforts to address these issues are

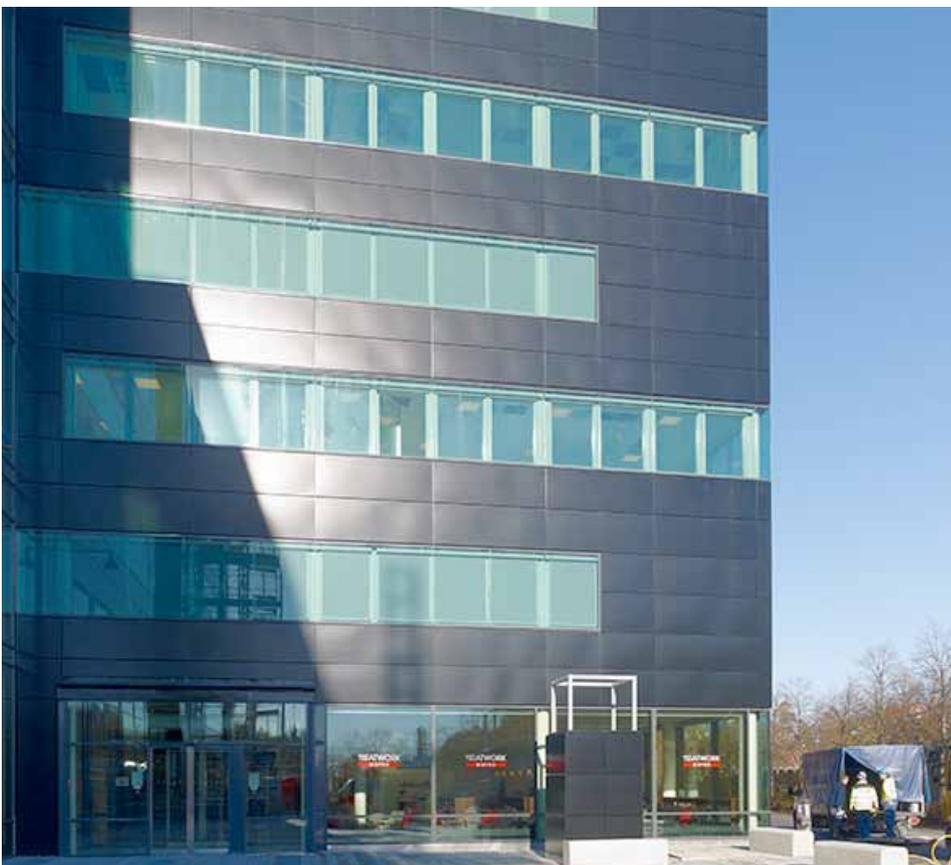


Photo Sapa

Sapa develops aluminium-based solutions for use in energy-efficient buildings

described in separate sections. The Group also attaches importance to avoiding becoming involved in breaches of human or worker's rights in connection with purchasing or investments, and requires its companies to implement risk management procedures in these areas. In 2011, no matters relating to the rights of indigenous peoples were reported in the Group.<sup>4</sup> Nor were the companies in the Orkla Group involved in any legal disputes relating to breaches of data protection regulations.<sup>5</sup>

The companies in the Group have established hiring procedures and working conditions that protect employee rights in accordance with local legislation. Among other things, procedures have been put in place to ensure that all employees have written employment contracts, regulated working hours and good working conditions, and to ensure that no child labour or forced labour is used in the Group's operations. Most of the permanently employed staff members are currently covered by procedures for annual performance assessment interviews, and the Group aims to ensure that all employees receive good, regular feedback on their work. The performance of all management staff in the Group is monitored in terms of human resource development and the promotion of a collaborative climate.

### Gender equality and diversity

A diversity of experience and perspectives among management and employees enhances the quality of decisions, and is important for the companies' value creation. By adopting clearly defined attitudes, raising management awareness and monitoring company practices, Orkla seeks to avoid discrimination and to promote greater diversity. Respect, tolerance and equality are key elements of Orkla's basic values, and the principle of equal treatment of employees irrespective of gender or background was highlighted in 2011 through the formulation of Orkla's human rights policy.

Several Orkla companies have signed the Norwegian agreement on Inclusive Working Life, thereby committing the companies to promoting an inclusive working environment, which includes implementing measures to include older employees. Orkla has collaborated with a non-profit organisation, Alarga, for several years on making access to the labour market easier for young people of minority origin. In 2011, a representative of the Orkla Group headed Alarga's Advisory Board, and the Group also gave an educational grant to a master's student. Through this partnership, Orkla has provided grants for a total of five students in the period 2007–2011. The Group has also established a partnership with Ambisjoner.no, a career and education web portal for persons of minority origin.

Orkla has operations and employees in 41 countries. In line with the Group's decentralised business model, Orkla emphasises the importance of hiring managers with relevant commercial and cultural insight. Almost all the members of the companies' management teams are recruited locally, and career development across companies within the same business area and country is stimulated.

In 2011, 33% of Orkla employees were women, compared with 34% in 2010. Orkla companies wish to achieve a more even gender balance among their employees, and emphasise this aspect when recruiting new staff. Moreover, for several years, Orkla has worked systematically to promote a better gender balance among the Group's managers. The Group requires that at least one woman must be nominated when recruiting candidates for management team positions at company or business area level, and women are given priority for participation in Orkla's management development programme. Several of the companies also implement their own measures to increase the proportion of women managers.

There was no progress in increasing the share of women managers in 2011. The percentage of women among the 465 most senior executives in the Group was 21.5%<sup>6</sup> in 2011. The overall percentage of women managers at all



Foto: Kyre Lien

Orkla companies seek to foster an open, inclusive work environment

<sup>4</sup> Based on annual internal reporting by business areas to the Group regarding disputes, litigation, supervision cases and similar matters.

<sup>5</sup> Based on annual internal reporting by business areas to the Group regarding disputes, litigation, supervision cases and similar matters.

<sup>6</sup> Key management staff at Group, business area and company level. This is equivalent to approx. 18% of the total number of managers.

levels of the Group's operations<sup>7</sup> was 25%, compared with 26% in 2010. The number of women managers at Orkla is considered to be too low, and action to remedy this situation will continue.

There were two cases in 2011 concerning regulatory requirements related to gender equality and non-discrimination, both in connection with Sapa<sup>8</sup>. These are described in further detail in the section on Sapa later in this report.

**Employee consultation and engagement**

Good internal communication and cooperation between management and employees is crucial for the Group's success, and for the employees' job satisfaction. Systems for active employee engagement have been established in all Orkla companies. Employees are represented in the Group's governing bodies, and the Group has a Nordic executive committee that serves as a

channel for dialogue between employee representatives and management. In the Nordic countries, an estimated 75 percent of all production employees in the Group are organised in trade unions. The percentage of union members is significantly lower among white-collar employees. To ensure that the employees in the Group's other companies in Europe are informed of important matters concerning the Group, and that their opinions on such matters are heard, an agreement has been established regarding a European Works Council. Information on Orkla's systems for employee consultation and engagement may be found at [www.orkla.com](http://www.orkla.com).

The Group's system of corporate democracy was reviewed in 2011, and the number of representatives in the Group's Committee of Union Representatives was adjusted as a result of Orkla's sale of Elkem. Committee

meetings were held in accordance with established practice. In 2011, Orkla held a course on the legal aspects of board work for employee representatives in the Group. The employee representatives were also involved in the revision of Orkla's directives on corporate responsibility and business ethics. In every company in which restructuring processes were carried out, efforts were made to engage in a dialogue with the employee representatives and to involve the employees.

**Human resource development**

Orkla considers on-the-job training to be pivotal to developing employee expertise. This training is supplemented by various types of courses and formal training provided by the companies, the business areas and Orkla. Orkla and the business areas run their own training programmes in management development and key areas of expertise. An overview of the most important

Photo: Orkla



Photo: Werner Anderson/Cox



Above: Employee representatives from Orkla's European businesses attend a European Works Council

Left: The Orkla companies employ people with a range of different competencies

<sup>7</sup> For reporting purposes, managers are defined as employees with formal personnel management responsibility. This definition does not cover specialised managers or other management positions without personnel management responsibility.

<sup>8</sup> Based on annual internal reporting by business areas to the Group regarding disputes, litigation, supervision cases and similar matters.

skills-building programmes may be found at [www.orkla.com](http://www.orkla.com). A total of 645 employees took part in Group skills-building programmes in 2011. This is equivalent to 2.2% of all Group employees. In addition to the Group and business areas' centrally organised course activities, the companies hold courses and run training programmes on a range of topics, such as hygiene and quality control, EHS activities, sales, project management and labour law. Orkla will continue to focus on human resource development.

To ensure that the Group's Nordic manufacturing businesses possess the requisite specialised expertise in the coming years, Orkla sees a need to strengthen the companies' vocational training programmes. Orkla's internal network for vocational training, in

which employee representatives, the HR function and Orkla's management are represented, conducted a status review in this field in 2011. In 2012, the Group will prepare a proposal for ways to strengthen companies' vocational training programmes and how the Group can more effectively support the companies' efforts in this area.

**Anti-corruption and competition law**

Orkla is committed to developing a strong anti-corruption culture, and to this end prepared an anti-corruption manual in 2009. The standards that must be complied with by each employee, manager and board member in the Group companies were clearly defined in 2011 through the revision of Orkla's Code of Conduct. In 2010, the Group carried out web-based training for man-

agement and employees in exposed positions. No similar training was provided in 2011, but anti-corruption is one of several topics covered by the Group's general corporate responsibility training. In 2012–2013, Orkla will develop procedures for regular training on this topic.

The sale and marketing of Orkla products and services must be carried out with respect for local regulatory requirements, and in accordance with the principle of free and fair competition. The Group also provides guidance and training on competition law, and has issued clear Group directives in this field.

Orkla had no matters involving breaches of anti-corruption or competition regulations in 2011<sup>9</sup>.

Photo: Orkla

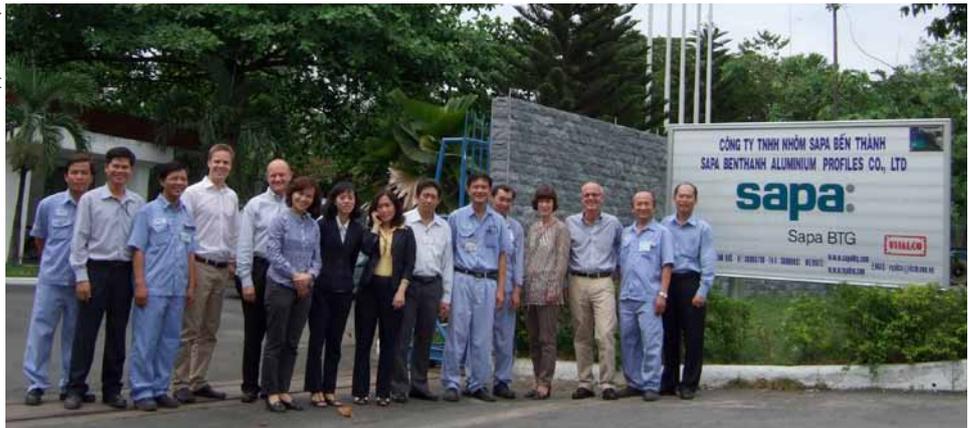


Photo: Orkla



In 2011, Orkla provided corporate responsibility training for the management of Sapa's business in Vietnam

<sup>9</sup> Based on annual internal reporting by business areas to the Group regarding disputes, litigation, supervision cases and similar matters.



# Environment, Health and Safety

A good environment, health and safety (EHS) performance is a prerequisite for efficient, profitable operations. Orkla has a vision of zero harm to people and the environment. Operating in a responsible manner with respect for people and the environment is a deeply ingrained element of Orkla's corporate culture.

## EHS work at Orkla

Orkla has a multi-local management structure, in which each company has an independent responsibility for its own EHS activities. The general requirements that must be met by the companies are set out in Orkla's EHS policy. Each company must set targets and draw up activity plans, establish systems and control procedures, implement measures and report on its EHS activities. All employees, contract workers and suppliers must be made aware of their EHS responsibilities and be actively engaged in EHS activities at their workplace. Regular reporting and monitoring are intended to ensure control and continuous improvement over time.

Behaviour-related safety measures are central to Orkla's EHS activities, and are designed to enable each employee to perform his or her job correctly and safely from day one. Achieving this objective requires the development of best practice standards, the effective adaptation of technological solutions, and comprehensive training for and coaching of employees at the workplace.

Risk assessments are a key component of EHS work, and all Orkla units must carry out such assessments. This will help companies to achieve continuous

improvement and will provide a good basis for prioritising the most important EHS measures and establishing effective action plans.

Health and safety are important issues in the collaboration between management and employee representatives in Orkla companies. In the Scandinavian countries, working environment committees have been established in all factories in compliance with local legislation. Work on developing selected indicators is regularly followed up in the companies' boards and management teams, as well as with employee representatives and employees.

EHS activities in 2011 focused primarily on continuing the long-term, ongoing improvement efforts in accordance with Group requirements, and on sharing experiences across the entire Group. Efforts have been made to build a common understanding of the need to monitor key EHS elements, and common definitions were adopted for indicators that are to be reported. The system is being adapted for follow-up at all levels of the organisation: Group, business area and company. Key indicators are to be reported for each company's own employees and temporary employees, while contractors also required to

monitor their own activities correspondingly.

An important aspect of the improvement process is recording and following up on all types of injuries and undesired incidents. In 2012, Orkla will introduce a Group-wide system for reporting on and monitoring occupational health and safety. Businesses will be measured in terms of the degree to which they report data, their implementation of necessary measures and their follow-up of incidents.

## Injury prevention

Despite the efforts to prevent occupational accidents, three tragic accidents occurred in 2011 in connection with Orkla's activities. Four Orkla employees were involved in a very serious traffic accident north of Østersund, Sweden. A 21-year-old man died at the scene, while three others sustained grave injuries. At Sapa Profiles Shanghai, China, a janitor died while carrying out repairs on an oven in the factory's canteen. The hired driver of an Orkla-owned lorry was involved in a fatal traffic accident outside Kristiansand, Norway, in which a young girl was hit. These incidents show that all parts of the organisation must continue to give their full attention to injury prevention efforts.

Orkla achieved a LWDR (Lost Work Day Rate)A of 4.6 in 2011, which is the same rate as in 2010. The TRR Total Recordable Rate B was 14.2 in 2011, compared with 13.3 in 2010. The increase in reported incidents may be due to the fact that in 2011 several companies began to record and follow up on injuries not leading to absence. Nevertheless, the results are unfortunately not consistent with Orkla's ambitions of continuous improvement and its vision of zero injuries.

Although injury rates for Orkla as a whole have not changed, many of the companies saw a positive trend in 2011. There were no injuries leading to absence at several factories in 2011, and the injury rate at many factories fell from 2010 to 2011. This improvement indicates that compliance with key EHS principles such as good house keeping, engagement, upgrading of expertise and a willingness to learn from others leads to improvement. The importance of working in compliance with these principles must be emphasised throughout the organisation.

**Health and the working environment**

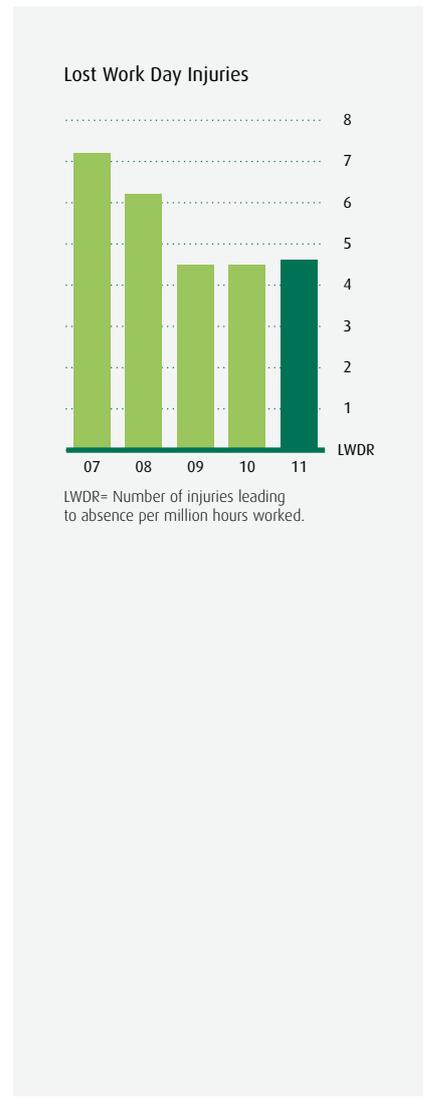
There was continued focus on the topic of health-promoting workplaces and long-term employee health in 2011. In February, Orkla held a Group conference on the topic which was attended

by a large number of participants from Orkla's Nordic businesses. The main message communicated at the conference was that each business must put in place good processes in which management and employees participate actively to establish measures adapted to their workplace.

The objective of these efforts is to raise employee awareness of their contribution to improvements and results, and of their opportunities for personal and professional development. Every employee must feel that he or she is contributing to common objectives and results and achieving personal development.

A healthy lifestyle is a major factor in creating a health-promoting working environment, and measures implemented at the workplace to prevent work-related illness can also prevent sickness absence.

Measures have focused on work operations that are physically demanding, and over time several factories have invested in equipment that reduces the risk of musculoskeletal disorders. Work is organised to enable persons on sick leave to return to their jobs as soon as possible and be included in a work situation that has been adapted to take into account their health problems. Many companies also offer a



Emphasis on promoting understanding of important EHS-principles throughout the organisation

Photo: Bilde Folk

broad range of specially adapted exercise programmes, healthy food in canteens and nutritional guidance.

The sickness absence rate in the Orkla Group was 3.4% in 2011, while the corresponding rate for 2010 was 3.6%. However, rates vary significantly from company to company and from factory to factory. The rules for recording sickness absence and follow-up of employees on sick leave vary from one country to another. In Norway, Orkla complies with the principles of an inclusive work environment, which entail active follow-up of absentees and collaboration with the company health service. Similar principles also apply to Orkla's operations in other parts of the world. The sickness absence rate for the businesses in Norway was 6.5% in 2011, up from 5.3% in 2010. This increase is ascribable to challenges in individual companies, and measures have already been put in place to improve the situation.

**The external environment**

Orkla is committed to taking responsibility for the external environment, and focuses strongly on reducing any negative environmental impacts related to the Group's processes and products. Any emissions or discharges are recorded and dealt with in compliance with national and local requirements. In 2011, one serious incident was recorded which entailed follow-up action by the local and national authorities.

A formal complaint regarding storage of hazardous waste was brought by the

Norwegian Climate and Pollution Agency against Øra Næring AS, an Orkla company in Fredrikstad, Norway that rents out tank farms. It was discovered that the company DVS Norge AS has illegally deposited hazardous waste for interim storage in tanks on Øra Næring's site. Since the discovery of this regulatory non-compliance, Øra Næring has implemented a plan to empty the storage tanks and deliver the hazardous waste back to its owner, DVS Norge AS.

It is important that Orkla businesses have a good dialogue with local and national environmental authorities to ensure that necessary information related to permits is communicated and followed up.

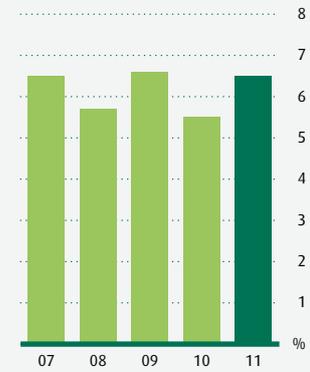
Orkla's environmental impacts are primarily related to greenhouse gas emissions generated by energy consumption processing emissions from Borregaard's operations in Sarpsborg, as well as waste management, noise, and the use of materials and scarce natural resources, including water.

**Resource consumption**

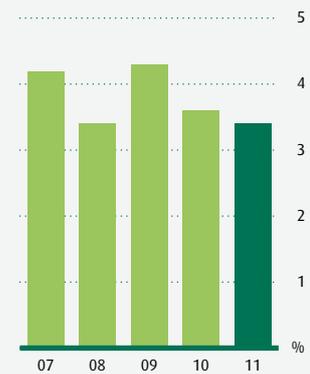
*Raw materials*

Orkla products must be manufactured from safe raw materials, using accepted methods. Orkla requires its suppliers to meet product safety, environmental and ethical production standards. In 2011, the Group maintained its focus on monitoring suppliers, and on establishing a system for supplier approval and auditing.

Sickness Absence Rate for Orkla in Norway



Sickness Absence Rate for Orkla Global



Consumption of Water

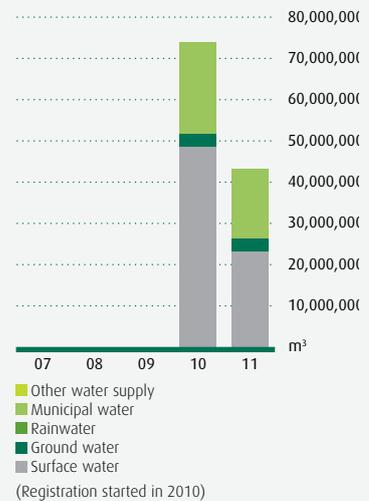


Photo: Kyrre Lien

Monitoring and control of emissions to the environment is an important part of Orkla's EHS-activities. Water cleaning at Procordia in Eslöv, Sweden.

**Energy**

Total energy consumption in 2011 amounted to 6.6 TWh, compared with 9.6 TWh in 2010. (Adjusted for the sale of Elkem, consumption in 2010 totalled 5.4 TWh.) Approximately 2.4 TWh of energy used in 2011 was electricity. The change in Orkla's energy consumption is due to increased production in parts of Orkla Brands, and the sale of Elkem's smelting plants.

Orkla's own hydropower plants produced around 2.5 TWh of electricity.

Orkla companies focus continuously on energy-efficiency and investment projects to reduce energy consumption and maximise the use of renewable energy. In the short term, this is one of the most important environmental measures carried out at Orkla.

**Water**

Fresh water is an increasingly scarce resource in many parts of the world, and water costs are expected to rise in the long term. Reducing water consumption will therefore be an important objective for Orkla companies in the coming years. Many factories continued to reduce their water consumption in relation to production volume in 2011.

Consumption of fresh water at Orkla's factories totalled 43.2 million m<sup>3</sup> in 2011, compared to the 73.9 million m<sup>3</sup> reported in 2010. The substantial decline in water consumption is primarily due to the sale of Elkem's smelting plants. There was a small increase in overall water consumption by Orkla Brands, Borregaard and Sapa due to in-

creased production. Water for Sapa's operations is primarily supplied by municipal water systems. Consumption of surface water<sup>10</sup> chiefly consists of Borregaard Sarpsborg's use of water from the Glomma River for processing purposes. Water used by Orkla Brands is primarily supplied by municipal water systems, but in some areas water is taken from groundwater deposits. The companies are continuing their efforts to monitor consumption of water resources, and the Group expects all factories to take necessary action to reduce their water consumption.

**Packaging**

Consumption of packaging materials are primarily related to Orkla Brands' production processes and products. Some 3.5% of total packaging is used for Borregaard's products, while 4.3% is used by Sapa. Total consumption of packaging in 2011 amounted to 149,000 tonnes, which is around the same level as in 2010.

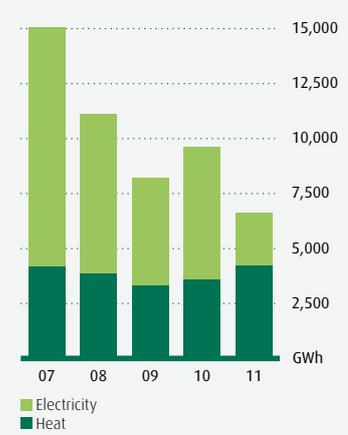
In Orkla Brands, reducing the amount of packaging per quantity of product poses a challenge, because smaller packaging units are becoming increasingly widely used for marketing reasons. The companies will continue their efforts to find the most optimal packaging solutions.

**Emissions**

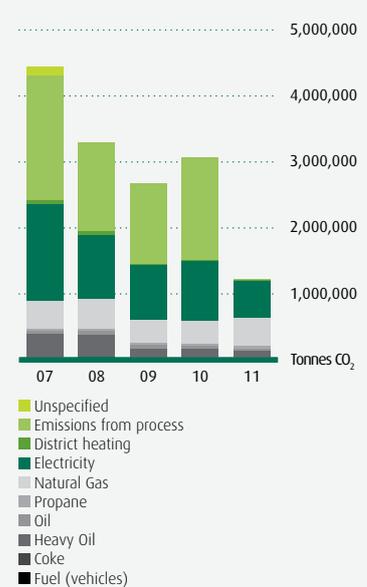
**Emissions to air**

Orkla prepares energy and climate accounts based on the international Greenhouse Gas Protocol Initiative. These accounts are also submitted to the [Carbon Disclosure Project \(CDP\)](#), an

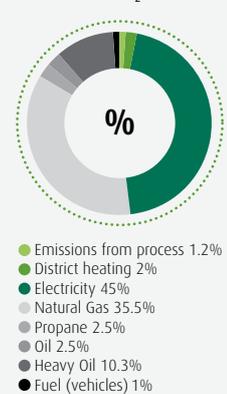
Consumption of Energy



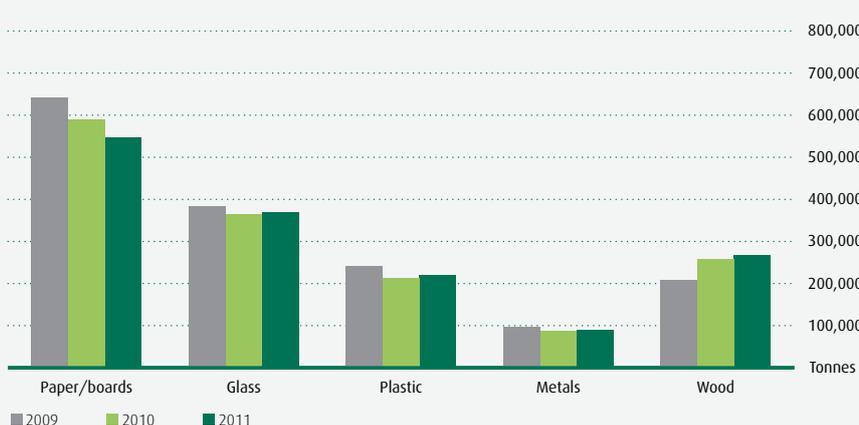
Total CO<sub>2</sub>-emissions



Allocation of CO<sub>2</sub>-emissions



Consumption of Packaging Materials



<sup>10</sup> Surface water – fresh water from streams, rivers, lakes or wetlands

independent organisation that provides investors all over the world with a basis for assessing how the world's largest companies are tackling climate challenges.

In 2010, global greenhouse gas emissions from Orkla's own operations amounted to 2.15 million tonnes of CO<sub>2</sub> equivalents, including emissions from Elkem's smelting plants. Corresponding emissions excluding Elkem totalled 640,000 tonnes of CO<sub>2</sub> equivalents. In 2011, greenhouse gas emissions from the Group's own operations amounted to 655,000 tonnes. If emissions from purchased energy are included, emissions in 2011 totalled 1.22 million tonnes of CO<sub>2</sub> equivalents, compared with corresponding emissions in 2010 of 1.15 million tonnes. The changes in emissions in 2011 are primarily due to the sale of Elkem's smelting plants and increased production in parts of Orkla Brands. Only two of Orkla's businesses, Borregaard in Sarpsborg and Procordia in Eslöv, are covered by the EU greenhouse gas emission trading system. This will also be the case in the third emissions trading period, 2013–2020.

Emissions from Orkla Brands' Sapa's and Borregaard Chemicals' factories are mainly linked to the production of thermal energy from fossil fuels. Emissions are also generated by Borregaard's production process in Sarpsborg.

The reduction of SO<sub>2</sub> - and NO<sub>x</sub> - emissions are due to the sale of Elkem's smelting plants.

**Discharges to water**

Borregaard in Sarpsborg is the largest source of discharges to water. Optimised processes and improved operating performance resulted in a positive trend in 2011, with reductions in all discharge parameters. Orkla Brands, on the other hand, saw an increase in discharges due to increased production, primarily in Russia, and the acquisition of new businesses.

**Waste**

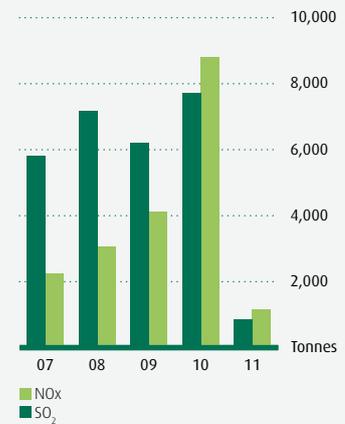
A large percentage of materials is recycled in Orkla. All in all, the amount of waste was substantially reduced from 2010 to 2011. This was primarily due to the sale of Elkem's smelting plant, but also to the fact that efforts to increase production yield are still achieving positive results.

**Other matters**

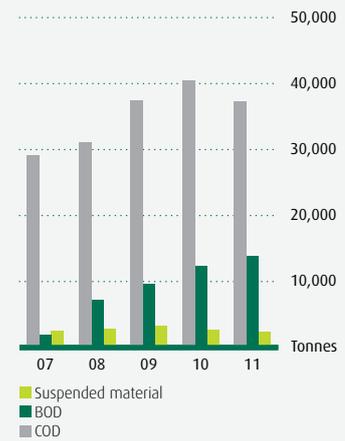
Many of the Orkla factories need to refrigerate and freeze goods and products. The factories have therefore long focused attention on switching to more climate-friendly refrigerants, and this phasing-out process will continue. In 2011, the use of chlorofluorocarbons was further reduced, by around 30%, and a total of 1,230 tonnes are currently in use.

Orkla is committed to ensuring product safety, and the companies in the Group have established effective quality control procedures for raw materials, production processes and products. There were no cases involving a breach of regulations governing the impact of products on health and safety in 2011<sup>11</sup>.

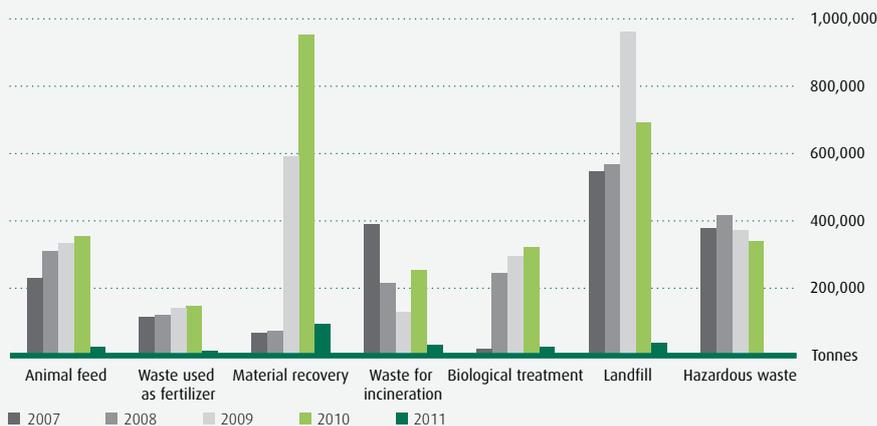
Emissions to Air



Emissions to Water



Waste per category



<sup>11</sup> Based on annual internal reporting by business areas to the Group regarding disputes, litigation, supervision cases and similar matters.



# Responsible Sourcing

Orkla seeks to ensure that the companies in the Group promote good labour and environmental standards in their supply chains through responsible sourcing. Efforts are based on an ambition of continuous improvement, and attention is focused on the suppliers and product categories where the risk is assessed to be highest.

In accordance with Orkla's decentralised organisational structure, purchasing is carried out by the individual Group companies, although it is coordinated within business areas wherever appropriate. The companies make a significant proportion of their purchases from suppliers in the country or region in which they are located.

## Principles for responsible sourcing

Orkla's general principles for responsible sourcing were drawn up in 2009. Based on these principles, the Group formulated an internal policy for responsible sourcing in 2011. The Group expects its companies to set ethical standards for their suppliers and carry out systematic risk assessments of and monitor risk suppliers. The Orkla Supplier Code of Conduct defines the standards that Group companies require their suppliers to meet in relation to business practices, working conditions and environmental management. These requirements shall be a part of companies agreement with suppliers, and are based on UN and ILO conventions, the Global Compact's ten principles, the ETI Base Code and

Orkla's directives on corporate responsibility and business ethics.

Orkla wants responsible sourcing procedures to be an integrated part of purchasing processes, and that the quality of suppliers' operating standards is a factor that is naturally included in the regular assessment of suppliers. The Group encourages its companies to support industry solutions and other collaborative initiatives when doing so is considered efficient by both the suppliers and Orkla companies.

The companies have a large number of suppliers, and supplier monitoring is therefore a time-consuming process.

Moreover, because of the Group's diversified structure, the companies have suppliers in a very broad range of industries and countries, and the need for monitoring therefore varies.

## Upgrading of expertise and internal procedures

Under Orkla's decentralised corporate structure, each company in the Group has an independent responsibility for establishing procedures for risk assessment, and monitoring of suppliers. The efforts to establish such procedures continued in 2011. A total of 90 managers and purchasing staff received training in Orkla's general principles for responsible sourcing in 2011.

Orkla wants responsible sourcing procedures to be an integrated part of purchasing processes

# Orkla and Society

Many Orkla companies hold a strong position in their markets and local communities, and create positive ripple effects for society. Interaction with public authorities and society for the good of all concerned is necessary for Orkla's future value creation.

## Creating value for society

The value created by the Group trickles down into society in a number of areas. Employee pay, taxes and charges, and payments to suppliers are all examples of the value, beyond shareholder returns, that is created through profitable business operations. The Orkla companies' contributions in areas such as research, education, culture, sport and charitable work benefit both Orkla and society at large. Part of the return on capital is distributed in the form of dividends to Orkla shareholders. The remainder is retained as equity capital, thereby strengthening the Group's ability to develop further and ensure long-term profitability.

## Community engagement

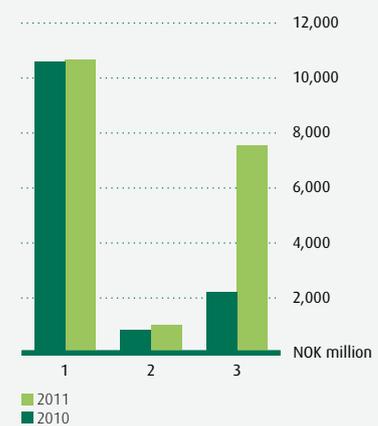
Many Orkla companies are cornerstone businesses in their local communities. Orkla's primary contribution to society comes through the development of profitable business operations. In addition, the Orkla companies help to strengthen the local communities of which they are a part through cooperation with organisations active in sport, education, culture

and charitable work. Such cooperation ranges from pure monetary donations to cooperation on events, informational measures, and trainee schemes.

Research and development is critical to the Orkla companies' ability to create value. Much of the research that is supported by the companies, or which they themselves carry out, is related to important social issues such as efficient resource utilisation, increased use of renewable raw materials, energy efficiency and the population's diet.

In 2004, Orkla donated NOK 35 million to the Research Council of Norway in connection with Orkla's 350th anniversary. Elkem, which was part of Orkla at the time, contributed NOK 10 million to mark its own 100th anniversary. The funds are being used to finance long-term, independent research in areas of interest to business and industry. Among other things, funding has been provided for projects under the Research Council's Food Programme, with a view to promoting Norwegian food research. The donations from Orkla and Elkem were sup-

Value Creation at Orkla



1: Employee wages (payroll expenses)

2: To society in the form of taxes (tax charge)

3: To Orkla shareholders in the form of dividends and buyback/sale of treasury shares

plemented by a government grant of 25% of the amount donated. This grant, and the interest received on the funds, have made it possible to provide support totalling NOK 64 million for 13 research projects.

Five of the projects were completed in 2011. The University of Oslo's Institute of Basic Medical Sciences completed a project on antioxidants, which identified fruits, vegetables and beverages available in Norway that reduce oxidative stress and inflammation. The project received NOK 2 million in funding. The Norwegian University of Life Sciences completed a project on digestion and health, in which model systems were established to study the effect of bacteria, as well as the effect of polyunsaturated fatty acids. The project received NOK 4 million in funding. Oslo and Akershus University College completed a project on omega-3 fatty acids in fish oil and human health. The project received NOK 4 million in funding.

In connection with the revision of Orkla's directive on corporate responsibility in 2011, the Group adopted the principle that the companies in the Group are not to extend financial support to political parties.

### Dialogue with stakeholders

A good, active dialogue with stakeholders is a key principle in Orkla's corporate responsibility work, and is regarded as crucial to creating trust in the Group's companies. Orkla's main

stakeholder groups are employees, customers, shareholders, suppliers, public authorities and the local communities in which the businesses operate. The dialogue with these groups is carried on as an integral part of the companies' business activities, and covers every aspect from employee performance assessment interviews and customer service functions to contact with public authorities and participation in external networks.

Each company is responsible for identifying the potential impacts of its activities on its local community, people and the environment, and for integrating the interests of relevant stakeholder groups into its routine operations. The procedures for dialogue with and involvement of stakeholders are described at [www.orkla.com](http://www.orkla.com)

### Public affairs in 2011

At the start of 2011, Orkla sold Elkem to China National Bluestar. The preparations for and implementation of the sale took place in close dialogue with the company's employee representatives, and the Group emphasised the importance of taking account of the employees' needs when adopting solutions.

In 2011, Orkla made it clear that the Group's future area of focus lies in the branded goods sector. Businesses that lie outside the Group's core strategic area are to be divested. In line with established practice, the employee representatives in the Group are involved in

the decision-making process on an ongoing basis. To ensure that the strategy is satisfactorily communicated to important stakeholder groups, measures have been implemented to provide information to investors, employees, key politicians and the press. Minister of Trade and Industry Trond Giske was briefed on the Group's strategy when he visited Orkla in October 2011. A meeting was also held between the management of the Norwegian Confederation of Trade Unions and Orkla's executive management in November 2011.

The dialogue with local communities and authorities regarding the companies' operations is described in the section on the activities of the various business areas. In 2011, the Group had no cases involving the rights of indigenous peoples.<sup>12</sup>

### Participation in external networks

As a contribution to the work carried out by KOMpakt, the Norwegian Government's forum for corporate responsibility, Orkla chaired a working group tasked with revising KOMpakt's terms of reference. The activities of the working group began in the autumn of 2010, and were completed in the spring of 2011. In 2011, Orkla also participated in a program committee headed by the Ministry of Foreign Affairs to plan an international conference on corporate responsibility in Oslo in the autumn of 2012.



Photo: Orkla

Ministry of Trade and Industry Trond Giske visited Orkla in October 2011

<sup>12</sup> Based on annual internal reporting by business areas to the Group regarding disputes, litigation, supervision cases and similar matters.

In 2011, Orkla participated in organising the Global Compact Nordic Network meeting in Oslo. The Group also took part in a working group under the Ethical Trading Initiative – Norway (ETI-Norway), which is charged with revising ETI-Norway's reporting templates. This work will continue in 2012.

### External recognition and public support

Orkla companies have received a total of NOK 37 million in public funding and grants for research, improvement projects and other activities related to operations in 2011. The most important projects are described in the section on business area activities.

In 2011, Orkla was awarded a prize by the Norwegian Corporate Governance Board (NUES) for the quality of the Group's reporting on its corporate governance principles and procedures. Orkla was also incorporated into the Dow Jones European Sustainability Index in 2011. This means that the Group was assessed as being in the leading ten percent of companies in the food and beverage category in terms of ability to exploit sustainability trends in a way that strengthens future profitability.

### Cooperation agreements

Funding provided through Orkla's sponsorships and support projects amounted to NOK 9 million in 2011. Some of the most important ones are:

#### SOS Children's Villages

Orkla has been the main cooperation partner of SOS Children's Villages since 2000. Orkla's contributions in 2009–2014 have been earmarked for the construction of a children's village in Pleiku in Vietnam. The local authorities in Pleiku have contributed the plot of land, which is now ready for construction. Orkla's contribution will fully finance the building of the village. Several Orkla companies are also contributing to this project.

Several key politicians attended the inauguration of the Inspiria Science Center in Østfold in 2011

## The Orkla companies' contributions in areas such as research, education, culture, sport and charitable work benefit both Orkla and society at large

### The Norwegian National Opera & Ballet

Orkla is a cooperation partner of the Norwegian National Opera & Ballet. In addition to providing employees and business partners with the opportunity to experience outstanding cultural events, Orkla's box is used for meetings and other activities.

### The Nobel Peace Center

Orkla is one of the main sponsors of the Nobel Peace Center in Oslo. The Peace Center seeks to inform people about the Nobel Peace Prize, the Peace Prize winners and their work, and to generate debate about and engagement in the issues of war, peace and conflict resolution.

### The Inspiria Science Center

Orkla and Borregaard are jointly one of the main sponsors of the Inspiria

Science Center in Østfold, which was inaugurated in 2011. The centre is an important initiative aimed at increasing understanding of and interest in scientific subjects in society in general, and in the education system in particular. The Group is involved in the centre's activities relating to health, the environment and energy.

### The Orkla Industrial Museum

Each year, Orkla provides NOK 1.5 million in operating and investment grants for the Orkla Industrial Museum at Løkken. Orkla has signed a long-term agreement with the museum and Thamshavnbanens Venner, which runs until 2028 and regulates rights of ownership and use and the responsibilities and obligations of each of the parties.

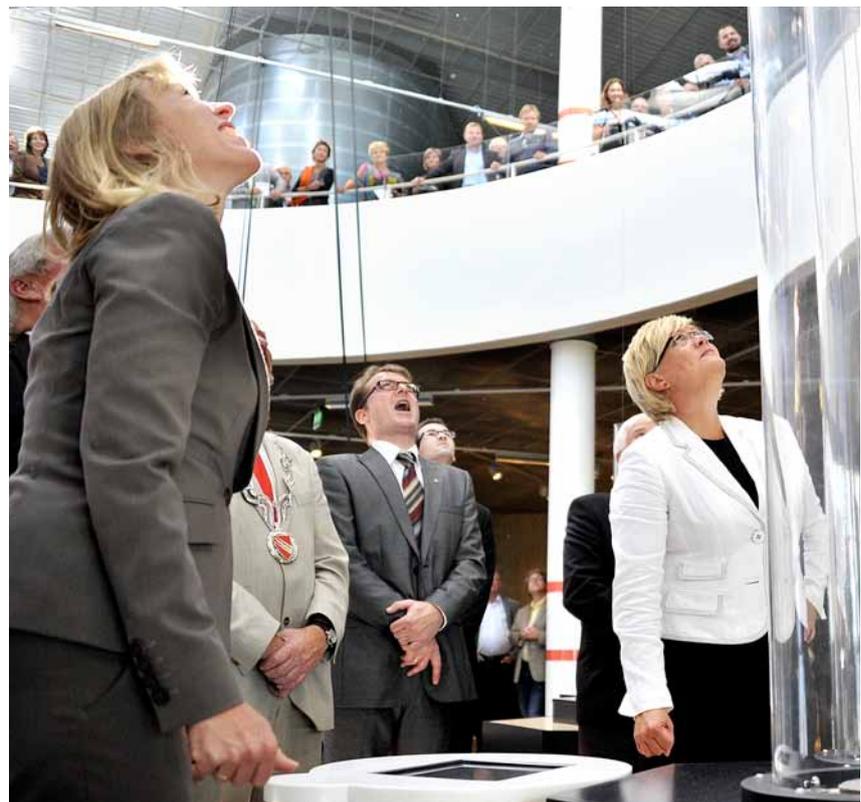
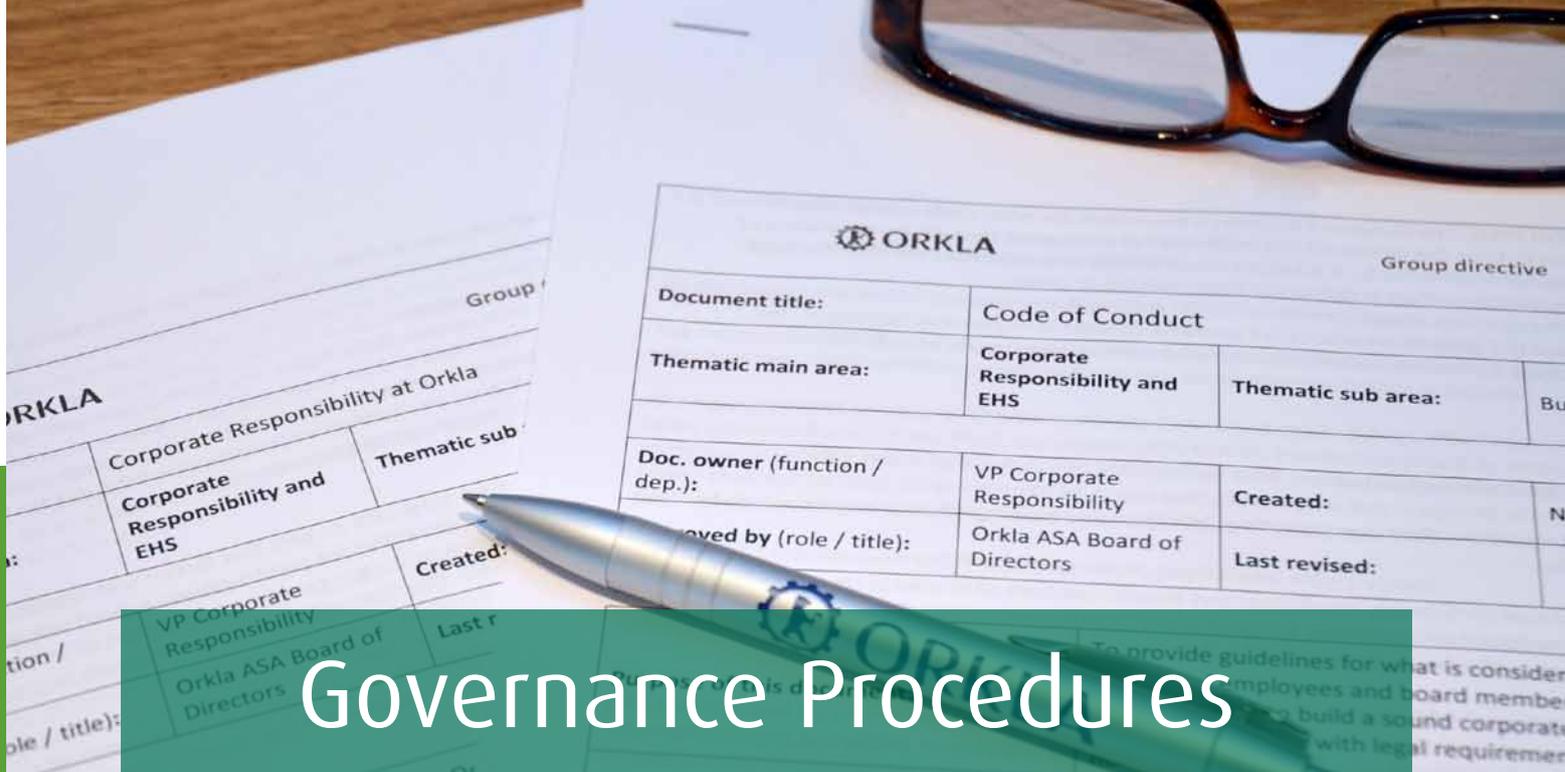


Photo: Jarl M. Andersen



# Governance Procedures

The Group's governance procedures for corporate responsibility and business ethics were enhanced in 2011 through the revision of Orkla's directives, and through the introduction of annual progress reports on corporate responsibility in the business area boards.

Orkla's principles for corporate governance are intended to lay the foundation for long-term value creation, for the benefit of shareholders, employees and society at large. The Governance procedures related to corporate responsibility and business ethics are designed to help ensure that operations in every part of the Group are carried out in accordance with basic ethical values, and with respect for people, society and the environment. In line with Orkla's decentralised organisational model, each company has an independent responsibility for its operations, including the exercise of its corporate responsibility. This work is monitored through internal reporting, internal audits, risk management procedures and the Group's internal governance structure.

### Governance and control

Two group directives, the *Orkla Code of Conduct* and *Corporate Responsibility at Orkla*, were revised in 2011 to enhance the Group's efforts in this field and ensure continued compliance with external requirements. The Group also formulated internal policies on human rights and responsible sourcing, which elaborate on Orkla's principles regarding these issues. This work was carried out by a project group at central level in the Group, with the involvement of

Orkla's business areas and the employee representatives in the Group.

In connection with the revision of these documents, Orkla clarified its internal requirements with regard to training and the systematic handling of ethical risk. Group companies shall organise relevant training. Also, the companies shall carry out an annual assessment of risk factors related to its corporate responsibility at a general level, and establish procedures for identifying the risk of breaches of Orkla's ethical standards in connection with purchasing and investments. The requirements set out in the revised directives will be implemented in the Group companies in 2012–2013.

In 2011, Orkla established a procedure for annual board reporting at the business area boards on risk factors and the progress made by the business area in the corporate responsibility work. The requirements relating to Board reporting on the status of EHS and HR work were also reviewed and clarified.

Further information on Orkla's principles for good governance may be found in Orkla's Annual Report for 2011 and on Orkla's website [www.orkla.no](http://www.orkla.no).

### The corporate responsibility work of the Board of Directors and executive management

In December 2011, Orkla's Board of Directors reviewed the Group's procedures for governance and internal controls related to corporate responsibility and business ethics, and approved the revised Group directives on these issues.

In 2011, the Board of Directors received quarterly updates on the status of the Group's EHS activities, including a briefing on serious incidents. A more comprehensive review of EHS activity plans was presented in the second quarter of 2011.

The Orkla Group Executive Board considered the revision of the Group's directives on corporate responsibility and business ethics in 2011, and adopted the new internal policy documents on human rights and responsible sourcing.

Orkla's Corporate Responsibility Council held two meetings in 2011. The main focus of the Council's activity has been the revision of the Group's directives on corporate responsibility and business ethics.



## Orkla Brands

Orkla Brands maintained its strong focus on continuous efforts to protect the environment, health and safety for the benefit of employees, consumers and society at large in 2011. A number of nutritional product improvements were made, and work on implementing responsible sourcing procedures continued.

**Corporate responsibility in Orkla Brands**

Orkla Brands bases its strategy and organisation on a multi-local model, where responsibility for value creation and decision-making lies with each local company. This means that each company must itself identify and address relevant areas of corporate responsibility in compliance with the Group’s general directives and national regulatory requirements.

Orkla Brands – and its companies’ products – have an impact on and significance for a number of different stakeholders, which are identified in the figure below.

Based on a general analysis of its stakeholders, Orkla Brands has identified the following main corporate responsibility issues, several of which are directly related to consumer confidence in Orkla Brands’ products:

- Food safety and consumer confidence
- Food safety in purchasing
- Nutrition and health
- Responsible sourcing
- Competition law and anti-corruption

Furthermore, focus on the environment, health and safety (EHS) has high priority at Orkla Brands. Activities related to the five corporate responsibility issues and EHS are described in further detail in the next few pages of this chapter.

**Public affairs and dialogue with stakeholders**

Orkla Brands Corporate Affairs is engaged in dialogue with the authorities in the Nordic region and Brussels on food legislation and trade policy framework conditions. Orkla Brands is also represented in several organisations in Brussels. Moreover, many of the companies are members of various trade organisations.

Several of the Orkla Brands companies support various non-governmental organisations and development aid organisations. Many of the companies sponsor or contribute in a variety of ways to sports teams, associations, organisations and social programmes at the local level.

Orkla Brands companies received several awards in 2011. In Russia, the SladCo brand was awarded the prestigious international EFFIE gold medal for “Brand of the Year”. Pölsamaa Felix received the Swedish Business Award 2011 for the company’s sustainable growth and important social contributions over a period of several years. This prize is conferred by the Swedish Embassy in Lithuania in collaboration with the Baltic states and members of the Swedish business community. In Sweden, OLV was presented with an award for best supplier by the Movement retail barometer. Beauvais’ Cremet Marmelade (creamed marmalade) was named Launch of the Year in Den-

mark by Nielsen. Swedish management executives ranked Abba Seafood third among the best food companies in Sweden. Stabburet, Lilleborg, Nidar, Sætre and KiMs were all ranked among the five best suppliers in Norway by the grocery retailers (Remark survey). Moreover, several Orkla Brands companies were nominated for and won various local awards.

**FACTS:**

Orkla Brands is a leading supplier of branded consumer goods and concept solutions, primarily to the grocery and out-of-home sectors. The business area mainly holds no. 1 and no. 2 positions in its categories, where most of the branded goods are proprietary and have been on the market for many years. The bulk of the portfolio lies in the Nordic region and the Baltics, although Orkla Brands also holds several strong positions in Russia, India and Austria. Through Orkla Food Ingredients, Orkla Brands is also an important supplier to the European bakery market.

Orkla Brands comprises four units: Orkla Foods Nordic, Orkla Brands Nordic, Orkla Brands International and Orkla Food Ingredients. All in all, Orkla Brands consists of 73 companies in 20 countries. At the end of 2011, Orkla Brands had 13,748 employees.

**Orkla Brands’ Stakeholder Model**

The interests of the business stakeholders are pivotal in Orkla Brands’ exercise of its corporate responsibility



**Organisational changes in 2011**

The biggest organisational changes in 2011 were the merger between the two companies Krupskaya and SladCo in Russia and the sale of Bakers in Norway.

Krupskaya and SladCo were merged to form the new entity Orkla Brands Russia, in order to strengthen their competitiveness in Russia. The merger resulted in a workforce reduction of 100 man-years. The operations in Ekaterinburg, Ulianovsk, Leningrad Oblast and St. Petersburg continue to have a strong local base after the establish-

ment of Orkla Brands Russia, which still employs some 3,300 people.

Bakers was sold to NorgesGruppen in November 2011, and the acquisition was formally approved by the Norwegian competition authorities in January 2012. The company has 770 employees, and there was good cooperation with employee representatives throughout the sale process.

Orkla Brands acquired the Indian spice company Rasoi Magic, which has 60 employees, in April 2011. The com-

pany is organised as a subsidiary of MTR Foods. Stabburet purchased Dagens AS in May 2011. The company, which has 22 employees, manufactures fresh refrigerated pizzas, thereby complementing Stabburet's pizza factories at Stranda. Orkla Food Ingredients bought Iglo, a small distributor of frozen products in Norway, and Bako, which supplies service articles to the Norwegian bakery sector.

In all these processes, emphasis was placed on good communication with the main stakeholders.



Photo: Orkla Brands Russia

Left: First Deputy Prime Minister Alexander Yakunin from Ulyanovsk region visited Orkla Brands Russia in connection with the establishment of the new company in 2011

Below: Dialogue with consumers and retailers is an integral part of the companies' routine operations



Photo: Werner Anderson/Cox

**Diversity**

At year-end, 49.6% of Orkla Brands' employees were women. Out of a total of 1,257 managers with personnel management responsibility, 35.2% were women. Of a total of 281 senior executives in Orkla Brands, 28.8% were women.<sup>13</sup>

Orkla Brands is committed to promoting diversity, and is pleased with the increase in the number of women managers. Initiatives in this field will continue, with emphasis on promoting sound attitudes.

Several companies have made targeted efforts to increase the percentage of women management staff. One example is Procordia, where the percentage of women managers has increased by 10% since 2009.

**Environment, health and safety**

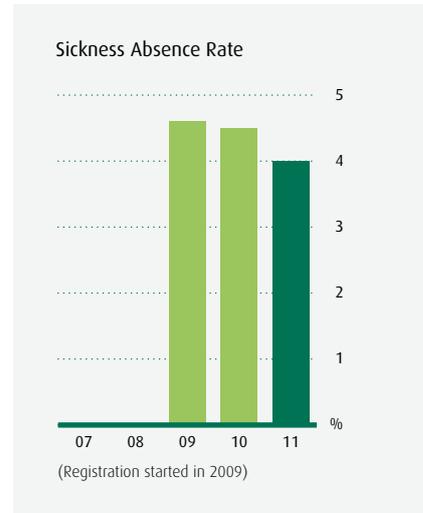
The environment, health and safety (EHS) are important areas of focus and improvement in Orkla Brands. A coherent approach is adopted in addressing these issues, entailing a combination of emphasis on management training, organisational culture and attitudes, and systematic improvement efforts and competence-building.

Ensuring safe, healthy workplaces that foster employee development is a key objective of Orkla Brands' EHS activities. Good EHS performance is a prerequisite for efficient, profitable operations over time.

**Health and the working environment**

Sickness absence is an important indicator of the organisation's culture and management. The overall sickness absence rate at Orkla Brands fell from 4.5% in 2010 to 4.0% in 2011. The decline in the rate for the two large Nordic units, Orkla Brands Nordic and Orkla Foods Nordic, is particularly encouraging. The sickness absence rate for Orkla Brands Nordic was 5.7% in 2011, compared with 6.0% in 2010. The corresponding figures for Orkla Foods Nordic were 4.0% in 2011 and 4.5% in 2010. Sickness absence in Orkla Foods Ingredients and Orkla Brands International remained low in 2011, at 2.6% and 3.0%, respectively.

Reducing sickness absence and focusing on health is a long-term, targeted process. Adapting measures to local conditions and regularly following up persons on sick leave are important factors for fostering a good working



environment and long-term employee health. Efforts have targeted work operations that are physically demanding, and several factories have, over time, invested in equipment that reduces the risk of musculoskeletal disorders. Active management engagement, close follow-up and clearly defined goals and procedures have been significant elements of improvement efforts. At some factories, the measures implemented are showing clear results, particularly in the form of a substantial reduction in long-term absence.



Photo: John Nordal

Stabburet has succeeded in achieving a good gender balance in its management staff

<sup>13</sup> Senior executives are defined as members of management teams at business area, business unit and company level.

**Workplace safety**

Four Orkla Food Ingredients employees were involved in a very serious traffic accident north of Östersund, Sweden, while on the job. One of the four died at the scene, while the three others were severely injured.

Despite the efforts made to prevent injuries, the overall LWDR (Lost Work Day Rate) for Orkla Brands was 7.0 in 2011, compared with 5.8 in 2010. The rates vary significantly from one factory to another, but several have achieved the goal of zero injuries leading to absence, while others have seen a rise in such injuries and have taken specific action to address this issue and improve the situation.

The reporting and follow-up of incidents and near-accidents and hazardous conditions have been an important focus in 2011, and will continue to have high priority. The TTR (Total Recordable Rate) for Orkla Brands rose from 18.5 in 2010 to 23.0 in 2011, primarily due to the fact that injuries not leading to absence have not been incorporated into reporting procedures until now. Starting in 2012, all companies must have in place procedures for recording and following up on injuries that do not lead to absence. The recording procedure will also cover external sales, warehousing and administrative personnel.

The different business units are continuing work on activities initiated in 2011. In Orkla Foods Nordic, a common work safety standard is to be implemented through organisation-wide training programmes. Orkla Brands Nordic will focus primarily on risk assessments as tools for gaining a better understanding of the EHS situation, so as to be able to make good assessments and give priority to the most important measures. Important measures in Orkla Food Ingredients and Orkla Brands International include management focus, placing EHS on the agenda in management development, and training of specialised EHS personnel.

**Resource consumption**

*Energy*

Energy consumption in Orkla Brands totalled 1,200 GWh in 2011, compared with 1,080 GWh in 2010.

For both financial and environmental reasons, the business area is continuing its efforts to reduce energy consumption, and has established action plans for this purpose. The renovation and repair of heating and ventilation systems, the installation of new, energy-efficient light fixtures, and the optimisation of production processes are examples of the measures that have been implemented.

*Water*

Water consumption at Orkla Brands factories totalled 7.9 million m3 in 2011, compared with 7.3 million m3 in 2010. This increase is primarily due to improved procedures for reporting water consumption, and to the addition of new businesses. Several factories reduced their water consumption in relation to production volume.

Several of the companies are also making efforts to increase reuse of water. For instance, KiMs in Denmark began to recycle process water in 2011, and succeeded in reusing 26% of the total water consumed. Water meters have been installed at several factories, production processes and cleaning procedures have been optimised, and emphasis has been placed on promoting sound attitudes to water consumption.

*Raw materials*

In the overall value chain, it is raw materials, which totalled around 900,000 tonnes in 2011, that have the greatest impact on the environment, since the cultivation of food crops and animal husbandry generate large amounts of

Lost Work Day and Total Recordable Injuries



Water Consumption



Photo: Procordia

Starting from 2012 Procordia requires from farmers of vegetables that they comply with the Integrated Production (IP) standard, and support farmers in implementing the certification standard.

greenhouse gases. Orkla Brands therefore focuses on maximising the yield from raw materials and minimising wastage.

**Packaging**

The companies are working to develop optimal packaging solutions, and there has been a gradual decrease in consumption in the past three years. The objective is for packaging to provide adequate protection for the product with the least possible environmental impact.

**Emissions**

Most of the Orkla Brands factories are required to have official permits for emissions to air and discharges to water. The factories concerned therefore record emission indicators, and monitor discharges of organic material in process water (COD and BOD), and discharges of solid particles.

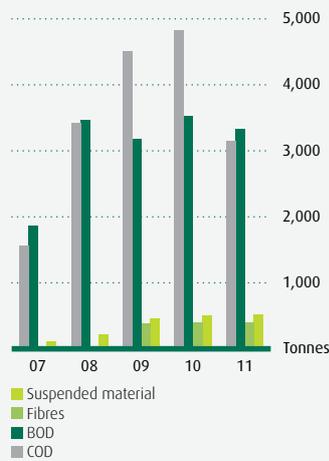
Emissions to air (CO<sub>2</sub>, SO<sub>2</sub> and NO<sub>x</sub>), are primarily generated by the burning of fossil materials to produce energy. In 2011, the CO<sub>2</sub> emissions from Orkla Brands' own production activities totalled 130,000 tonnes. Orkla's climate accounts for 2011 also include emissions from purchased energy, bringing total CO<sub>2</sub> emissions to 220,000 tonnes. Several of Orkla Brands' factories are now using natural gas instead of oil, which has a positive environmental effect.

Monitoring and optimisation of treatment plants are important to reduce discharges to water. Continuous focus on this aspect over time has resulted in the reduction of discharges to waste water, and in 2011 chemical oxygen demand discharges in particular have shown a positive trend in the form of a 35% reduction. At KiMs Norway, for

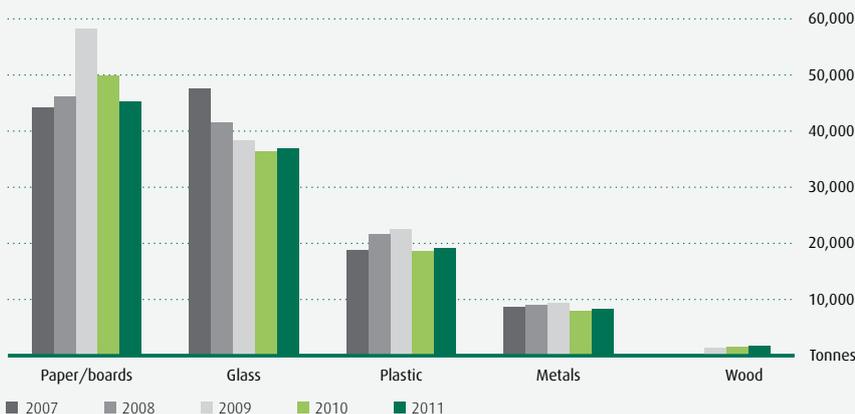
Emissions to Air



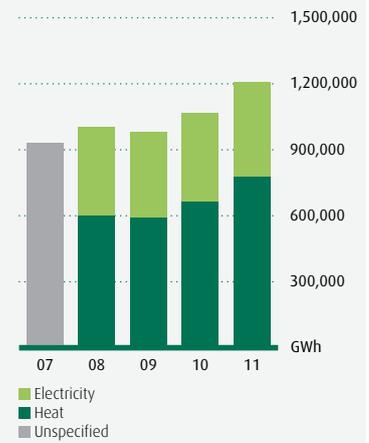
Emissions to Water



Consumption of Packaging Materials



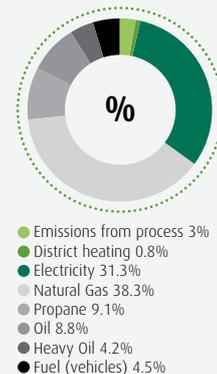
Consumption of Energy



Total CO<sub>2</sub>-emissions



Allocation of CO<sub>2</sub>-emissions



instance, efficient, stable operations in the treatment plant have reduced discharges by approximately 30%, while reductions at Lilleborg's detergents factory are ascribable to increased reuse of washwater.

**Waste**

In 2011, the factories continued their efforts to increase production yield, thereby reducing waste. More than 90% of recorded waste is used to produce biogas, other forms of energy and animal feed, and in materials recycling. Further efforts will be made to find the most optimal solutions for the reuse and recycling of waste in all parts of the business.

**Other matters**

Work is continuing on the process of switching to cooling agents that have the least possible impact on the environment. Cooling agents containing chlorine are to be phased out at the factories that still use them. Orkla Brands Russia's factory in St. Petersburg reduced its use of chlorofluorocarbons by 40% in 2011. Most of the factories now use ammonia as a cooling agent, and refrigeration plants are designed to minimise the risk of leaks.

**Food safety and consumer confidence**

In 2004, Orkla Brands established its own Orkla Food Safety Standard (OFSS) to ensure high, uniform levels of quality and safety at all factories. The standard is based on the internationally recog-

nised, widely used British Retail Consortium (BRC) standard for safe food, and applies to all companies that manufacture food and beverages. The OFSS sets stringent requirements for factories, hazard analysis and critical control points in production (HACCP), employees and management, and process and product controls. A system was also introduced for internal factory audits to ensure compliance with OFSS requirements and continuous improvement.

**Audits**

Since the introduction of the OFSS, a total of 456 audits of 112 factories and three head offices have been carried out. With few and temporary exceptions, the factories meet OFSS requirements. In 2011, 47 audits were conducted. Binding action plans specifying corrective measures, responsibilities and deadlines were drawn up in connection with all the audits. Orkla Brands' internal auditors are a team of ten carefully selected, highly qualified individuals, who undergo regular training with the assistance of external specialists. The internal audit system is on a par with those of the best of Orkla Brands' international competitors.

**Training and contingency management**

Orkla Brands has drawn up a contingency plan in order to be able to deal effectively with unforeseen, undesirable incidents. A program for contingency exercises has also been developed, and every year several of the

companies' management teams undergo training in crisis and contingency management. Ten such exercises were held in 2011, in addition to the annual drills that are held at the factories.

Modern food production involves a complex value chain, and requires key employees to have high expertise in the fields of quality and food safety. To further upgrade the competencies of these persons, a training programme has been established by the Corporate Affairs department. Since its inception in 2010, 54 employees have completed Orkla Brands' Food Safety Training Course, which consists of two three-day modules.

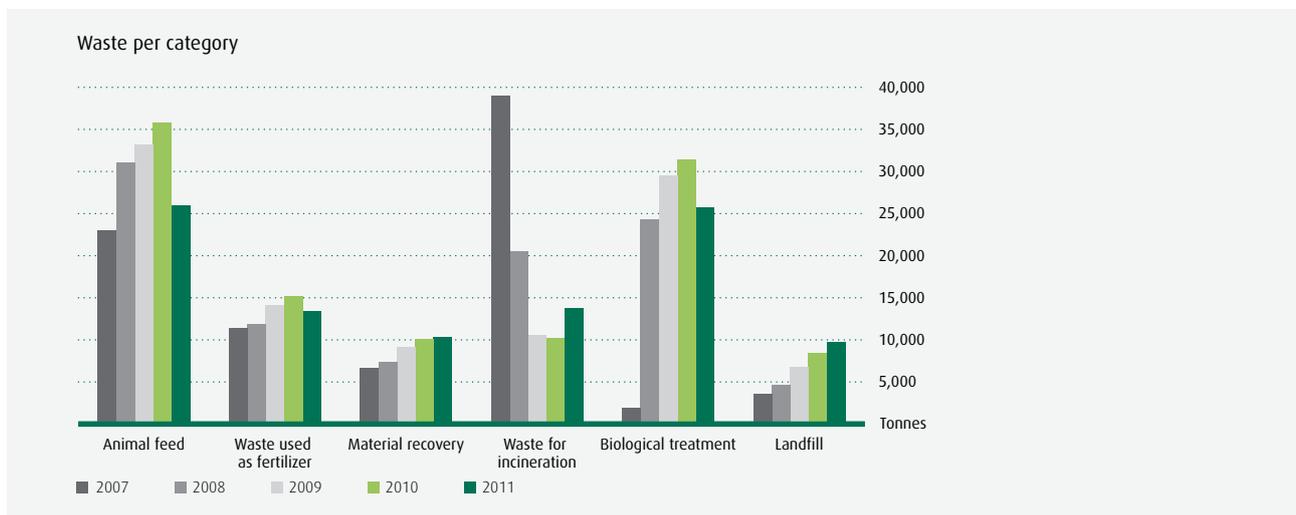
**Incidents in 2011**

The introduction of the OFSS has significantly reduced the risk of incidents related to food safety in recent years. Current food safety risk is considered to be acceptable.

There have been no major cases or incidents related to food safety in either 2010 or 2011. Minor incidents involving products that erroneously contain unlabelled allergens have led to some product recalls, but no incidents have occurred in which consumers have suffered any harm.

**Plans in 2011**

As a result of the introduction of a new version of the BRC standard in the summer of 2011, the OFSS is currently being upgraded correspondingly. Start-



ing in 2012, internal audits will be based on the new version of the OFSS. This will help to further reduce important types of risk, such as in relation to allergens and foreign objects. Companies which are engaged in sales and distribution, and have no production operations, have only been subject to the OFSS and internal audits in exceptional cases. To ensure good procedures and reduce the risk related to these companies, a special standard equivalent to the OFSS and designed especially for companies with no production activities, will be prepared in 2012. Like the OFSS, this standard will be based on a widely recognised BRC standard. Orkla Brands' Food Safety Training Course and the concept of contingency exercises will be maintained.

### Food safety in purchasing

The OFSS in Purchasing, which is a set of common procedures for food safety in purchasing, was drawn up in 2007 and 2008. Since 2008, training has been carried out in the use of these procedures and in conducting supplier audits. So far, 190 persons from 44 companies have completed training. The training programme for supplier auditors consists of a two-day seminar arranged by Corporate Affairs, and a cer-

tain number of training audits carried out at suppliers' premises with the assistance of an approved auditor. A total of 52 persons from 23 companies have been approved to carry out supplier audits on their own on behalf of Orkla Brands.

Common templates have been developed for the self-evaluation forms that are sent to suppliers, and for physical audits. To ensure that assessments are harmonised, guidelines have been established for assigning points for each question asked during the physical audits.

A team of category coordinators has been established to assist companies in the auditor approval process. The category coordinators are employed in Corporate Affairs (10–20% positions), and are responsible for providing companies with support in specific product categories. All the category coordinators are highly qualified in the field of food safety and the product categories for which they are responsible.

### The Food Safety Approval Portal

An IT system, the Food Safety Approval Portal (FSAP), has been developed to support the efforts related to food safety in purchasing. The system was launched in March 2010. Since then, more than

100 persons have attended courses on use of the new system. A support function for the FSAP has been established. Registration of suppliers' factories in the FSAP has improved traceability back to the production entity. This is information to which several companies have not previously had access.

### Incidents in 2011

In 2011, a total of 735 self-evaluation forms were distributed, and 94 physical audits were carried out. In comparison, 686 self-evaluation forms were distributed to suppliers, and 66 physical audits were reported, in 2010. The results of the physical audits showed that 75% of the audited factories maintain satisfactory food safety standards. The factories must implement improvement measures in order to continue as suppliers to Orkla Brands.

Orkla Brands' companies in India and Russia were not included in the first stage of implementing the OFSS in Purchasing. Implementation in these companies began in 2011.

In companies in which the OFSS in Purchasing has been implemented, the food safety risk has been significantly reduced in the past few years.



Photo: Karl Otto Kristiansen

Food production in Orkla Brands is done in accordance with the strict requirements of the Orkla Food Safety Standard

### Planned measures

The process of monitoring the status of the OFSS in Purchasing in Orkla Brands companies continues. Companies that do not comply with common procedures and schedules are followed up particularly closely. Regular reports are submitted to the companies' managing directors and board chairs.

Seminars for training in supplier audits and in application of the FSAP will continue in 2012. Improvements will also be made in the FSAP, based on user experience. Implementation of the OFSS in Purchasing in India and Russia is proceeding as planned.

### Nutrition and health

Overweight, cancer, diabetes and cardiovascular disease are among the most important causes of early death, both in Europe and globally. In 2011, WHO identified national priority areas for efforts to improve public health. Three of these areas are the content of fat, sugar and salt in products. Another area is responsible marketing.

### Product innovation

Health and nutrition are important aspects of the development of foods by the many food companies within Orkla Brands, and 25% of Orkla Brands' sales come from foods and dietary supplements with health benefits that are communicated to consumers.

Some of the most important improvements made in 2011 were:

- Reduction of saturated fat content in pizza and potato products.
- Reduction of sugar content in beverages and milk products.
- Reduction of salt and fat content in ready meals.
- Whole wheat pasta.
- Bread mixes with high fibre content.
- Reduction of salt content in patés, pizzas and sauces.
- Reduction of additives content in a range of products.

In 2011, a national research project with the aim of reducing the salt content of meat products, and an EU project aiming to reduce the content of fat, sugar and salt in a number of categories of interest to Orkla Brands, were launched. Several Orkla Brands companies have continued their cooperation with Lund University in Sweden to ensure an even higher level of research quality. The objective is to develop innovative foods that can help to reduce overweight, diabetes and cardiovascular disease.

### Information

Orkla Brands gives emphasis to ensuring that its companies provide good product information. The Orkla Brands companies provide information about nutrient content on the product packaging, and on company websites.

### Responsible marketing

The marketing of Orkla Brands' products must help to strengthen the relationship of trust between consumers, the brands and the Orkla companies. Orkla Brands has good procedures in place for assuring the quality of marketing and product information, and enforces a strict compliance standard. The Orkla Brands companies have not been involved in legal disputes concerning breaches of marketing regulations in 2011<sup>14</sup>, but some companies have been engaged in dialogue with local supervisory authorities about the interpretation of legislation or current practice.

Due to obesity challenges among children, marketing restrictions are being discussed in a number of European countries. Orkla Brands has drawn up internal guidelines that provide individual companies with information about how marketing measures that target children and young people should be designed. The document is updated as needed. Orkla Brands takes the view that voluntary guidelines are the correct instrument for limiting the marketing pressure to which children are exposed.

### Orkla's policy on genetically modified raw materials

Orkla's Board of Directors decided as early as 2001 that Group companies should adopt a wait-and-see approach



Photo: Stabburet

Nutrition and health are important dimensions of the development of new food products in Orkla Brands

<sup>14</sup> Based on annual internal reporting by business areas to the group regarding disputes, litigation, supervision cases and similar matters.

with regard to the use of genetically modified raw materials. All products must be based on safe raw materials, and be manufactured using methods that customers and consumers accept. Currently, none of Orkla's products contain genetically modified raw materials.

### Planned measures

Efforts to reduce the content of saturated fat and salt in Orkla Brands' products will continue. The salt research project will be completed and implemented.

Orkla Brands will establish an active dialogue with relevant authorities regarding nutritional health.

### Responsible sourcing Procedures

Orkla Brands set clear requirements for suppliers with regard to quality and product safety, human rights, working conditions, environmental management and anti-corruption efforts. The requirements are based on UN and ILO conventions and Orkla directives. Orkla Brands wants production in all parts of the supply chain to comply with these requirements.

Orkla Brands has a very large number of suppliers, and complete follow-up of all its suppliers is not practicable. Using systematic risk assessments, the

Orkla companies identify the suppliers associated with the highest risk, based, for example, on product category, geography and supplier type. Orkla Brands' suppliers are primarily located in Scandinavia, which is defined as a low-risk area. Procedures for systematic risk assessment have been implemented in companies which together represent 75% of Orkla Brands' sales.

Orkla Brands is in the process of establishing procedures for following up on its suppliers through audits, inspections, dialogue and, in relevant cases, demands for improvements. When supplier inspections and audits are undertaken, an improvement plan shall always be prepared, which must contain a timetable for implementation of the improvements.

Suppliers who do not satisfy the requirements shall demonstrate willingness to achieve compliance with the requirements by documenting gradual improvement. In the event of gross breaches of Orkla Brands' standards, or the absence of improvements over time, the supplier relationship is terminated. In 2011, the Orkla Brands companies did not terminate any supplier relationships due to breaches of the requirements, but several improvement issues were identified, which the companies are working to solve with the suppliers.

### Improvement measures

In the case of certain product categories featuring more complex supply chains, the Orkla Brands companies have less room for exerting influence, and follow-up can often be difficult. Cocoa, palm oil and fish are examples of product categories which require specific follow-up measures, such as certification or other industry initiatives.

This is the motivation for Nidar's initiative related to cocoa production in the Republic of Côte d'Ivoire. The aim is for all Nidar chocolate to be produced from certified cocoa by 2015. Nidar has selected the certification standard Utz Certified. Utz ensures that the cocoa is cultivated under sustainable conditions, and provides the cocoa farmers with agricultural training. This helps to secure higher incomes and better living standards for the cocoa farmers of Côte d'Ivoire. In addition, Orkla Brands, together with the Norwegian Association of Chocolate Manufacturers and the United Nations Development Programme (UNDP), has initiated a Nordic cooperation project aimed at promoting sustainable cocoa production in Côte d'Ivoire. In 2011, the Orkla Brands companies Nidar, Panda, Gøteborgs Kex and Stabburet joined the project. The Norwegian and Swedish authorities are supporting the design phase of the project.



Photo: Axellus



Photo: Dragsbaek

Another product category which presents major challenges and little opportunity to exercise influence is palm oil. In order to help improve conditions in this product category, Orkla Brands, represented by Dragsbæk and Orkla Brands Purchasing, is participating in the Roundtable on Sustainable Palm Oil ([www.rspo.org](http://www.rspo.org)). The Roundtable on Sustainable Palm Oil is a collaboration project which aims to develop and implement international standards for sustainable palm oil production. Several Orkla Brands companies have substantially reduced their use of palm oil.

Abba Seafood is strongly committed to sustainable fishing, and its product range includes various MSC-certified products. The company is working with the Sustainable Fisheries Partnership on research which is intended to provide a basis for the introduction of procedures for sustainable fishing of the tuna species tonggol. The project is being conducted in collaboration with fishing authorities, researchers, producers and fishermen in Thailand. The Swedish International Development Cooperation Agency (SIDA) is providing project funding.

### Cooperation partners and international solutions

International cooperation and harmonised systems for risk assessment and supplier audits are important means of reducing the workload imposed on suppliers in connection with such follow-

up, and of ensuring that efforts have a broad effect. The organisation [Sedex](#) offers a shared web-based system for collecting and sharing information about working conditions in supply chains. Orkla Brands' membership of Sedex gives Group companies access to a standardised risk assessment that enjoys broad international acceptance and ensures uniform supplier monitoring for a large number of companies across different sectors. All of the largest Orkla Brands companies use Sedex in their efforts to identify supply-chain risks.

Since 2010, Orkla Brands has been a member of [AIM-PROGRESS](#), an open industry cooperation project intended to ensure coordinated, efficient improvement efforts in global supply chains. Among other things, AIM-PROGRESS provides supplier training on issues linked to responsible production conditions.

In 2011, Orkla Brands joined the Ethical Trading Initiative – Norway (ETI-Norway), to increase its expertise in the area of responsible sourcing. ETI-Norway is a member organisation and resource centre that helps its members to strengthen their efforts to promote decent working and environmental conditions in the supply chain.

### Planned measures

The implementation of Orkla Brands' responsible sourcing procedures will continue. The companies plan to con-

duct more audits, and more category-specific measures will be implemented.

The management of risk in the supply chain is a complex area, and it will be important to continue cooperating with external partners like AIM-PROGRESS and the Ethical Trading Initiative – Norway.

### Competition law and anti-corruption efforts

Competition law is generally given high priority by the Orkla Brands organisation and management. Orkla Brands adheres to the Orkla Group Competition Law Compliance Manual, and holds seminars and training sessions at several levels of the organisation.

Legal quality assurance is undertaken of the Norwegian companies' agreements with retail chains on an ongoing basis, and there is generally a low threshold for using legal resources to conduct competition law-related quality assurance.

### The food chain assessment committee (Matkjedeutvalget)

In February 2010, the Norwegian Government appointed a "food chain assessment committee" to examine the balance of power in the food value chain and how it affects the interests of consumers with regard to price, quality, product range and availability. The committee, which was chaired by



Photo: Orkla

Orkla Brands has established an internal specialist network for responsible sourcing

former politician Einar Steensnæs, presented its report, “Mat, Makt og avmakt – om styrkeforholdene i verdikjeden for mat” [“Food, power and powerlessness – regarding the balance of power in the food value chain”], on 13 April 2011.

Almost 70 consultation statements were submitted to the Ministry of Agriculture and Food by the submission deadline on 1 December 2011. The statements evidence significantly diverging views among organisations in the industry regarding the food chain assessment committee and its findings and proposed measures. Several grocery retailers commented critically on the committee’s report. The Grocery Manufacturers of Norway (DLF), of which Orkla Brands is a member, reacted positively to the committee’s proposals. Orkla Brands supports the proposal to introduce an act on good trade practices and an ombudsman scheme.

### Corruption

Given the nature of Orkla Brands’ operations, which involve many long-term customer relationships and small individual transactions, the inherent risk of corruption in Orkla Brands’ companies is considered to be moderate. Orkla Brands has nevertheless devoted increased attention to this area in the last ten years, with a particular emphasis on reviewing the procedures relating to gifts and corporate hospitality. Several companies have conducted dilemma training and implemented other measures to prevent bribery. Orkla Brands complies with the Orkla Anti-Corruption Guidelines, and generally aims to build a strong anti-corruption culture in its companies. In 2010, web-based anti-corruption training was completed for around 980 managers and staff in all of the Orkla Brands companies. The status of the anti-corruption work was reviewed by the Orkla Brands Board of Directors in the autumn of 2011.

### Planned measures

In 2012, Orkla Brands will maintain its strong focus on competition law within the organisation. This will entail further courses and seminars, and the continued use of legal resources as needed.

Orkla Brands will monitor the work done in response to the report of the food chain assessment committee carefully, and will maintain a close dialogue with the different stakeholders regarding measures and further action. In the future, anti-corruption efforts will be reviewed annually at board level. Starting in 2012, anti-corruption will be addressed in a more systematic manner in connection with the companies’ annual risk assessment, and awareness-raising efforts and training measures within the companies will be continued.



Photo: stabburet



## Sapa

Sustainable product development is an integral part of Sapa's business model. Based on aluminium's environmentally friendly properties and the companies' research expertise, Sapa companies offer energy-efficient solutions tailored to individual customer needs.



### Corporate responsibility at Sapa

Sapa's operations are carried out in accordance with the company's core values: Entrepreneurial Spirit, Commitment, Honesty, Responsibility and Innovative Focus and Customer Orientation. The interaction between values and strategy is essential for achieving the overall objectives of the Group. The management system, including strategies and guidelines, combined with specific action plans, ensures that the Sapa companies systematically address critical sustainability issues. The key sustainability issues for Sapa include organisational development, the health and safety of employees, energy efficiency and sustainable product development.

Sapa's entire business is based on developing aluminium solutions that benefit both customers and the environment. Compared to other materials such as steel and copper, aluminium products are lighter, more energy-efficient, durable and easier to recycle. About 50% of Sapa's total production is based on recycled aluminium, which is produced using only 5% of the energy required for primary aluminium production. To capitalise on the attractive qualities of aluminium, Sapa helps its customers with innovation projects which aim to improve the environmental properties of their products.

### Stakeholder dialogue

Sapa aims to build stable, trusting and mutually beneficial relationships with important stakeholders and Sapa engages in stakeholder dialogue and co-operation in a variety of ways.

### Sapa Profiles

Due to a significant sales increase in 2011, Sapa Profiles North America experienced challenges related to customer service and delivery service. Efforts were made to address these issues through increased production collaboration between the different factories.

In Europe, some delivery problems arose in connection with the restructuring of Sapa Profiles' production but, overall, the company succeeded in maintaining its delivery rates. Considerable efforts have been made to secure deliveries and ensure good service for local customers in the regions where plants were closed in 2011.

As a result of the targeted efforts to ensure that it is a good partner for its customers, Sapa Profiles received several awards and distinctions in 2011:

- Distinguished Supplier Award from Wabash National Corporation in North America for quality and service. Sapa is the first extruded prod-

ucts supplier to receive this award from Wabash.

- Chicago Tube & Iron recognised Sapa as the aluminium products vendor of the year.
- The Montreal factory in Canada won the CSST's "Innovation Award" for a self-developed flatbed truck fall-protection system.
- The Cressona plant won the NE Pennsylvania Manufacturers Association "Community Involvement" Award.

### FACTS:

Sapa develops, manufactures and markets value-added profiles, profile-based building systems and heat exchanger solutions in aluminium. Sapa has sales and manufacturing operations in 35 countries in Europe, North America and Asia, and a total of 14,481 employees by the end of 2011.

Sapa comprises three business areas: Sapa Profiles, Sapa Building System and Sapa Heat Transfer. Sapa Profiles is the world's leading manufacturer of extruded aluminium profiles, with a 14% market share in Europe and 29% in North America. Sapa profiles are used in a wide range of products. The most important sectors are building and construction, solar and other renewable energy solutions, transportation, automotive, and home and office equipment.

Sapa Building System is one of Europe's largest suppliers of building systems based on aluminium profiles. The company offers a wide range of innovative aluminium systems for curtain walling, doors, windows and specialist applications. Examples of products are solar shading and solar panels integrated into walls or roof panels.

Sapa Heat Transfer is the world's leading solutions provider to the heat-exchanger industry, with a global market share of 21%. Sapa Heat Transfer has specialised in the delivery of extruded, rolled and welded extruded solutions for all-aluminium heat exchanger applications.



Photo: Sapa

Sapa's businesses develop tailored solutions to meet its customers' differing needs

### Sapa Heat Transfer

Due to the fire at Sapa Heat Transfer's Finspång factory in 2010 and a major technical change at the same factory in 2011, the company's production capacity was lower than normal in 2011. To help customers affected by delivery problems, Sapa Heat Transfer shifted some production to the Shanghai factory, and tried to find alternative external suppliers.

In the case of Sapa Heat Transfer Tubes in Monterrey, Mexico, drug cartel-related violence, including kidnappings, has been a concern for the local community as well as for Sapa employees, suppliers and customers. Various steps have been taken to mitigate the risk of being affected by such actions, including increased security measures at the plant, a stricter staff travel policy and the introduction of a crisis management plan.

Sapa Heat Transfer received several awards and distinctions in 2011. Sapa Heat Transfer in China was named "Most valuable supplier" by the following customers for best quality and service.

- Behr
- Shandong Weifang
- Shanghai Songz
- Guangzhou Farat
- Nanjing Xiezhong

Sapa Heat Transfer's Shanghai factory won the local Jiading Industrial Zone's gold medal for being the most competitive enterprise. The prize was award-

ed based on the growth in sales and the factory's considerable tax contribution to the local community.

### Sapa Building System

In 2011, Sapa Building Systems received the "World's Best Tall Building" award for Broadcasting Place in Leeds, United Kingdom. The reason for the award was that the renovation safeguards the preservation of a historical building.

### Reorganisation and organisational development

During 2011, the financial climate became increasingly challenging in several of Sapa's main markets. In order to adjust Sapa's structure to the weaker market situation, an extensive restructuring programme was initiated in the second quarter of 2011. This resulted in a total reduction of approximately 900 employees.

In Europe, three factories were closed down: Grenaa in Denmark, Cacem in Portugal and Ghlin in Belgium. Reductions were also made at other factories in all three business areas. In North America, the Sapa Profiles factory in Vancouver was closed, and reductions were also implemented at other Canadian plants.

Due to the social impact of these measures, Sapa has been fully committed to engaging constructively with employees and their representatives to find the best possible solutions for the employees affected by the reductions.

Sapa continues to focus on organisational development. All top 200 managers and key personnel are taking part in an annual result- and development dialogue based on Orkla's guidelines. Sapa's ambition is to hold an annual performance and development review with all permanent employees. Most employees in Sapa Profiles Europe and North America, as well as in Sapa Heat Transfer and Sapa Building System, are covered by such procedures. In Sapa's newly-acquired companies in Asia, annual performance and development reviews are only held with top managers. Starting in 2012, these measures will be gradually expanded.

In addition to participating in the Orkla Academies, Sapa carried out several targeted skills-development activities in 2011:

- Sapa Academy, two weeks of internal training for 30 high potentials and managers.
- Commercial Excellence Programme, in cooperation with Lancaster University. A two-week course on campus, combined with 100 hours of e-learning and project work. A total of 30 managers participated.
- Manufacturing Excellence Programme, in cooperation with Oxford University. Four modules on campus, combined with project work. A total of 20 production managers and technicians participated.



Photo: Sapa

In 2011, Sapa Building System received the "World's Best Tall Building" award for Broadcasting Place in Leeds

In addition, the Sapa business areas organised Genesis Production Academies (North America), EHS courses and Profiles Academy courses.

**Diversity**

A total of 18.6%<sup>15</sup> of Sapa employees, and 15%<sup>16</sup> of Sapa's managers, are women. The proportion of female managers decreased from 15.8% in 2010 as a result of the structural changes made in 2011. A total of 5.3%<sup>17</sup> of top managers in Sapa are women. The two Chinese companies, Sapa Heat Transfer Shanghai and Sapa Profiles Jiangyin, have the highest proportion of female top managers.

Sapa is not satisfied with the gender balance among employees and managers, and will intensify its efforts to ensure that female candidates are identified in recruitment processes for key positions and that female employees with potential for future management positions are identified and trained. Sapa Profiles North America has worked actively to promote diversity and gender equality during the last two years. All of the American companies have developed action plans to promote diversity and gender equality in connection with recruitment and promotion. Training and communication measures will be completed in 2012 to ensure proper implementation of these plans.

One of Sapa's companies in France was ordered at first instance to pay EUR 117,000 in withheld salary and EUR 20,000 in compensation to a former employee for discrimination related to a dismissal. The same company was also ordered to pay EUR 151,000 to another former employee for unfair dismissal. In this case, the employee

was reinstated. The company disagrees with the judgments, and has appealed in both cases.

**Business ethics**

In 2011, Sapa established a risk committee to strengthen risk management procedures across the Group, including the management of legal and ethical risk. The committee will evaluate whether a standard risk assessment format could be introduced to ensure a more consistent approach to risk management throughout Sapa.

Sapa Profiles North America has increased its focus on business ethics during the last two years. In 2011, a handbook describing the company's code of conduct was distributed to all employees, and a declaration of ethical

obligations was incorporated into the standard employment documents. Legal compliance statements are regularly obtained from all permanent employees and hourly employees in positions which may carry ethical risks.

As part of the integration of Sapa Profiles Vietnam, which was acquired by Sapa in 2010, training on corporate responsibility and business ethics was conducted for the company's management and union representatives in 2011. Similar training is planned for Sapa Profiles Jiangyin, China.

**Environment, health and safety**

Sapa's approach to environment, health and safety (EHS) continues as an integrated process, and is an impor-



Photo: Sapa



Photo: Sapa



Photo: Sapa

Sapa invests in developing the skills of its employees and management staff

<sup>15</sup> As at 31 december 2011

<sup>16</sup> As at 31 december 2011, managers are defined as employees with formal personnel management responsibilities.

<sup>17</sup> As at 31 december 2011, six of the 114 most senior managers were women.

tant part of Sapa's business system, Genesis. The Sapa EHS Management System (EHSMS) complies with both the OHSAS 18001 health and safety standard and the ISO14001 environmental management standard. Sapa carries out regular EHS audits at all factories to identify good practice and opportunities for improvement.

However, despite the good improvements made, there was a fatal accident at Sapa Profiles Shanghai. A Sapa-managed contractor was electrocuted while attempting to repair a cooker in the factory canteen.

In 2011, Sapa became involved in two new legal cases relating to health and safety. A truck driver employed by an external transporter issued proceedings against Sapa Profiles in North America, claiming compensation for injuries he had suffered in connection with a fall. The company is currently evaluating the facts of the case. The family of a deceased person, former employed by Alumix, a company purchased by Alcoa in 1996 and subsequently integrated into Sapa Profiles in Italy in 2007 through Sapa's takeover of Alcoa's operations, sued Sapa Profiles in Italy, along with several other previous owners of Alumix. The family is claiming compensation for an asbestos-related illness suffered by the deceased. Sapa Profiles has rejected the claim, based on the fact that the deceased was not employed by Sapa or Alcoa.

Sapa factories worldwide have implemented many and varied environmental measures. The measures include the installation of solar panels, the removal of hazardous substances from surface treatment chemicals, the prevention of spills, energy-saving activities and the implementation of ISO 14001. Sapa now has 34 factories certified under ISO 14001, mostly in Europe and Asia.

Twenty-four environmental minor non-compliances were reported via the internal reporting system in 2011, representing a significant reduction compared to previous years. The company was fined once, in connection with the transportation of aluminium scrap across the border between Hungary and Romania. The infringement arose

during a negotiation period. A new agreement for cross-border transportation is now in place.

Sapa has faced a series of challenges in 2011, ranging from the acquisition of a new business in Asia to reorganisations in Europe and North America. All of these challenges have been effectively managed by local management, with no detrimental EHS effects.

### Health and working environment

Sapa's sickness absence rate was 2.8% in 2011, an improvement on 3.1% in 2010.

Sapa has introduced health programmes ranging from occupational health services to measures to prevent hearing damage and strain injuries caused by manual handling.

Ergonomic factors are an important cause of various injuries and occupational disorders. Despite a long-term focus on this area, there is still significant room for improvement. Noise reduction at source is an important part of the hearing damage prevention programme.

Sapa launched a health and wellbeing programme in 2011 to raise employee awareness of the need to live a healthy lifestyle. The programme covers physical, social, psychological, environmental and economic factors, and includes measures and information about diet and exercises, stress, smoking, etc.

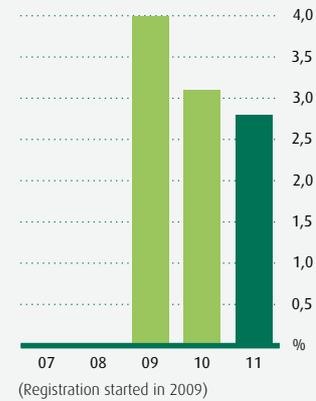
### Workplace safety

All Sapa business areas have continued to improve their safety performance in 2011, resulting in the best results ever achieved in the company's history. In 2011, the TTR (Total Recordable Rate) was 7.0, while the LWDR (Lost Work Day Rate) was 2.6. The corresponding figures for 2010 were 9.3 (TRR) and 3.3 (LWDR).

There are many examples of how factories world-wide are improving safety at their locations. In several cases, factories have achieved a whole year of operation without injuries leading to absence.

The operations which achieve good EHS results have integrated EHS management and effective improvement

Sickness Absence Rate



Lost Work Day and Total Recordable Injuries



measures into their production processes. This work is based on documented risk assessments, a high standard of order and cleanliness, the commitment of management and the involvement of employees.

Sapa Profiles North America continues to arrange an annual EHS day, on which all its factories across North America participate in an event dedicated to health, safety and the wellbeing of all employees. The employees engage in activities intended to increase their understanding of EHS issues and their personal commitment to improvement efforts.

Sapa has an annual awards ceremony at which the company's EHS award is given to a business whose leadership is driving forward EHS efforts, engaging the workforce in EHS activities and delivering continuously improving results. The winner of the 2011 award was Sapa Profiles Montreal. Sapa Profiles Montreal also won a national Canadian safety award, the CSST Innovation Prize. This prize was awarded for the development of a fall-protection system for flat-bed trailers, which prevents falls during the loading and unloading of products.

**Resource consumption**

**Energy**

Sapa's energy consumption totalled 3,000 GWh in 2011, 69% of which was heat energy, while 31% was electricity.

Numerous initiatives were implemented in 2011 to reduce energy consumption, such as the installation of solar

panels on the roof of Sapa Profiles Puget in southern France. The solar panels cover 6,000 m<sup>2</sup>, and have a capacity of 1 MWh.

Sapa North America has greatly improved production during 2011. Production efficiency and higher operational stability have also resulted in energy savings. Natural gas consumption was reduced by 3.9%, while electricity consumption was improved by 7.5%.

Sapa Heat Transfer Finspång in Sweden, is participating in a state-sponsored energy-conservation project, which is now starting to generate significant savings. One measure was the optimisation of the heating and ventilation system, which has reduced energy consumption by 50% since 2010.

Sapa Building Systems Belgium has installed a new coating line with many energy-saving features. One measure is using recovered heat from the drying furnace to pre-warm profiles, rather than using the traditional infrared heating, and to heat the workspace in the winter months.

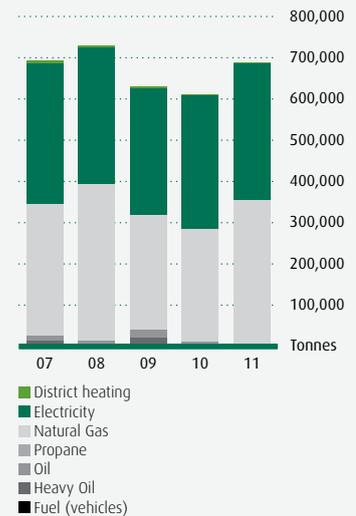
**Water**

Sapa locations worldwide consumed approximately 12 million cubic metres of water. In the production processes, water is used during rolling, extrusion, anodising and painting. Most of the factories have water recirculation systems, high-efficiency quench units// coolers and cooling towers.

Consumption of Energy



Total CO<sub>2</sub>-emissions



Allocation of CO<sub>2</sub>- emissions

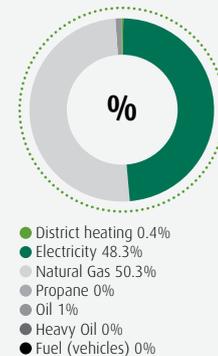


Photo: Kyrre Lien

Aluminium casting at Sapa Vetlanda in Sweden.

**Emissions**

In 2011, Sapa factories emitted 358 tonnes of nitrous oxide (NOx), 38 tonnes of sulphur dioxide (SO<sub>2</sub>), and 164 tonnes of volatile organic compounds (VOC). All factories are required to develop plans to reduce these and other environmentally harmful emissions.

Sapa uses a carbon footprint calculator incorporated into the central environmental reporting system to calculate and monitor direct CO<sub>2</sub> emissions (from the burning of fossil fuels at the sites), and indirect CO<sub>2</sub> emissions (from purchased energy).

In 2011, CO<sub>2</sub> emissions totalled 690,000 tonnes, representing a small increase on 2010 due to increased production volumes. Purchased energy accounted for 50% of the emissions.

Sapa North America, by improving energy efficiency, has cut its own CO<sub>2</sub> emissions from production by some 7,000 tonnes, and reduced CO<sub>2</sub> emissions from purchased energy by over 27,000 tonnes.

At Sapa Heat Transfer's Alutubes plant in Lichterwede, Belgium, the local community became concerned about health and environmental aspects connected to emissions from the foundry in 2011. In response to the concerns, emissions from the production pro-

cesses were monitored, and the results presented to the neighbours. The analyses documented that the emissions presented no health risk, but measures were implemented to reduce the nuisance from odour.

In response to complaints from neighbours of Sapa Heat Transfer Tubes in Monterrey, Mexico, regarding noise, dust and odours from the factory, the company committed to continuing efforts to reduce noise pollution. The measures include reduced use of night shifts, noise isolation shutters and changing the cross-handling procedures to prevent overflows.

**Waste**

The total amount of waste generated in 2010 was 71,500 tonnes, of which 74.5% was recycled.

**Sustainable products**

Aluminium offers a unique combination of attractive properties. It is light, strong, durable, flexible and easy to handle, and requires minimal maintenance. It is also resistant to corrosion – the earliest aluminium structures used in construction are still withstanding the ravages of time, after well over 100 years. In addition, it can be reused for the same purposes over and over again with very limited impact on the environment. Unlike many other materials, the unique properties of aluminium do not change after recycling.

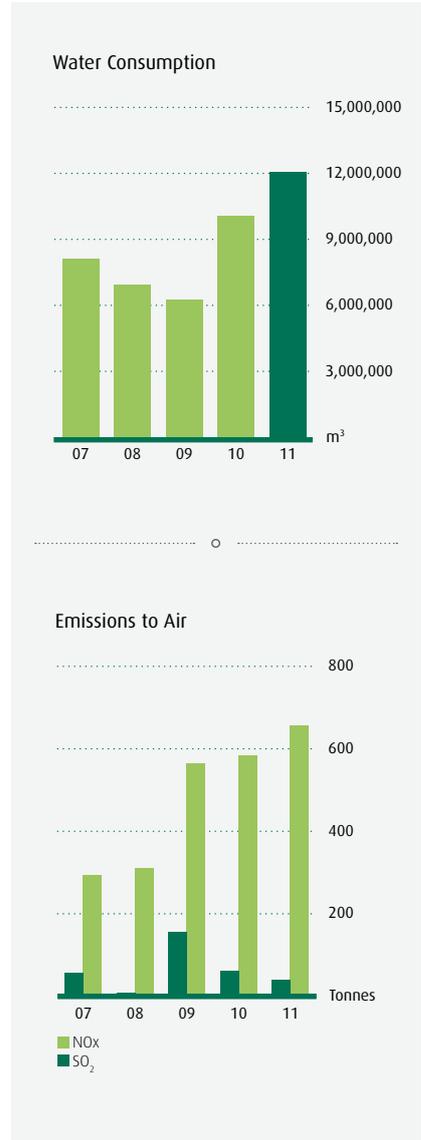


Photo: Kyrre Lien

Furthermore, recycling requires only 5% of the original energy input.

This allows Sapa customers to benefit from using products which are produced with very low energy consumption, without compromising the physical characteristics of the material or the design properties of the product.

Around 50% of Sapa's total production is based on recycled aluminium. Sapa can offer a range of profiles and products that are extruded from recycled aluminium. In 2011, Sapa increased its re-smelting capacity by investing in new smelting plants, and implemented measures to optimise existing smelting operations.

### Sustainable product innovation

Sapa believes strongly in close cooperation with its customers to develop profitable and environmentally friendly solutions. Sapa currently has three innovation centres globally: Sapa Technology in Finspång, Sweden, Sapa North America Tech Centre in Portland, Oregon, USA, and Sapa Technology Shanghai, which was opened in 2011. These centres help to strengthen the Group's leading position in the manufacture of extruded-aluminium products and products for the heat-exchanger industry. The centres utilise global R&D resources, engineering expertise and technology transfer. The

new centre in Shanghai will link Sapa's R&D function more closely with Sapa's growing customer base in Asia.

The Baldock Solar Highway and Sapa Pole Products are two examples of the sustainable innovation projects undertaken by Sapa in 2011.

The Baldock Solar Highway project, located approximately 50 km south of Portland, Oregon, broke ground in August 2011. The project will use only Sapa-produced aluminium. A Sapa customer, SolarWorld of Hillsboro, Oregon, will produce 6,994 250-watt solar panels, which will generate enough renewable energy to power both the Baldock area and 165 homes.

Sapa Pole Products is the first lamp post manufacturer in the world to be awarded a "Silver Cradle to CradleCM" certificate. The central idea of the Cradle to Cradle philosophy is that a product must be designed so that the materials used in the different product components can be re-used in other products after the end of their operating lives without any loss of quality.

### Responsible sourcing

At Sapa, both the purchasing function and the establishment of procedures for responsible sourcing are decentralised responsibilities. In 2009, Sapa established a central strategic sourcing team

with responsibility for coordination and general support. In 2012, the team will conduct a risk assessment of Sapa's suppliers of metal, chemicals, and energy. The team will also facilitate the implementation of Orkla's Responsible Sourcing Policy at Sapa. In total, 28 managers and employees participated in training on responsible sourcing in 2011.

### Community engagement

In 2010, Sapa Profiles in North America took the initiative to raise money for earthquake victims in Haiti. Throughout the Sapa Group, employees made donations, which Sapa matched. All in all, USD 70,000 was collected, and during 2011 a team of Sapa volunteers planned the building of four homes, water-treatment systems and the restoration of a local health clinic. In January 2012, the 12 volunteers were finally able to travel to Haiti with Sapa's financial support to complete the buildings. All of the volunteering employees were given additional paid vacation to compensate for their leaves of absence and to minimise the financial consequences for them personally.

In 2011, Sapa decided to make a donation to the new children's village which is to be built in Vietnam as part of the long-term cooperation between Orkla and SOS Children's Villages. Sapa will continue this commitment in 2012.



Photo: Sapa



Photo: Sapa

Above: Sapa employees are engaged in building new homes for earthquake victims in Haiti.

Left: Sapa Pole Products is the first lamp post manufacturer in the world to be awarded a "Silver Cradle to CradleCM" certificate.



## Other Businesses

Orkla's other businesses comprise Borregaard, Hydro Power, Orkla Eiendom, an ownership interest in Jotun and the Group's portfolio of financial investments.



# Borregaard

Borregaard has one of the world's most advanced, sustainable biorefineries. Using natural, sustainable raw materials such as spruce, Borregaard produces advanced, environmentally friendly biochemicals, biomaterials and bioethanol that can replace oil-based products.

## Corporate responsibility at Borregaard

Borregaard is working actively to develop the biorefinery concept by producing a range of new products from renewable raw materials. To retain its position as the world's most advanced biorefinery, Borregaard is dependent upon innovation to identify new areas of application for biomass. Research and development is therefore given high priority, and the company's research centre also holds a leading position internationally. Today, almost one quarter of Borregaard's sales are of products launched in the last five years. The company R&D efforts are being strengthened further through the construction of two pilot plants for new processes and products.

Health, safety and the environment are integrated into Borregaard's business plan. The company wants to exercise corporate responsibility, and to work actively on measures to promote environmentally and socially responsible development. Important priority areas for 2012 will be the construction of larger energy and environmental facilities, the development of a new energy efficiency programme for the Sarpsborg operation and the completion of a smolt facility for salmon.

## Stakeholder dialogue

Good dialogue with stakeholders is crucial for building trust in Borregaard in the local community and among other stakeholders, and is a key part of the company's corporate responsibility.

In the course of 2011, various cabinet ministers and leading politicians visited Borregaard's head office, research centre and factory at Sarpsborg. In just a few years, the company has become an important participant in the

bio-based products sector. This has led to close contact with various specialist institutions and public bodies.

In September 2008, Borregaard's aerobic treatment plant was closed as a result of an outbreak of Legionnaire's disease. Since then, Borregaard has conducted extensive studies to identify the causal connections relating to the growth and spread of legionella, and evaluated various cleaning technologies. The studies show that, to achieve a good cleaning effect with no risk of future legionella outbreaks, Borregaard has to build a new, closed anaerobic treatment plant costing around NOK 200 million. In June 2011, Borregaard was granted a temporary permit to make discharges to water until the new treatment plant comes into full operation in June 2013. In connection with the processing of the permit application, the company held several dialogue meetings with the authorities and various stakeholder groups. At the meetings, Borregaard described its efforts relating to cleaning technologies and measures to improve its emissions performance.

Both hydropower production, with its related water-level regulation, and Borregaard's emissions may have negative consequences for the spawning and growth conditions of the wild salmon stock in the Glomma River. Measures to improve the situation have been discussed with the local fish management authorities and other specialist bodies. One of the measures, implemented for the first time in 2011, is the deployment of salmon roe at four locations in the Glomma River, close to the Borregaard site. In addition, work has begun on the construction of a cultivation plant for salmon on the Borregaard site. Together with a power company, Borregaard will finance the plant, which is scheduled to

be ready for the 2012 salmon spawning season. The aim is to achieve the target stock of salmon in the Glomma River within four to five years.

Borregaard LignoTech's factory in South Africa, a joint venture with the South African company Sappi, is an important business in its local community. During 2011, the company helped to strengthen the local schooling system by financing a new classroom at a primary school. This has given 311 children an improved learning environment and better educational opportunities.

## Research and development

Borregaard's investment in research and development amounted to around NOK 100 million in 2011. Research is conducted at Borregaard's own research centres in Norway, Spain, South Africa and the USA, and through extensive cooperation with customers, universities and research institutions in various countries.

## FACTS:

With its biorefinery, Borregaard is an important supplier of biochemicals, biomaterials and bioethanol, but also holds strong positions in the additives and fine chemicals segments. The company's use of trees has deep historical roots, and a bright future. A high pace of innovation and a global presence have ensured the development of the biorefinery concept over the 120-year history of the company.

The company has a total of eight production sites and sales offices in 17 countries in Europe, Asia and Africa, and had approximately 1,200 employees at the end of 2011.

In 2011, Borregaard received support of NOK 17.4 million from Innovation Norway's environmental technology programme for the construction of a new pilot plant for second-generation bioethanol and biochemicals. In total, Borregaard will receive NOK 58 million in project support over a two-year period. The company has also received support from the EU (NOK 5.3 million), the SkatteFUNN scheme (NOK 1.1 million) and the Research Council of Norway (NOK 0.3 million).

Borregaard was awarded the Oslo Technoport prize for innovative environmental technology in 2011. The prize was given in recognition of the company's newly-developed process for the production of bioethanol and green chemicals from biomass. These efforts are based on a long-term, consistent environmental focus and Borregaard's forward-looking research work.

### Reorganisation and organisational development

The company's improvement programme for the Borregaard factories in Sarpsborg, BF 2010, has continued in 2011. The project involves extensive organisational changes, and has made the company more modern and internationally competitive. By giving the operator a key role and facilitating increased coordination via a joint control centre, the factories have achieved improvements in the form of better,

higher production and quality, and improved EHS conditions. A comprehensive training programme, along with the introduction of new technology, is a core element of the project. The programme will be continued in 2012. Reorganisation processes are demanding, not least when staff numbers are reduced, but Borregaard gives emphasis to the involvement of and dialogue with employees and trade unions.

Borregaard in Sarpsborg is also taking greater responsibility for training skilled workers, through targeted contact with and teaching in schools and by increasing its intake of apprentices. In 2011, the company developed its own training centre, Kunnskapsfabrikken ["the Knowledge Factory"], for this purpose.

Borregaard's remaining production facility in Italy was closed in the summer of 2011, due to market and financial conditions. Borregaard subsequently made active efforts to find new operational solutions for the company. This process resulted in the sale of the operation towards the end of the year. Production has now restarted, and a significant number of employees have been re-hired.

Borregaard's Swiss plant was closed in 2008, although a small part of the production capacity was maintained until the end of 2010. During the period since the closure, Borregaard has in-

vested substantial resources in property development, partly in cooperation with the local authorities, to facilitate new business development. This process will continue in 2012.

### Diversity

Borregaard wishes to contribute to positive diversity in its workforce, and will combat discrimination based on sex, ethnicity, religion and disability. A dedicated policy and action plan for this area were developed in 2011.

Around 23%<sup>18</sup> of Borregaard's employees are women. The proportion of female managers was around 18% in 2011, the same level as in 2010. In 2011, the proportion of female top managers in Borregaard was around 15%<sup>19</sup>. The company has special schemes in place for promoting the recruitment of female staff and managers, including a mentoring scheme and a deliberately high proportion of women in management programmes and the company's recruitment base. In addition, several candidates have participated in external seminars and courses focused on the promotion of women in key and management posts. These measures will be continued in 2012. A dialogue is also maintained with employee representatives to protect equal pay principles.



Photo: Bilde Folk



Photo: Bilde Folk

<sup>18</sup> As at 31 December 2011.

<sup>19</sup> At year-end, six of the 41 most senior Borregaard managers were women.

**Environment,  
health and safety  
Health and working environment**

Borregaard's total sickness absence rate was 5.1% in 2011, the same level as in 2010. Providing a health-promoting working environment has also been an important priority for the company in 2011. Sickness absence is generally low in the companies outside Norway. At the Sarpsborg operation, sickness absence has been substantially reduced over a period of several years, and in 2011 the rate was 4.9%. Borregaard was awarded Østfold county's inclusive working life prize for its efforts to promote an inclusive working life. The reasons given for the award were the company's good follow-up of sick staff and its preventive activities. A new gym, the "Health Factory", was opened on the factory site in the autumn of 2011. The sickness absence target rate for 2012 is 4.5%.

**Workplace safety**

Borregaard improved its safety performance in 2011. The LWDR (Lost Work Day Rate) was 3.8, compared to 4.5 in 2010. Correspondingly, the TRR (Total Recordable Rate) was 11.8, compared to 17.0 in 2010.

Borregaard LignoTech's plant outside Norway has reported an LWDR of 0 for the last 20 months, and only one injury, which did not lead to absence. This positive result is supported by the fact that the number of observed risky actions and conditions has been strongly reduced. The business area has achieved these good results through considerable, long-term engagement by management, a goal of zero injuries, and focused efforts. Several global working groups have been launched, which have worked on safety plans and conducted audits. A working environment survey completed in 2011 showed that management requirements relating to safety, communicated through clear examples of measures, have a positive effect on employees. This is an example of a healthy organisational culture.

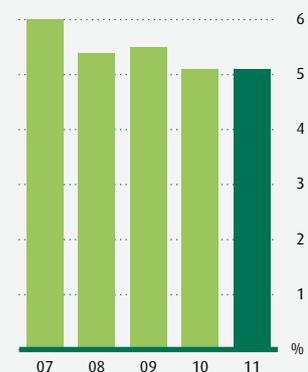
In the Sarpsborg operation, personal safety is integrated at all levels. This is a key aspect of the BF 2010 reorganisation process. Work continued in 2011, based on the experiences gained from Borregaard LignoTech's targeted safety efforts. As a clear signal of its commit-

ment, the factory managers signed a safety pledge in the spring of 2011. At operator level, a system of personal safety job analyses was introduced to make operators aware of the need to make safe choices when completing individual tasks. Safety has been made a fixed agenda item at all start-up meetings for shifts beginning a new shift period. All injuries are investigated by a broad-based committee to identify the true "root causes", appropriate measures, and lessons to be learnt. The total number of injuries was reduced by 22% compared to 2010, and the LWDR for 2011 totalled 5.6. The objective for 2012 is to reduce the LWDR to 3.

Borregaard Sarpsborg maintained its positive trend, with fewer fires and potential fire incidents. Compared to 27 potential fire incidents in 2009, the company experienced only eight in 2011. Two fires broke out in 2011, compared to five in 2010. The other operations suffered no fires or potential fire incidents.

Until now, Borregaard has produced limited amounts of liquid chlorine. The production and storage of chlorine presents a safety risk, and comprehensive safety procedures are required. For the last two years, the chlor-alkali factory has been undergoing a conversion to replace the production of chlorine gas with the production of hydrochloric acid. The conversion of the chlorine factory will be completed in 2012, and the potential for accidents will be reduced significantly.

Sickness Absence Rate



Lost Work Day and Total Recordable Injuries



Process monitoring and control at the timber plant at Borregaard Sarpsborg

Photo: Johnny Helgesen

**Resource consumption**

Borregaard's biorefinery concept produces favourable climate and environmental accounts due to the use of renewable resources, efficient processes and good utilisation of raw materials. The company has conducted a life-cycle analysis documenting these conditions. The analysis was updated in 2011.

**Energy**

The energy consumption of all Borregaard units totalled 1.89 TWh in 2011 (1.29 TWh of heat energy and direct heating and 0.6 TWh of electricity). The consumption of electrical energy was at the same level as in 2010, while energy used for heating purposes increased somewhat. The bulk of energy consumption occurs at Borregaard's factories in Sarpsborg, which have a total consumption of 1.67 TWh. Consumption of fossil fuels was reduced by approximately 20% compared to 2010, and replaced by increased steam production from electric boilers and more heat from waste incineration plants. Reduction in energy consumption from 2008 to 2009 is due to the closure of Borregaard's operations in Switzerland.

**Water**

In 2011, water consumption at the Sarpsborg plant totalled 23.2 million m<sup>3</sup>, representing a weak increase on 2010, when consumption totalled 22.6 million m<sup>3</sup>. The increase corresponds to the increase in production at the factories.

**Emissions**

In recent years, Borregaard has achieved considerable reductions in emissions to air. As a result of the company's environmental strategy, more than 70% of the heat energy supply is now based on renewable sources and energy recovery from waste.

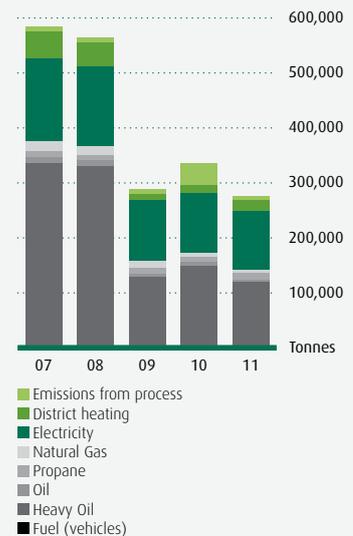
In Sarpsborg, Borregaard reduced its emissions of CO<sub>2</sub>, SO<sub>2</sub> and NO<sub>x</sub> by 19%, 30% and 33% respectively in 2011. The most important cause is reduced consumption of heavy oil in the boiler house, as a result of increased deliveries of steam from the waste energy recovery plant and the increased use of electric boilers to produce steam. Borregaard is working on phasing out heavy oil entirely, and natural gas is being considered as a potential alternative. This will lead to further cuts in emissions of CO<sub>2</sub>, SO<sub>2</sub> and NO<sub>x</sub>. Reduction in energy consumption from 2008 to 2009 is due to the closure of Borregaard's operations in Switzerland.

Borregaard's CO<sub>2</sub> emissions are primarily linked to the use of fossil fuels in heat production, and emissions from all Borregaard factories totalled 143,000 tonnes in 2011. This represents a drop of 20%, primarily due to reduced use of fossil fuels. Orkla's 2011 climate accounts also include emissions from purchased energy. This brings total CO<sub>2</sub> emissions to 277,000 tonnes.

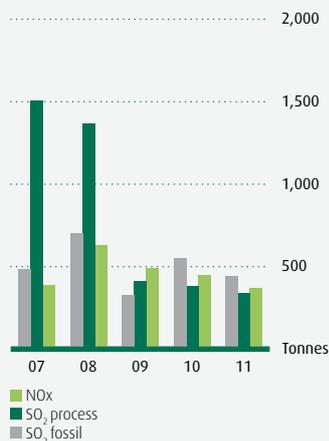
Consumption of Energy



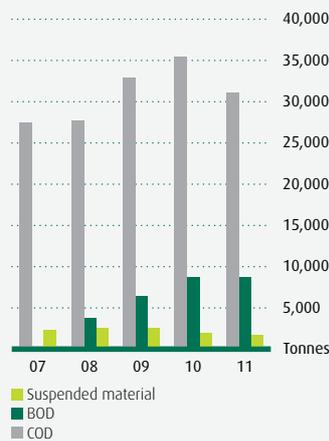
Total CO<sub>2</sub>-emissions



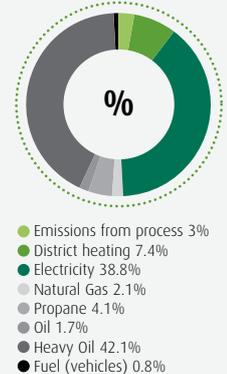
Emissions to Air



Emissions to Water



Allocation of CO<sub>2</sub>-emissions



SO<sub>2</sub> emissions result partly from the burning of fossil fuels and partly from the cellulose processes, as well as from ethanol and biogas production. In 2011, emissions by Borregaard Sarpsborg totalled 780 tonnes, 20% less than in 2010.

Discharges to water improved in 2011. This is due to the implementation of several internal process-related measures and improved operational procedures for reducing emissions. The run-in of the new anaerobic treatment plant is expected to be completed by the time Borregaard's temporary emissions permit expires in June 2013. This will bring discharges to water of organic materials, measured as chemical oxygen demand (COD) into compliance with the new, permanent emissions permit. It is uncertain whether the new anaerobic treatment plant can treat all emission

streams. Borregaard has boosted its expertise in cleaning technology by hiring new staff and by testing the different emission streams using a pilot plant to investigate whether they can be treated in the treatment plant. Other investment measures being examined include more closed processes, improved washing and increased evaporation capacity.

The new anaerobic treatment plant which is currently being built will also result in further reductions of emissions to air. The biogas produced by the plant will be used as fuel for one of the lignin spray driers, which currently uses fossil fuel. Borregaard has received support totalling NOK 30 million from Enova for this energy effectiveness project.

In 2010, Borregaard received several complaints concerning odours, and an

odour survey project was implemented. This identified the old anaerobic treatment plan as the primary source. Several successful measures were introduced at the end of 2010 and beginning of 2011 to reduce the odour emissions. This has resulted in a drop of 73% in the number of neighbour complaints, primarily due to the odour-reduction measures and an active neighbour dialogue. Nevertheless, until the new plant is in full operation, there will be periods during which odours will be emitted by the old treatment plant. The new plant will further improve the odour situation.

**Waste**

Borregaard's material recovery percentage is high. For example, bark is either burned in Borregaard's incineration plant or sold. Plaster and ash waste are sent to external disposal

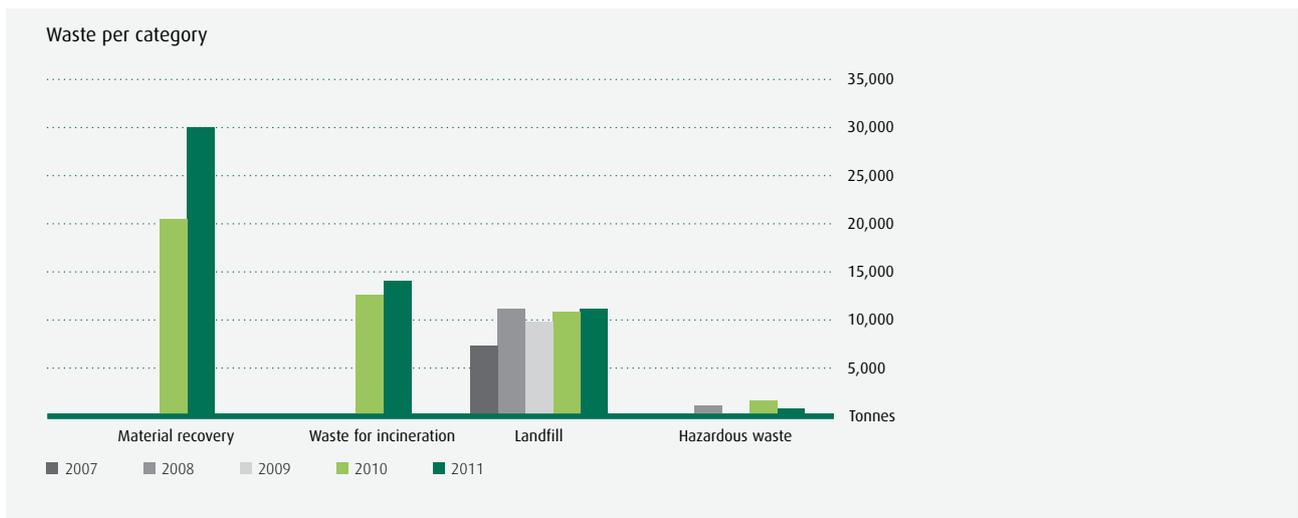


Photo: Bilde Folk

The control room at Borregaard in Norway continuously supervises the production processes

sites. The waste produced by Borregaard LignoTech primarily comprises inert materials, i.e. plaster and other insoluble raw-material components. All of Borregaard's factories sort their waste at source.

### Sustainable products

Borregaard's products are based on renewable materials, and are environmentally friendly alternatives to oil-based products. Life-cycle analyses show that Borregaard's products for the agricultural, fisheries, construction, biofuel and other industries all produce good climate accounts compared to oil-based products. In 2011, the company achieved major progress in the development of new technologies for the manufacture of biochemicals and other second-generation biofuels based on biomass which cannot be used for food. Work on the construction of Borregaard's own pilot plant started in 2011. The plant is expected to be ready for testing in the spring of 2012.

## In 2011, bioethanol was delivered to the Norwegian private car market for the first time

A growing proportion of Borregaard's bioethanol is being used as fuel, thanks largely to the product's good carbon footprint. In 2011, bioethanol was delivered to the Norwegian private car market for the first time.

### Product safety

For several years, Borregaard has supplied products to the food industry and pharmaceutical businesses. This has given the company top expertise in the area of product safety. In recent years, Borregaard has strengthened its expertise on national and international laws, and on the inspection and production of food.

Borregaard works actively to ensure that its products are manufactured and handled in a proper manner. This work starts in the research department, with the selection of the ingredients which have the best properties with regard to health, safety and the environment. The company prepares safety data sheets for all products, enabling customers to take precautions where required.

All Borregaard business areas are required to comply with applicable laws, including the EU REACH Directive, which deals with the identification of the properties of different chemicals which may affect health.



Photo: Kyrre Lien

Borregaard's products are based on renewable resources.

# Orkla Eiendom

Property development is active social development, and several of Orkla's real estate projects involve the renewal of old industrial areas by converting them into modern housing and shopping areas.

In 2011, Orkla's own projects included construction work at Ringnes Park, the former Idun factory in Oslo, and the conversion of one of Denofa's former factory buildings at Øra in Fredrikstad, Norway, into an arts centre.

Orkla Eiendom is focused on environmentally efficient and environmentally friendly solutions. New properties which are bought, and existing buildings in the portfolio, are reviewed thoroughly to ensure effective energy management. The implementation of energy-efficiency measures is a simple means of securing both environmental gains and lower operating costs.

As a builder, Orkla Eiendom requires project managers to be present at the construction site in order to establish close cooperation with the contractor regarding EHS efforts. Critical work operations must be identified at an early stage of each construction project. Well before these activities begin, analyses must be carried out to ensure that a safe production method is used. Construction project managers must report to Orkla Eiendom monthly on the status of EHS efforts in their projects. The aim is to ensure that no personal injuries occur in connection with Orkla Eiendom's construction projects which lead to absence from work. This goal was achieved in 2011.

Øra Industripark in Fredrikstad, Norway which was created when Denofa was restructured in 2005, is managed by Øra Næring AS. The industrial park is home to many different lessees and activities. In connection with the leasing out of a tank farm, it was discovered that hazardous waste was being stored illegally. The Norwegian Climate and Pollution Agency reported the lessee, DVS Norge AS, to the police for illegal interim storage of hazardous waste in tanks. Since the breach was discovered, Øra Næring has implemented a plan for emptying the storage tanks and returning the hazardous waste to its owner, DVS Norge AS.

Photo: Orkla



## FACTS:

Orkla Eiendom invests in and develops property, and also manages a number of properties. In cooperation with associated companies and other partners, Orkla Eiendom currently engages in the development of properties for housing, office, commercial and hotel purposes. The company including daughter companies has 54 employees.

The old hydrogen plant at Øra in Norway is being converted into an arts centre

# Hydro Power

Through Hydro Power, Orkla owns and operates power plants that use waterfalls to produce renewable energy.

Hydro Power comprises the power plants owned by Borregaard Ind. Ltd and Orkla's 85% share in AS Saudefaldene.

The construction and operation of hydropower plants is subject to comprehensive regulation and licensing. Such activities are closely monitored by the watercourse, energy and environmental authorities. This is why Hydro Power maintains a comprehensive dialogue with the relevant authorities to obtain permits for plants and projects in watercourses. The authorities also conduct regular inspections and audits.

## Borregaard Ind. Ltd

Borregaard Ind. Ltd owns the Borregaard power plant and 50% of the Sarp power plant, the other half of which is owned by Hafslund Produksjon AS. The power plants are located in Sarpsborg, and utilise the fall in Sarpsfossen waterfall in the lower part of the Glomma River. Borregaard Ind. Ltd also owns Mossefossen kraftverk ANS in Moss, which utilises the fall in

the Mossefossen waterfall. In addition, Orkla Borregaard owns Trælandsfos AS in Kvinesdal, which utilises falls in the lower part of the Kvina River. In an average year, the total production of the power plants is 553 GWh, and the plants have a total installed effect of 145 MW (including the entire Sarp power plant). In 2011, production totalled 583 GWh, compared to 551 GWh in 2010. The higher production figure resulted from increased rainfall and higher inflows than in 2010.

## AS Saudefaldene

Ownership of AS Saudefaldene is split between Orkla (85%) and Sunnhordland Kraftlag AS (15%). The company has 32 employees. The plants have an installed effect of 356 MWh, and an average annual production of 1.85 TWh. Work on the first power developments in the Sauda mountains began in 1915, while the most recent power plant was commissioned in 2009. The Sauda project, which was initiated in 2005 and completed in 2011, is the largest power development in

Norway for many years, and provides 650 GWh of new renewable energy. The entire facility now comprises seven power plants: Dalvatn, Storlivatn, Sønnå høy and Sønnå lav, in addition to the small power plants Svartkulp and Kleiva, and the Storli mini-power plant. Sauda I and Sauda II have been decommissioned. In 2011, production totalled 1.88 TWh.

In connection with the sale of Elkem to Bluestar, Orkla applied for and was granted permission under the Industrial Licensing Act to shift ownership of the shares in AS Saudefaldene from Elkem to Orkla.

Good EHS efforts are an important prerequisite for efficient operation, and Saudefaldene has drafted plans to protect employees and the environment in connection with hydropower production. Sickness absence increased from 0.9% in 2010 to 3.8% in 2011 as a result of some instances of long-term sickness absence. One injury was registered in 2011.



The falls Sarpsfossen in Norway

Photo: Johnny Helgesen

# Jotun

Orkla owns 42.5%<sup>20</sup> of Jotun, which is one of the world's leading manufacturers of paints and powder coatings.

Jotun has 75 companies and 39 manufacturing facilities across the globe. The company also has agents, offices and distributors in more than 90 countries, and employs a total of 8,500<sup>20</sup> staff. Its business encompasses the development, manufacture, marketing and sale of various paint systems and products for protecting and decorating surfaces for the residential, shipping and industrial sectors.

The Jotun Group comprises four divisions: Jotun Dekorativ, Jotun Paints, Jotun Coatings and Jotun Powder Coatings. Each division has its own specific products, segments and geographical areas of responsibility.

Jotun has a long-term, ambitious growth strategy. Ensuring that factories have manufacturing capacity and good standards in place is decisive for growth. Despite turbulent conditions in some markets, the company is continuing its important work on upgrading existing plants and building new plants for the future. Factories are currently being constructed in Norway, Brazil and the USA, while two Jotun factories are being built in China. The development of new markets is correspondingly important for Jotun's growth, and efforts are currently being made to develop markets like Laos, Cambodia, Bangladesh and Pakistan.

For more information about Jotun, see the company's website, at [www.jotun.com](http://www.jotun.com).



Photo: Morten Rakke

Jotun is represented in more than 90 countries

# Results and Objectives

In its sustainability work, Orkla aims to achieve continuous improvements. The table below summarises the results of the work done in 2011 in connection with the topics which are most important for the Group, and describes the objectives for the period 2012–2013.

TOPIC	RESULTS 2011	OBJECTIVES 2012/13
Stakeholder dialogue	<ul style="list-style-type: none"> <li>• Conducted active dialogue with investors, staff and other relevant stakeholders regarding changes to the Group's strategy and the reorganisation processes implemented in certain companies in 2011.</li> <li>• Held meetings of the Corporate Assembly.</li> <li>• Held meetings of Orkla's various committees of union representatives.</li> <li>• Reported to the Orkla Board of Directors on work relating to corporate responsibility, EHS and HR.</li> </ul>	<ul style="list-style-type: none"> <li>• Further raise awareness among managers in all companies of the importance of good dialogue with external stakeholders.</li> <li>• Review the status of the work of the Orkla Board of Directors on corporate responsibility, EHS and HR.</li> <li>• Hold regular meetings of the Corporate Assembly and Orkla's various committees of union representatives.</li> <li>• Involve the Group's employee representatives in the implementation of the Orkla Supplier Code of Conduct.</li> </ul>
Human rights and workers' rights	Developed an internal policy on human rights.	Implement the Orkla Human Rights Policy.
Gender equality and diversity	No progress in the percentage of women managers in 2011. The proportion was 25%, compared to 26% in 2010.	Strengthen follow-up at Group level of the companies' efforts to promote diversity and gender equality.
Human resource development	Conducted extensive training, organised by the Group and the individual companies.	<ul style="list-style-type: none"> <li>• Further develop Orkla's central skills-building programme.</li> <li>• Strengthen vocational training in Orkla Brands.</li> </ul>
Anti-corruption	Requirements applicable to employees, managers and board members have been clarified through revision of the Orkla Code of Conduct.	<ul style="list-style-type: none"> <li>• Develop and conduct standardised training.</li> <li>• Review the companies' planned anti-corruption measures.</li> </ul>
Health and safety	<ul style="list-style-type: none"> <li>• Reduced the sickness absence rate for Orkla globally from 3.6% to 3.4%.</li> <li>• Injury frequency (LWDR and TRR) at the same level as in 2010: LWDR = 4.6 and TRR = 14.2.</li> <li>• Expanded the centralised system for reporting EHS indicators to include quarterly reporting.</li> <li>• Developed documentation for EHS training for managers.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce sickness absence in Orkla's Nordic businesses to below 5%.</li> <li>• Injury frequency: LWDR = TTR = 0.</li> <li>• Strengthen efforts to use risk assessment as an instrument in preventive work.</li> <li>• Conduct EHS training for managers in particular and all employees in general.</li> <li>• Introduce quarterly reporting to ensure regular follow-up and benchmark of the companies.</li> </ul>

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TOPIC	RESULTS 2011	OBJECTIVES 2012/13
Environment	<ul style="list-style-type: none"> <li>• Energy-efficiency measures implemented in all business areas.</li> <li>• Reduced discharges to water.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement more measures to ensure energy optimisation and increased use of renewable sources.</li> <li>• Implement measures to control and reduce water consumption.</li> </ul>
Responsible sourcing	<ul style="list-style-type: none"> <li>• Developed a responsible sourcing policy.</li> <li>• Training on the Orkla responsible sourcing principles completed for 90 managers and purchasing staff.</li> <li>• Continued implementation of responsible sourcing procedures in Orkla Brands. Such procedures have now been implemented in companies which in sum represent 75% of Orkla Brands' sales.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish risk assessment procedures in all companies.</li> <li>• Continue training all purchasing staff.</li> <li>• Implement category-specific improvement measures.</li> </ul>
Food safety <sup>21</sup>	Continued work on regular audits based on the Orkla Food Safety Standard (OFSS).	<ul style="list-style-type: none"> <li>• Upgrade OFSS in accordance with the revised international BRC standard.</li> <li>• Introduce a simplified audit system for companies with warehouse and distribution operations.</li> <li>• Implement skills-building measures (including contingency exercises).</li> </ul>
Food safety in purchasing <sup>21</sup>	Continued implementation of the system for monitoring food safety in relation to suppliers.	<ul style="list-style-type: none"> <li>• Submit status and progress reports to company boards.</li> <li>• Orkla Brands Corporate Affairs will continue to train and follow up on Group companies.</li> <li>• Implement the system in the Indian and Russian businesses.</li> </ul>
Nutrition and health <sup>21</sup>	<ul style="list-style-type: none"> <li>• Developed target figures for salt content for each product category.</li> <li>• Launched a research project linked to salt reduction.</li> <li>• Further reduced the proportion of saturated fat in Orkla Brands' products.</li> <li>• Launched products containing less sugar, fat, salt, lactose and additives.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to reduce the proportion of saturated fat and amount of salt in Orkla Brands' products.</li> <li>• Complete the research project on salt in Orkla Brands' products, and implement measures to exploit new insights gained.</li> <li>• Establish a clear dialogue with relevant authorities regarding nutrition and health.</li> <li>• Strengthen Orkla Brands' guidelines for marketing aimed at children.</li> </ul>
Governance procedures	<ul style="list-style-type: none"> <li>• Revised Orkla's directives on corporate responsibility and business ethics.</li> <li>• Developed Group policies on human rights and responsible sourcing.</li> <li>• Established procedures for annual progress reports in business area boards.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement the revised directives on corporate responsibility and business ethics.</li> <li>• Develop and implement suitable risk management tools.</li> <li>• Further develop the Group's training procedures.</li> </ul>

<sup>21</sup> Applies to Orkla Brands companies that produce food

# The Global Compact

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Orkla joined the UN Global Compact in 2005, and is now one of more than 8,000 companies and organisations that are promoting the ten core principles of the initiative relating to human and workers' rights, the environment and anti-corruption. Participation in the Global Compact obliges Orkla to make annual status reports. Orkla's Sustainability Report describes the

progress the Group is making in its efforts in these areas. In addition, Orkla's website contains more detailed information on the Group's stance and work on individual topics. A summary of where information may be found about Orkla's efforts with regard to each of the ten Global Compact principles is provided on Orkla's website see; [www.orkla.com](http://www.orkla.com)



# The Global Reporting Initiative (GRI)

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The Global Reporting Initiative (GRI) is an institution run by various stakeholders who collaborate on the development of global guidelines and standards for sustainability reporting. Both Orkla's corporate responsibility efforts and its Sustainability Report for 2011 are based on recommendations found in the GRI's guidelines (G3). Orkla reports on GRI indicators relating to topics of responsibility that are important

to the Group as a whole. Given Orkla's diversified and decentralised organisational structure, the choice of reporting indicators is also based on an assessment of appropriateness from a resource-use perspective. Orkla has therefore chosen to implement partial reporting in respect of certain indicators. GRI defines ten reporting principles and, in Orkla's view, the Group's reporting practices comply with these

in all material respects. The Group has self-assessed its reporting, and concluded that it satisfies GRI Application Level B.

A summary of where information may be found about the GRI indicators is provided in a separate index on Orkla's website see; [www.orkla.com](http://www.orkla.com).

# Information About this Report

This report presents Orkla's corporate responsibility work in 2011. Orkla's Sustainability Report is published annually, at the same time as Orkla's Annual Report. In 2012, both reports were published on 29 March, while the 2010 reports were published on 24 March 2011. Older reports are available at [www.orkla.com](http://www.orkla.com).

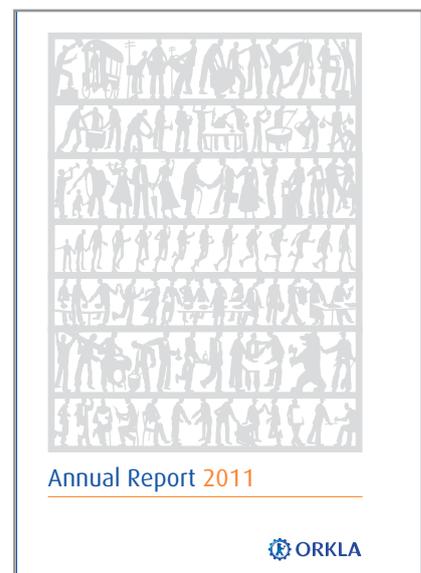
This report relates to the financial year 2011. Unless otherwise specified, key figures are quoted as at 31 December 2011, and for the Orkla Group as whole, including Group companies. Data from previous years which are referred to in this year's report have not been recalculated in relation to earlier reports. The Group's sustainability work is continuously being developed. This may cause uncertainty in the context of data collection both from individual companies and within different subject areas. The Group is constantly working to improve the quality of reported data. The report should be read in conjunction with other information made available in Orkla's Annual Report and on the Group's website. Among other things, more detailed descriptions of the Group's procedures have been published on [www.orkla.com](http://www.orkla.com).

The structure of Orkla's 2011 Sustainability Report differs from that of the 2010 report. The first half of the report contains information on the Group's governing principles and working methods, a description of Group-level measures, and results at the aggregate level. The second half of the report describes developments in each of the business areas. This change has been made to provide a more coherent picture of the activities in each business area. Orkla has previously published a separate EHS report. In 2011, reporting on efforts relating to health, safety

and the environment has been integrated into the Sustainability Report, and these topics have therefore been given a more prominent role in this year's report than in the 2010 Sustainability Report.

The thematic approach and the treatment and selection of information are based on the GRI principles for good reporting practice. In its corporate responsibility work, Orkla attaches importance to identifying the material and relevant challenges that the Group faces, and concentrates its efforts on areas in which the Group has great potential influence. The precautionary principle and the life-cycle principle are important for the Group's decisions and its activities, and Orkla seeks to provide information about the results of the Group's corporate responsibility efforts in an open and confidence-building manner. The report has not been verified by an external third party. Summaries of Orkla's reports on progress in 2011 by reference to the GRI indicators and the ten principles of the Global Compact can be found on [www.orkla.com](http://www.orkla.com).

The information in the report is based on input from many different units and sources of data. Great emphasis has been given to ensuring that the information is correct. The report presents the main themes of the Group's corporate responsibility efforts and related results and measures. However, the report does not aim to cover all matters that may be important for individual local businesses, activities or products. Orkla values external views on its efforts to develop and improve the Group's corporate responsibility performance. Comments on the report and feedback on the Group's work may be sent to [info@orkla.com](mailto:info@orkla.com).



Orkla's Sustainability Report should be read in connection with Orkla's Annual Report



Photo: Werner Anderson/Cox

**Front page:**

The figures are a selection from the ornamental work of art unveiled at Orkla's head office in 2011. The artist, Benjamin Bergman, has made a thorough study of Orkla's history. The work spans all six floors of the building, and consists of 18 levels and 357 figures, one from each year since Orkla was founded.

## Orkla is sponsor of:

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