

SUSTAINABLE GOALS





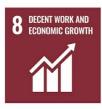


































To Readers Of The Report

Business and the public sector have a great impact on people, society, the environment, and animals and can both contribute positively to development, or negatively by causing harm. Businesses therefore hold a central role in achieving UN's Sustainable Development Goals (SDGs).

This report can be used as an account for the Transparency Act, but it has a broader scope with climate and the environment, circular economy, and anti-corruption indicators also being included. Our members are obligated to carry out due diligence and report annually on their work. Base level members also meet the Transparency Act's due diligence duty, and partially the Act's information duty.

Responsible business conduct is the systematic effort that businesses do to identify, prevent or mitigate adverse impacts and explain how they manage their risks of negative impact to people, society, and the environment as well as provide remediation where this is required. Norwegian authorities expect all businesses, regardless of their size, to carry out due diligence in accordance with the UN's Guiding Principles for Business and Human Rights (UNGP) and OECD's Guidelines for Multinational Enterprises. This applies to businesses, the public sector, and organisations.

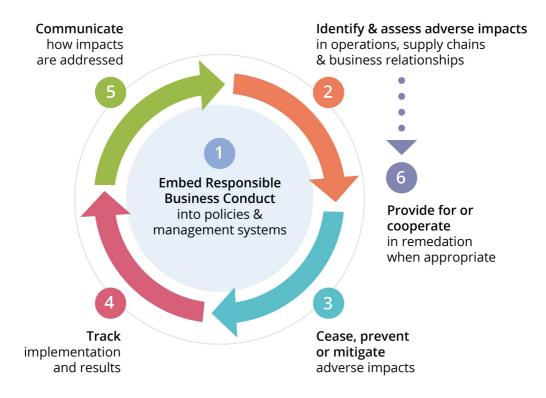
Ethical Trade Norway's Declaration of Principles (our Code of Conduct) covers the areas of decent work, human rights, environment/climate, anti-corruption, and animal welfare. This report is done in full transparency and in line with UNGP and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

Heidi Furustøl Executive Director Ethical Trade Norway

Due diligence

This report is based on the UN Guiding Principles on Business and Human Rights and the OECD model for Due Diligence for Responsible Business Conduct.

The model has six steps that describe how companies can work for more responsible and sustainable business practice. However, being good at due diligence does not mean no negative impact on people, planet and the society. It means that the company is open and honest about challenges faced and shows how this is managed in the best possible way in collaboration with its stakeholders. This report is divided in chapters following the OECD model.



Preface From CEO

Orkla House Care (OHC) is fully owned by Orkla ASA. OHC comprises Jordan, Anza, Hamilton, Spekter, SAM and Harris - six leading brands, offering painting tools and accessories to both DIYers and professional painters alike. The Nordic region, Benelux and United Kingdom are the home markets; however, the products can be found in several countries around the world.

As the leading branded painting tools provider in Europe, we see it as our mission to make home decorators and professional users succeed with their projects and tasks through better products, solutions, and guidance. We call it "Empowering decorating heroes".

Orkla ASA has a long history of focusing on sustainability overall. As part of Orkla ASA, OHC have aligned with requirements, policies and focus areas and reported back on progress. However, we recognize that the full scope of responsible businesses conduct, now becoming more clear through e.g. EU Green Deal and other legal and non-legal initiatives, needs to be better embedded in our management systems and ways of working. Looking back and considering what we know now, our work on sustainability has been somewhat fragmented, focusing primarily on legal compliance, working conditions, use of chemicals in products, quality systems etc.

In 2020 a cross-functional working group was responsible for setting a sustainability strategy to ensure a more holistic and lasting approach, focusing on areas where we believed we had the most impact. This resulted in an action plan covering the main areas related to People, Product, Production and Packaging.

OHC operates with a mix of own production and direct contracting and purchasing. By having own production, we enable direct control and decisions on reduction efforts on e.g., CO2 from operations, materials use, and ensuring good working conditions at our facilities. We acknowledge our responsibility in the full value-chain and constantly seek to strengthen collaboration with our business relationships to progress together on all levels of sustainable development. Human rights (including labor rights), environment and anti-corruption.

Following the introduction of the Norwegian Transparency Act (Åpenhetsloven), OHC recognizes the increased need for granular data collection, analysis, and reporting. Regardless of this specific law we aim to progress on this area on a company level, to enable fulfillment of both external and internal goals and requirements. OHC intends to use the Ethical Trade report as basis for our first mandatory documentation on the Transparency Act and make this publicly available.

Orkla House Care is in the process of conducting a revised company strategy process, where sustainability is at the core of future targets and decisions. We expect to come out of this process with an updated sustainability strategy that is directly linked to the overall business strategy. It is to be expected that current KPIs, action plans and initiatives will be strengthened because of improved impact assessments, in turn enabling us to focus on where we have the highest impact and risk.

"In Orkla House Care we want to empower decorating heroes by helping more people succeed with their decorating projects while being a front runner in the transition to a more sustainable painting tools industry. "

Johannes Arbo Høeg CEO

Board Signature

Orkla House Care

The Board of Orkla House Care confirms to have received and read the report prepared for Ethical Trade Norway, which serves as the foundation for our due diligence statement.

Due Diligence for sustainable business practices

Account for reporting year 2022 Orkla House Care

Chairman of the board

Tom Martti Waltasaari Board member

Marte Helene Sølvsberg

Board-member

Board member

Board member

(Oslo, 21.06.2023)

Company information and business context

Key company information

Company name Orkla House Care AS **Head office address** Drammensveien 149, 0277 Oslo, Norway Main brands, products and services offered by the company Orkla House Care comprises Jordan, Anza, Hamilton, Spekter, SAM and Harris - six leading brands, offering painting tools and accessories to both DIYers and professional painters alike. The Nordic region, Benelux and United Kingdom are the home markets, however the products can be found in a number of countries around the world. **Description of company structure** Orkla House Care Norge AS is a Norwegian company with multiple subsidiaries in Europe and Asia. All subsidiaries within the group are ultimately fully owned by Orkla House Care Norge AS. The companies vary in size and operations and conduct their part along our complete value chain, from idea to finished painting tool. Our core products, painting brushes and rollers, are mainly produced by our own production sites in Sweden, the United Kingdom and China. Orkla House Care Norge AS is fully owned by Orkla ASA, a Norwegian investment company focusing on branded consumer goods listed at the Oslo Stock Exchange. In this report, we will refer to Orkla House Care as the whole group. Turnover in reporting year (NOK) 1424 000 000 **Number of employees** 704 Is the company covered by the Transparency Act? Yes Major changes to the company since last reporting period No major changes to the company the last year.

Øyvind Nesbø - Sustainability Manager			
Email for contact person for the report			
oyvind.nesbo@orkla.no			

Contact person for the report (name and title)

Supply chain information

General description of the company's sourcing model and supply chain

Orkla House Care has a portfolio of suppliers globally with an emphasis in China. Supplier selection is based upon a combination of quality, ethical status, direct manufacturer classification and cost price. Many suppliers have supplied the group for in excess of ten years, long term relationships is a strong preference.

The Strategic Procurement team is responsible for the relationships with these suppliers and have support from other colleagues in the organisation for supplier quality assurance, auditing and compliance.

Number of suppliers with which the company had commercial relations in the reporting year

221

Comments

The number of suppliers is Tier 1.

Type of purchasing/ suppliers relationships



Own or joint venture production



Direct contracting/purchas es



Purchases through agents/intermediary/ importers/brands



Other

List of first tier suppliers* (producers) by country 122 China: United Kingdom: 31 Sweden: Germany: 11 Netherlands: Italy: Denmark: Norway: France: Czech Republic: Estonia: Finland: India: Japan: Lithuania: Poland: Portugal: Thailand: USA: Belgium: State the number of workers at first tier producers that the company has an overview of, and the number of suppliers this overview is based on: **Number of workers** 8 000 Number of suppliers this overview is based on 76 Numbers of workers per supplier (calculated average) 106

Comments to number of workers

Estimated 8000-8500 workers

Key inputs/raw materials for products or services and associated geographies

Polypropylene	China The European Union
CR Steel	China Germany
HDG Steel	China The European Union
PET Monofilament	China The European Union
Aluminum	China The European Union
ABS	China

Orkla House Care purchase both raw materials and finished goods from our supply base. The materials stated are a general list and is not exhaustive and excludes packaging.

Is the company a supplier to the public sector?

No

Goals and progress

Process goals and progress for the reporting year



2025 KPI for Packaging - Improve environmental footprint with sustainable packaging:

- Reduce total packaging by 15 %
- Goal:
- 100% recyclable packaging
- All cardboard recycled or FSC-certified, no plastic packaging without at least 30% recycled
- Challenging to collect reliable and correct data in our systems, especially for total use of packaging.

Status:

- 80-90% of our packaging material is recyclable
- 7% of cardboard is FSC-certified and 40-50% of plastic we use come from recycled sources



2025 KPI for Production - Ensure that we have a sustainable and reliable supply-chain:

Goal:

- 40% reduction in CO2
- All suppliers adhere to our sustainability CoC + annual audit of our biggest suppliers
- 25% reduction in total waste, and 10% reduction in residual waste by increasing recyclability
- Challenging to measure CO2 reduction as we are yet to establish full baseline, including Scope 3. Multiple reduction initiatives ongoing (e.g. solar panels on factories, energy saving and efficiency, replacement of fossil energy sources), however full effect to be calculated.

Status:

- 87% of suppliers have signed Orkla SCoC. Suppliers are audited based on OHC supplier audit
- Ongoing ERP project has caused delay in data calculation and reporting. New ERP system will allow improved data collection.



2025 KPI for Product - Smarter innovations that care for customers and the environment:

Goal:

- Use at least 33% recycled or reprocessed plastics and only use sustainably produced wood
- Inform consumers about correct waste disposal
- Multiple ongoing initiatives to increase amount of recycled materials and sustainably produced wood. E.g. 95% of wood we use at one of our own factories is FSC-certified. New ERP system will allow improved tracking and calculation of progress.

Status:

- We continuously work with our partners to inform consumers on correct wast disposal. Information is shared online and in customer seminars.



2025 KPI for People - Take care of our culture and be a responsible employer:

Goal:

- Adhere to all points in the Orkla Human Rights Assessment
- Make sure everyone in the organization knows our sustainability strategy
- Have sustainability goals for all departments

- Orkla Human Rights Assessment is an internal self-assessment governed by Orkla ASA. OHC annually conducts an assessment based on the requirements, and reports results to Orkla ASA.

Status:

- Communication on sustainability strategy and topics is conducted on internal channels (e.g. Yammer, intranet), and part of department meetings and townhalls. Employee survey (planned for 2023) to identify level of knowledge and potential gaps.
- Sustainability goals and KPIs prepared for departments, supporting our sustainability strategy.

Goal for coming years



Re-visit existing sustainability strategy (including SMART goals and KPIs/Indicators) as part of overall company strategy process during 2023.

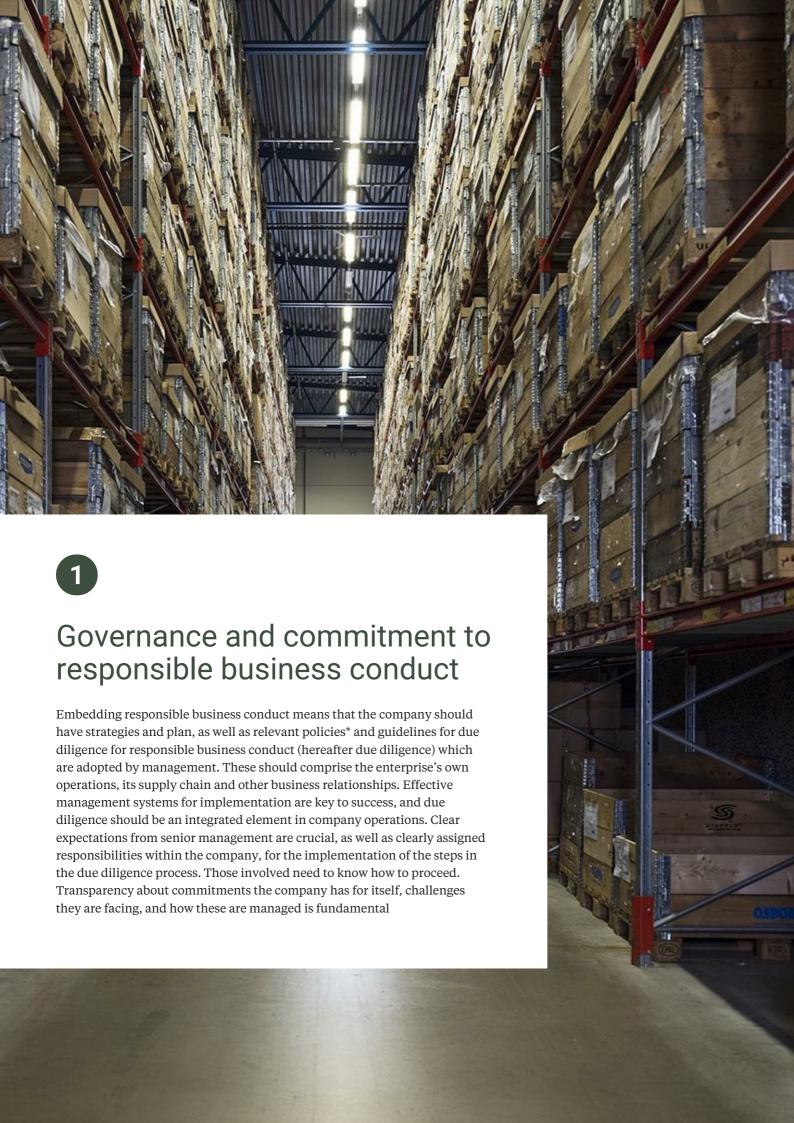
This process is supported by Orkla ASA, and is expected to provide valuable tools and new action plans to improve our work on sustainable development.



Establish CO2 emission baseline, including Scope 3.



Establish improved and extended action plan for 2023 and beyond according to new strategy.



1.A Policy* for own business

1.A.1 Link to publicly accessible policy for own business

https://www.orkla.com/sustainability/

1.A.2 What does the company say publicly about its commitments to respect people, society, the environment and climate?

Orkla House Care, as part of Orkla, commit to policies and requirements as listed on public webpage: https://www.orkla.com/guidelines/

The policies and requirements encompasses Orkla's Corporate responsibility, Code of Conduct, Orkla Human and Labour Rights Policy, and more:

https://www.orkla.com/corporate-responsibility-at-orkla/

https://www.orkla.com/code-of-conduct/

https://prod.orkla.webcore.no/wp-content/uploads/sites/2/2022/03/Orkla-Human-and-Labour-Rights-https://prod.orkla.webcore.no/wp-content/uploads/sites/2/2022/03/Orkla-Human-and-Labour-Rights-https://prod.orkla.webcore.no/wp-content/uploads/sites/2/2022/03/Orkla-Human-and-Labour-Rights-https://prod.orkla.webcore.no/wp-content/uploads/sites/2/2022/03/Orkla-Human-and-Labour-Rights-https://prod.orkla.webcore.no/wp-content/uploads/sites/2/2022/03/Orkla-Human-and-Labour-Rights-https://prod.orkla-Human-and-Rights-https://prod.orkla-Human-and-R Policy.pdf

Orkla sustainability report can be found here: https://www.orkla.com/wpcontent/uploads/sites/3/2023/03/230322_Orkla_Annual-Report_FINAL.pdf

Orkla House Care shares information about our sustainability strategy within the four pillars Packaging, Production, Products and People:

https://www.orklahousecare.com/sustainability/

1.A.3 How has the policy/commitment been developed and how is it embedded in the company?

The Orkla Code of Conduct is annually approved by Orkla ASA Board of Directors. It is the Board and CEO of the individual Orkla legal entity's responsibility that the Orkla Code of Conduct and other Policies are implemented. Managers on all levels have responsibility for ensuring employees and other stakeholders are informed about Orkla Code of Conduct and internal policies and instructions.

1.B Organisation and internal communication

1.B.1 How is the due diligence work organised within the company, and why?

The Sustainability strategy and responsible business conduct is embedded in overall strategies, policies and management systems, approved and anchored by the Board and management team.

The work and responsibilities related to responsible business conduct and due diligence is distributed in the organization based on departmental responsibilities. The Sustainability manager is lead of the OHC Sustainability strategy and follow-up and reports on results and progress. However, the work with sustainability and due diligence is not limited to the responsibility of one function, but is being part of our way of working and integrated in processes, priorities, action plans, etc.

HR: Internal HR compliance and competence development plans

CFO/Finance: Budget and related financial reporting

Supply Chain: Overall responsibility for more sustainable and fair supply chain

Quality: Ensuring effective processes, follow up on audits, corrective and improving actions Strategic purchasing: Supplier portfolio according to strategy, follow up of suppliers, risk analysis Innovation: Consider sustainability and and human rights in supply chain in innovation projects Commercial: Collect feedback from market and communicate internally in organization. External communications

Sustainability manager: In lead of OHC sustainability strategy. Reporting on results and progress.

OHC adheres to Orkla ASA Governance structure with policies and guidelines requiring e.g. annual reporting on sustainability and social responsibilities.

1.B.2 How is the significance of the company's due diligence work defined and clarified for the employees through their job description, work tasks and incentive structures?

All employees have job descriptions describing tasks and responsibilities for their role. For roles that have specific responsibilities related to sustainability and responsible business conduct, this is included in their job description. In addition sustainability and responsible conduct topics (e.g. tasks, projects, competence development) are being addressed in Personal Development Plans (PDP) with goals and action plans. The PDP is being followed up in frequent meetings with line manager.

1.B.3 How does the company make sure employees have adequate competence to work on due diligence for responsible business conduct?

For roles that require specific competence, the job description describes requirements to competence and experience.

Development goals for the employees are mapped, discussed and agreed in annual Performance Development Plan meetings and followed up during the year.

Orkla has established mandatory e-learning modules for all employees with topics such as Code of Conduct, Anti-corruption, Whistle blowing, and more.

Sustainability manager in Orkla House Care is part of Orklas sustainability network and participates in network meetings, courses, and seminars.

1.C. Plans and resources

1.C.1 How are the company's commitments to respect people, society and the environment embedded in strategies and action plans?

In Orkla House Care, our commitment to sustainability is embedded in our overall strategic plans: "In Orkla House Care we want to empower decorating heroes by helping more people succeed with their decorating projects while being a front runner in the transition to a more sustainable painting tools industry". The sustainability strategy has four pillars; Packaging, Production, Product and People. These pillars where chosen based on assessment of how our value chain and products have potential impacts on environment, society and people.

Goals and KPIs within the four pillars have been defined and action plans described with goals for relevant departments.

All employees are encouraged to have defined Personal Development Goals related to sustainability and contributing to achievement of the goals.

In addition to Orkla House Care own sustainability strategy, we are adhering to Orkla groups's sustainability strategy and reporting to Orkla groups' annual Sustainability report, based on Global Reporting Initiative. Orkla House Care Sustainability manager and other key roles are part of Orkla Sustainability network, meeting approximately 8 times a year.

1.C.2 How is the company's strategies and action plans to work towards being responsible and sustainable followed up by senior management and the board?

All departments have defined relevant goals and action plans for sustainability and this is followed up in local department meetings.

Overall status on strategy and projects is being reported by Sustainability manager to the management team on regular basis.

Sustainability is part part of innovation process both through specific projects and as part of checklists in accordance to elements of the sustainability strategy. Regular Innovation Board meetings ensure management review and approvals of projects according to a defined innovation stage gate process.

There are regular Town hall meetings for all OHC employees held by CEO and top management where sustainability topics are on the agenda.

Sustainability and responsible business conduct (Code of conduct, compliance, etc) is followed up by the board on regular basis. Sustainability is a main topic in strategy discussions.

1.D Partnerships and collaboration with business relationships, suppliers in particular

1.D.1 How does the company emphasise the importance of responsible and sustainable business conduct in its business relationships, particularly in the supply chain?

From June 2022 Orkla implemented Orkla Supplier Portal (OSP) enabling an automated and more efficient supplier approval process. It is mandatory for all new suppliers of Orkla to be registered and approved in the portal. To be approved, the supplier needs to pass risk assessment covering e.g. financial, ethical and sanction risks. All suppliers of Orkla are required to upload signed Orkla Supplier Code of conduct to OSP. https://www.orkla.com/supplier-code-of-conduct/

As part of the supplier approval process, OHC conducts supplier quality and / or social audits on site for suppliers based on risk assessment. Orkla and OHC are members of SEDEX (Supplier Ethical Data Exchange), an online system allowing sharing of information and data on ethical and responsible practices between OHC, customer and supplier. For existing suppliers, they are subject to continuous follow up and audits (quality and social) based on assessed risk.

Moving forward, we aim to strengthen our dialogue with stakeholders in the supply chain to further emphasize the importance of responsible and sustainable business conduct.

Indicator

Percentage of the company's suppliers that have accepted guidelines for suppliers



In 2022 87% of suppliers have signed Orkla Supplier Code of Conduct, which account for 98% of our spend.

1.E Experiences and changes

1.E.1 What experiences have the company encountered during the reporting period concerning responsible business conduct, and what has changed as a result of this?

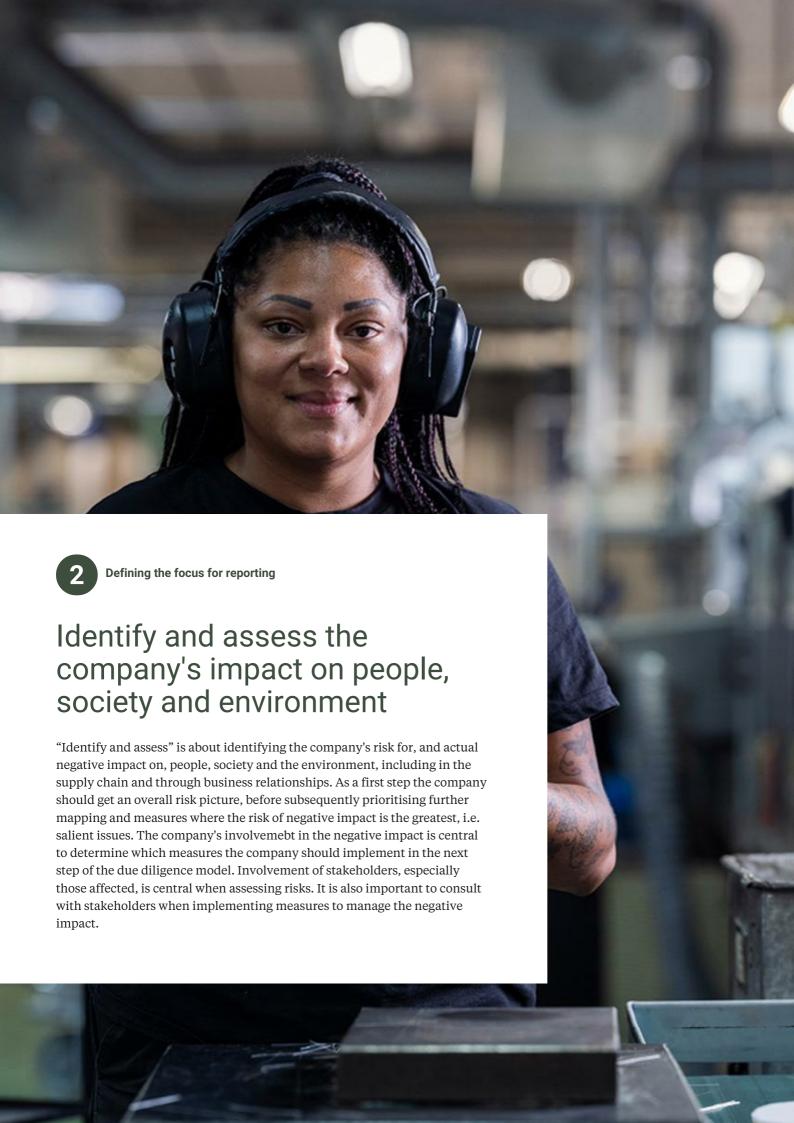
During 2022 Orkla House Care have worked on a big ERP project that includes the majority of the functional departments of the organization. The implementation of the ERP system will enable and improve data collection relevant for monitoring and follow up of important sustainability topics. We acknowledge that quality of data is key for succeeding with our future sustainability developments.

Orkla Supplier Portal enables the Orkla companies to share information and status of the suppliers in one instance. Orkla House Care have given input to the project, ensuring relevance for our suppliers, types of raw materials and relevant risks and more.

Change of Sustainability Manager with 6 months gap while other projects have had major focus. This has caused delays in some of the sustainability initiatives.

Introduction of Transparency Act in Norway led to strengthened focus on human rights due diligence in the value chain, sharing of competence and training internally in management teams and departments of relevance.

Internships of students with tasks related to sustainability. The results were shared with a broad number of colleagues and with enthusiastic discussions. The insights achieved from the work of the interns are being included in further action plans and strategy work.



2.A Mapping and prioritising

STATEMENT ON SALIENT ISSUES

Prioritising one or more risk areas on the basis of severity does not mean that some risks are more important than others, or that the company should not take action on other risks, but that risks with the greatest negative impact are prioritised first. Mapping and prioritisation are a continuous process.

2.A.1 List the company's prioritised risk of negative impact on people, society and environment. Take note that the prioritized risk that you list in the table below will be exported to step 3 of this report, where you will be asked to answer how you work with stopping, preventing, or reducing the negative impact.

Salient issue	Related topic	Geography
Human rights	Occupational Health and safety Wages Working hours	Global
Environment	Greenhouse gas emission Waste Use of materials	Global
Anti corruption	Corruption	China

DETERMINATION OF SALIENT ISSUES

2.A.2 Describe: a) the company's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period: b) eventual aspects of the company that have not been covered in this report (product groups, own products, departments etc.) and why you not chose to prioritize these in the continued work: c) how information was gathered, what sources were used, and which stakeholders have been involved/consulted: d) whether you have identified areas where information is lacking in order to get an overview, and how you are planning to proceed to collect more information/handle this.

Orkla House Care Sustainability strategy is focused around the areas where we believe we have highest impact related to People, Product, Packaging and Production.

Establishing the sustainability strategy was a cross-functional work done by key stakeholders from Procurement, Product development and Sales, with top management as sponsors. The project team collected information, facts and data related to our products, suppliers, etc. that could have negative impact on sustainability and responsible business conduct. Based on the findings and in combination with available insight, the strategy with goals and KPIs were developed, covering the most important salient risks.

Our risk assessments aim to cover human rights (including labor rights), environment and anti-corruption, however we want to further strengthen this moving forward.

a) Orkla Risk mapping tool is called SWAN and Orkla House Care use this to map risks within areas like financial, operational, EHS, sustainability, governance, procurement, information security, etc. An updated assessment with internal reporting is done annually.

For Human Rights, and in connection with the Orkla's Responsible Employer and Human Rights Policy, Orkla House Care conduct annual risk assessment in the categories 2.1 Freedom of thought, opinion and expression, 2.2 The right of life, 2.3 The rights of liberty, security and privacy, 2.4 Competence development, 2.5 Diversity and no discrimination, 2.6 Consultation and employee involvement, 2.7 Fair working terms, 2.8 Respect for children's rights and 2.9 Protection of marginalized populations.

Read here for more information: https://prod.orkla.webcore.no/wp-content/uploads/sites/2/2022/03/Orkla-Human-and-Labour-Rights-Policy-1.pdf

For environmental aspects, we conduct specific annual assessments on our own factories related to ISO 14001 certification. Findings are included in action plans for relevant departments and used as input to sustainability strategy. E.g. use of material for packaging being addressed in the sustainability strategy.

For Anti-Corruption; in 2021 Orkla ASA implemented an anti-corruption program to identify risk and potential negative impacts. All employees have conducted awareness training through e-learning and on-site sessions at our factory in China. During 2023 OHC plan to develop and implement an OHC Anti-corruption Manual, aligned with the ASA program to further improve mapping and identification of risks.

Supply Chain department conducts biannual risk assessment of suppliers, covering financial, quality, EHS, and more. Results are used for prioritizing actions, audits, and other follow ups of the suppliers.

We have prioritized own production sites and first tier suppliers as part of current risk assessments and sustainability strategy. In relation to ongoing work with new company strategy, a more thorough risk assessment will improve identification of relevant risks in our value chain and determine if more aspects should be covered. The ambition is to have a more specific list of salient risks to follow up on.

c) It is a cross functional work to gather information and data for the risk assessments. E.g. resources from supply chain, procurement, HR, quality, etc.

Internal ERP systems are used for collection of data. Also results from internal and external (suppliers) audits are used as sources for information.

Other sources for information include, but is not limited to, whistle blower system, stakeholder feedback, employee surveys, industry knowledge, NGOs, etc.

d) As we continuously improve on the area of responsible business conduct, Orkla House Case plan to base our future impact assessments on internationally agreed principles (UNGP/OECD) to ensure our priorities are directed towards most significant risks in our value-chain, on human rights (including labour rights), environment and anti-corruption. We expect to conduct our first double materiality assessment and (UNGP/OECD) impact assessment during 2023, as part of the new strategy process in alignment with Orkla ASA requirements.

ADDITIONAL SEVERE IMPACTS

2.A.3 Describe any other negative impacts on people, society and the environment that were identified in the mapping of the business, supply chain or other business relationships during the reporting period and how these have been handled.

Read here for more information on mapping and identified risks, where Orkla House Care do annual reporting on the identified issues. https://www.orkla.com/reporting-and-results/



3. A Cease, prevent or mitigate

3.A.1 For each salient risk, add a goal, progress status and describe the measures you have implemented to handle the company's prioritized negative impact on people, society and the environment

Salient issue	Human rights
Goal:	Ensure respect of human rights in the value-chain.
Status :	All suppliers are required to sign Orkla Supplier Code of Conduct as part of onboarding to Orkla Supplier Portal. Social Audits of suppliers conducted through Sedex / SMETA. Internal supplier audits (Quality and EHS) based on Orkla House Care Supplier Audit template. We have identified potential gaps in our impact assessments which we will address in process of establishing new company strategy and action plans.
Goals in reporting year :	Communicate Orkla requirements to suppliers on human rights, including but not limited to wages, working hours, and occupational health and safety through Supplier Code of Conduct. Conduct Social and Quality/EHS audits according to Supplier Audit plans.

Completed measures and reasoning:

Orkla Supplier Portal has been developed to ensure collection and follow up of information from suppliers, enabling effective risk analysis, and collaboration with suppliers. We expect the Supplier Portal and new ERP system will contribute significantly to our ability to work proactively with our suppliers.

In 2022 87% of suppliers have signed Orkla Supplier Code of Conduct, which account for 98% of our spend.

OHC is member of Sedex and social audits have been conducted through Sedex / SMETA. Quality / EHS supplier audits have been conducted as planned, however with some delays due to travel restrictions.

Goals and activities for the coming reporting year:

Continue roll-out of Supplier Portal and ERP system supporting improved supplier engagement. Updated sustainability strategy, including improved impact assessments, is expected to strengthen our ability to ensure respect of human rights in own operations and in our value-chain.

The ongoing strategy process including risk assessment will determine prioritized focus areas for the coming years.

Salient issue	Environment
Goal:	Reduce GHG and waste, and improve use of materials.
Status :	Sustainability strategy includes goals and KPIs addressing these topics. Action plans are developed for the relevant departments, e.g. product development, manufacturing, facilities, etc.
Goals in reporting year :	40% reduction of GHG (2025 target) 25% reduction of waste (2025 target) Reduce total packaging by 15% Use of FSC-certified wood

Completed measures and reasoning:

GHG:

- Investigated possibilities for installation of solar panels at facilities
- Reduced energy consumption, e.g. by moving to LED lightning, automatic sensors, automated ventilation, and more
- Improved Scope 1 and 2 tracking and reporting

Waste in production:

- Reduced waste from roller workshop (China facility) with more than 15%
- Implemented strict control of waste and scrap processes (UK facility) reducing waste by 14,5 tonnes since 2020
- Estimated reduction of 3 tonnes of mini-roller scrap (Sweden facility)

Packaging and products:

- Launched two product ranges in the high volume professional segment, containing FSC-certified wooden handles and FSC-certified paper packaging

Goals and activities for the coming reporting year:

Develop Co2 emission base line including scope 1, 2 and 3 to support action plans with priorities. Strengthen tracking and data collection related to waste and scrap in production through new ERPsystem, use results to identify potentials for improvement.

Continue to improve use of materials in products and packaging in accordance with new sustainability strategy and KPIs (in progress).

Salient issue	Anti corruption
Goal:	Minimize risk of corruption and fraud in our value chain.
Status :	Implemented various measures to minimize risk, e.g. Supplier Code of Conduct, risk assessments, Orkla Supplier Portal, e-training in Anti-Corruption of emloyees and more.
Goals in reporting year :	All Orkla House Care employees to conduct e-training for Anti-Corruption and Whistleblower system within reporting year. Orkla Supplier Portal implemented.

Completed measures and reasoning:

The e-training has been conducted to ensure everyone in Orkla House Care has the sufficient understanding and knowledge to manage situations associated with risk.

Previous reporting year, focused training sessions conducted at our factory in China to increase awareness and understanding of risks and how to mitigate these.

Goals and activities for the coming reporting year:

Update and conduct anti corruption risk assessment and use results to identify mitigating actions.

OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

Describe the company's general measures to cease, prevent or mitigate negative impacts, including in the supply chain.

3.B.1 Reduction of nature- and environmental impact

Examples of activities carried out during reporting year:

- Projects to improve and control waste and scrap processes in production and managing recycling as much as possible
- Conducted various internal research projects on roller packaging to reduce plastic usage; including circular packaging, increasing recycled plastic content and reducing plastic film thickness on high running SKUs
- Various projects to improve nature- and environmental impact when producing our products as well as when using our products
- Continued to re-specify products containing animal products; switching away from so-called natural bristles to only synthetic options

See other actions related to management of negative impacts in Orkla sustainability report, from page 84: https://www.orkla.no/wp-content/uploads/sites/2/2023/03/Orkla-Annual-Report-2022.pdf

3.B.2 Reduction of greenhouse gas emissions

Examples of activities carried out during reporting year:

- Reducing electrical usage by replacing lighting with LED lighting, including sleep sensors, in own facilities
- Replacing oil heating with gas heating in key areas in our UK factory
- Using bio green gas in forklifts in our UK factory
- Investigated solar panel projects in our UK and CN factories, decisions pending
- Reduced energy consumption at own factories; in SE by installing measurement points for adjusting machine runtime, in addition to improvements to production machines in our CN factory
- Replace existing ventilation units in our SE factory with more energy efficient units to reduce our energy consumption

See other actions related to management of negative impacts in Orkla sustainability report, from page 84: https://www.orkla.no/wp-content/uploads/sites/2/2023/03/Orkla-Annual-Report-2022.pdf

3.B.3 Adapting own purchasing practices (sourcing)

Examples of activities carried out during reporting year:

- Focus on improving forecasts accuracy to support a foreseeable delivery situation for suppliers and avoid rush
- Supplier Quality Assurance manager conducting supplier audits visits and dialogue with suppliers in addition to Category Managers following up suppliers on strategic level

See other actions related to management of negative impacts in Orkla sustainability report, from page 84: https://www.orkla.no/wp-content/uploads/sites/2/2023/03/Orkla-Annual-Report-2022.pdf

3.B.4 Choice of products and certifications

OHC hold FSC® certificates for a large number of our wooden handle products, but also our cardboard packaging and transport cartons. We have been FSC® certified as a company since 1999 and have had 23 audits in total. Due to our pass-rate we are now preparing for self-certification. FSC® supports our overall ambitions for traceability of sustainable sourcing.

During the reporting year, we completed the mapping of all existing wood products bought through OHC, and their FSC® status. This makes it possible to now methodically work through this list to ensure all wood products are FSC® certified over time.

We re-use and recycle pallets, cartons and electrical equipment at our own facilities.

See other actions related to management of negative impacts in Orkla sustainability report, from page 84: https://www.orkla.no/wp-content/uploads/sites/2/2023/03/Orkla-Annual-Report-2022.pdf

3.B.5 Actively support free trade union organisation and collective bargaining, or where the law does not allow it, actively support other forms of democratically elected worker representation

Orkla policies and Code of Conduct support and require free trade unions and collective bargaining, both internally and for our suppliers.

China is often associated with higher risk of potential negative impacts related to free trade unions and collective bargaining, compared to other countries. To address this risk and mitigate potential negative impacts, a labor union is in place at our Chinese facility. One of the main contributions of the labor union is the communication with facility management, including (but not limited to): labor law compliance, overtime, employment contract signing and monitoring, cost reductions, policy implementation and more. The facility HR supervisor is currently the chairman of the labor union, and they meet on a regular basis, typically every 3-6 months. Facility management appreciates the collaboration with the union, and actively seek to collect employee concern and feedback, in addition to suggestions for improvements.

The right to free trade unions and collective bargaining is also addressed in our Sedex supplier audits.

See other actions related to management of negative impacts in Orkla sustainability report, from page 84: https://www.orkla.no/wp-content/uploads/sites/2/2023/03/Orkla-Annual-Report-2022.pdf

3.B.6 Contribution to development, capacity building and training internally and of suppliers and workers in the supply chain

OHC became member of Ethical Trade Norway in 2022 and will encourage relevant key personnel to participate in network seminars, training etc. Relevant personnel could be e.g. operational purchasing, strategic procurement, planning, supplier quality, and more. Through annual development plans each employee discuss and agree on development goals with their closest manager. The development goals should be related to strategic goals and action plans, including sustainability strategy.

Orkla has an internal sustainability network where training and capacity building is one of the key focus areas.

Capacity building of suppliers and workers in the supply chain are conducted through supplier audits. OHC supplier audit template includes topics for EHS and selected areas from Supplier Code of Conduct. We discuss and encourage for improvements with suppliers during onsite visits.

Identified risks from the planned risk assessment will be followed up and discussed in a more structured way towards the suppliers.

See other actions related to management of negative impacts in Orkla sustainability report, from page 84: https://www.orkla.no/wp-content/uploads/sites/2/2023/03/Orkla-Annual-Report-2022.pdf

3.B.7 Combatting corruption and bribery in own company and supply chain.

See salient risk Anti-corruption (3.A.1) and corruption risk assessments (2.A.2).

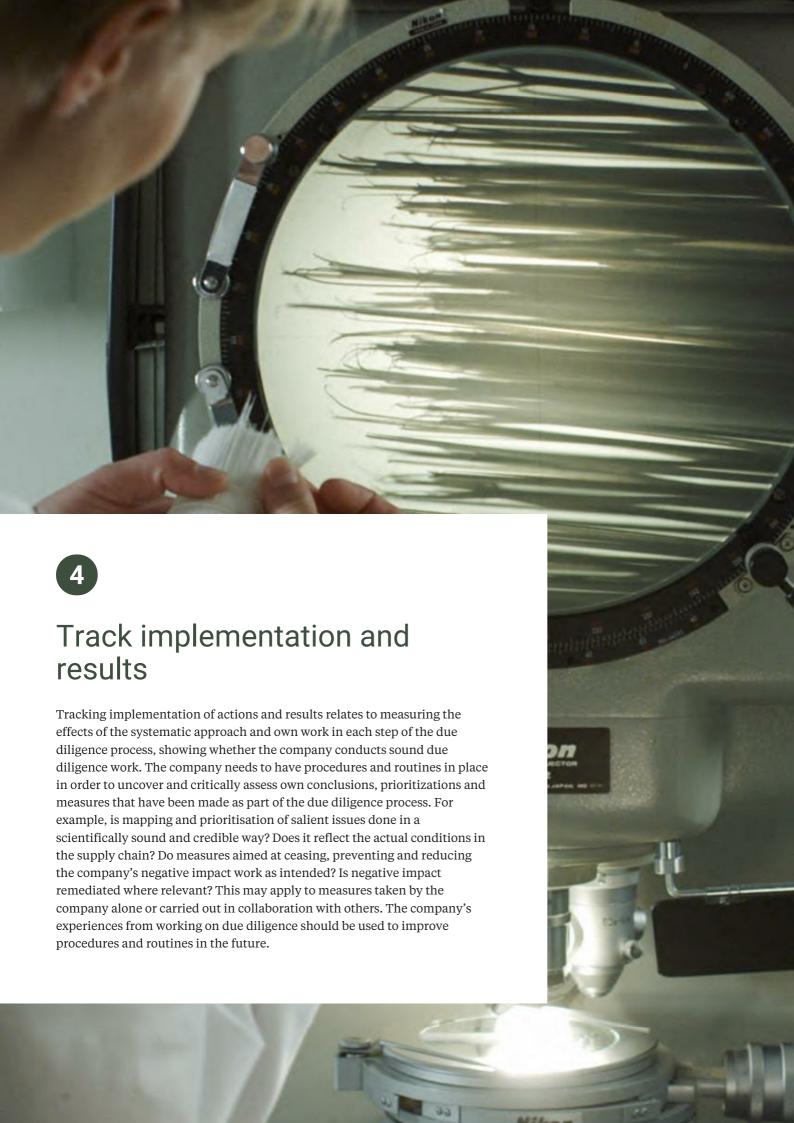
See other actions related to management of negative impacts in Orkla sustainability report, from page 84: https://www.orkla.no/wp-content/uploads/sites/2/2023/03/Orkla-Annual-Report-2022.pdf

3.B.8 Other relevant information concerning the company's work to reduce, prevent, and manage negative impact on people, society and environment

Other relevant initiatives are:

- Investing to recover hot water from our compressors to reduce cost of hot water (our factory in SE)
- Produce locally and close to home markets where possible, own factories in Sweden, China and UK
- More and more European suppliers, which means less transport
- Sharing information to end consumers on how to handle used painting tools for optimal care of the environment

See other actions related to management of negative impacts in Orkla sustainability report, from page 84: https://www.orkla.no/wp-content/uploads/sites/2/2023/03/Orkla-Annual-Report-2022.pdf



4.A. Track and assess

4.A.1 Describe the assignment of responsibility for tracking the effect of measures implemented to cease/prevent/mitigate salient risks of negative impact on people, society and the environment, as well as how the tracking is done in practice

In Orkla House Care the CEO, together with the management team, has the overall responsibility for tracking effect of measures implemented. The Sustainability Manager has the lead on this work, and reports status, progress and issues to top management. Status is also on the agenda in Orkla House Care board meetings on a regular basis.

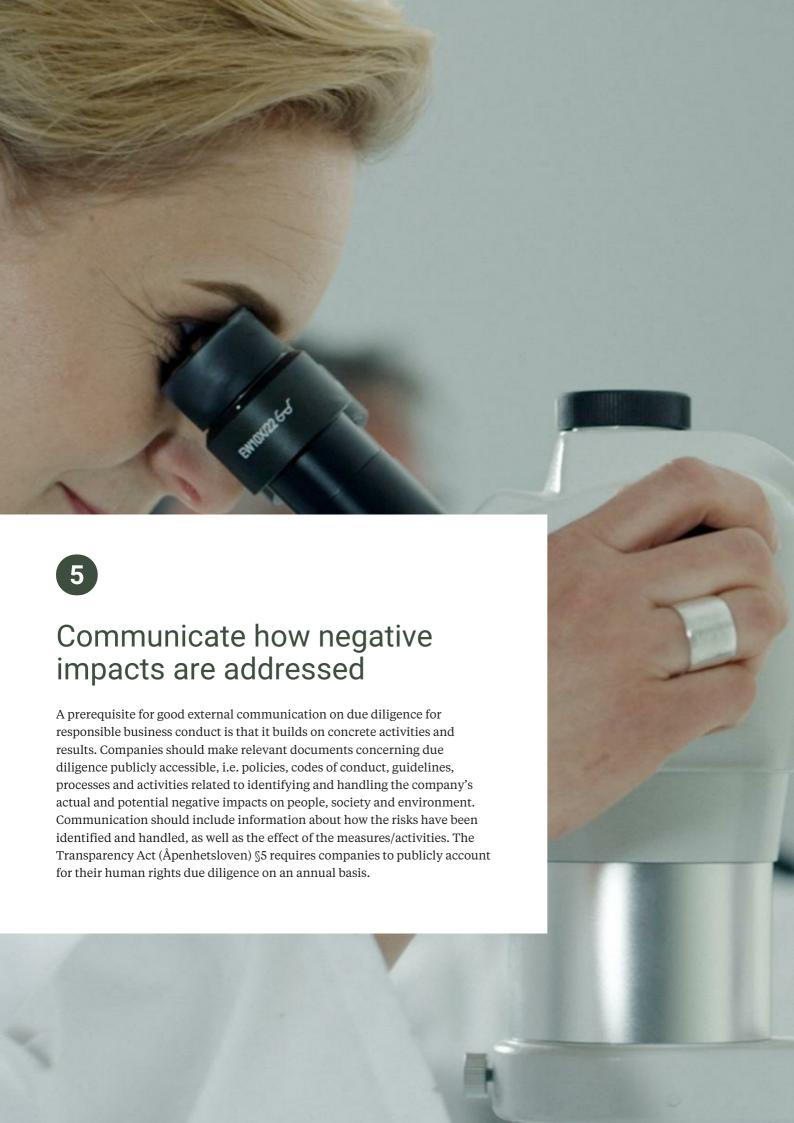
Orkla ASA reviews this as part of business area internal reporting, and includes the results in Orkla ASA annual sustainability reporting. Orkla ASA board of directors is briefed on progress on a regular basis, and on an annual basis concerning the sustainability report.

For more information on reporting, responsibility and tracking, please see: https://www.orkla.com/reportingand-results/

4.A.2 Describe how the company ensures that measures taken to identify, prevent and reduce negative impact actually work

To ensure measures are effective, we have set concrete KPIs for the prioritized potential negative impacts and salient risks.

Moving forward, we expect to strengthen the identification, prevention and mitigation measures as a result of updated impact assessments. In turn, this will improve our ability to set KPIs and tracking where we have the most impact and aligned with the highest risks of adverse impacts.



5.A External communication

5.A.1 Describe how the company communicates with affected stakeholders about managing negative impact

For information on communication and reporting on management of negative impacts, see his link: https://www.orkla.com/reporting-and-results/

Moving forward, we will strengthen the communication with affected stakeholders as part of our updated impact assessments.

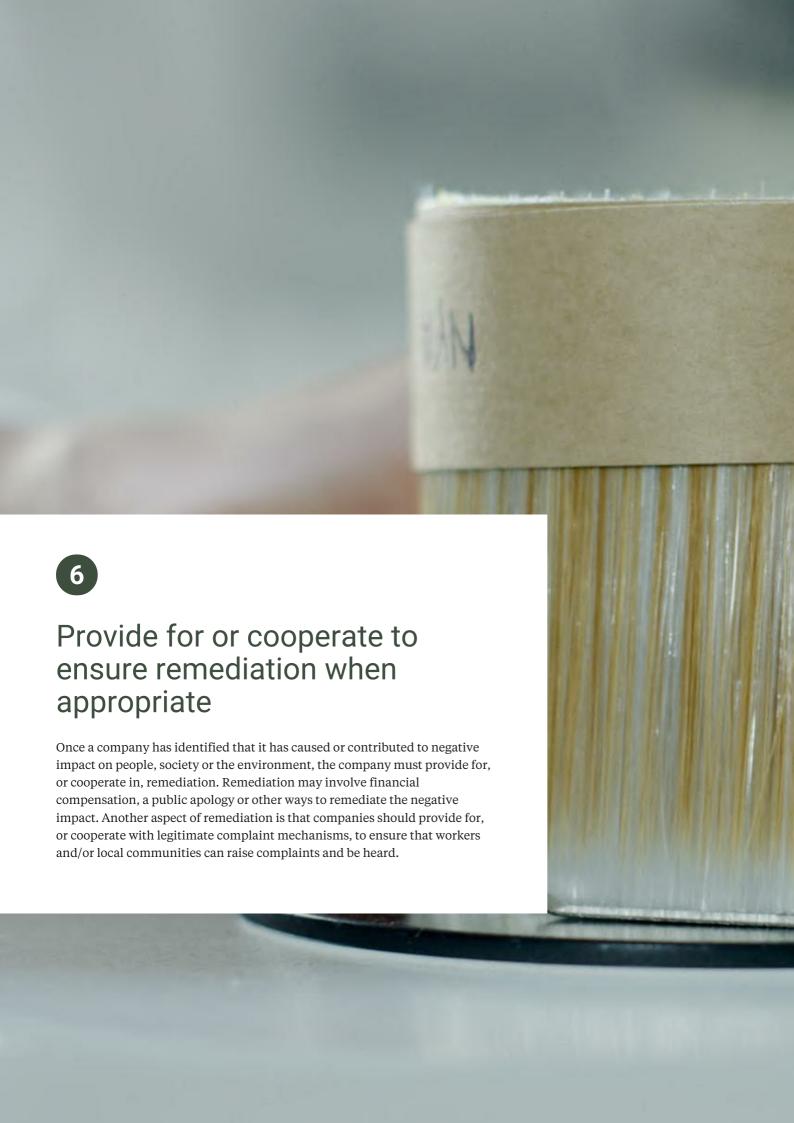
5.A.2 Describe how the company publicly communicates its own work on identifying and managing negative impact/harm

For information on communication and reporting on management of negative impacts, see his link: https://www.orkla.com/reporting-and-results/

5.A.3 Describe the company's routines for maintaining and answering external inquiries related to the information requirement imposed by the Transparency Act

Considering the fact that the Transparency Act is a relatively new law, we acknowledge the need to structure our routines to enable concrete responses relating to this law specifically. During 2022 customer service had training in how to respond to external inquiries in accordance with requirements in the Transparency Act. We have internal supporting documentation, e.g. FAQs to support efficient handling of external inquiries.

Our company strategy, commitments and goals for sustainability and responsible business conduct requires us to ensure routines and management systems are in place, regardless of the Transparency Act. The commitment to improve on this area is supported and rooted in top management, and board of directors.



6.A Remediation

6.A.1 Describe the company's policy for remediation of negative impacts on people, society and the environment

Our company's policy for remediation of negative impacts is described in Orkla Human and Labour Rights Policy. This includes our expectations to our suppliers.

Providing access to remedy is linked to whether or not we are causing, contributing or linked to an adverse

If we are causing or contributing to an adverse impact, we will implement relevant actions to provide remediation.

If we are merely linked to an adverse impact, we will use our leverage to actively influence the entity causing the adverse impact, to cease, prevent or mitigate the impact, and provide access to remedy.

Read our policy here: https://prod.orkla.webcore.no/wp-content/uploads/sites/2/2022/03/Orkla-Human-and-Labour-Rights-Policy-1.pdf

6.A.2 If relevant, describe cases of remediation in the reporting year
Not relevant.

6.B. Ensure access to grievance mechanisms

6.B.1 Describe what the company does to ensure that workers and local communities have access to effective grievance mechanisms when this is needed

Orkla provides a Whistleblower system that is publicly available to enable (if needed) anonymous reporting of grievances.

We commit to having effective channels for complaints (grievance mechanisms) that are accessible to all employees.

However, to ensure workers and local communities have access to effective grievance mechanisms in our supply-chain, we require of our suppliers to do the same and have systems in place. Our Supplier Code of Conduct and other policies detail our expectations on business relationships.

Contact details:

Orkla House Care AS Øyvind Nesbø - Sustainability Manager oyvind.nesbo@orkla.no