

A high-angle, vertical photograph of a rugged mountain landscape. In the foreground, two massive, light-colored rock faces frame a deep, dark crevice. The rock surfaces are textured with cracks and patches of moss. Several green pine trees are growing on the rocky ledges. In the background, a dense forest of evergreen trees covers the valley floor, with a small body of water visible in the distance. The overall scene conveys a sense of natural grandeur and environmental stewardship.

Sustainability statement

General disclosures (ESRS)

1. Basis for preparation

Our sustainability statement has been prepared on a consolidated basis, aligning with the scope of the financial report for 2024. This report is our mandatory annual statutory sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD) is (EU 2022/2464) and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

The scope of our sustainability statement mirrors that of our financial statements, ensuring consistency and comprehensive coverage of our operations and activities. Our sustainability statement covers our own operations, and both upstream and downstream aspects of our value chain, encompassing suppliers, production processes, distribution, product use, and end-of-life considerations.

All data points found in the topical standards have been subject to a double materiality assessment (DMA). For a detailed description of the scope, methodology and assumptions of our DMA process, see section 4 on impacts risks and opportunity management in this chapter. The Sustainability statement follows the categorization of short-, medium- and long-term time horizons as defined in ESRS 1, section 6.4.

No information corresponding to intellectual property, know-how or the results of innovation has been omitted from the sustainability statement.

CHANGES IN THE PREPARATION OR PRESENTATION OF SUSTAINABILITY INFORMATION

Norske Skog has aligned its sustainability reporting structure in line with the adaptation to the CSRD and the ESRS. These modifications include:

- New disclosures and metrics required by the ESRS. The DMA now includes environmental, social and governance related impacts, risks and opportunities, in addition to ESRS-aligned policies, actions, metrics and targets.
- Furthermore, the layout of the sustainability report has been revised to comply with the ESRS reporting demands.
- The sustainability statement is included in our annual report in line with the ESRS requirements.
- On 7 February 2025 an agreement to sell Norske Skog Industries Australia Ltd with subsidiaries was signed. The sale is expected to be completed in 2025.

SOURCES OF ESTIMATION AND OUTCOME UNCERTAINTY

The assessment of future impacts, risks and opportunities are by nature subject to estimations and outcome uncertainty. In line with ESRS requirements, the sustainability statement include forward-looking statements and assessment of the impact of climate change on Norske Skog performance in the short-, medium- and long-term. These forward-looking judgments relate to potential future events that are beyond the control of Norske Skog and difficult to predict. Norske Skog does not assume any responsibility for the accuracy of such future-looking statements.

THIRD PARTY VERIFICATION

All of Norske Skog's business units are certified in accordance with ISO 9001 (Quality Management Systems). All other third party verification is handled in the respective sections.



2. Governance

Responsibility allocation in governing bodies for environmental policy and sustainability

BOARD OF DIRECTORS

The board of directors holds the overarching responsibility for Norske Skog's environmental policy and sustainability strategy. This includes:

- Defining and annually reviewing environmental policies, goals, and strategic priorities.
- Ensuring that environmental and sustainability aspects are fully integrated into the company's overall strategy.
- Receiving regular reports on environmental performance, including greenhouse gas emissions, energy efficiency, circular economy, and biodiversity.
- Ensuring compliance with international agreements such as the Paris Agreement and the Montreal Protocol.
- Evaluating and approving investments and projects with significant environmental impact.
- Delegating specific tasks related to environment and sustainability to the audit committee and corporate management.
- Ensuring that relevant sustainability competence exists in the audit committee and corporate management.

AUDIT COMMITTEE

The audit committee, led by the board chair, functions as a supervisory body for the company's environmental risks, reporting, and governance. Its responsibilities include:

- Monitoring environmental risks and opportunities, as well as assessing related financial implications.
- Ensuring that sustainability reporting aligns with European and international standards, including ESRS.
- Reviewing and approving procedures for environmental and sustainability reporting.
- Reporting to the board on identified environmental risks, compliance, and areas for improvement including oversight of impacts, risks and opportunities.

CORPORATE MANAGEMENT

Corporate management is operationally responsible for implementing the board's environmental strategy and ensuring that environmental considerations are integrated into daily operations. This includes:

- Identifying, evaluating, and managing environmental risks and opportunities at the corporate and business unit levels.
- Establishing specific goals and strategies for emissions reduction, renewable energy, circular economy, and natural resource management.
- Ensuring that business units have the necessary resources, training, and tools to effectively implement the environmental policy.
- Reporting to the board and audit committee on environmental performance and continuous improvement measures.

HEAD OF SUSTAINABILITY

The head of sustainability plays a key role in coordinating and overseeing the company's sustainability initiatives. Main responsibilities include:

- Developing and implementing the corporate sustainability strategy in collaboration with corporate management.
- Ensuring that sustainability goals align with international regulations and best practices.
- Leading internal training programs and ensuring sustainability principles are understood and followed throughout the organisation.
- Coordinating sustainability reporting and working closely with the audit committee to ensure accurate and transparent reporting.

- Engaging in stakeholder dialogue, including with authorities, investors, and customers, to promote Norske Skog's environmental and social responsibility.

BUSINESS UNITS

The business units are responsible for the practical implementation of environmental initiatives in their respective operations. This includes:

- Integrating environmental considerations into daily operations, including energy efficiency, resource use, pollution control, and waste management.
- Implementing corporate management's strategies and goals at the local level.
- Ensuring that employees are trained in environmental and sustainability principles and have the necessary competence to perform their work in line with company requirements.
- Reporting any serious environmental deviations immediately to corporate management and regularly reporting progress on environmental goals.
- Ensuring that suppliers and partners comply with Norske Skog's environmental standards and sustainability requirements.

COMPETENCE AND EXPERTISE IN GOVERNING BODIES

The various governing bodies of Norske Skog possess broad competence in sustainability, risk management, and environmental governance. Specific areas of expertise include:

- Board of directors: Experience in technology, sustainability, finance, and global markets. The board of directors consists of 5 non-executive, independent members and two employee observers. The board has 40% female representation.
- Audit committee: Expertise in risk assessment, compliance, and sustainability reporting.
- Corporate management: Operational management of environmental and sustainability strategies. The corporate management consists of 5 male members, where the CEO is not independent. Corporate management has 0% female representation.
- Head of sustainability: Specialised knowledge in climate risk, circular economy, and environmental standards.
- Business units: Practical experience in implementing sustainability goals within production and the value chain. Expertise in operational management, strategy, sustainability, finance, accounting, legal, commercial, broad industrial background from fibre processing.

Through clear responsibility allocation, Norske Skog ensures that its environmental policy is embedded throughout the organisation from strategic governance to operational execution, continuously improving environmental performance in alignment with global sustainability goals.

In addition to its financial reporting, audit, internal controls and compliance responsibilities, the audit committee has delegated responsibility for overseeing all matters relating to business conduct. As required with reference to the guidelines that at least one member of the audit committee has recent and relevant audit, legal or compliance expertise to enable it to discharge these responsibilities effectively.

Material impacts, risks, and opportunities are reported to the corporate management, and audit committee through regular updates provided by the head of sustainability. Reporting occurs quarterly during audit committee meetings ensuring continuous oversight.

The corporate management, and audit committee evaluate the implementation of due diligence, effectiveness of policies, and the outcomes of actions, metrics, and targets adopted. Reviews are conducted annually, with special sessions convened when significant changes occur or when new risks emerge.

Impacts, risks, and opportunities are integrated into the governing bodies' discussions on the business's strategy, major transactions, and risk management processes. Our acquisition strategy requires the consideration of sustainability matters such as health & safety and locked-in emissions in our due diligence process when acquiring other businesses. These considerations involve comprehensive analyses that weigh trade-offs associated with various impacts, risks, and opportunities to make informed decisions aligned with sustainability objectives.

Throughout the year, the corporate management and business unit management consistently monitor various impacts, risks, and opportunities.

To guarantee effective performance monitoring, the corporate management addresses key targets relevant to our business in relevant board meeting. Health and safety risks are a routine topic of discussion at the board meetings (refer to the Social section on for more information). Similarly, climate-related risks and our efforts towards decarbonization and achieving net zero emission goals in scope 1 and 2 are monitored and reviewed when necessary by the governance bodies (for additional details, see the Environment section).

Compensation scheme including sustainability-linked remuneration:

- All performance contracts, for corporate management, mill directors and all other personnel with performance contracts, include sustainability goals that cover environmental, health, and safety issues. The performance is assessed on a general basis and is not assessed against specific targets.
- The proportion of the variable remuneration is 2.5% of the total performance contract score. The board of directors approves the level and content of the performance contracts.

Risk management and internal controls over sustainability reporting

HEAD OF SUSTAINABILITY – RESPONSIBILITIES AND REPORTING STRUCTURE

The head of sustainability is responsible for facilitating and developing comprehensive group reports on sustainability issues and ESG metrics. This responsibility includes organizing and leading essential activities such as the consolidated Disclosure on Management Approach (DMA), evaluating climate risks, and managing data collection and conversion processes for sustainability reporting.

DATA COLLECTION AND REPORTING STRUCTURE

The gathering of relevant data and information for the annual sustainability report is a continuous process that involves multiple data sources and reporting levels within the organisation. Data is collected at the business units (mills) through:

- Measuring instruments: Automated and manual sensors monitor emissions, energy consumption, water usage, and other key environmental parameters at each mill.
- Physical counts or measurements: Manual inspections and physical assessments verify waste management, raw material usage, and safety compliance.
- Incident reports:
 - o Every work-related accident or serious injury is reported immediately to the relevant leader and business unit management. Within 24 hours, the report is escalated to: Corporate management, head of sustainability and VP communication.
 - o Incidents related to breach of environmental permits or hazardous waste is reported to proper authority without delay and to corporate management, head of sustainability and VP communication.

Each mill has designated Health, Safety, and Environmental (HSEQ) managers responsible for sustainability-related matters. Their key responsibilities include:

- Ensuring compliance with sustainability policies through regular follow-up and reporting.
- Providing sustainability competence and quality assurance at the mill or business unit level.
- Overseeing monthly reporting of health, safety, and environmental data to business unit management.
- Participating in monthly business review meetings with corporate management to discuss performance and compliance.

STANDARDISED DATA FRAMEWORK AND RISK MANAGEMENT

A key challenge in creating unified sustainability disclosures across multiple business units is mitigating human errors and data misalignment. To address this, the head of sustainability oversees a unified data framework for the entire group, ensuring:

- Standardised definitions and calculations for emissions, waste, and energy metrics.
- Compliance with the GHG Protocol through accurate emission factor assessments.
- A systematic risk prioritisation methodology to enhance data integrity and reliability.
- Centralised quality assurance, where the head of sustainability functions as an information hub, identifying and rectifying inconsistencies in data submitted by business units.

INTEGRATION OF A SUSTAINABILITY REPORTING TOOL

To further enhance data management and reporting, Norske Skog introduced a specialised sustainability reporting tool in 2024. This tool is designed to:

- Structure sustainability data for accurate and efficient reporting.
- Monitor adherence to reporting standards.
- Support real-time tracking of environmental performance indicators.

Initial configuration of the tool for manual data entry commenced at the end of 2024, with further developments planned throughout 2025, including the integration of supplier-specific Scope 3 data for a more comprehensive sustainability assessment. Additionally, Norske Skog has consolidated sustainability data into a central group data platform, improving accessibility to sustainability reports and supporting sustainability-driven decision-making across various functions.

ALIGNMENT WITH ESRS AND GOVERNANCE REPORTING

As of 2024, all sustainability data follows the accounting principles outlined by the European Sustainability Reporting Standards (ESRS). The head of sustainability plays a pivotal role in ensuring compliance and regularly informs the CFO and CEO about the progress of sustainability reporting. The CFO and CEO, in turn, provide updates to the board of directors, ensuring that sustainability efforts align with Norske Skog's long-term strategic goals.

Through this structured approach, Norske Skog ensures high-quality, transparent sustainability reporting that supports informed decision-making and regulatory compliance.



Norske Skog Bruck, recovered paper handling
Photo: Carsten Dybevig

3. Strategy, stakeholders, material impacts, risks and opportunities (IRO)

KEY ELEMENTS OF GENERAL STRATEGY

- **Products:** Norske Skog produces publication paper, recycled packaging paper, energy, and bioproducts. In 2023, the group expanded into recycled containerboard production with the commissioning of new machines at Norske Skog Bruck and in Norske Skog Golbey from 2025.
- **Markets:** Norske Skog serves publication paper customers across Europe and Australasia. The new packaging paper segment primarily targets the European market. Key customer groups include publishers, retailers, and commercial printers.
- **Employee headcount:** The group employs 2 101 people, with FTEs allocated as follows:
 - Publication paper: 1 500–1 700
 - Packaging paper: 200–400 (expected to rise with full-scale production)
 - Bioproducts: <50
- **Banned products:** Norske Skog does not produce or distribute products banned in any markets.

BUSINESS ACTIVITIES IN SPECIFIC SECTORS

- **Fossil fuels:** Norske Skog is not active in coal, oil, or gas production. The group has transitioned to renewable energy, including a 50 MW waste-to-energy boiler at Norske Skog Bruck and 10% partnering in a 125 MW project at Norske Skog Golbey supplying the mill with energy.
- **Chemicals production:** Not applicable.
- **Controversial weapons and tobacco:** Norske Skog has no involvement in these sectors.

SUSTAINABILITY-RELATED GOALS

- **Publication paper:** Improve and optimise resource efficiency, reducing emissions and energy use.
- **Packaging paper:** Establish a leading position as an independent recycled containerboard producer.
- **Vertical integration:** Explore up- and downstream synergies to enhance sustainability and operational efficiency.

ASSESSMENT OF CURRENT MARKETS AND PRODUCTS

- Publication paper remains core, but the shift towards packaging paper diversifies revenue streams and reduces dependency on declining print markets.

Our sustainability initiatives are embedded in the main strategy:

- Optimising publication paper cash flows – improving resource efficiency and environmental compliance.
- Becoming a leading producer of renewable packaging paper – expanding sustainable packaging solutions.
- Vertical integration in the value chain – strengthening supply chain sustainability and traceability.

KEY SUSTAINABILITY COMMITMENTS

- 55% reduction in GHG emissions across scope 1 and 2 per tonne produced by 2030, compared with a 2015 baseline. And net zero emissions by 2050, across the same scopes.
- Zero ash to landfill by 2030.
- 100% certified wood sourcing.

KEY SUSTAINABILITY CHALLENGES AND SOLUTIONS

1. Climate change and energy efficiency – Investing in renewable energy, efficiency projects, and process optimisation.

2. Circular economy and waste management – Expanding the use of certified wood and recycled paper, optimising fibre utilisation, and minimising waste.
3. Water resource management – Enhancing wastewater treatment and adopting water recycling technologies.
4. Sustainable packaging production – Expanding containerboard production at Norske Skog Golbey and Norske Skog Bruck to meet the demand for renewable packaging.
5. Employee health and safety – Continuous training, risk assessments, and advanced workplace safety technologies.

Our operations span the entire value chain, from responsible raw material sourcing to advanced manufacturing and distribution, ensuring high-quality products for customers while minimising environmental impact.

INPUTS: RESPONSIBLE SOURCING AND RESOURCE MANAGEMENT

Our primary inputs include certified wood, recycled fibre, energy, and water. We source wood and wood chips exclusively from certified sustainable forestry operations (FSC® and PEFC™), ensuring traceability and environmental responsibility. Recycled fibre plays an increasing role in our packaging paper production, aligning with circular economy goals. Energy efficiency is a key focus, with increasing investments in renewable energy sources to reduce emissions and reliance on fossil fuels.

OUTPUTS AND VALUE CREATION

Norske Skog delivers high-quality publication paper and containerboard products to a global customer base. Our ongoing transformation towards packaging paper and bio-based products ensures long-term value creation for stakeholders:

- **Customers:** We provide sustainable and cost-effective paper solutions to publishers, packaging converters, and industrial users.
- **Investors:** By transitioning to growth markets such as packaging and bio-products, we secure long-term profitability and resilience.
- **Communities and environment:** Our commitment to sustainable forestry, waste reduction, and energy efficiency benefits local economies and reduces environmental impact.

VALUE CHAIN AND MARKET POSITION

Norske Skog operates across the upstream and downstream value chain, collaborating with key stakeholders:

- **Upstream:** Our raw materials are sourced from certified forestry operations and recycling partners. Suppliers include wood procurement companies, pulpwood providers, energy suppliers, and logistics partners ensuring sustainable and efficient delivery.
- **Production:** Our strategically located mills in Europe and Australasia produce publication and packaging paper with a focus on resource efficiency and sustainable production methods.
- **Downstream:** We serve a diverse customer base, including publishers, commercial printers, and packaging manufacturers. Products are distributed through direct sales, wholesalers, and large industrial customers, reaching end-users in publishing, retail, and consumer goods industries.

As Norske Skog continues its transformation, we remain committed to innovation, sustainability, and operational efficiency, ensuring long-term success in the evolving pulp and paper industry.

STAKEHOLDERS

Engaging actively with stakeholders shape our understanding of material issues and supports the creation of solutions and initiatives that form our ESG

commitment and goal roadmap. Engagement generally involves the public affairs and investor relation teams, corporate management and mill management teams.

The table on the following page showcases our most significant stakeholders, methods of engagement and organisation, and the objectives and applications of these interactions. Stakeholder perspectives are essential features of our materiality assessment. The perspectives of key stakeholder groups inform our strategy and business model in the following ways:

- Regular engagement with our employees drives key parts of our people strategy and informs our approach to sustainability. Norske Skog integrates results from the employee engagement into our HR management processes and into sustainability decision-making, especially at mill levels.
- Norske Skog informs about procurement obligations and initiatives to the suppliers. Regular engagement with suppliers ensures dialogue and insight

on supplier specific conditions and impact sourcing decisions.

- Central to our business model, Norske Skog's mills engage directly with local communities. Through regular collaboration, Norske Skog ensures insights into plans affecting the respective communities.
- Engagement with customers and end-users affects product and service development. Insights from regular B2B-customer affects product development ensuring Norske Skog's products continue to meet customers' needs.
- Norske Skog communication with stakeholders is reported to adequate managerial level and to proper governing bodies. The board of directors receives regular status on material matters regarding outcome of the communication with relevant stakeholders, especially when concerning operational and investment plans.

	Upstream			Operations	Downstream			
	Raw materials extraction and processing	Tier 1 supplier	Upstream transport & distribution	Own operations and sales	Downstream raw materials distribution	Customers	End users/ consumers	End of life
Activities/ suppliers	Forest owners	Harvesting activities	Incoming transport of raw materials	Manufacturing Sales Administration	Outgoing transport finished products	Printers Publishers Containerboard customers	Newspaper Magazine Containerboard Packaging end users	Recycling Landfill Energy recovery
Locations	Norway Sweden Austria Germany Australia	Norway Sweden Austria Germany Australia	EU Australia	Norway France Austria Australia Germany United Kingdom Switzerland	Worldwide	Worldwide	Worldwide	Worldwide
Affected stakeholders	Ecosystems (environmental organisations)	Ecosystems Workers harvesting	Nature Workers transportation	Employees Local communities Ecosystems	Workers transportation	Workers processing of sold products	Local communities	Workers waste handling Local communities

Stakeholders	How engagement is organised	Purpose of engagements	Outcomes of engagements
Own workforce: • Employees • Apprentices	<ul style="list-style-type: none"> • Continuous dialogue with union representatives and HR engagement • Employees & contractors can raise concerns through direct contact with the management and our online whistle-blower system 	<ul style="list-style-type: none"> • Lowest possible score on health and safety concerns • Foster a collaborative and meaningful workplace • Include employee/contractor input into internal mechanisms • Developing fair labour practices and sustainability initiatives • Addressing workers' rights and concerns 	<ul style="list-style-type: none"> • Improved and engaged business culture • Updates of internal policies • Improved health and safety performance
Affected communities	<ul style="list-style-type: none"> • Regular community consultations • Local affected community representatives 	<ul style="list-style-type: none"> • Developing community engagement and support • Addressing financial, social and environmental impacts 	<ul style="list-style-type: none"> • Ensure alignment of business operations with community needs and environmental standards • Positive community relations • Strengthened social license to operate
Customers	<ul style="list-style-type: none"> • Direct contact with customers • Feedback from sales organisations 	<ul style="list-style-type: none"> • Understanding consumer needs and preferences • Ensuring products meet sustainability standards and consumer expectations 	<ul style="list-style-type: none"> • Enhanced product quality and customer satisfaction • Increased brand loyalty and market share
Existing investors	<ul style="list-style-type: none"> • Conference calls • Board meetings • Quarterly reports • Annual and sustainability reports • Annual general meetings 	<ul style="list-style-type: none"> • Maintain transparent communication • Meeting the needs of financial stakeholders for sustainability data • Upholding our duty to keep investors informed of ESG-related information. 	<ul style="list-style-type: none"> • ESG rating improvement plans • Responses to investor queries • Aligning communication of our (sustainability) strategy to investors
Suppliers	<ul style="list-style-type: none"> • Direct through engagement with suppliers • Feedback from suppliers • Supplier audits • Annual ESG reports • The supplier code of conduct • Day to day correspondence 	<ul style="list-style-type: none"> • A continual dialogue with our suppliers is critical to maintain our sustainability targets • Monitor our suppliers' ESG progression in order to assist in the assessment of ESG risks and pinpoint suppliers who demonstrate best practices 	<ul style="list-style-type: none"> • Managed supplier expectations • Ensuring suppliers adhere to our business conduct standards and maintain the collaborative decarbonisation plans of Norske Skog
Industry bodies and regulators	<ul style="list-style-type: none"> • Member-only conferences • Joint initiatives and programmes 	<ul style="list-style-type: none"> • Developing industry standards on sustainability • Understanding and engaging with value chain workers' representatives 	<ul style="list-style-type: none"> • Ensure compliance with existing and future legislation • Maintaining industry knowledge of best practices

BRIEF DESCRIPTION OF MATERIAL IROS AND THEIR CONCENTRATION IN THE BUSINESS MODEL

Norske Skog has identified several material impacts, risks, and opportunities (IROs) through its materiality assessment, which affect both the operations and the upstream and downstream value chain.

- **Negative impacts:** Norske Skog's operations generate air and water pollution, greenhouse gas (GHG) emissions, and consume significant amounts of energy and water. Additionally, the sourcing of wood contributes to land degradation and deforestation, while industrial accidents pose a health and safety risk to employees.
- **Positive impacts:** The group contributes positively by utilising renewable and recycled resources, generating bio-based energy from waste, and promoting circular economy principles.

- **Risks:** Major risks include potential exclusion from the EU ETS market, fluctuating energy prices, water shortages, stricter regulatory permits, and dependency on natural resources like wood and recycled fibre. Reputational risks related to unethical business practices and poor gender diversity are also material.
- **Opportunities:** Norske Skog can capitalise on the demand for low-emission products, bio-based alternatives, and new business areas such as nanocellulose and bio-composites.

The concentration of these IROs varies across Norske Skog's value chain:

- Upstream: Wood sourcing, energy supply, and transportation.
- Operations: Mills' emissions, water usage, energy consumption, and employee safety.
- Downstream: Product recyclability, transportation, and evolving customer preferences.

FINANCIAL EFFECTS AND STRATEGIC RESPONSES

Norske Skog has already adapted its strategy to mitigate negative impacts and leverage opportunities.

- Financial effects: Exclusion from EU ETS and volatile energy prices could lead to significant cost increases. Water scarcity and stricter environmental regulations may raise operational costs. However, investment in bio-based alternatives and recycled packaging paper diversifies revenue streams, reducing dependence on declining publication paper markets.
- Strategic responses:
 - o Transition towards renewable energy sources and increased energy efficiency.
 - o Expansion into recycled containerboard production (Norske Skog Bruck and Norske Skog Golbey).
 - o Strengthening responsible sourcing practices and biodiversity conservation efforts.

MATERIAL IMPACTS AND THEIR CONNECTION TO STRATEGY AND BUSINESS MODEL

(i) Impact on people and the environment

- Negative impacts: Pollution and emissions contribute to environmental degradation and health concerns, while industrial risks impact employee safety.
- Positive impacts: Circular economy initiatives and renewable energy production reduce the company's carbon footprint and contribute to resource efficiency.

(ii) Origin and connection to strategy

- Norske Skog's reliance on energy-intensive manufacturing and natural resources is integral to its business model, necessitating mitigation strategies.
- Sustainability efforts are embedded in Norske Skog's long-term strategy through increased use of recycled fibres and reduced fossil fuel dependency.

(iii) Time horizons of impacts

- Short-term (<1 year): As referenced in table on the following page.
- Medium-term (1-5 years): As referenced in table on the following page.
- Long-term (>5 years): As referenced in table on the following page.

(iv) Business relationships involved

- Norske Skog is involved through direct operational activities (mill emissions, sourcing) and indirect relationships (transport, suppliers). Close collaboration with suppliers, regulators, and customers is key to mitigating risks and capitalizing on opportunities.

CURRENT AND ANTICIPATED FINANCIAL EFFECTS OF MATERIAL RISKS AND OPPORTUNITIES

- Short-term: As referenced in table on the following page.
- Medium-term: As referenced in table on the following page.
- Long-term: As referenced in table on the following page.

PLANNED STRATEGIC ACTIONS

- Continued investment in renewable energy and bio-based products.
- Diversification into recycled packaging paper.
- Strengthening sustainable sourcing policies.
- Investing in water-efficient production technologies.
- Developing low-carbon business models to ensure long-term financial resilience.

RESILIENCE OF STRATEGY AND BUSINESS MODEL

Norske Skog's business model is resilient due to:

- A diversified product portfolio, reducing reliance on publication paper.
- Investments in bio-based alternatives and energy-efficient processes.
- Strong regulatory engagement and sustainability commitments.
- Long-term financial planning, including capex in new technologies.

Quantitative resilience analysis considers scenarios related to carbon pricing, energy availability, and climate change adaptation, ensuring the company can withstand market fluctuations and regulatory shifts.

CHANGES IN MATERIAL IROS COMPARED TO THE PREVIOUS REPORTING PERIOD

- Increased focus on recycled packaging paper as a new revenue stream.
- Enhanced climate resilience strategy, particularly regarding water and energy efficiency.
- Greater emphasis on biodiversity conservation and responsible sourcing.

SPECIFICATION OF IROS COVERED BY ESRs DRS VS. ENTITY-SPECIFIC DISCLOSURES

- ESRs DRs coverage: GHG emissions, energy consumption, water use, pollution, biodiversity, human rights (worker safety, diversity, ethical practices).
- Entity-specific disclosures: Circular economy innovations, bioproduct developments, industry-specific sustainability challenges, and political advocacy on EU ETS inclusion.

CONCLUSION

Norske Skog's material IROs are closely linked to its business model, driving strategic adaptations and investments. The company's resilience stems from its commitment to circular economy principles, energy efficiency, and sustainable sourcing. By addressing impacts, risks and leveraging opportunities, Norske Skog aims to ensure long-term sustainability and competitiveness.



Norske Skog Brück, wastewater treatment plant
Photo: Stein Johnsen

4. Impacts, risks and opportunity management

MATERIALITY ASSESSMENT PROCESS

During 2024, Norske Skog conducted a double materiality assessment based on the requirements of the ESRS. The foundation of such an assessment involved identifying and objectively assessing impacts, risks and opportunities (IROs). The impacts, risks and opportunities identified in the DMA are described under the relevant topical ESRS in this report.

DMA-PROCESS METHODOLOGY

Identification of sustainability matters: Norske Skog's DMA process began with evaluating its business activities, value chain, and stakeholders to identify relevant sustainability topics, ensuring alignment with ESRS 1 and excluding non-material issues.

Assessment of Impacts, Risks, and Opportunities (IROs): IROs were evaluated based on impact materiality (environmental and social impacts) and financial materiality (risks and opportunities) using a scoring methodology considering severity, likelihood, and financial magnitude over short-, medium-, and long-term horizons.

Decision-making and integration: The results were validated through a dual bottom-up (mill level) and top-down (corporate level) process, discussed with the board of directors, and integrated into corporate strategy, with annual reviews to ensure continuous improvement and adaptation.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

In the DMA-process, Norske Skog has evaluated these IROs to be material:

	Impacts, Risks and Opportunities (IRO)	Type	Chain			Time horizon		
			Upstream	Own operations	Downstream	Short term	Medium term	Long term
E1 Climate change	Climate change mitigation							
	GHG emissions across the value chain	Impact, negative	x	x	x	x	x	x
	Low-emission products	Opportunity	x	x	x	x	x	x
	Exclusion from the EU ETS market	Risk		x		x	x	x
	Energy							
	Energy consumption	Impact, negative		x		x	x	x
E2 Pollution	Energy prices	Risk		x		x	x	x
	Pollution of air (SOx and NOx)							
	Pollution of air from boilers	Impact, negative		x		x	x	x
	Pollution of water							
E3 Water and marine resources	Discharge of process water	Impact, negative		x		x	x	x
	Water withdrawal							
	Water intensive production process	Impact, negative		x		x	x	x
	Potential water shortage	Risk		x				x
	Water discharge							
E4 Biodiversity and ecosystem	Stricter permits levels	Risk		x		x	x	x
	Ecosystem services							
	Dependency on natural resources: sourcing of wood	Risk	x			x	x	x
	Dependency on natural resources: process water	Risk	x			x	x	x
	Land degradation							
E5 Resources and circular economy	Degradation of land through felling of forests	Impact, negative	x			x	x	x
	Resource inflows including use							
	Utilisation of renewable and recycled resources in production of products	Impact, positive	x			x	x	x
	Availability of recycled fibre for production of products	Risk	x			x	x	x
	Resource outflows related to products and services							
S1 Own employees	Production waste	Impact, negative		x	x	x	x	x
	Working conditions							
	Industrial accidents	Impact, negative		x		x	x	x
	Advocate for improved working conditions through freedom of association	Impact, negative		x		x	x	x
	Equal treatment and opportunities for all							
	Attract and keep top talent through training and skills development	Risk		x		x	x	x
G1 Business conduct	Poor gender diversity	Risk		x			x	x
	Corporate culture							
	Unethical business practice	Risk		x		x	x	x
	Protection of whistleblowers							
	Failure to protect whistleblowers	Risk	x	x	x	x	x	x

IDENTIFYING SUSTAINABILITY MATTERS

The initial phase focussed on evaluating Norske Skog's activities and business relationships, value chain and affected stakeholders to pinpoint relevant sustainability issues as outlined in ESRS 1, paragraph AR16. This approach ensured a thorough examination of critical sustainability topics in the pulp and paper industry, alongside the exploration of company-specific matters. Irrelevant sustainability topics and sub-topics that did not align with Norske Skog's business model were excluded from the analysis.

STAKEHOLDER ENGAGEMENT

The DMA process engaged several key personnel, corporate and mill management to evaluate Norske Skog's sustainability and business matters that have a material impact on future business unit operations in respective locations and their impact at group level. The following engagement was done to identify material risk and opportunities:

At mill level:

- **Internal experts:** The mill DMA teams are made up by the mill manager and other key personnel in different functional areas, including finance, human resources (HR), business development, health, environment and safety supply chain management and marketing with local knowledge on topics with strategic importance to the mills.
- **External experts:** Each mill has regular contact with local external stakeholder groups such as customers, suppliers, national permit agencies, NGOs, professional national trade organisations, local communities and forest owner association that support the identification and assessment of topics with strategic and financial importance.

At corporate level:

- **Internal experts:** The corporate management team has unique knowledge of financial, strategic and operational matters for the entire group. The Head of Sustainability and VP Communication and Public Affairs play a vital role in the DMA-process.
- **External experts:** The corporate management team has regular contact with key stakeholder groups for the group including policy makers, financial institutions, board of directors, shareholders, industry associations, key customers and suppliers.

Norske Skog did not organize separate stakeholder interviews as part of the DMA process. Norske Skog has continuous engagement with different stakeholder groups throughout the year regarding sustainability topics and this input was used actively throughout the DMA process.

ASSESSING IROS RELATED TO BUSINESS PRACTICES

The basis for identification of company specific IROs was the business model, strategy and value chain of Norske Skog. Company specific IROs identified in the DMA conducted in 2023 were used as a starting point for the 2024 DMA-process and linked with the long list of sustainability matters (ESRS topics, sub-topics and sub-sub-topics). No entity's specific sustainability matters were added to the list.

Certain segments of Norske Skog's supply chain received extra attention through cross managerial and cross function discussions, especially those with a significant potential impact and relevance to Norske Skog's operations. These areas included business risk related to production process, wastewater treatment, water availability, wood logging timing, as well as sustainable energy availability and product development according to market environmental expectation.

The assessment of climate-related impacts, risks, and opportunities was an integral part of the DMA concerning sustainability issues. Norske Skog carried out a revision of the identified climate-related risks and opportunities following

the Task Force on Climate related Disclosure Framework (TCFD) in 2023. As part of this process, a climate-related scenario analysis was carried out in cooperation with CEMAsys, a Nordic ESG Consulting firm. Both processes supported the identification and assessment of physical and transitional risks and opportunities across different time frames.

The identification of IROs concerning business practices involved mapping out geographic areas with heightened potential impacts, risks and opportunities associated with corruption, bribery, and human rights issues. The process also revisited business conduct risks previously identified in Norske Skog's corporate standards and continuous compliance programme.

MATERIALITY SCORING APPROACH

The assessment of impacts, risks, and opportunities (IROs) followed ESRS 1 requirements, evaluating impact materiality (effects on people and the environment) and financial materiality (risks and opportunities). Impact materiality was scored from 1-5 based on severity (scale, scope, irremediability) and likelihood, prioritising human rights impacts. Financial materiality was scored separately on magnitude and likelihood, considering drivers like regulations, market, and reputation.

Scores were calculated by multiplying severity with likelihood (max 25) for impact materiality and magnitude with likelihood (max 25) for financial materiality. Issues surpassing a set threshold were classified as material. Assessments covered short- (<1 year), medium- (1-5 years), and long-term (>5 years) horizons, integrating strategic, budgetary, and due diligence data, including human rights and climate risk assessments.

A dual bottom-up (mill-level) and top-down (corporate-level) approach ensured comprehensive evaluation. Mills assessed local IROs with site-specific financial thresholds, while corporate teams consolidated results in validation workshops with sustainability, communication, and public affairs teams. Findings were presented to the board of directors. Continuous stakeholder engagement informed the process, involving 30-50 representatives across investors, suppliers, NGOs, and regulators.

DECISION – MAKING AND INTERNAL CONTROLS

Critical decisions in the process included scoring IROs, and the final assessment of sustainability matters in the workshop. Internal control measures were implemented throughout the process, ensuring that the scoring methodology was followed. Each IRO was documented to justify its materiality.

FUTURE STEPS – INTEGRATION, MONITORING, AND REVIEW

Norske Skog integrate results from the DMA process into the corporate strategy and incorporate responses to impacts, risk and opportunities into mill and corporate level monitoring and management processes. This may affect future type of investments, and level of capital expenditure.

Norske Skog commits to annually revisiting the DMA process for identifying, assessing, and prioritising IROs, considering evolving trends, underlying assumptions, context, and regulatory changes. A comprehensive review of the DMA will be conducted annually to ensure its efficacy and relevance. The DMA process will adjust to changes in climate related issues and company specific needs. However, the steps in the DMA methodology and stakeholder groups have been the basis for the latest assessment periods.

Each year the corporate and mill management will undergo and revise the DMA process. During the year, the head of sustainability at corporate level and local sustainability managers will monitor and report on action plans to adequate governing body.

As described in ESRS SBM-3, Norske Skog updated its materiality assessment which is based on the concept of double materiality. The assessment objectively scored impacts, risks and opportunities (IROs) as a basis for determining whether sustainability matters were material or not. This section describes the process applied to identify and assess material IROs. Norske Skog does not have a separate enterprise risk management tool (ERM) in performing a risk assessment process. The risk assessment is part of the business unit's process to prepare the DMA-evaluation, annual operational plans and long-term strategy.

Description of the process to identify and assess material climate-related IRO's

E1 CLIMATE CHANGE

In 2024, Norske Skog assessed its climate-related IROs, facilitated by the updated DMA. The identification and assessment of climate-related impacts focused on Norske Skog's GHG emissions from own operations as well as up- and downstream in the value chain. The GHG emission inventory served as the main source of information to identify drivers for climate related impacts in relation to the current and future business strategy. Recent assessment report from the Intergovernmental Panel on Climate Change (IPCC) and other international research provided context on GHG emissions impact on people and the environment.

The identification and assessment of climate-related risks and opportunities was supported by the revision of the Task Force on Climate related Disclosure Framework (TCFD) carried out in 2023, evaluating physical risks (acute and chronic), transition risks (policy, legal, technology, market, reputational) and opportunities (resource efficiency, energy source, products and services, markets, resilience).

With increased focus on climate change and its implications on current and future financial performance, Norske Skog carried out a climate-related scenario analysis in 2023, in cooperation with CEMAsys, a Nordic ESG Consulting firm. The scenario-analysis assessed access to process water and

electricity in line with the recommendations laid out by the TCFD. The assessment used the IEA's Net Zero Emissions (1.5°C), IEA World Energy Outlook (WEO) 2022 and IPCC SSP1-2.6 "Sustainability" scenario to assess how our assets and business activities may be exposed to physical risks. For the assessment of transition risk IPCC's SSP5-8.5 scenario (4.0°C) was applied. The Net Zero 2050 scenario limits global warming to 1.5°C and includes stringent climate policies and rapid technological change to reach net zero CO₂ emissions by 2050. Carbon price level EUR 250/tCO₂e in 2050. IPCC's SSP5-8.5 scenario (4.0°C) assumes that only policies that have already been introduced are preserved, leading to high physical risks. Emissions continue to grow until 2080, resulting in up to 4.0°C of warming and severe physical risks, including irreversible changes such as higher sea levels.

As part of the scenario analysis CEMAsys conducted workshops and interviews with relevant leaders across the company as part of the process to make the analysis. Identifying climate-related risks and opportunities involved a top-down approach, as well as an 'outside-in' analysis of risks and opportunities specific to pulp and paper industry.

The findings from the scenario analysis were presented to the mill and corporate management team and will be considered as part of Norske Skog's strategy process to improve its resilience. The climate-related risks that were identified through the scenario analysis exercise have been incorporated into the annual strategic review process by Norske Skog's mills and the corporate management.

The timeframe used in the TCFD assessment and scenario analysis defined short-, medium- and long-term as 2025, 2030 and 2050 respectively. The 2030 timeframe aligns with Norske Skog's GHG emission reduction target and the 2050 timeframe align with Norske Skog's commitment to net-zero emissions by 2050, in accordance with the goal of the Paris Agreement.

Both the TCFD and scenario analysis evaluated the situation at each business and the entire organisation. The climate scenarios and related assumptions are compatible with the financial statements in this report.



Norske Skog Skogn, vinder
Photo: Carsten Dybevig

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short term	Medium term	Long term
Impacts, Risks and Opportunities (IRO)		Type					
ESRS E1 Climate change mitigation							
GHG emissions across the value chain		Impact, negative					
Norske Skog has a negative impact throughout the value chain on the climate. The upstream emission are connected to the logging activities and transportation of wood from the forest into the mill with trucks and train. The production process consumes large amount of heat from bioenergy and electrical power to transform the wood log into pulp for the production of paper. Emissions from both inbound and outbound transporters, and production process foster potential negative climate impact.							
Low-emission products		Opportunity					
Norske Skog has an opportunity related to the finished goods which have relative emission level compared to other fossil alternatives. The containerboard production will deliver packaging paper to the market and be in direct competition with fossil plastic products. All the containerboard production in the group located in Norske Skog Bruck and Norske Skog Golbey, are based on recycled old corrugated case material. Similarly, the nanocellulose and biocomposites produced at Saugbrugs are based on wood logs, which is a renewable source. The opportunity to for capturing and delivering for storage the biogenic carbon emissions will reduce the finished goods carbon footprint and thus become more acceptable product for the consumers.							
Exclusion form the EU ETS market		Risk					
The tentative exclusion of the two Norwegian mills, Saugbrugs and Skogn, from the Energy Trading System (ETS) poses a risk of severe financial impact. This exclusion of Norske Skog’s Norwegian mills will, with a CO2 price of EUR 70, have a tentative, negative financial impact for the entire group. The share of biomass in producing heat from the bioboiler is above 95% and is thus above the ETS qualification level. Norske Skog has politically opposed the tentative exclusion.							
Energy							
Energy consumption		Impact, negative					
Norske Skog’s energy consumption has negative impact on the climate. The energy is used to process raw material into finished paper products using a mix of renewable and fossil energy sources. The energy consumption contains several sources of energy like hydro power, bio mass, production waste, natural gas and oil to produce heat to the production process in addition to electrical power from the grid, which also has elements of fossil sources from coal, LNG and oil. Norske Skog’s energy intensive manufacturing processes in all mills require substantial energy sources. Non-renewable energy sources used in production has a negative impact on the environment.							
Energy prices		Risk					
Norske Skog faces a competitive risk related to fluctuations in energy prices. The energy prices in Europe are mainly driven by supply and demand for energy. The volatility in energy prices derives from the last marginal supply of energy, which for the last years has been the price expectations of LNG.							

Norske Skog has entered into long- and medium term contracts with energy suppliers for most of the production capacity. Norske Skog will either have a non-cash profit or loss related to energy contracts depending on the actual energy price fluctuations.

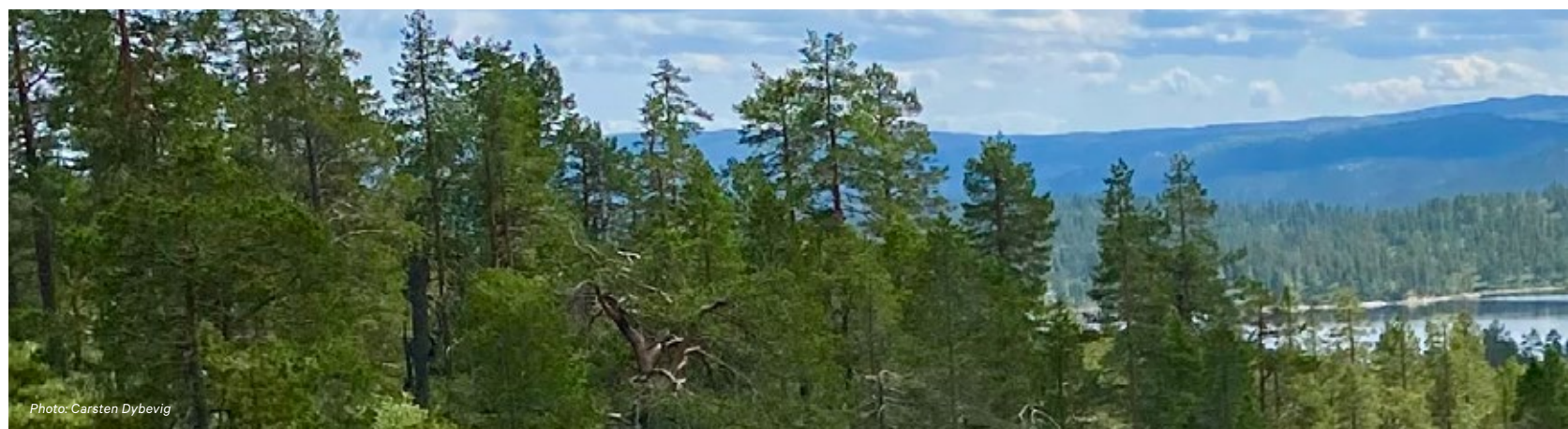


Photo: Carsten Dybevig

E2 POLLUTION

Norske Skog is committed to addressing pollution-related impacts, risks, and opportunities across our operations and value chain. Norske Skog conducted a materiality assessment applying elements of the LEAP approach, focusing on pollution of air, water, soil, microplastics, substances of concern, and their dependencies on ecosystem services to evaluate their materiality and significance.

Screening Methodologies and Assumptions: To identify actual and potential pollution-related impacts, Norske Skog undertook a screening process across business units within our operations, assessing the interface with nature. This involved an evaluation of emissions from our direct assets, upstream, and downstream. The screening methodologies included detailed data collection on pollutant emissions, their severity, and likelihood of impacts on the environment and human health. The results provided a basis for comparing the environmental performance.

Consultations and community engagement: Norske Skog's commitment to transparency extended to consulting with affected communities to better understand their concerns and the potential impact of our operations on their environment and Norske wellbeing. The business units engaged in dialogue with local authorities and public and requested feedback from stakeholders

residing near the sites and along the value chain. These dialogues help us gather valuable insights, build relationships, and foster a better understanding of the local concerns and expectations related to pollution and its management. **Assessment of Risks and Opportunities:** The above written approach guided our assessment, enabling the identification of transition risks and opportunities across the operations and the value chain. This involved evaluating policy and legal aspects, technological advancements, reputation changes, and potential physical risks arising from pollution incidents.

Opportunities were identified to access green financing, build resilience, and improve our reputation through proactive pollution prevention and control measures. The outcome highlighted specific site locations and business activities where pollution emerges as a material issue, enabling us to revisit the business strategy and prioritize actions to mitigate risks and leverage opportunities effectively.

Here is an overview with the materiality matrix of the material impacts, risks and opportunities for ESRS E2 pollution. Norske Skog has ensured the consideration of geographical areas, types of assets, inputs, outputs and distribution channels when describing upstream and/or downstream value chain material IROs.

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short term	Medium term	Long term
Pollution of air							
Pollution of air from boilers	Impact, negative		x		x	x	x
All Norske Skog mills emit various pollutants, including volatile organic compounds (VOCs), sulphur dioxide (SO2), nitrogen oxides (NOx), and particulate matter (PM), during operations linked to production of heat with company owned boilers. The source of heat for the boilers contain a mix of renewable and non-renewable sources. These emissions contribute to air pollution, may lead to respiratory problems and environmental degradation.							
Pollution of water							
Discharge of process water	Impact, negative		x		x	x	x
The discharge of process water from the production process of publication paper and packaging paper causes a negative climate impact. A substantial amount of fresh water is needed to produce pulp and mix pulp with chemicals and other raw materials, which is used as input to produce the finished goods. The excess water from the production process is then processed through a wastewater treatment plant before the water is discharged to the nature. Only about 1% of the fresh water absorbed from the external source is used in the final products, the rest is discharged to the nature.							



E3 WATER AND MARINE RESOURCES

As part of our DMA process, Norske Skog have implemented processes to identify and assess material impacts, risks, and opportunities related to water and marine resources in our operations and value chain.

Norske Skog has applied elements of the LEAP approach to assess water and marine resources-related IROs by screening site locations and business activities to identify potential impacts on water and marine resources.

Norske Skog used historical statistics, feedback from experts and authorities in the water risk assessments, and marine resource evaluations to conduct this screening. In addition, Norske Skog mills conduct monthly environmental reporting (E-Index) to the corporate management and board of directors using Best Available Technology (BAT) reference values for paper and pulp production published by the EU Commission under the Industrial Emissions Directive. This data was also assessed during the process.

The climate-related scenario analysis carried out in 2023 that outlined future precipitation and climate change analysis was also used as a key source. Key areas of focus included locations with high water stress, potential water shortage and operations interfacing with marine resources. The discharge to water at all units follow strict reporting schedule to the authorities with specific attention to breach of permit. Breach of permit is severe and may be followed up sanctions from the proper authorities.

Norske Skog business units conducts regular consultations with affected communities on water-related topics.

Norske Skog's materiality assessment covered:

- Water use: Evaluated our consumption of surface and groundwater, including withdrawals and discharges, and water shortage and effluence issues at different sites.
- Marine resources: Assessed our use of marine resources and their impact on ecosystem health.

The driving assumption of using the above process is to first identify potential sites and/or business activities that have the potential to impact water and marine resources. Norske Skog identified negative impact on water use and physical risks related to periodic water scarcity and potential stricter permit level, and potential water restrictions in certain periods caused by climate change.

Here is an overview with the materiality matrix of the material impacts, risks and opportunities for ESRS 3 water and marine resources.

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short term	Medium term	Long term
Water withdrawal							
Water intensive production process	Impact, negative		x		x	x	x
The water intensive production process has a negative impact on the climate because of the large quantity of fresh water needed to produce publication paper and packaging paper. The process needs large amount of water to dissolve and mix the different input factors together into mechanical pulp and deinked pulp to produce finished goods. The water usage is about 100 times larger than the actual water being absorbed into the finished products.							
Potential water shortage	Risk		x				x
A potential water shortage, either permanent or temporary, may be a risk to stable production of publication paper and packaging paper. Water shortage due to uneven rainfall, increased drought and shrinking snowpacks have negative impact on the climate and may cause severe risk to the production process. Some areas will face excessive quantities of rainfall and higher temperatures causing challenging the logging periods and availability of clean water.							
Water discharge							
Stricter permits levels	Risk		x		x	x	x
The political and mainstream public increased attention to the environment and climate change results in stricter permit levels and poses a risk for the long-term existence and financial soundness of the pulp and paper industry. In areas with drought, uneven rainfall and shrinking snowpack combined with higher temperatures will affect the availability of fresh water. Fresh water will be a scarce resource in some areas. To avoid contamination of scarce water resources, the authorities have and will continue to impose stronger restrictions for the use of water, and thus, in the discharge of processed waste water being returned back into the main water resources.							

E4 BIODIVERSITY AND ECOSYSTEMS

Norske Skog have undertaken a review of our processes to identify and assess material impacts, risks, and opportunities related to biodiversity and ecosystems across our operations and value chain.

Norske Skog systematically screened all site locations and business activities to identify actual and potential impacts on biodiversity and ecosystems, including transition and physical risk. Systemic risk will be considered in the upcoming transition risk review. This process included the following key steps:

- **Methodologies and tools:** Tools used to identify biodiversity sensitive areas close to own operations include the IBAT biodiversity assessment tool. Norske Skog collaborate with forest associations and industry partners in the value chain through certification bodies like PEFC and FSC to enable the mapping and assessment of the ecological sensitivity of forest harvesting and the impact it has on biodiversity and ecosystems.
- **Regular interactions:** There are regular interaction through supplier and customer relationship with forest owners and through membership industry associations to evaluate the reports describing any breach of the certification standard. In addition, Norske Skog gather through dialogue with NGOs, research institutes like NIBEO in Norway and the authorities an extensive overview of the environmental impact, risk and opportunities related to biodiversity and ecosystems.
- **Assumptions:** The assessment assumed that all operations and sourcing of wood from areas within or near biodiversity hotspots and protected areas pose a higher risk to biodiversity. Norske Skog prioritised these areas for detailed assessment.
- **Screening results:** The screening identified areas where our operations intersect with sensitive ecosystems, particularly in regions where land-use change, pollution, and freshwater use are significant concerns. Plans are being developed for how to monitoring, and specific mitigation plans are being developed.

Regular dialogue and consultations have been conducted with affected communities and other stakeholders as part of the screening process. This supported gathering insights on local ecological context and dependencies on ecosystem services. The following areas were paid attention to during the year:

- **Supply chain:** Evaluate how timber harvesting affects local ecosystems, focusing on sustainable forest management including mitigating activities and effectiveness of certification schemes like FSC or PEFC.
- **Operations:** Assess effluent management, and water usage at production facilities and their effects on local biodiversity.
- **Land use:** Consider land occupation and conversion, especially in areas near protected habitats or biodiversity-rich zones.

In alignment with AR 4 and AR 6 of the ESRS E4 guidelines, our materiality assessment focused on the following aspects:

Contribution to direct impact drivers on biodiversity loss:

- **Climate change:** Norske Skog evaluated our greenhouse gas emissions and their contribution to climate change, which is a driver of biodiversity loss.
- **Land- and water use change:** Our operations' impact on land- and water-use change.
- **Direct exploitation and pollution:** The effects of resource extraction and pollution from our operations were examined.
- **Invasive species:** The potential for our activities to introduce or spread invasive alien species was considered like the spread of bark beetle.

Impacts on species and ecosystems:

- **Species population and extinction risk:** Norske Skog considered our operations' impact on local species populations and their global extinction risk, focusing on endangered species.
- **Ecosystem condition and services:** The extent and condition of ecosystems in proximity to our operations were evaluated, including the impact on essential ecosystem services such as water purification and climate regulation.

Here is an overview with the materiality matrix of the material impacts, risks and opportunities for ESRS 4 biodiversity and ecosystems.

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short term	Medium term	Long term
Ecosystem services							
Dependency on natural resources: sourcing of wood	Risk	x			x	x	x
Norske Skog has mills that are entirely dependent on sourcing of wood, which causes a risk due to possible future scarcity of forest resources. The availability may be affected by overexploitation due to high demand, deforestation issues, climate change, loss of biodiversity, erosion and high and volatile market price of wood. Also social conflicts, such as land use disputes, stricter environmental regulation and revised certification mechanism will affect the sourcing of wood.							
Dependency on natural resources: process water	Risk	x			x	x	x
The availability of fresh water for the process to produce publication paper and packaging paper is a business risk for Norske Skog. Higher temperatures regardless of future climate scenario, the climate change will result in precipitation changes. Some mills will encounter periods with increased drought, uneven rainfall and shrinking waterfall causing a risk of not having adequate water to justify industrial production before the general public. Lack of water resources may cause ecological and biodiversity threats followed by stricter water usage restrictions.							
Land degradation							
Degradation of land through felling of forests	Impact, negative	x			x	x	x
Norske Skog consumes large quantities of forest resources which is having a negative impact on the climate. The felling of forest has several negative impact on degradation of land. This exacerbates loss of sequestration through loss of CO2 absorption and release of stored carbon. In addition, the logging cause deforestation and thus soil erosen and loss of soil fertility. Other consequences are loss of biodiversity and ecosystems imbalance. Without proper climate actions, it may trigger reduced regrowth and irreversible transformations of land.							

E5 RESOURCE USE AND CIRCULAR ECONOMY

Norske Skog have assessed the operations and the value chain to identify material impacts, risks, and opportunities related to resource use and the circular economy. The process involved a comprehensive screening of our assets, activities, and relationships within our upstream and downstream value chain.

Relevant assumptions for reviewing the impact, risk and opportunity assessment:

1. Concentration of impacts in the business model and value chain

- Norske Skog's positive environmental impacts are integrated across its operations and value chain. In the upstream segment, the company sources fresh fibre from sustainably managed forests and recovered paper from recycling suppliers. The efficient use of these materials supports the circular economy and minimizes environmental impact. Within its operations, Norske Skog's mills optimise energy and raw material utilisation while repurposing production waste for energy generation and product development. Downstream, the company's recycled and renewable products contribute to reducing reliance on virgin raw materials, aligning with global sustainability goals and regulatory frameworks.

2. Current and anticipated effects of impacts on business model and strategy

- The focus on renewable and recycled resources is a cornerstone of Norske Skog's long-term strategy. The increasing demand for sustainable products has led to diversification into recycled containerboard and bio-products, reinforcing the company's market position and resilience. The shift from fossil-based materials to bio-composites and circular resource use aligns with regulatory trends and consumer preferences, driving continued investment in energy efficiency and waste reduction initiatives. The new thermo-mechanical pulp line at Norske Skog Skogn is an example of ongoing strategic adaptation to enhance resource efficiency and reduce emissions.

3. Description of material positive and negative impacts

- Norske Skog's sustainability initiatives have direct positive effects on the environment, including reduced carbon emissions, lower landfill waste, and decreased dependency on fossil fuels. The integration of recycled materials into production decreases deforestation pressures while promoting a circular economy. However, a key risk is the availability and cost of recycled fibre, which could impact profitability and production stability. If demand for recycled fibre increases due to regulatory requirements or alternative uses in other industries, Norske Skog may face supply chain challenges. These impacts are closely connected to the company's strategic focus on sustainability and resource efficiency. The expected time horizon for these impacts ranges from immediate operational adjustments to long-term industry transformations.

4. Resilience of strategy and business model

- Norske Skog's strategy is resilient to environmental and market risks through continuous innovation, diversification, and vertical integration within the value chain. Norske Skog employs a qualitative and quantitative approach to assessing resilience, including investments in waste-to-energy technologies, bio-product development, and process optimisation. Norske Skog's resilience is further strengthened by its ability to adapt to regulatory changes and evolving market preferences. By securing access to renewable energy, improving and raw material efficiency, Norske Skog ensures long-term sustainability and competitiveness.

Screening methodologies: Circular economy aims to reduce impacts on nature, by minimising the environmental impact of products, materials and other resources, minimising waste and the release of hazardous substances. Regarding E5, the assessment utilised methodologies applied under ESRS E1 (including energy consumption), ESRS E2 (pollution), ESRS E3 (water) and ESRS E4 (biodiversity, ecosystems, raw materials) to evaluate dependencies and impacts, identifying resource inflows, outflows, waste generation, and their environmental impact.

Consultation and engagement: Dialogue with affected communities, NGOs and value chain partners played a pivotal role in our assessments, which provided invaluable insights into community perspectives, enabling a more holistic evaluation of our impacts and risks. Norske Skog mill personnel and group directors maintain regular engagement through personal meetings, Teams calls, and site visits with customers, suppliers, local authorities, and relevant NGOs.

Material Risks And Opportunities: Assessing material risks and opportunities was a critical aspect of our process. This involved identifying transition risks and opportunities across policy and legal, technological, market, and reputational aspects. Physical risks such as resource depletion were also carefully evaluated. Opportunities emerged in the nature of the finished good, in resource efficiency, alternative markets, waste handling, resilient strategies, and reputation enhancement, emphasising a shift toward circularity and reduced resource dependence. The nature of the finished product, especially considering the carbon footprint and the level of reusable raw material, in addition to the energy production with household and production waste, give specific commercial advantages for the buyers.

Methodologies and tools utilised: In assessing our impacts, risks, and opportunities, Norske Skog relied on internal calculations, investment strategies, environmental footprint data and other analysis. These frameworks provided robust analytical support, enabling a comprehensive evaluation of our operations and value chain. In addition to our process identifying and assessing resource use and circular economy-related IROs, Norske Skog measures and reports on the waste, process leftover and water discharge generated from our operations.

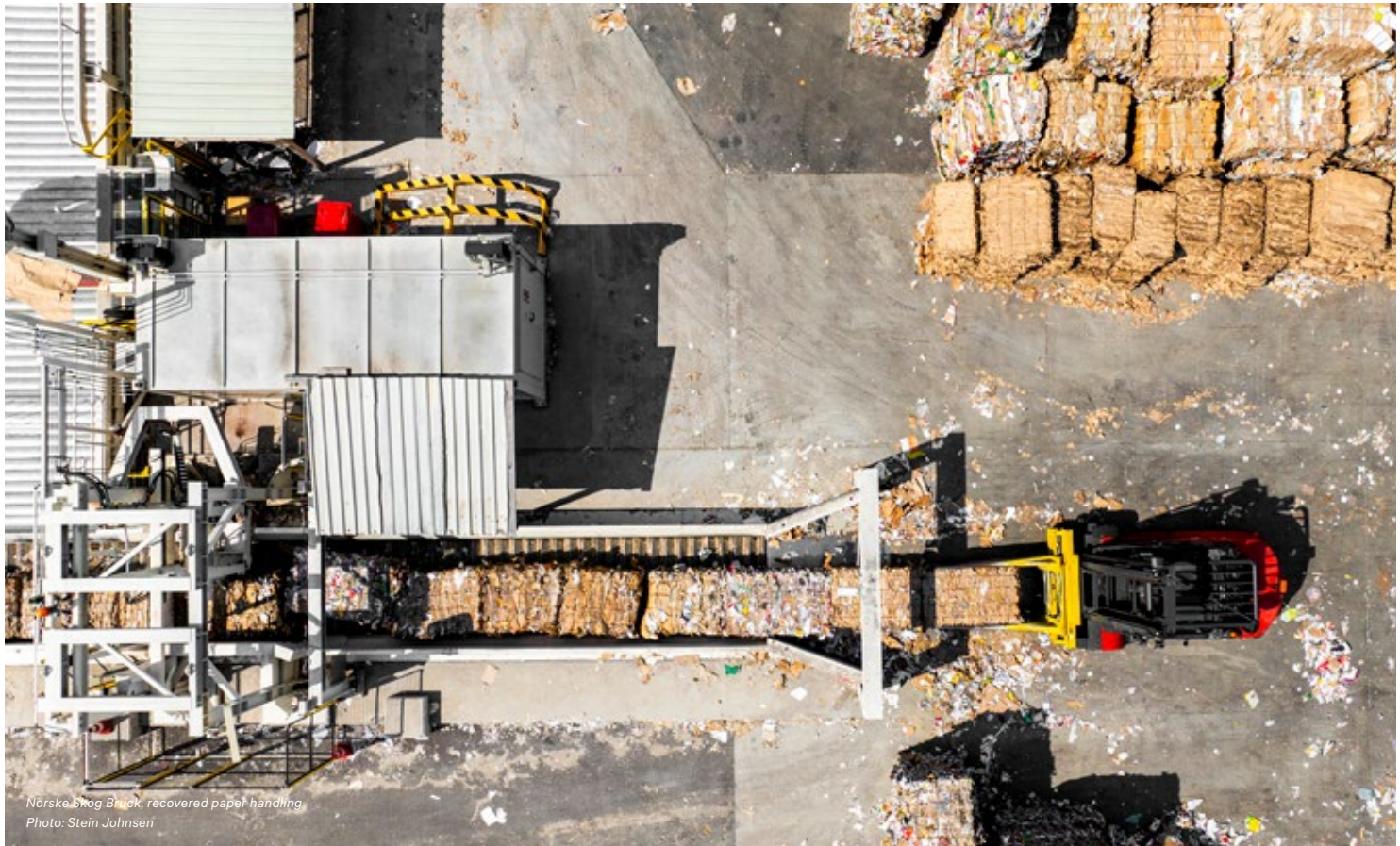
Outcomes of the assessment: The nature of Norske Skog's business model is to use renewable sources of energy and 100% recycled material for packaging paper production and a mix of renewable and virgin materials for publication paper production.

Waste from the production process, waste from the wastewater treatment plant and bark from the wood may be used as a source of energy to the bio boiler. However, the ash from the bio boiler is either commercially exploited or disposed in public deposits. There are special internal control routines handling all hazardous waste, which is being controlled and sent to officially certified public deposit.

Norske Skog's commitment to sustainability and circular economy principles is deeply embedded in its business model, operations, and upstream and downstream value chains. The company's use of renewable and recycled resources, waste-to-energy initiatives, and waste utilisation for product development contribute significantly to reducing its environmental footprint while enhancing economic efficiency. However, there are also risks associated with the availability of recycled fibre for production due to market demand and policy influences.

Here is an overview with the materiality matrix of the material impacts, risks and opportunities for ESRS 5 resources and circular economy.

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short term	Medium term	Long term
Resource inflows including use							
Utilisation of renewable and recycled resources in production of products	Impact, positive	x		x	x	x	x
Norske Skog uses renewable and recycled resources in the production of finished goods, which have several positive impacts on the environment up- and downstream in the value chain. By reusing the finished goods and using renewable resources, Norske Skog lowers the carbon footprint and help store carbon in the product life cycle. Recycling materials also help establish circular economy in which materials are being reused encouraging reduced demand for virgin raw materials. In addition, less waste is being sent to landfill by reusing materials lessening environmental contamination.							
Availability of recycled fibre for production of products	Risk	x			x	x	x
Because the authorities' climate change policy encourage use of recycled fibre in the production of paper products, it is a risk that there will be scarce availability at sustainable price level to produce paper products due to the purchasing power of our customers. Also, the use of recycled fibre may find other alternatives to paper products causing scarcity.							
Resource outflows related to products and services							
Production waste	Impact, negative		x	x	x	x	x
Waste generated from the production process, if not properly managed, can have several negative environmental impacts. Landfilling production waste, such as bark, sludge, and ash, can contribute to soil and water contamination, releasing harmful substances into surrounding ecosystems. Additionally, decomposing organic waste in landfills produces methane, a potent greenhouse gas that contributes to climate change. Improper waste disposal can also disrupt local biodiversity and ecosystems by altering soil composition and contaminating water sources.							



S1 OWN EMPLOYEES

Norske Skog identifies material impacts, risks, and opportunities related to its employees by considering various criteria, including health and safety standards, which are paramount in ensuring a secure working environment. The company evaluates potential safety hazards in the process industry and pulp and paper as a key element in the assessment.

Other criteria which are central in the assessment process is working conditions, employee wellbeing and development. Norske Skog mills conduct regular surveys and feedback sessions to understand employee needs and concerns. This helps identifying areas for improvement in work-life balance, professional growth opportunities, and overall job satisfaction.

Additionally, Norske Skog considers diversity and inclusion as essential factors in its assessment process. The company reviewed its hiring practices, promotion policies, and workplace culture related to equality and zero tolerance for discrimination.

Through regular consultations and structured dialogues with trade unions and employee representatives, Norske Skog gathers insights on employee concerns, workplace conditions, and potential risks. This collaborative approach ensures that management remains informed about the needs and expectations of its workforce, allowing the company to address issues proactively and leverage opportunities for improvement. By integrating feedback from unions into its assessment process, Norske Skog fosters a transparent and inclusive environment that prioritizes employee wellbeing and organisational resilience.

Here is an overview with the materiality matrix of the material impacts, risks and opportunities for ESRS S1 own employees:

tolerance for discrimination.		Location in value chain			Time horizon				
		Upstream	Own operations	Downstream	Short term	Medium term	Long term		
Impacts, Risks and Opportunities (IRO)		Type							
Working conditions									
Industrial accidents		Impact, negative			x		x	x	x
Norske Skog has a negative impact on the health and safety of own workforce related to relevant risks within our industry and type of operations. Employees working in operations (process operators) are exposed to heavy machinery, hot media, harmful chemicals and risk of fires 24/7 due to shift work and continuous operations. This can lead to work related accidents and loss of life. Process operators are exposed to highest risk and other employee categories at mill sites are exposed to moderate risk. The negative impact is systemic for our industry.									
Advocate for improved working conditions through freedom of association*		Impact, negative			x		x	x	x
Freedom of association, collective bargaining and work councils has a strong position our industry, especially in France, Norway and Austria where the majority of Norske Skog employees are located. The existence of work councils and collective bargaining has a positive impact on worker's ability to advocate for improved working conditions such as working time and wages.									
Equal treatment and opportunities for all									
Attract and keep top talent though training and skills development		Risk			x		x	x	x
Norske Skog is dependent on expertise and knowledge of its employees for value creation. By investing in apprentice programs, cooperate with educational institutions and offer technical and soft skills training throughout the career Norske Skog has identified an opportunity to attract and keep top talent (opportunity evolving from a risk).									
Poor gender diversity		Risk			x			x	x
The rate of female workers in the process industry and in Norske Skog is low compared to other sectors. Poor gender diversity can lead to reputational risk and negatively impact recruitment, customers and financing. The risk is considered systemic and derived from the impact "poor gender diversity".									

* The following sub-sub-topics have been combined into one sub-sub-topic, "Freedom of association and collective bargaining" as they overlap and often addressed as one topic:

1) Freedom of association, the existence of works councils and the information, consultation and participation rights of workers

2) Collective bargaining, including rate of workers covered by collective agreements

3) Social dialogue

G1 BUSINESS CONDUCT

Norske Skog identifies material impacts, risks, and opportunities related to business conduct matters through a comprehensive process that considers various criteria. The group evaluates the location of its operations, recognizing that regional regulations and socio-economic conditions can significantly influence business conduct. For instance, operations in areas with stringent environmental laws require more robust compliance measures. Additionally, Norske Skog assesses the activity type, such as manufacturing or distribution, to determine specific risks and opportunities associated with each operational phase.

The sector in which Norske Skog operates is another critical criterion. As a major player in the international publication paper market, the company must adhere to industry-specific regulations and standards, ensuring ethical and sustainable practices throughout its value chain. This sectoral focus helps in

identifying unique risks, such as those related to deforestation and carbon emissions, and opportunities like advancements in recycling technologies.

Finally, the structure of the transaction is scrutinised to ensure transparency and integrity. This includes evaluating the nature of business relationships, such as partnerships and supply chain agreements, to mitigate risks of corruption and ensure compliance with anti-trust laws. By integrating these criteria into their assessment process, Norske Skog aims to uphold high standards of business conduct and sustainability.

Here is an overview with the materiality matrix of the material impacts, risks and opportunities for ESRS G1 business conduct:

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short term	Medium term	Long term
Corporate culture							
Unethical business practice	Risk		x		x	x	x
Norske Skog is a global company, and engaging with international business partners inherently carries the risk of unethical practices. Within our own operations, the sales and procurement organisations face an elevated risk when securing contracts. Such incidents could result in fines and reputational damage, potentially undermining trust and relationships with customers, suppliers, and employees.							
Protection of whistleblowers							
Failure to protect whistleblowers	Risk	x	x	x	x	x	x
Failure to protect whistleblowers could lead to reputational damage and undermine trust and relationships with customers, suppliers, and employees. A failure to uphold the anonymity principle may result in job insecurity and negatively impact the whistleblower's wellbeing.							



1

ENVIRONMENT



Climate change (ESRS E1)

EU TAXONOMY

TAXONOMY ELIGIBLE AND ALIGNED ACTIVITIES

The main economic activities of Norske Skog, production of publication paper and containerboard, are not yet included in the EU taxonomy.

In 2024 the Norske Skog group carried out its first assessment of side-stream activities listed in the EU taxonomy economic activities and identified 4 eligible activities to report on. The internal mapping of activities and related assessment of eligibility and alignment has been carried by Norske Skog teams at the headquarter and at the mills, with technical guidance from external topic matter experts.

The activities have been assessed for eligibility under all environmental objectives and have been found to only be eligible under Climate Change Mitigation. No costs have been found eligible under climate change adaptation.

None of the identified eligible activities meet the alignment criteria. The

reason for this is lack of the following documentation at the time of publication of this report:

- CCM 4.13 Manufacture of biogas and biofuels for use in transport: Substantial contribution criteria number 2. and 3 and do no significant harm (DNSH) criteria on pollution prevention.
- CCM 4.24 Production of heat/cool from bioenergy: Substantial contribution criteria number 2 and do no significant harm (DNSH) criteria on pollution prevention.
- CCM 4.25: Production of heat/cool using waste heat: do no significant harm (DNSH) criteria on pollution prevention.
- CCM 4.30 High efficiency co-generation of heat/cool and power from fossil gaseous fuels: Substantial contribution criteria number 2 and do no significant harm (DNSH) criteria on pollution prevention.

During 2025 Norske Skog will evaluate necessary processes to assess alignment for selected eligible activities.

Code	Economic activity	Mill	Description
CCM 4.13	Manufacture of biogas and biofuels for use in transport and of bioliquids	Saugbrugs	Biogas production produced from wastewater streams related to manufacturing of publication paper. The biogas is sold and used for utility vehicles in Halden, Norway.
CCM 4.24	Production of heat/cool from bioenergy	Skogn, Bruck	Waste streams (e.g. bark, sludge) from production process are utilised for production of heat in bio boilers. The heat generated is utilised in own production processes of publication paper and containerboard.
CCM 4.25	Production of heat/cool using waste heat	Bruck	Heat exchangers in production extract heat that is sold as district heating to the local community. The operator of the district heating network is an external third party.
CCM 4.30	High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	Bruck	Natural gas is utilised for cogeneration of heat and power in bio boilers. Generated power and heat is utilised in production of publication paper and containerboard.

ACCOUNTING PRINCIPLES

KPIs for turnover, capital expenditures (capex) and operational expenses (opex) are presented in separate tables.

Turnover

The total turnover in the Taxonomy calculation is in line with the total operating revenue presented in the consolidated financial statements and cover continued operations. This includes external sales only.

Contributing activities:

- CCM 4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids: Turnover from Norske Skog Saugbrugs, Norway.
- CCM 4.24 Production of heat/cool from bioenergy: Turnover from Norske Skog Bruck, Austria. Turnover is not related to sale of energy, but external sale of ash which is utilised as an input factor in production of cement.

Opex

The taxonomy opex includes costs related to maintenance, optimisation, short term lease, non-capitalised research and development and other direct cost related to running operations such as consultants and services in production. opex is derived from Cost Center of the respective activities in SAP and include direct non-capitalised costs related to the economic activities.

Categories that should not be included according to the EU taxonomy, and that are easy to identify in the existing accounts, have been excluded from the calculations, such as cost of raw materials and energy, and admin costs not related to production.

Contributing activities:

- CCM 4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids.
- CCM 4.24 Production of heat/cool from bioenergy.
- CCM 4.25 Production of heat/cool using waste heat.
- CCM 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels.

Capex

The total capex in the Taxonomy calculation is in line with the group's total capital expenditure in 2024, presented in the consolidated financial statements, note 17 and 18. Capex from the Norske Skog Boyer mill in Australia, has been excluded from the calculation of opex, in line with reporting of discontinued operations in the financial statements. The Taxonomy-eligible capex include investments related to the assets and processes related to the reported economic activities.

Contributing activities:

- CCM 4.24 Production of heat/cool from bioenergy at Norske Skog Skogn, Norway.

Minimum safeguards

Norske Skog has started the assessment of minimum safeguards in the EU taxonomy and will continue the assessment in parallel with the alignment criteria in 2025.

TURNOVER

Financial Year 2024	2024			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							Proportion of taxonomy aligned or eligible Turnover, 2023	Category enabling activity	Category transitional activity
Economic activities	Code	Turnover	Proportion of turnover 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards			
		NOK	%	Y; N; N/EL"	Y; N; EL	Y; N; EL	Y; N; EL	Y; N; EL	Y; N; EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																	NA		
Of which enabling																	NA	E	
Of which transitional																	NA		T
A.2 Taxonomy eligible but not environmentally sustainable activities (not taconomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	0.00	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								NA		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	2.99	0.03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Production of heat/cool from bioenergy	CCM 4.24	4.75	0.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02%		
Production of heat/cool using waste heat	CCM 4.25	0.00	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								NA		
Turnover of taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7.74	0.08%	%	%	%	%	%	%								0.04%		
A. Turnover of taxonomy eligible activities (A.1+A.2)		7.74	0.08%	%	%	%	%	%	%								0.04%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy non-eligible activities		10 156.26	99.92%																
TOTAL		10 164.01	100%																

Y – Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
 N – No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
 N/EL – Not eligible, taxonomy non-eligible activity for the relevant environmental objective
 EL – Taxonomy-eligible activity for the relevant objective

CAPEX

Financial Year 2024	2024																		
				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	Code	CapEx	Proportion of turnover 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned or eligible CapEx, 2023	Category enabling activity	Category transitional activity
		NOK	%	"Y; N; N/EL"	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)																	NA		
Of which enabling																	NA	E	
Of which transitional																	NA		T
A.2 Taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	0.00	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								NA		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	0.00	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								NA		
Production of heat/cool from bioenergy	CCM 4.24	104.45	7.45%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.81%		
Production of heat/cool using waste heat	CCM 4.25	0.00	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								NA		
CapEx of taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		104.45	7.45%	%	%	%	%	%	%								3.81%		
A. CapEx of taxonomy eligible activities (A.1+A.2)		104.45	7.45%	%	%	%	%	%	%								3.81%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy non-eligible activities		1 297.50	92.55%																
TOTAL		1 401.95	100%																

Y – Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
N – No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, taxonomy non-eligible activity for the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective

OPEX

Financial Year 2024	2024		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)								Proportion of taxonomy aligned or eligible OpEx, 2023	Category enabling activity	Category transitional activity
Economic activities	Code	OpEx	Proportion of turnover 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards			
		NOK	%	"Y; N; N/ EL"	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
																	NA		
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.00	0.00%	%	%	%	%	%	%								NA		
Of which enabling		0.00	0.00%	%	%	%	%	%	%								NA	E	
Of which transitional		0.00	0.00%	%													NA		T
A.2 Taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL										
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	0.14	0.03%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.04%		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	0.23	0.05%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.05%		
Production of heat/cool from bioenergy	CCM 4.24	8.43	1.99%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								1.63%		
Production of heat/cool using waste heat	CCM 4.25	0.44	0.10%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.11%		
OpEx of taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		9.24	2.18%	%	%	%	%	%	%								1.83%		
A. OpEx of taxonomy eligible activities (A.1+A.2)		9.24	2.18%	%	%	%	%	%	%								1.83%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy non-eligible activities		414.40	97.82%																
TOTAL		423.64	100%																

Y – Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
N – No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, taxonomy non-eligible activity for the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

1. Strategy

Leading international institutions like the United Nations (UN) and the International Panel on Climate Change (IPCC) have documented how climate change poses as a significant challenge to our planet, impacting ecosystems, weather patterns, and human livelihoods and stressed the need to limit global temperature increases to 1.5°C compared with pre-industrial levels. The decisions and consensus from related international conferences has an impact on the way we operate, from industrial facility operations to the entire value chain, including raw material sourcing, energy use, production and distribution.

Norske Skog recognizes its responsibility to mitigate efforts of climate change through sustainable business practices and commits to create shareholder value while delivering on ambitious emission reduction targets and supplying low-emission products, aligning with the goal of the Paris Agreement. Our strategy is designed to meet these global changes, enhancing our group's valuation and local reputation. Norske Skog will strive to achieve net zero emissions in scope 1 and 2 by 2050, positioning us as a competitive leader in a net zero economy. Norske Skog's environmental policy is an integral part of the strategy to achieve Norske Skog's business goals.

The strategic ambition of Norske Skog is to "Create green value", and for all business units to:

1. Reduce greenhouse gas (GHG) emissions in own operations and across the value chain
2. Operate on renewable energy

The reduction of greenhouse gases was integrated as a key part of the business strategy and the business model in 2020. This ambition drives the commitment across the group to reduce energy consumption, increase the share of renewable energy sources and to optimise transport to reduce emissions and impact on the climate.

Greenhouse gas emissions occur primarily from energy generation processes. All mills have their own boilers or incinerators producing thermal energy from production waste, like bark, and other residues. Fossil fuels in the form of natural gas, oil and coal may also be used. The main emissions associated with these activities include carbon dioxide, particulates, sulfur dioxide and nitrogen oxides. Such emissions have a negative impact on climate change.

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Norske Skog does not currently have a climate change transition plan. However, Norske Skog is in the process of developing a transition plan compliant with the requirements in ESRs E1-1 by 1 January, 2026. Norske Skog has established an environmental policy to prevent, mitigate and remediate actual and potential impacts in order to address risks and to pursue opportunities. The policy is available on www.norskeskog.com/sustainability.



Norske Skog Bruck, wood log conveyor
Photo: Carsten Dybevig

2. Impacts, risks and opportunities

ESRS E1 CLIMATE CHANGE

Material Impacts risks and opportunities

	Impacts, Risks and Opportunities (IRO)	Type	Location in value chain			Time horizon		
			Upstream	Own operations	Downstream	Short term	Medium term	Long term
E1 Climate change	Climate change mitigation							
	GHG emissions across the value chain	Impact, negative	x	x	x	x	x	x
	Low-emission products	Opportunity	x	x	x	x	x	x
	Exclusion from the EU ETS market	Risk		x		x	x	x
	Energy							
	Energy consumption	Impact, negative		x		x	x	x
	Energy prices	Risk		x		x	x	x

CLIMATE CHANGE IMPACTS

The materiality assessment outlined in ESRS IRO-2 identified the following material impacts:

Emissions from own operations and value chain

Norske Skog's manufacturing processes of publication paper and container-board products require substantial amount of energy. Part of this energy consumption is covered by fossil energy sources which release GHG emissions.

The emissions from Norske Skog's own operations have a negative impact on the climate with 250 000 tCO₂e of Scope 1 emissions and 149 000 tCO₂e of scope 2 emissions (location-based accounting) emitted during 2024, and 810 000 tCO₂e of Scope 3 emissions emitted across the value chain over the same period. This negative impact is a consequence of energy infrastructure in our mills, the grid mix and business relationships with suppliers and customers. The impact occurs in the short-, medium- and long-term.

The source of Scope 1 emission is mainly related to the coal fired boiler at the Boyer mill on Tasmania in Australia, which represented 63% of group Scope 1 emissions in 2024. Similarly, 74% of Scope 2 emissions (location based) is from the Boyer mill. Scope 3 emissions represent 67% of Scope 1, 2 and 3 emissions combined for the group where transportation and distribution in the entire value chain represent 48% of the group Scope 3 emissions.

Norske Skog mitigates its material climate change impacts by implementing measures on reducing Scope 1 and 2 emissions from its operations through energy efficiency measures and increasing the use of renewable energy sources and scope 3 by engaging with up- and downstream value chain partners, particularly transporters of wood logs for pulp production, household waste for the energy boilers and finished goods to end-customers to address and minimize Scope 3 emissions, acknowledging the significant role of GHG emissions from logistics in pulp and paper industry.

Energy consumption

The production of publication and packaging paper is an energy-intensive process. Norske Skog's manufacturing processes in all mills require substantial resources that can have a negative impact on the environment and people.

The energy is used to process raw material into finished paper products using a mix of renewable and fossil energy sources. The energy consumption contains several sources of energy like hydro power, biomass, production waste, natural gas and oil to produce heat to the production process in addition to electrical power from the grid, which also has elements of fossil sources from coal, LNG and oil. Non-renewable energy sources used in production has a negative impact on the environment.

Energy is used mainly for two purposes:

- To separate, process and transport fibre and water (electrical energy). The electricity is sourced from external suppliers. Most of the electricity is used to mechanically convert roundwood and wood chips into fibres, called thermomechanical pulping (TMP) process.
- To provide process heat and to dry the paper (thermal energy). Thermal energy is used for the heating and drying of paper. In contrast with electrical energy, thermal energy is mostly generated within the mill.

Climate change risks and opportunities

With increased focus on climate change and its implications on Norske Skog's current and future financial performance, Norske Skog carried out a revision of the identified climate-related risks and opportunities following the Task Force on Climate related Disclosure Framework (TCFD) in 2023. As part of this process, a climate-related scenario analysis was carried out in cooperation with CEMAsys, a Nordic ESG Consulting firm focusing on Norske Skog's own operations. These two processes informed the double materiality analysis carried out in 2024.

The materiality assessment outlined in ESRS IRO-2 identified two material transition risks and one opportunity.

Climate-related transition risks		How Norske Skog's business model and/or strategy mitigate risks
Policy & legal	Exclusion from the EU ETS market	Norske Skog's revenue model
	In 2024, Norske Skog's Norwegian business units were given prior notice by local authorities of a potential exclusion from the EU Emission Trading Scheme (ETS) from 2026, since more than 95% GHG emissions are derived from biomass. Norske Skog will have a competitive disadvantage if not being able to receive free allowances in the period 2026 to 2030. The phasing out of EU ETS schemes represents a financial risk that will lead to increased operating costs.	The revenue model of Norske Skog's Norwegian business units are exposed to income sources linked to free allowances received under the EU ETS which are sold in the open market. Norske Skog needs to be defined within the EU-ETS due to the use of not certified wood for the years 2019-2022.
Market	Energy prices	Norske Skog's strategy and revenue model
	Being in an energy intensive industry, Norske Skog is strongly impacted by changes in the energy systems and its related mechanisms. Increasing energy prices and price fluctuations is a risk to increased operating cost.	Norske Skog need to have access to stable and predictable energy sources. Norske Skog has invested in low-emission energy generation in Norske Skog Bruck and Norske Skog Golbey and will continue to evaluate opportunities going forward to reduce exposure to low emission energy prices in the market.

Climate-related opportunities		How Norske Skog's business model and/or strategy can realise the opportunity
Products	Low emission products	Norske Skog's strategy to offer low emission products
	Norske Skog sees shifting consumer preferences and trends towards low emission paper and packaging solutions as well as bio-products. As more consumers and businesses prioritise environmental concerns, Norske Skog will leverage this opportunity by continuing to lower emission along the value chain. In the long run this include Bioenergy with Carbon Capture and Storage (BECCS).	Norske Skog has partly adapted to changing market dynamics by investing in low-emission production processes and products, demonstrating its commitment to environmental stewardship. Going forward Norske Skog will continue to tap into this opportunity and evaluate opportunities as they become commercially viable.

RESILIENCE ANALYSIS

Norske Skog has initiated a high-level resilience analysis in relation to the material risks and opportunities disclosed, to assess the resilience of the strategy and business model. Non-material risk was not included in the analysis. The evaluation is integrated into Norske Skog's double materiality assessment and results are discussed in annual strategy meetings and budget plans by mill and corporate management.

The scope of the analysis conducted in 2024 focused on access to process water (physical risk) and energy (transition risk) for all mills in our own operations, using Norske Skog's climate-related scenario analysis (2023) as a key source. Climate policy and regulatory transition risk was carefully assessed focusing on resilience of related financial impact. The value chain perspective of the resilience analysis included sourcing of strategically important raw materials such as fresh fibre and recovered fibre, in relevant geographies. Norske Skog has not yet conducted a climate-related scenario analysis for sourcing of biomass, but plan to do so in the coming years.

The results of the resilience analysis show that Norske Skog's own operations are largely resilient to physical climate risk due to robust infrastructure. However, impacts from extreme weather events like flooding and water shortages may impact operations in the long-term. Norske Skog will evaluate and implement appropriate measures related to water withdrawal and recycling in the coming decade to strengthen the climate resilience of own operations (ESRS E3 for details). While such physical risk is expected to have limited impact on own operations it has the potential to materialise in specific geographies of the value chain related to sourcing of fresh fibre in the long term. Recent investments in containerboard production made from 100% recovered paper target this risk and contribute to a resilient business model for individual mills and the group.

In terms of transition risk related to pricing of and access to energy, the results of the resilience analysis reflect that the resilience of Norske Skog's business

model is strengthened based on recent capital investment in low emission energy generation at Norske Skog Bruck and Norske Skog Golbey. These investments have contributed to important risk mitigation related to the dependency on fossil sources while improving the share of renewable sources in the energy mix and avoiding long term energy pricing risk. Norske Skog will continue to evaluate opportunities related to energy generation and efficiency going forward to improve its future resilience.

Current and future value creation of Norske Skog is mainly based on circularity and low emission operations and products, supported by recent major capital investment in climate mitigating measures. This reflects a business model resilient to meet global climate targets. However, the dependency on natural resources in our business model is challenged by stricter climate policies, both expected and unexpected. Future resilience relies on predictability and political support to mitigate financial effects.

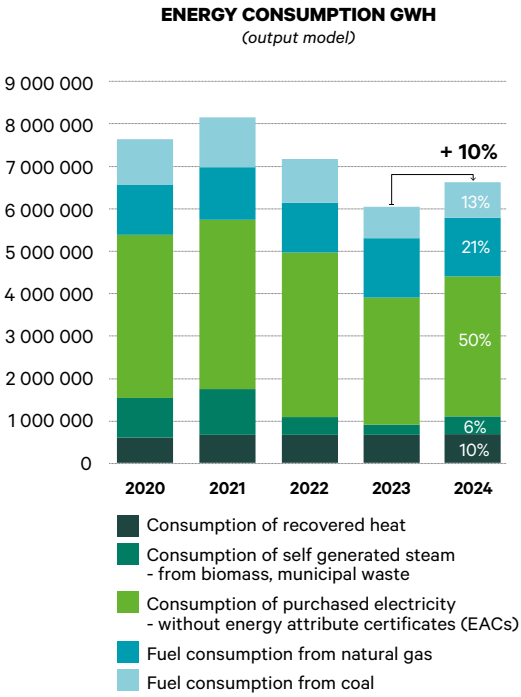
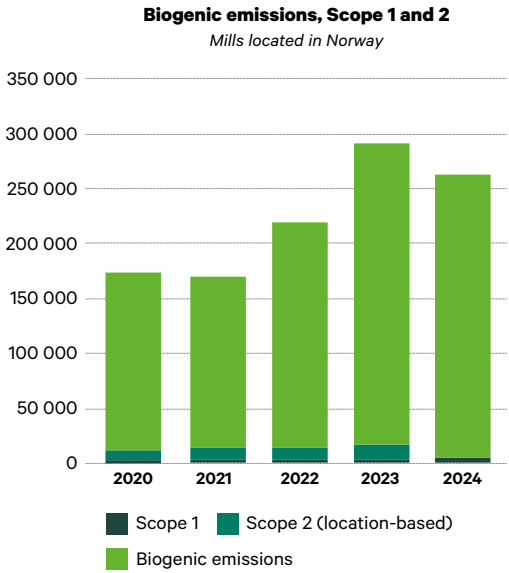
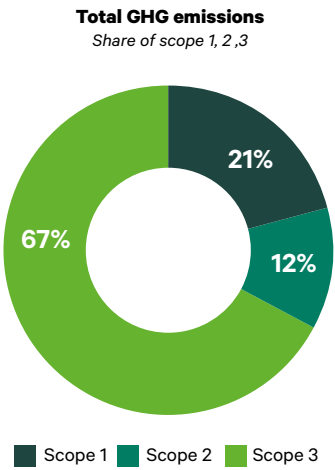
Despite future uncertainties related to climate policies, energy markets, biomass and water-stress, Norske Skog has the necessary organisational framework and priorities in place to adapt, build and maintain a climate-resilient business model over the short-, medium- and long-term. In terms of green financing, the group is using its unique position to evaluate possibilities and has completed a green loan for Norske Skog Skogn in 2024. The group assess additional opportunities going forward.

The time horizons applied in the analysis aligns with the time horizons of the DMA and GHG emission reduction targets. Going forward, Norske Skog plan to establish a robust resilience analysis in line with criteria in ESRS.

Based on the IROs identified and assessed in the resilience analysis 2024, no major capital allocation plans, asset write-downs, or similar measures have been made. Norske Skog group does not have locked in GHG emissions or assets and business activities that are incompatible with a transition to a net zero emission in scope 1 and 2 economy.



Norske Skog Bruck, winder
Photo: Carsten Dybevig



3. Impact, risk and opportunity management

POLICIES

Norske Skog's environmental policy outlines the approach to management of environmental performance and sustainability efforts. The policy aims to achieve sustainability in natural resource development and environmental management, aligning with global commitments such as the Paris Agreement and the Montreal Agreement. The policy is addressing climate change mitigation by including Norske Skog's commitment to reduce GHG emission to net zero emissions in scope 1 and 2 by 2050. By covering all emissions scopes, the policy applies to emissions from Norske Skog's own operations, as well as emission upstream and downstream in the value chain.

The policy sets the direction of how to address key material impacts, risks, and opportunities related to climate change mitigation and adaptation, energy efficiency, renewable resource efficiency, pollution, water management, biodiversity, and deforestation. Monitoring is conducted through Corporate Standards, annual target setting, progress reviews by the board of directors, and adherence to internationally recognized environmental management systems. The policy is accessible to all staff through Norske Skog's intranet.

Scope and exclusions

The policy applies across Norske Skog's operations, including upstream and downstream value chains, covering raw material procurement, production, and distribution globally. Stakeholders such as employees, suppliers, customers, and local communities are directly involved. The policy has no specific exclusions but emphasises heightened attention in areas with material environmental risks, such as water-stressed regions.

Senior accountability

The board of directors holds the highest accountability for policy implementation, including setting objectives, annual target reviews, and monitoring performance. Key leading operational personnel and business unit managers are responsible for integrating the policy into strategic and operational decisions. The policy undergoes regular review by the group corporate management team, the global head of sustainability and the vice president of communication and public affairs.

Third-party standards and initiatives

The policy incorporates commitments to third-party standards, including the Paris Agreement, Montreal Agreement, EU's Action Plan "Towards Zero Pollution for Air, Water, and Soil," and the European Sustainability Reporting Standards (ESRS). It also promotes forest certification including PEFC and FSC standards and prioritises certified suppliers.

Stakeholder consideration

The policy reflects the interests of key stakeholders, ensuring respect for social and cultural values in operational regions. Norske Skog engages actively with stakeholders through open dialogue, transparency, and collaboration, addressing community concerns, promoting customer environmental objectives, and managing upstream and downstream impacts.

ENVIRONMENTAL POLICY DETAILS

(a) Climate change mitigation

Objectives and specific targets for reducing GHG emissions and increasing GHG removals are set periodically. Policies include plans for supplier engagement to ensure the same environmental standards are maintained across the value chain. Annual assessments of material risks and opportunities are performed at the corporate and business unit levels, with reporting to the board. The board oversees performance on climate adaptation metrics

through an environmental index system based on EU BAT (Best Available Technologies) for our industry.

(b) Climate change adaptation

Policies address the integration of climate adaptation strategies into operations and procurement processes. Business units receive resources for training, emergency handling, and necessary health and safety measures to adapt to climate risks.

(c) Energy efficiency

Energy efficiency is highly prioritised in all production units, with annual improvement targets established for each business unit. Continuous resource allocation ensures operational efficiency and progress toward energy-saving goals.

(d) Renewable energy deployment

Policies emphasise resource deployment to enhance renewable energy use across all business units. Annual objectives focus on increasing the share of renewable energy in the company's energy mix.

(e) Other

1. Renewable resource efficiency:

- 1.1 Targets are set for circular raw material usage and waste minimisation, promoting resource efficiency along the upstream and downstream value chains.

2. Pollution management:

- 2.1. Policies align with the EU's Action Plan "Towards a Zero Pollution for Air, Water, and Soil" to minimize air and water pollution.

3. Water management:

- 3.1. Special attention is given to water-stressed areas to reduce consumption and manage risks.

4. Biodiversity and deforestation:

- 4.1. Policies promote forest certification and anti-deforestation efforts through supply chain engagement. These policies are integrated into Norske Skog's strategic and operational decisions, reviewed annually by the board, and aligned with stakeholder interests and international sustainability standards.

ACTIONS AND RESOURCES

Norske Skog is committed to reducing GHG emissions for scope 1 and 2 per tonne product by 55% by the end of 2030 with 2015 as the baseline and to achieve net zero emissions in scope 1 and 2 by 2050. The approach towards climate change mitigation in own operations encompasses a diverse array of strategies categorised by decarbonisation levers, including energy efficiency and reduction of energy consumption, improving the energy mix by phasing out fossil energy sources and investing in new business areas and low emission products. These levers represent the key actions undertaken during the reporting year and planned future actions to significantly reduce the group's carbon footprint. For instance, Norske Skog has intensified its efforts in promoting renewable energy adoption across all facilities and have implemented energy-efficient technologies to optimise consumption patterns.

Actions to reduce GHG emissions and energy consumption

All Norske Skog mills have energy efficiency programmes targeting continuous reduction in energy consumption and improved energy efficiency. This includes utilising recovered energy from Thermomechanical Pulping (TMP) the effluent treatment processes to produce biogas, combustion of bio-residues from the production processes. Production of

paper and containerboard based on recovered paper and old corrugated containers (OCC) require less energy than production based on fresh fibre because the fibre from recovered paper is more easily separated than those within wood.

Norske Skog has achieved 83% reduction in scope 2 emissions (location-based accounting) since 2015 as a result of this strategy, including divestments in mills with high share of fossil sources in the electricity mix.

Norske Skog does not purchase any Energy Attribute Certificates (EACs) due to the political position of the Norwegian trade and industry association. The classification of renewable sources in the electricity mix has been updated in 2024 in line with the requirement of the ESRS, which classifies electricity without EACs as electricity from fossil sources. This led to a large drop in % share of renewable energy sources from 85% to 36% for 2023. The share of renewable energy sources in Norske Skog's total energy consumption in 2024 was 34%.

Actions to reduce energy prices and GHG emissions

Norske Skog is improving this by converting from non-renewable stationary energy to renewable and low emission energy sources leading to reduction in Scope 1 emissions. The Norske Skog Bruck mill in Austria have converted from natural gas to waste from households. This conversion started in 2022 with the construction of the fully owned on site waste-to-energy boiler (WtE) and was finalized when the boiler reached full production capacity in 2024. The Norske Skog Golbey mill in France is undergoing a conversion from natural gas to heat based on certified biomass. The Norske Skog Boyer mill in Australia will be discontinued in 2025. This will have a positive impact on the group's energy mix and transition to renewable sources.

Actions to invest in new business areas and low emission products

Norske Skog is investing in bio products made from renewable and recycled resources, responding to growing demand and customer preferences towards low emission products. Norske Skog Skogn mill is collaborating with Ocean GeoLoop for developing biogenic CO₂ capture technologies which can lead to positive impact on climate change mitigation in the long run.

To evaluate the outcome of our climate change mitigation actions, we provide comprehensive insights into the achieved and expected reductions in GHG emissions resulting from these actions. By tracking and assessing our emission reductions, we ensure transparency in illustrating the tangible impact of our initiatives in combating climate change. Our focus remains to achieve measurable reductions aligned with our targets, allowing us to consistently assess the efficacy of our strategies and drive continuous improvement.

Actions to reduce GHG emissions across the value chain

Incoming raw materials like wood and wood chips for publication paper production and outgoing paper and containerboard products is partly transported by fossil fuel-based trucks, vessels and railway.

Norske Skog aims to reduce scope 3 emissions by moving transport of upstream and downstream services from trucks and fossil vessels to electrical railway, trucks and vessels running on renewable energy sources.

Norske Skog prioritises engagement with individual suppliers that represent a large share of Scope 3 transport related emissions and procurement spend but is also engaging with business partners across all Scope 3 categories. The rationale for the prioritisation is to engage with key suppliers to efficiently cut Scope 3 emissions. This approach does also contribute to reduction of business and climate risks related to large procurement spend with individual suppliers.

Actions to reduce the risk of exclusion from the EU ETS market

The Norwegian Environmental Agency has informed Norske Skog about a tentative exclusion of the two Norwegian mills, Saugbrugs and Skogn, from the Energy Trading System. (ETS) poses a risk of severe financial impact. Norske Skog will work directly with the Norwegian government and indirectly through trade and industry federations to minimise the financial impact of the exclusion.

SPECIFIC ACTIONS - IMPLEMENTED AND PLANNED

Norske Skog has 4 business units in Europe with individual programs for climate change mitigation. The list below includes actions implemented during 2024 and future planned actions.



Photo: Carsten Dybevig

OWN OPERATIONS**Energy efficiency**

- 2024:
 - o Norske Skog Skogn: The Norske Skog Skogn mill started operating a new reboiler targeting reduced fuel consumption and improved energy recovery. The investment will lead to an estimated annual 25 GWh reduction in energy consumption and 73 tonnes NOx emissions. The boiler was purchased from a closed down paper mill in Sweden.
- Future planned actions:
 - o Norske Skog Golbey: reduced energy consumption per tonne product produced due to conversion from fresh fibre to recovered fibre as the main raw material in production processes.
 - o All mills: Evaluate reuse of heat in production processes

Improving the energy mix by phasing out fossil energy sources

- 2024:
 - o Norske Skog Bruck: Continued reduction in CO2 emissions from the waste-to-energy boiler. Fuel source switched from natural gas to incineration of nearby household waste. The achieved total reduction in emissions from this project is 150 000 tonnes/year. No emissions are allocated to operations from this energy generation, in line with the EU ETS regulation and related accounting principles.
 - o Norske Skog Skogn: A new thermomechanical pulping line (TMP) replacing recycled paper with fresh fibre as the raw material in publication paper production; hence, reducing CO2 emissions by 77% (4 000 tonnes CO2e/year), NOx emission by 36% (91 tonnes per year) and ash to landfill by 57% (10 000 tonnes/year) per year.
- Future planned actions
 - o Norske Skog Golbey: Through the Green Valley Energie (GVE) project, construction of a 125 MW biomass boiler will supply Gobey with steam and significantly reduce the carbon footprint of the group by an estimated 261 000 tonnes CO2e/ year. Green Valley Energie is a JV between Norske Skog (10%), Veolia (10%) and Pearl Infrastructure (80%), where Norske Skog will be sole offtaker of steam under a long-term contract.
 - o Norske Skog Boyer: The initiated sale of the Norske Skog Boyer mill in Australia will have a large impact on the group's conversion away from coal and fossil energy sources.

Investing in new business areas and low emission products

- 2024:
 - o Norske Skog Skogn: Continued partnership with Ocean GeoLoop to develop biogenic carbon capture technology with the purpose to remove all bioCO2 emissions through CCS storage facilities. Potential CO2 savings not quantified.
- Future planned actions
 - o Norske Skog Skogn: Bioenergy with Carbon Capture and Storage (BECCS) will continue to be a developing project. Potential to contribute to a strong positive impact in the long run in case of successful piloting and future investments. Potential CO2 savings not quantified.
 - o Norske Skog Saugbrugs: The BCTMP main study at Norske Skog Saugbrugs commenced in 2024 with support from engineering consultants and vendor dialogues. Final investment decision is expected during the first half of 2025.
 - o Norske Skog Saugbrugs: Considering restarting PM6, which was hit by a rockslide in 2023. This will result in lower thermal and electrical consumption. Lower thermal consumption results in lower CO2 emissions, both fossil and biogenic.

VALUE CHAIN

Reducing transport related emissions in 2024:

- Norske Skog Skogn: Reduction in Scope 3 CO2 emissions through collaboration with transporters of incoming fibre on electrical ferries: Compared with the oldest ferries in the fleet the supplier has informed Skogn that the electrical ferries can deliver up to 50% reduction in CO2 emissions and 95% reduction of NOx emissions.
- Norske Skog Skogn: Reduction of scope 3 CO2 emissions by collaborating with finished goods transporter to electrify the ferries from Skogn to the ports in Europe and UK. The impact of the investment in the vessel has delivered a 20% reduction in CO2 emissions in 2024 compared to a 2021 baseline.
- Norske Skog has invested in train carriages and led a national project to build a new timber terminal located close to the timber harvesting area in Norway by cooperating with local authorities and business partners. This terminal in Hauer seter, Norway, will be operative from 2027 and will serve the entire wood processing industry in Norway. When the terminal in Hauer seter becomes operative in 2027, this will cut our gross Scope 3 emissions from upstream transport and distribution with an estimated 20%.

CAPITAL EXPENDITURE (CAPEX) AND OPERATIONAL EXPENDITURE (OPEX) (EU 1-3, AR 19-22)

In 2024, we allocated EUR 100 million towards capex and EUR 5 million towards opex directly contributing to the achievement of our sustainability targets. This includes investments in new refiner and heat modification at the Skogn mill, new containerboard product line at Golbey mill including renewable energy installations, and efficiency improvements at all the mills.

Future capex is projected at EUR 5 million, with opex expected to incur to EUR 2 million annually, supporting our continued commitment to decarbonisation and sustainability initiatives along the entire value chain. In addition to the programs for Scope 1 and 2, Norske Skog will pay special attention to the scope 3 emission over the next years.

When the terminal in Hauer seter becomes operative in 2027, Norske Skog will handle about 200 000 m³ through this terminal, giving a savings potential of NOK 10 million.

RECONCILIATION WITH KPIS AND REGULATORY REQUIREMENTS

The significant amounts allocated for capex and opex are consistent with our sustainability KPIs and align with the requirements of Commission Delegated Regulation (EU) 2021/2178. Differences in projected versus actual spending are attributed to evolving market conditions and technological advancements, ensuring our actions remain both effective and adaptive.

RESOURCE ALLOCATION AND IMPLEMENTATION DEPENDENCY

Our ability to implement these actions depends on the continuous availability and strategic allocation of resources, including financial investments, technological innovation, and collaboration with our partners. We are committed to transparently managing these resources to maximise our impact on climate change mitigation and adaptation.

4. Metrics and targets

TARGET - SCOPE 1 & 2 GHG EMISSIONS

Norske Skog is dedicated to managing the environmental impact responsibly and to deliver growth while reducing GHG emissions. This commitment is supported by the emission reduction goal and environmental policy.

As part of the emissions reduction plan, Norske Skog set an intensity target in 2020, and committed to cut GHG emissions across Scopes 1 and 2 (location-based accounting) by 55% per tonne produced before 2030, with ongoing reductions every decade aiming for net-zero emissions across Scope 1 and 2 by 2050.

The ambition level of this intensity target is in line with goal of the Paris agreement to limit global warming to 1.5 degrees and the criteria of the Science Based Targets initiative (SBTi). The target is not approved by Science Based Targets initiative (SBTi). Norske Skog had ambitions to do so during 2024, but due to the temporary suspension of the wood and fibre pathway by SBTi and the anticipated publication of the GHG Protocol Land Sector and Removals Standard and Guidance and related forest carbon accounting resolution the ambition has been extended to 2025.

Decarbonisation levers related to this target include:

- Improve energy efficiency
- Improve the energy mix by phasing out fossil energy sources in own operations
- Invest in new business areas and low emission products

By taking future developments into account, Norske Skog's current emission reduction target for Scope 1 and 2 are based on emission intensity (tonne product produced). This approach ensures our targets are adaptive to the future trajectory of our business model, including new technologies and factors that may increase emissions as our business expands. Together with an annually updated TCFD assessment, we are planning to effectively evaluate the future developments that could impact Norske Skog, as well as understand the influence of Norske Skog's activities on future developments.

This target was developed by corporate and mill management in 2020 and approved by the board. External stakeholders such as customers and investors were consulted during this process.

TARGET - SCOPE 3 GHG EMISSIONS

Scope 3 account for 67% of total emissions (Scope 1, 2 and 3 combined) with 48% linked to upstream and downstream transportation and distribution across the value chain.

Norske Skog is committed to reduce Scope 3 emissions by collaborating with business partner up and downstream in the value chain. Mills are actively working with suppliers and customers on identifying and implementing levers to reduce Scope 3 emission, especially related to incoming and outgoing transport services. The group is also targeting supplier specific emissions to improve the quality of Scope 3 inventory.

Decarbonisation levers on Scope 3 include:

- Move transport of incoming raw materials and outgoing finished products from trucks and vessels running of fossil fuel to low-emission transport
- Prioritise engagement with suppliers that represent large share of Scope 3 emissions and procurement spend

Norske Skog had an ambition to define a quantitative emission reduction target for Scope 3 target during 2024 and evaluate commitment to the Science Based Targets initiative (SBTi) in the same process targeting all scopes (Scope 1, 2 and 3). This ambition is extended to 2025 to align with the temporary suspension of the wood and fibre pathway by SBTi and the anticipated publication of the GHG Protocol Land Sector and Removals Standard and Guidance and related forest carbon accounting resolution. In 2025, Norske Skog plans to set target for scope 3 including mid-term and net zero target.

TARGET PERFORMANCE - SCOPE 1 & 2 GHG EMISSIONS

In 2024 the target achievement was 54%. Norske Skog is very close to meet the 55% intensity target in GHG Scope 1&2 emissions (location based)/ tonne product produced.

The equivalent reduction in absolute Scope 1 and 2 emissions in 2024 compared to 2015 is -70%. Performance on both absolute emissions and Norske Skog's intensity target is illustrated in the same graph.

Due to heavy investment in low emission energy generation Norske Skog expect to reach the 2030 target of 55% reduction ahead of time. Key investments implemented include:

- Norske Skog Bruck: Investment in low emission energy generation utilising residual waste
- Norske Skog Golbey: New bioenergy plant and biogas production

In 2024, Norske Skog's absolute emissions in Scope 1 and 2 emissions accounted for 33% of our total emissions (Scope 1, 2 and 3 combined). Approximately 21% of these emissions are linked to the use of stationary energy sources in our mill (scope 1), 12% is linked to sourcing of electricity from third parties and used in the production process (location-based accounting).

TARGET PERFORMANCE - SCOPE 3 GHG EMISSIONS

In 2024 Norske Skog mills have continued to work with transport suppliers targeting emission reduction possibilities up-and downstream in the value chain.

OTHER TARGETS

Norske Skog has not set specific, metric targets for low emission products, exclusion from the EU ETS markets and energy consumption and prices. However, each mill has actions to reduce energy consumption, obtain the best available energy price and specific for the Norwegian mill to work for inclusion in the EU ETS market.

ACCOUNTING POLICIES

SCOPE 1

Norske Skog has applied the Corporate Standard by the Greenhouse gas protocol to measure and disclose GHG emissions for Scope 1. The reporting boundary and consolidation approach for emissions are disclosed according to operational control. The source of the emission factors and the global warming potential (GWP) rates used is from the IPCC Fourth Assessment Report (AR4 - 100 year).

All mills located in Europe are covered by EU Emission Trading Schemes (ETS) and reporting of Scope 1 emissions follow the EU ETS methodology. 100% of Scope 1 emissions from these European mills are covered by EU ETS.

SCOPE 2

In 2023, Norske Skog applied the location- and market-based accounting for Scope 2 emissions, according to the GHG protocol, which was applied to data covering 2021 to 2023 to allow for comparison. Norske Skog does not source any Energy Attribute Certificates (e.g. Guarantees of Origin) as part of our Market-based Scope 2 accounting.

The emission factors for Scope 2 accounting are derived from AIB (Association of Issuing Bodies) reflecting the energy mix delivered to the European markets and electricity purchased through the physical grid. These emission factors have been applied to ensure the same methodology across all markets. For reporting on 2024 the most recent set of emission factors have been applied 2023 | AIB.

For Australia, we have applied emission factors from the Australian National Greenhouse Account Factors for Tasmania published by the Department of Climate Change, Energy, the Environment and Water in Australia. National Greenhouse Accounts Factors: 2024 - DCCEEW. We have applied the location-based emission factor for both location- and market-based Scope 2 emission accounting as no standardized residual mix factor is available for Australia.

SCOPE 3

Norske Skog has applied the GHG protocol Corporate Value Chain (Scope 3) Accounting and Reporting. Standard to measure and disclose GHG emissions for Scope 3.

Category 1 - Purchased goods and services: Data cover direct materials like forest and recycling operations as well as non-wood based raw materials like chemicals and fillers. Emissions related to purchased goods and services have been calculated based on purchased volumes of direct materials (primary data) and the use of generic emission factors from trusted sources (secondary data). Percentage of emissions calculated using data obtained from suppliers or value chain partners: 0%.

Category 2 - Capital goods: Emissions from capital goods was added to the Scope 3 inventory in 2024, and reported annually for 2022, 2023 and 2024. Emissions have been based on annual capex (primary data) and emission factors from DEFRA (secondary data). Percentage of emissions calculated using data obtained from suppliers or value chain partners: 0%.

Category 3 - Fuel and energy related activities (not covered in Scope 2): Emissions have been calculated based on volumes of direct energy consumption (primary data) and the use of generic emission factors from

Defra and CEPI/ Euro-graphs user guide. Percentage of emissions calculated using data obtained from suppliers or value chain partners: 0%.

Category 4 - Upstream transportation and distribution: Emissions have been calculated based on volume of goods transported (primary data), distance travelled and the use of generic emission factors from EcoTransit (secondary data). Outbound logistics services purchased by Norske Skog has been categorised as upstream because they are a purchased service. This is in line with requirements of GHG protocol technical guidance for category 4 Upstream Transportation and Distribution. Percentage of emissions calculated using data obtained from suppliers or value chain partners: 0%.

Category 5 - Waste generated in operations: Emissions have been calculated based on transport emissions from waste materials, in line with GHG protocol guidance. Emissions have been calculated based on transported volumes of waste (primary data), distance travelled and emission factors for applied transport modes from Eco Transit (secondary data). Percentage of emissions calculated using data obtained from suppliers or value chain partners: 0%.

Category 6 - Business travel: Emissions cover air travel emissions collected from travel agencies delivering business travel services to Norske Skog (primary data). Data reflects supplier specific reports based on fuel consumption. Percentage of emissions calculated using data obtained from suppliers or value chain partners: 100%.

Category 7 - Employee commuting: Emissions have been estimated based on number of employees (primary data) and average estimated commuting distance of 30 km per working day using a car with 180g CO₂/km.

Category 9 - Downstream transportation and distribution: Downstream transportation cover distribution from the printing house to the final customer for printed magazines and printed newspaper. Emissions have been estimated based on annual production volume (primary data) and emission factors from published by VTT Technical Research Centre of Finland for printed products. The emission factor is from 2010. To adjust for increase in low emission vehicles, we have applied an assumption and deducted 20% on the emission factor. Percentage of emissions calculated using data obtained from suppliers or value chain partners: 0%.

Category 10 - Processing of sold products: This category cover emissions generated during the printing process. Emissions have been estimated based on annual production volume (primary data) and emission factors from published by VTT Technical Research Centre of Finland for printed products. The emission factor is from 2010. To adjust for increase in low emission vehicles, we have applied an assumption and deducted 20% on the emission factor. Percentage of emissions calculated using data obtained from suppliers or value chain partners: 100%.

Other Scope 3 categories; The following Scope 3 categories are not applicable to Norske Skog's value chain operations and therefore not disclosed; category 8 Upstream leased assets, category 12 End of life treatment of sold products, category 13 Downstream leased assets, category 14 Franchises, category 15 Investments.

BIOGENIC EMISSIONS

Biogenic emissions in own operations are related to energy production from biomass boilers at Norske Skog Golbey, Norske Skog Skogn and Norske Skog Saugbrugs, and waste-to-energy at Norske Skog Bruck. Biogenic emissions are not included in Scope 1 but reported separately.

GHG EMISSION REDUCTION TARGET

2015 was selected as the base year, after a comprehensive restructuring of the mill portfolio, in the calculation of the 55% CO₂ reduction target within 2030, which is congruent to evaluations done by the EU and the Norwegian Federation of Trade and Industries.

Recalculation of base year value follow the guidelines laid down in the GHG Protocol Corporate standard. Norske Skog aim to update of its emission reduction target in 2025, reflecting the initiated sale of Norske Skog Boyer mill in Australia.

SOURCES OF ESTIMATION AND OUTCOME UNCERTAINTY

The assessment of future impacts, risks and opportunities are by nature subject to estimations and outcome uncertainty. In line with ESRS requirements, the sustainability statement include forward-looking statements and assessment of the impact of climate change on Norske Skog performance in the short-, medium- and long-term. These forward-looking judgments relate to potential future events that are beyond the control of Norske Skog and difficult to predict. Norske Skog does not assume any responsibility for the accuracy of such future-looking statements.

THIRD PARTY VERIFICATION

All of Norske Skog's business units are certified in accordance with ISO 14001 (Environmental Management Systems). In addition, Norske Skog Saugbrugs, Norske Skog Skogn and Norske Skog Golbey hold ISO 50001 (Energy Management Systems) certificates. Disclosure on data and processes related to the corresponding topics follow the standards reflected in these verifications.

FINANCIAL EFFECTS

Norske Skog exercises the right, as per the ESRS Phase-in option, to begin reporting on this disclosure in the subsequent year.



EMISSION TARGET

				Base year 2015	Mid term target 2030	Long term target 2050	
E 1-4							
GHG emission reduction target	Type	Unit		Number	%	Number	%
Scope 1 + Scope 2 emissions - location based	Intensity	kg CO2e/tonne product produced		567	-55	255	-100
						0	

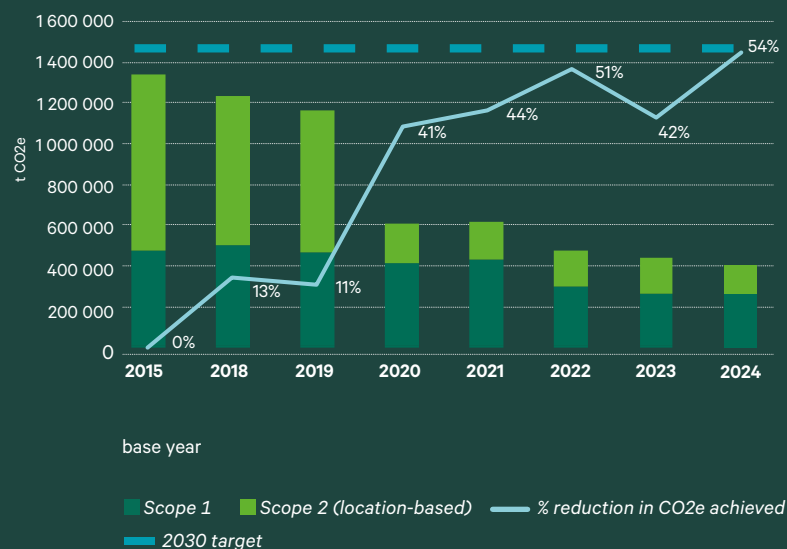
ENERGY

E1-5								% change 2023-24
Energy Consumption and Mix		Unit	2020	2021	2022	2023	2024	
Total energy consumption*		MWh	7 616 699	8 141 508	7 162 469	6 035 854	6 627 126	10%
Total fossil energy consumption		MWh	5 371 790	5 735 557	4 957 892	3 893 056	4 400 006	13%
Fuel consumption from coal		MWh	594 429	661 480	660 195	655 353	682 193	4%
Fuel consumption from oil		MWh	2 677	5 865	5 317	6 351	3 438	-46%
Fuel consumption from natural gas		MWh	942 280	1 073 059	424 182	250 900	420 534	68%
Consumption of purchased electricity - without energy attribute certificates (EACs)		MWh	3 832 405	3 995 152	3 868 197	2 980 453	3 293 841	11%
Share of fossil sources in total energy consumption		%	71%	70%	69%	64%	66%	
Consumption from nuclear sources		MWh	-	-	-	-	-	
Share of consumption from nuclear sources in total energy consumption		%	0%	0%	0%	0%	0%	
Total renewable energy consumption		MWh	2 244 909	2 405 951	2 204 577	2 142 798	2 227 120	4%
Consumption of self generated steam - from biomass, municipal waste		MWh	1 170 693	1 226 578	1 166 118	1 404 641	1 376 442	-2%
Consumption of purchased electricity from renewable sources		MWh	-	-	-	8 352	10 583	27%
Consumption of recovered heat		MWh	1 074 216	1 179 372	1 038 459	729 805	840 095	15%
Share of renewable sources in total energy consumption		%	29%	30%	31%	36%	34%	
Total energy production - consumed on site		MWh	2 313 164	2 497 313	1 989 349	2 081 598	2 157 437	4%
Non-renewable energy production		MWh	1 142 471	1 270 735	823 232	676 957	780 995	15%
Renewable energy production		MWh	1 170 693	1 226 578	1 166 118	1 404 641	1 376 442	-2%
Energy intensity ratio - high climate impact sectors		MWh/net revenue (NOK million)	1 030	970	540	522	651	23%

* Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors

EXPLANATIONS TO THE TABLE:

Scope 1	Direct emissions from owned or controlled sources
Scope 2	Indirect emissions from the generation of purchased energy
Scope 3	Result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly affects in its value chain

EMISSIONS, GHG PROTOCOL
(tonne CO₂e)

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	Unit	2015 Base year Scope 1 and 2	Retrospective			Milestones and target years			Annual% target /base year
			2023	2024	% change 2023-24	2025	2030	2050	
Scope 1 GHG emissions									
Gross Scope 1 GHG emission	tCO2e	474 946	257 268	250 372	-3%	N/A	N/A	N/A	N/A
% of Scope 1 GHG emissions from regulated emissions trading schemes	%		30	60	100%				
Scope 2 GHG emissions									
Gross location-based Scope 2 GHG emission	tCO2e	865 236	180 648	148 632	-18%	N/A	N/A	N/A	N/A
Gross market-based Scope 2 GHG emissions	tCO2e		1 195 272	1 503 357	26%	N/A	N/A	N/A	N/A
Significant Scope 3 GHG emissions									
Total Gross indirect (Scope 3) GHG emissions	tCO2e		773 290	811 552	5%	N/A	N/A	N/A	N/A
1. Purchased goods and services	tCO2e		118 020	134 460	14%	N/A	N/A	N/A	N/A
2. Capital goods	tCO2e		142 090	82 941	-42%	N/A	N/A	N/A	N/A
3. Fuel and energy-related activities	tCO2e		6 230	12 015	93%	N/A	N/A	N/A	N/A
4. Upstream transportation and distribution	tCO2e		174 387	203 571	17%	N/A	N/A	N/A	N/A
5. Waste generated in operations	tCO2e		1 385	1 157	-16%	N/A	N/A	N/A	N/A
6. Business travel	tCO2e		240	350	46%	N/A	N/A	N/A	N/A
7. Employee commuting	tCO2e		3 062	3 062	0%	N/A	N/A	N/A	N/A
8. Upstream leased assets	tCO2e		-	-					
9. Downstream transportation	tCO2e		163 379	185 651	14%	N/A	N/A	N/A	N/A
10. Processing of sold products	tCO2e		164 496	188 344	14%	N/A	N/A	N/A	N/A
11. Use of sold products	tCO2e		-	-					
12. End-of-life treatment of sold products	tCO2e		-	-					
13. Downstream leased assets	tCO2e		-	-					
14. Franchises	tCO2e		-	-					
15. Investments	tCO2e		-	-					
Total GHG emissions									
Total GHG emissions (location-based) (tCO2eq)	tCO2e	1 340 182	1 211 205	1 210 556	0%	N/A	N/A	N/A	N/A
Total GHG emissions (market-based) (tCO2eq)	tCO2e	474 946	2 225 829	2 565 282	15%	N/A	N/A	N/A	N/A
Biogenic emissions	tCO2e		484 569	571 374	18%	N/A	N/A	N/A	N/A
GHG emissions intensity									
Location-based**	tCO2e/ million net revenue (NOK)		105	119	13%	N/A	N/A	N/A	N/A
Market-based**	tCO2e/ million net revenue (NOK)		193	252	31%	N/A	N/A	N/A	N/A

* N/A refers to GHG emission targets and values not applicable to Norske Skog. Norske Skog does not have absolute mission reduction targets, but intensity targets as presented in Target section of E1.

** Reference to consolidated income statement, total operating income NOK 10 173 million

Breakdown of Scope 1 and 2 GHG emission by business unit	Scope 1	Scope 2*	Scope 2**	Biogenic CO ₂	Total Scope 1 & 2*	Share Scope 1 & 2*	Production	Emission intensity Scope 1 & 2*
2024	t CO ₂ e	t CO ₂ e	t CO ₂ e	t CO ₂ e	t CO ₂ e	%	tonnes	kg CO ₂ e/tonne
Norske Skog Bruck, Austria	63 788	28 746	158 629	149 983	92 534	23%	358 613	258
Norske Skog Golbey, France	25 638	10 554	13 960	163 382	36 192	9%	284 128	127
Norske Skog Saugbrugs, Norway	760	-	368 007	87 036	760	0%	185 628	4
Norske Skog Skogn, Norway	3 650	-	853 428	170 973	3 650	1%	460 112	8
Norske Skog Boyer, Australia	156 536	109 332	109 332	-	265 868	67%	236 279	1 125
Total Norske Skog group	250 372	148 632	1 503 357	571 374	399 004	100%	1 524 760	262

* Location based method

** Market based method

GHG emission intensity scope 1 & 2
kg CO₂e/ tonne*

Business Unit	2022	2023	2024
Norske Skog Bruck, Austria	402	267	258
Norske Skog Golbey, France	131	155	127
Norske Skog Saugbrugs, Norway	15	30	4
Norske Skog Skogn, Norway	19	28	8
Norske Skog Boyer, Australia	1 258	1 326	1 125
Total Norske Skog group	276	327	262

* Location based method



Pollution (ESRS E2)

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short term	Medium term	Long term
Pollution of air (SOx and NOx)							
Pollution of air from boilers	Impact, negative		x		x	x	x
All Norske Skog mills emit various pollutants, including volatile organic compounds (VOCs), sulphur dioxide (SO2), nitrogen oxides (NOx), and particulate matter (PM), during operations linked to production of heat with company owned boilers. The source of heat for the boilers contain a mix of renewable and non-renewable sources. These emissions contribute to air pollution, may lead to respiratory problems and environmental degradation.							
Pollution of water							
Discharge of process water	Impact, negative		x		x	x	x
The discharge of process water from the production process of publication paper and packaging paper causes a negative climate impact. A substantial amount of fresh water is needed to produce pulp and mix pulp with chemicals and other raw materials, which is used as input to produce the finished goods. The excess water from the production process is then processed through a wastewater treatment plant before the water is discharged to the nature. Only about 1% of the fresh water absorbed from the external source is used in the final products, the rest is discharged to the nature.							

ASSESSMENT OF ENVIRONMENTAL IMPACTS AND STRATEGIC RESPONSES:

Norske Skog operates in the publication paper and packaging paper industry and utilises chemicals commonly used within this sector. The company is committed to minimising its environmental impact and ensuring compliance with all relevant regulations. Key pollutants include sulfur dioxide (SO₂), nitrogen oxides (NO₂), carbon dioxide (CO₂), suspended solids (SS), chemical oxygen demand (COD), nitrogen (N), phosphorus (P) and other chemicals.

These pollutants are primarily generated as emissions from production processes, including bio boilers used for heat generation and the discharge of process water following paper production. Norske Skog continuously invests in cleaner technologies and improved wastewater treatment to mitigate these impacts.

These emissions are subject to strict monitoring and compliance regulations in accordance with EU environmental directives.

Norske Skog does not use bleaching chemicals containing chlorine at any of its mills, thereby eliminating the creation of chlorinated organic compounds such as AOX (adsorbable organic halides). Additionally, Norske Skog adheres to strict sourcing policies to ensure compliance with EU regulations on hazardous substances.

Substances of concern/ very high concern are not defined as material.

Waste-related IRO are addressed in ESRS 5 (Resource use and circular economy).

1. Impact, risk and opportunities management

POLICIES

(a) Key contents of the policy, including general objectives and material IRO(s) addressed, as well as monitoring process

Norske Skog's environmental policy is centered on responsibility, accountability, and sustainability. It sets objectives for reducing environmental impact through measures in climate change mitigation and adaptation, energy efficiency, circular economy, pollution control, water management, and biodiversity protection. The policy aligns with global agreements such as the Paris Agreement and the Montreal Agreement.

Material Impact, Risk, and Opportunity (IRO) areas covered include climate change, pollution control, sustainable resource use, and biodiversity. The policy mandates continuous improvement and adherence to international environmental standards. Monitoring is carried out through annual reviews by the board of directors, reporting from business units, and corporate-level performance tracking, including the Norske Skog Environmental Index. Business units must report severe deviations immediately.

(b) Scope and exclusions

The policy applies to all business units and covers the entire value chain, including raw material sourcing, production, and distribution. There are no specific exclusions mentioned, and it extends to suppliers and subcontractors to ensure high environmental standards throughout the supply chain.

(c) Most senior accountable level

The board of directors holds the highest responsibility for implementing the environmental policy. The corporate management ensures its execution at the operational level.

(d) References to third-party standards and initiatives

Norske Skog commits to the Paris Agreement (net zero emissions), the Montreal Agreement (biodiversity), and the EU Action Plan "Towards a Zero Pollution for Air, Water, and Soil." The company also adheres to internationally recognized environmental management systems and certification standards.

(e) Consideration of stakeholder interests

The policy integrates stakeholder interests by supporting customers' environmental objectives, engaging in dialogue with local communities, and ensuring transparency in environmental reporting. Suppliers are expected to meet the same environmental standards as Norske Skog's operations.

(f) Availability of the policy

The policy is communicated internally through training and reporting mechanisms. Externally, it is available to stakeholders, including customers, suppliers, and regulators, ensuring alignment across the value chain, and also on:

<https://www.norskeskog.com/sustainability/environment/environmental-policy>

ADDRESSING POLLUTION, HAZARDOUS SUBSTANCES, AND EMERGENCY SITUATIONS:

(a) Mitigating pollution

Norske Skog aligns with the EU Action Plan on pollution reduction. The company sets annual targets to limit air and water pollution (SO_x, NO_x, particulate matter, suspended solids, and chemical oxygen demand in discharged wastewater). Emergency response plans are in place to manage pollution incidents and will correspondingly be reported immediately both internally and externally. Every breach of permit is reported within 24 hours.

(b) Avoiding and managing incidents

Preventative measures, including training and emergency preparedness, are implemented to minimise environmental accidents. If an incident occurs, immediate containment measures are required to reduce environmental and human impact. Norske Skog collaborates with authorities to ensure a coordinated response to environmental emergencies.

ACTIONS AND RESOURCES

Norske Skog Skogn has taken major steps in 2024 to reduce pollution of air, emissions and improve energy efficiency. The key initiative encompasses the purchase and installment of a:

- New thermomechanical pulp (TMP) production line and
- Steam turbine at Norske Skog Skogn, part of the Switch project.

These two projects are a NOK 180 million investment, including NOK 48 million in NO_x Fund grants, replaces costly recycled paper with fresh fibre, cutting costs and emissions.

Expected outcomes include an 80% reduction in CO₂, 40% lower NO_x emissions, and a 60% decrease in ash production, aligning with Norske Skog's environmental goals. These efforts impact the entire value chain, improving sustainability in raw material sourcing and reducing energy use.

The TMP line is set to be fully operational within a year, with the steam turbine following soon after. Emission reductions and energy efficiency improvements will be monitored over the coming years. Norske Skog also continues to address past environmental impacts by investing in cleaner technologies and aligning with industry best practices.

The Switch project highlights how strategic investments drive both economic and environmental benefits, reinforcing Norske Skog's commitment to pollution prevention, sustainability, responsible resource management.

Significant actions to reduce effluents to water during 2024:

- Norske Skog Saugbrugs: The landslide on April 27th 2023 led to reduced production at Saugbrugs and changed conditions for running the water treatment plant. Actions were put into keeping effluents levels under control during 2024. Discharge to water have shown good development during 2024.

- Norske Skog Skogn: discharge levels have been high throughout the year and local actions and resources have been focused on solving the challenges related to the wastewater-treatment plant.

2. Metrics and targets

POLLUTION-RELATED TARGETS AND MANAGEMENT APPROACH

Norske Skog has established time-bound and outcome-oriented targets to mitigate pollution impacts and enhance environmental performance. These targets align with our environmental policy and broader sustainability commitments, ensuring compliance with international frameworks such as the EU Action Plan “Towards a Zero Pollution for Air, Water and Soil.”

Targets presented in this chapter were established by Norske Skog in 2020. No new targets have been defined in 2024. In 2025 Norske Skog will evaluate updating targets in accordance with elements of MDR-T in ESRS for material IROs.

Pollution of air

Main objective: Prevent, control and reduce pollution of air from sulphur dioxide (SO₂) and nitrogen dioxide (NO_x) from our operations.

- o Target: Reach the as low as possible emission but at least below the environmental permit given by the authorities.
- o Relevance to policy: Supports Norske Skog's policy by reduce air pollution from industrial processes.
- o Ambition: Ensure compliance with emission permits and regulations.
- o Activities: Perform mill activities related to SO₂ and NO_x improvements.
- o Target Scope: Applies to all Norske Skog mills.
- o Measurement: Absolute reduction in tonne SO₂ and NO_x emissions.
- o Base and target year: no base or target year defined.
- o Methodology: Based on scientifically validated methodologies and aligned with EU and international climate policies.
- o Monitoring & Review: Progress is tracked annually through corporate sustainability reports.
- o The air pollution is quantified through automated measuring systems. No data has been estimated.

Pollution of water

Main objective: Prevent, control and reduce pollution of water from our operations.

- o Target:
 1. Reach the as low as possible chemical oxygen demand (COD) but at least below the environmental permit given by the authorities.
 2. Install anaerobic wastewater treatment and biogas at all European mills by 2030.
- o Relevance to policy: Reduces pollution to water and improves overall water quality by adopting sustainable water management practices.
- o Ambition: Reduce Chemical Oxygen Demand (COD) to water recipient.
- o Activities: Invest in equipment enabling target achievement.
- o Target Scope: Covers Norske Skog's European mills.
- o Measurement: Reduction of Chemical Oxygen Demand (COD) in wastewater discharges.
- o Baseline & Milestones: Implementation milestones set for 2025.
- o Monitoring & Review: Regular water quality assessments and compliance with EU water regulations.
- o The air pollution is quantified through automated measuring systems. No data has been estimated.

Pollution control and compliance measures

1. Air pollutants control: Norske Skog monitors and reduces emissions of SO_x, NO_x, and particulate matter through investments in bio-boiler efficiency and clean energy sources.

2. Water emissions control: Compliance with EU water discharge standards, treatment plant upgrades, and ongoing water recycling initiatives.
3. Substances of concern: Norske Skog follows strict regulations on chemicals used in production, ensuring minimal environmental harm.

Stakeholder Involvement and Continuous Improvement

1. Stakeholder engagement: Norske Skog collaborates with industry partners, regulatory bodies, and local communities to refine environmental targets.
2. Tracking & reporting: Performance against targets is evaluated through sustainability disclosures, with transparent reporting on progress and challenges.
3. Alignment with global agreements: Targets are based on EU environmental directives, national policies, and internationally recognised sustainability standards.

By setting these targets, Norske Skog demonstrates its commitment to pollution reduction and environmental stewardship.

POLLUTION OF AIR, WATER AND SOIL

Emissions to air are always monitored and reported annually in the annual report. Deviations from permits are reported directly to proper national authority. The business units' environmental permits will dictate the monitoring locations, frequency and methodology and legal reporting requirements. Norske Skog reports discharges of organic substances (COD), discharges of suspended solids (SS), and discharge of wastewater (m³ per tonne of paper). In addition, Norske Skog reports on SO₂ and NO_x.

POLLUTANTS

Norske Skog generates emissions to air and water through its paper production processes. The primary pollutants include:

- Air emissions: sulphur dioxide (SO₂), Nitrogen oxides (NO_x).
- Water emissions: suspended solids, nitrogen and phosphorus compounds, dissolved organic material.
- Microplastics: Norske Skog does not produce or use microplastics in its manufacturing processes. The group's processes focus on using natural fibers, and there are no synthetic polymer additives in paper production.

AMOUNT OF POLLUTANTS EMITTED

Norske Skog reports the following emissions per facility, in compliance with Annex II of Regulation (EC) No 166/2006:

- Dissolved organic material (COD) increased by 26% from 2023
- Suspended solids increased by 58% due to unstable production at the wastewater treatment plant at Skogn.
- Nitrogen and phosphorus increased respectively by 8% and 21%.

CONSOLIDATION OF EMISSIONS DATA

The emissions data reported includes facilities under Norske Skog's financial and operational control, including Norske Skog Skogn, Norske Skog Saugbrugs, Norske Skog Boyer, Norske Skog Golbey, and Norske Skog Bruck. Only mills exceeding the threshold values in Annex II of Regulation (EC) No 166/2006 are included.

CONTEXT AND METHODOLOGIES

- a. *Changes over time:* Emission reductions have been observed in CO₂ equivalents due to energy efficiency improvements and process optimisations. SO₂ and NO_x emissions in 2024 decreased with respectively 13% and 16%.

b. Measurement methodologies: Norske Skog follows EU BREF standards for measuring emissions. Continuous monitoring systems (AMS) are in place for air emissions. Water quality and pollutant discharge are measured using on-site and third-party laboratory testing.

c. Data collection processes: Data is collected from automated monitoring systems and third-party accredited sources. Norske Skog Boyer has implemented third-party verification for SO₂ and NO_x to rectify previous underreporting.

EXPLANATION OF METHODOLOGIES USED

Direct measurement methods are used for air and water emissions at facilities. Indirect estimation methods are used only when continuous monitoring is not feasible. Norske Skog Boyer's historical SO₂ and NO_x figures were underreported until 2023, resulting in a threefold increase as reflected in data

table E2-4. New methodologies from accredited third-party sources have ensured more accurate data since 2023.

UNITS AND BREAKDOWN

Emissions data is reported in tonnes. The report provides emissions on a group level, but site-level data is available upon request.

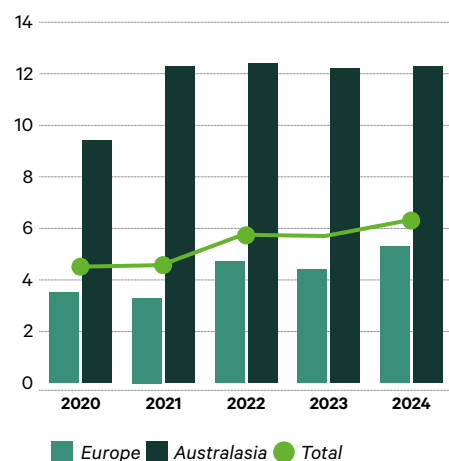
This disclosure ensures compliance with relevant environmental regulations and Norske Skog's commitment to transparency in pollution reporting.

ANTICIPATED FINANCIAL EFFECTS FROM POLLUTION-RELATED IROS

Norske Skog is dedicated to disclosing the potential financial implications arising from pollution-related IROs as part of our commitment to transparency and sustainable operations. In 2024 there were no major incidents of this kind. Going forward this section will be in line with phase-in provisions of ESRS E2.

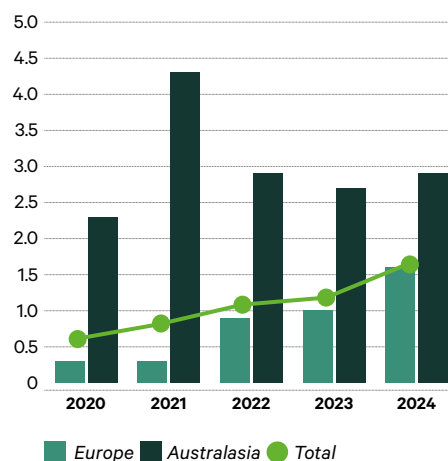
DISCHARGES OF ORGANIC SUBSTANCES (COD)

Kg per tonne of paper



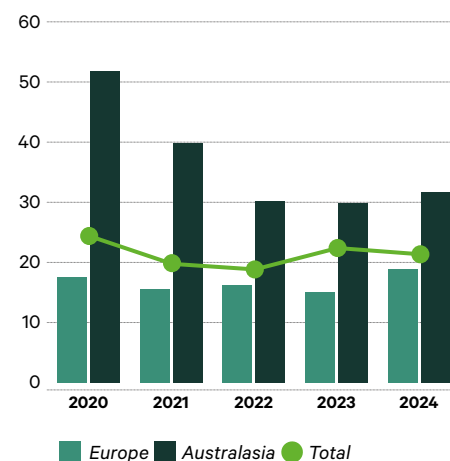
DISCHARGES OF SUSPENDED SOLIDS (SS)

Kg per tonne of paper



DISCHARGES OF WASTEWATER

m³ per tonne of paper



E2-4 POLLUTION OF AIR AND WATER

Pollutant	Unit	2020	2021	2022	2023	2024	% change 2023-24
Released to air							
Sulphur oxides (SO ₂)	tonnes	297	401	360	1 030	896	-13%
Nitrogen oxides (NO _x)	tonnes	701	879	709	1 230	1 028	-16%
Released to water							
Chemical oxygen demand (COD)	tonnes	8 283	8 958	9 989	7 701	9 704	26%
Suspended solids (SS)	tonnes	1 259	1 746	2 030	1 711	2 701	58%
Total nitrogen	tonnes	262	268	275	249	268	8%
Total phosphorus	tonnes	29	30	27	25	30	21%

Water and marine resources (ESRS E3)

1. Impacts, risks and opportunities

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short term	Medium term	Long term
Water withdrawal							
Water intensive production process	Impact, negative		x		x	x	x
The water intensive production process has a negative impact on the climate because of the large quantity of fresh water needed to produce publication paper and packaging paper. The process needs large amount of water to dissolve and mix the different input factors together into mechanical pulp and deinked pulp to produce finished goods. The water usage is about 100 times larger than the actual water being absorbed into the finished products.							
Potential water shortage	Risk		x				x
A potential water shortage, either permanent or temporary, may be a risk to stable production of publication paper and packaging paper. Water shortage due to uneven rainfall, increased drought and shrinking snowpacks have negative impact on the climate and may cause severe risk to the production process. Some areas will face excessive quantities of rainfall and higher temperatures causing challenging the logging periods and availability of clean water.							
Water discharge							
Stricter permits levels	Risk		x		x	x	x
The political and mainstream public increased attention to the environment and climate change results in stricter permit levels and poses a risk for the long-term existence and financial soundness of the pulp and paper industry. In areas with drought, uneven rainfall and shrinking snowpack combined with higher temperatures will affect the availability of fresh water. Fresh water will be a scarce resource in some areas. To avoid contamination of scarce water resources, the authorities have and will continue to impose stronger restrictions for the use of water, and thus, in the discharge of processed waste water being returned back into the main water resources.							

The double materiality assessment described in IRO-1 determined the following water and marine resources-related material impact.

Assessment of environmental impacts and strategic responses:

Norske Skog operates in the publication paper and packaging paper industry and utilises large quantities of water in the production process. The group is committed to minimising its environmental impact by reducing the amount of water and ensuring compliance with all relevant regulations.

The material impacts are concentrated in Norske Skog's operations:

- Water usage: The production of paper, especially publication and packaging paper, requires large quantities of water in the pulping, bleaching, and heating processes. This consumption is concentrated in the production facilities, particularly in mills located in regions where water availability may be impacted by climate change.
- Wastewater discharge: Wastewater management is a significant focus, with treatment plants in each facility designed to minimize the discharge of pollutants into local water bodies, see E2.

The current and anticipated effects business model, value chain, strategy, and decision-making are:

- Water shortage risks: Anticipated water scarcity (especially in the Norske Skog Golbey and Norske Skog Bruck mills due to higher temperatures and drier summers) could lead to production disruptions, forcing the company to consider water rationing or find alternative water sourcing methods.
- Climate change and water availability: A wetter climate in Norway and Australia reduces water risks in those locations. However, regions in Europe

and Australia could face higher operational costs related to water sourcing and wastewater treatment.

Norske Skog has adopted the following response to the impact:

- o Water management efforts: Norske Skog has committed to minimising water usage and reusing more water in the production process. In Golbey, the water usage per tonne produced is at a material lower level than the other paper mills. The company's environmental policy focuses on ensuring sustainable water sourcing and waste management practices, particularly in areas at water risk.
- o Water circularity and reuse: With a transition to a higher degree of water circularity, Norske Skog aims to mitigate environmental risks and lower dependence on external water source.

The material negative impact of water intensive production process will affect people or the environment and their connection to strategy and business model in the following manner:

1. Environmental and social impacts:

- o Water scarcity: Reduced water availability in key production areas could disrupt operations, leading to potential layoffs or production halts. Long-term water contamination risks could impact local communities dependent on freshwater sources, harming both local ecosystems and human populations.
- o Wastewater discharge: Improper treatment of wastewater could lead to environmental contamination, negatively affecting water bodies and marine ecosystems near production facilities.

2. Connection to strategy:

- o The group commitment to sustainability, particularly with water and marine resources, is directly linked to its broader strategy of improving and optimising operations, reducing its carbon footprint, and ensuring long-term competitiveness through eco-friendly innovations in bio-products and renewable energy.

3. Time horizons:

- o **Short-term:** Immediate risks from water quality issues and water rationing are not immediate concern, although the national authorities may set forth periodic water limitation measures.
- o **Long-term:** As climate change intensifies, the long-term risks to water availability and marine ecosystems could increase, leading to more stringent regulatory requirements and operational disruptions. Only the Norwegian mills will have more water availability in the long-term scenario contrary to the other mills in the long term perspective.

The Norske Skog strategy and business model are resilient and do adequately address impacts and risks (including opportunities) (ESRS 2 SBM-3 (48f)):

- **Resilience analysis:**

- o **Water usage:** Norske Skog's commitment to minimising water consumption and improving water recycling processes enhances its resilience to water-related risks. The ongoing efforts to develop and implement

better water management strategies ensure the business unit's ability to adapt to climate-induced water shortages.

- **Time horizon for resilience:**

- o **Short-term:** Immediate focus on improving water sourcing efficiency and wastewater treatment to comply with existing environmental regulations. The wastewater treatment plant will have to improve circularity instead of discharging water into the recipient.
- o **Long-term:** Increased circularity of water will reduce water usage with an important effect of reducing the energy needed to heat water for the production process.
- o There is no changes compared to previous period except there is an increased awareness of water risks, particularly in areas like Golbey and Bruck, where climate change may exacerbate droughts and water shortages, according to CEMAsys study (2023).

The entity-specific disclosures for Norske Skog would primarily focus on:

- o **Water and wastewater management:** Detailed reports on water usage, wastewater discharge, and compliance with local environmental regulations.

Risks related to water availability and quality: Detailed analysis of water risks in Norske Skog's mills, especially considering climate change impacts (water rationing, droughts, flooding).



Photo: Carsten Dybevig

2. Impact, risk and opportunity management

POLICIES

Norske Skog's environmental policy focuses on mitigating negative impacts from water usage, ensuring responsible sourcing, and reducing water pollution. It targets water efficiency, wastewater management, and prevention of water pollution from operations. The policy emphasises compliance with international standards and continuous improvement in water management.

The policy addresses material IROs such as water consumption, sourcing, and wastewater management. It sets targets for water efficiency and action plans to reduce consumption, especially in water-stressed areas. The business units collaborate with local authorities to meet legal requirements and ambitious water permit goals where relevant.

Efficacy is monitored through regular, annual reports on water usage, wastewater treatment, and deviations from targets, which are submitted to corporate management. Business units are responsible for ongoing improvements and reporting progress.

The board of directors is accountable for policy implementation, while operational personnel ensure integration into daily activities. Norske Skog adheres to international frameworks like the EU Water Framework Directive and engages with stakeholders to consider their concerns.

The policy is accessible to employees through internal communications and training, and to external stakeholders on the Norske Skog web page for transparency and accountability.

Norske Skog's policies address water-related issues in the following areas:

- **Water management:** The group aims to reduce water usage by optimising processes and improving recovery, while ensuring responsible water sourcing. Wastewater is treated in plants before discharge to minimise pollution and ensure compliance with regulations.
- **Commitment to reduce consumption:** In water-stressed areas, the Norske Skog plans to implement measures to ensure responsible water use due to risk of water shortage, stricter permit levels and reduced water heating costs.

Norske Skog's facilities are for the time being not in high-water-stress areas and this is not specifically covered by the policies. However, some European mills may in the long-term face risks due to climate change and water availability. The group is monitoring these impacts and developing action plans to ensure resilience and will periodically review its water management policies.

Norske Skog's policy promotes sustainable marine practices, focusing on minimising impacts on marine ecosystems and ensuring responsible water use, especially in areas where discharges affect fresh water and brackish water bodies. Norske Skog works with both with national and local authorities to protect marine environments.

Norske Skog integrates water and marine resource policies into its broader environmental strategy, aiming to reduce water withdrawals, minimize discharges, and protect aquatic ecosystems. These policies align with the EU Water Framework Directive and the Paris Agreement's climate goals.

Norske Skog's policies concentrate on preserving water bodies' quality, reducing pollution, and safeguarding biodiversity. The company's operations comply with EU regulations and international standards, ensuring minimal

environmental impact. Efforts to reduce water usage and pollutant discharge help maintain the health of surrounding ecosystems.

ACTIONS AND RESOURCES

Norske Skog has taken significant steps to mitigate the negative impact of its water-intensive production processes and address the risks associated with water shortages and increasing regulatory requirements. The group remains committed to ensuring sustainable water usage through continuous improvements in wastewater treatment, collaboration with authorities, and strategic investments in infrastructure.

KEY ACTIONS TAKEN IN 2024 AND PLANS FOR THE FUTURE

1. Enhanced water treatment facilities:

- o Norske Skog Golbey upgraded its water treatment facility to accommodate the new packaging paper production line. This investment improves the quality of treated wastewater before discharge and ensures compliance with stricter environmental regulations.
- o Norske Skog Skogn resolved technical challenges at its wastewater treatment plant, restoring optimal performance and reducing the discharge of organic substances and suspended solids.

2. Collaboration with authorities for environmental protection:

- o Norske Skog Skogn collaborates with national and local authorities to protect land and marine resources in the delta of Hotranvassdraget. The partnership with the authorities safeguards aquatic ecosystems especially protecting the bird sanctuary.

3. Long-term climate risk mitigation measures:

- o The group recognises the risk of water shortages in areas like Golbey and Bruck due to climate change. Plans are in place to periodically review climate risks and implement adaptive measures such as water conservation strategies and alternative water sourcing options.
- o In areas where water abundance is expected (Norway and Australia), Norske Skog is preparing strategies to manage excess rainfall and potential flooding that may impact operations and raw material supply chains.

The scope of the actions covers Norske Skog's core production activities, primarily focusing on mills located in high-risk water areas such as Golbey and Bruck. The measures affect to a small degree the upstream suppliers, but affect downstream stakeholders, including local communities and regulatory bodies, by promoting cleaner water discharge and ecosystem protection.

TIME HORIZONS AND REMEDIES

Short-term actions (2023-2025) include completing water treatment upgrades at Norske Skog Golbey, monitoring the new thermomechanical pulp line at Norske Skog Skogn, and continuously improving wastewater treatment efficiency. Medium-term actions (2025-2030) involve implementing further water conservation measures in high-risk mills, upgrading infrastructure, and maintain collaboration with authorities. Long-term actions (2030 and beyond) emphasis on adaptation strategies for climate change-driven water shortages and excess rainfall challenges across all mills.

Norske Skog actively manages permit breaches by working closely with supervisory authorities to address any deviations and implement corrective actions. The resolution of wastewater treatment challenges at Norske Skog Skogn has led to improved water discharge quality, ensuring compliance with local environmental standards.

PERFORMANCE

Quantitative results from 2024 demonstrate the following in wastewater treatment:

- Discharged process water from waste-water treatment slightly increased from 28.1 to 29.7 million m³.
- Organic substance discharges (COD) increased from 7 701 to 9 704 tonnes.
- Suspended solids (SS) increased from 1,711 to 2,701 tonnes.
- Phosphorus (Tot-P) and nitrogen (Tot-N) discharges increased, due to 10% increase in production output.

FINANCIAL AND OTHER RESOURCES ALLOCATED

- Norske Skog has allocated substantial financial resources (about EUR 10 million) towards water treatment upgrades, particularly in Golbey and Skogn, ensuring compliance with evolving regulations and reducing environmental impact.
- Future investments will focus on further efficiency measures, potential water recycling initiatives, and climate adaptation strategies.



Norske Skog Bruck, wood saw table
Photo: Carsten Dybevig

3. Metrics and targets

TARGETS

Norske Skog's commitment to environmental sustainability is underscored by the establishment of robust water and marine resources-related target aligned with international standards and regulatory frameworks. Norske Skog will invest in anaerobic wastewater treatment at all European mills by 2030. Norske Skog has set no specific quantity targets for water consumption or water discharge. The risk factors being potential water shortage and stricter permit levels will be handled individually at each mill and will receive full attention in the long-term horizon.

However, Norske Skog aims to support UN SDG number 6 about water and clean sanitation by improving water quality, reducing pollution, minimising hazardous chemical releases, and adopting sustainable water management. These efforts enhance environmental stewardship, ensure compliance, protect public health, and support long-term sustainability.

WATER CONSUMPTION

In 2024, the total water consumption amounted to 1.76 million cubic meters (m³), marking a 4% decrease from the previous year. The disclosed metrics and related calculation have been updated in accordance with definitions provided in ESRS. This led to a large difference in disclosed figures as the reporting in prior years incorrectly reflected total water input. In 2024 the disclosure has been updated to cover the share of total input that is not discharged back into the water recipient (river/fjord). The total water consumption cover evaporation and water content in sold paper and containerboard products.

A substantial portion of the commitment to sustainable water management lies in using less water but also in recycling and reusing water resources. All Norske Skog mills recycle and reuse considerable amounts of water, equal to ~20% of the water input. This figure has been estimated as there are currently no established KPIs to measure recycled and reused water. This will be implemented during 2025. During 2025 Norske Skog Golbey will increase the share of reused and recycled water to up to 50%.

In accordance with the requirements of ESRS, we applied the Aqueduct Water Risk Atlas tool of the World Resources Institute (WRI) to assess areas of high-water stress. Based on this methodology, no mills are in regions of high-water stress.

Recognising the critical role of process water in operations, Norske Skog have implemented, and will continue to implement, further water conservation and efficiency measures. The approach includes monitoring of water basins' quality and quantity, adhering to established standards and methodologies for data compilation. The data is primarily sourced from direct measurements.

In 2024, Norske Skog had a total water consumption of 2.0 million m³ per million EUR net revenue in own operations. This ratio demonstrates a potential to reduce water consumption per unit of economic output.

In addition to consumption, Norske Skog recognise the importance of water withdrawals and discharges, metrics we have included in this chapter. These aspects are integral to the sustainability strategy, and Norske Skog are actively exploring ways to minimise withdrawals while ensuring responsible discharge management. Through continued diligence and investment in water conservation, Norske Skog aim to further reduce the environmental footprint and contribute positively to the communities and regions where Norske Skog operate.

Norske Skog does not have water consumption in areas at water risk, including areas of high-water stress according to ESRS definition. Norske Skog has not established KPIs tracking recycled and reused water, but will do so going forward. Norske Skog does not store any water.

ANTICIPATED FINANCIAL EFFECTS

As per the ESRS Phase-in option in ESRS E3, we will begin to report on anticipated financial effects from water and marine resources-related IROs in the subsequent years.

E3-4 Water consumption	Metric	Unit	2020	2021	2022	2023	2024	% change 2023-24
Water withdrawals [*]	Volume	million m ³	102 369	109 033	99 441	87 832	84 703	-4%
Water discharge ^{**}	Volume	million m ³	100 265	103 442	98 341	86 816	82 940	-4%
Total water consumption ^{***}	Volume	million m ³	2 104	2 042	1 888	1 509	1 763	17%
Share of the measure obtained from direct measurement, from sampling and extrapolation, or from best estimates	Percent	%	100	100	100	100	100	0%
Water intensity ratio	Intensity	million m ³ /NOK mill	0.28	0.24	0.14	0.13	0.17	31%

^{*} Include the sum of all sources of water drawn into the boundaries of Norske Skog including surface water, ground water, public water as well as water content in wood, pulp, DIP and chemicals.

^{**} Include the sum of effluents and other water sources leaving Norske Skog boundaries including discharged cooling water, treated water from effluent treatment plants.

^{***} Water consumption include the total amount of water drawn into the boundaries of Norske Skog and not discharged back to the water environment or a third party over the course of the reporting period. Sources include water evaporation and water in product.

Biodiversity and ecosystems (ESRS E4)

STRATEGY

In Norske Skog's commitment to sustainable forest industry practices, we are dedicated to aligning our business model with the global efforts to protect and restore nature. Norske Skog will in 2025 complete a transition plan to enhancing the resilience of Norske Skog's operations and contributing positively to biodiversity and ecosystems.

ASSESSMENT OF IMPACTS, DEPENDENCIES, RISKS, AND OPPORTUNITIES

Norske Skog recognises the significant impact its operations have on biodiversity and ecosystems, especially through land and water use changes, raw material harvesting practices, and the emissions associated with industrial production. As a group that depends on ecosystem services like water supply, climate regulation, and protection from natural hazards, it is essential to understand how these impacts can trigger changes in our strategy and business model.

1. Biodiversity and ecosystem impacts:

- o Land and water use change: The demand for fresh water for paper production and potential disruptions due to climate change such as reduced precipitation in regions like Bruck and Golbey pose risks to the availability of this critical resource. In addition, shifts in land use due to the harvesting of raw materials affect local biodiversity, particularly around forest ecosystems.
- o Raw material harvesting: Although 95% of our wood fibre is certified by FSC and PEFC, sustainable sourcing practices are vital for ensuring the conservation of biodiversity, preventing deforestation, and protecting habitats.

2. Dependencies and risks:

- o Water availability and ecological impacts: The water sourcing risks due to climate change, such as increased drought and changing precipitation patterns, are a significant challenge. Water scarcity could trigger both regulatory and operational disruptions, particularly in regions like Golbey and Bruck.
- o Resource scarcity: Overexploitation of forest resources due to climate change, deforestation, and market volatility may impact our wood supply chain, threatening business continuity and driving the need for more diversified and sustainable sourcing strategies.

3. Opportunities for strategy adaptation:

- o Circular economy and resource efficiency: By adopting circular economy principles, we can reduce waste, enhance resource efficiency, and minimise the environmental footprint. Innovations packaging also offer potential avenues for growth while aligning with sustainable practices.
- o Biodiversity conservation initiatives: Collaborating with local stakeholders, certification bodies like PEFC and FSC, and conservation groups, especially in Norway, allows us to enhance habitat restoration efforts and promote sustainable forestry practices. These initiatives align with both environmental regulations and global biodiversity targets.

As such, these biodiversity and ecosystem challenges present not only risks but also opportunities for Norske Skog to enhance its sustainable practices, innovate in product offerings, and strengthen its relationships with stakeholders.

RESILIENCE OF STRATEGY

1. Resilience assessment:

- o Current business model resilience: Norske Skog's business model is relatively resilient to biodiversity and ecosystems-related risks, as it integrates sustainability into its core operations through certified wood sourcing, habitat restoration projects, and a strong focus on minimising water and energy consumption. However, increasing climate change risks (e.g., water scarcity and changing forest conditions) and stricter regulations on biodiversity and ecosystem services require adaptation of the model.
- o Upstream and downstream analysis: The resilience analysis encompasses the entire supply chain, from sourcing certified wood and managing forest habitats to the downstream impacts of product lifecycle and waste disposal. Our commitment to FSC/PEFC certifications, circular economy principles, and collaborating with local stakeholders in areas like Tasmania and Norway strengthens our supply chain resilience.

2. Scope of resilience analysis:

The CEMAsys (2023) analysis includes the operations of Norske Skog's mills, with a particular focus on the water risks at all our mills, as well as the sourcing of raw materials. The entire value chain is considered, especially in relation to the potential scarcity of forest resources and ecological threats such as deforestation and soil erosion.

3. Key assumptions:

- o Water availability and ecological impact: Assumes that climate change will lead to more frequent water shortages in some regions, which will require a shift toward more closed-loop systems and water conservation strategies.
- o Forest health: Assumes continued dependence on certified and sustainably sourced wood fibre, with increasing emphasis on forest restoration and biodiversity conservation initiatives.
- o Regulatory landscape: Assumes that global and local policies regarding biodiversity and deforestation will become more stringent, necessitating better traceability and reporting practices in the supply chain like the EU's Directive on Deforestation requiring traceability of wood log geo-location in the finished product declaration from 2026.

4. Time horizons:

The CEMAsys resilience water availability analysis covers both short-term (1–5 years) and long-term (10–30 years) time horizons. There is no immediate risks of water shortage, due to water availability and regulatory permits, while the long-term horizon considers concludes with less water availability causing water shortage and restrictive governmental water conservation programs. The certification bodies like PEFC and FSC will have to consider the broader impacts of forest regeneration, climate change adaptation, and biodiversity restoration efforts in revision of their standards.

5. Results of the resilience analysis:

- o Short-term resilience is moderately high due to existing sustainability practices and certifications, but risks related to water availability and forest resource scarcity remain a concern.
- o Long-term resilience is dependent on proactive climate adaptation strategies, ongoing collaboration with stakeholders, and continuous improvements in resource efficiency and circularity. These initiatives are critical to maintaining business continuity in the face of biodiversity and ecosystem-related risks.

6. Stakeholder involvement:

- o Indigenous and local knowledge: In regions like Tasmania, Norske Skog engages with local authorities and environmental organisations to ensure that biodiversity conservation initiatives are informed by local knowledge and practices. Similarly, in Norway, Norske Skog collaborates with local regulatory authorities and environmental agencies to ensure sustainable water and forest management practices.
- o Consultation with experts: Ongoing consultations with environmental authorities and experts, industry associations (e.g., CEPI, TFB, FSC and PEFC), and conservation groups ensure that Norske Skog's strategies are aligned with best practices and global biodiversity frameworks.

ALIGNING WITH GLOBAL INITIATIVES

In alignment with the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy for 2030, Norske Skog commits to achieving its biodiversity and ecosystem-related goals by 2050. Our strategy integrates climate change adaptation and biodiversity conservation into the business model through improved resource efficiency, water management, sustainable sourcing, and habitat restoration. By supporting global biodiversity goals, Norske Skog aims to minimize its impact on ecosystems and align with planetary boundaries related to biosphere integrity and land-use change.

Norske Skog is committed to maintaining transparency in reporting the progress towards these goals and engaging with stakeholders to ensure that the strategy remains adaptable to the evolving environmental landscape.



Norske Skog Boyer, wastewater treatment plant
Photo: Carsten Dybevig

2. Impacts, risks and opportunities

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short term	Medium term	Long term
Ecosystem services							
Dependency on natural resources: sourcing of wood	Risk	x			x	x	x
Norske Skog has mills that are entirely dependent on sourcing of wood, which causes a risk due to possible future scarcity of forest resources. The availability may be affected by overexploitation due to high demand, deforestation issues, climate change, loss of biodiversity, erosion and high and volatile market price of wood. Also social conflicts, such as land use disputes, stricter environmental regulation and revised certification mechanism will affect the sourcing of wood.							
Dependency on natural resources: process water	Risk	x			x	x	x
The availability of fresh water for the process to produce publication paper and packaging paper is a business risk for Norske Skog. Higher temperatures regardless of future climate scenario, the climate change will result in precipitation changes. Some mills will encounter periods with increased drought, uneven rainfall and shrinking waterfall causing a risk of not having adequate water to justify industrial production before the general public. Lack of water resources may cause ecological and biodiversity threats followed by stricter water usage restrictions.							
Land degradation							
Degradation of land through felling of forests	Impact, negative	x			x	x	x
Norske Skog consumes large quantities of forest resources which is having a negative impact on the climate. The felling of forest has several negative impact on degradation of land. This exacerbates loss of sequestration through loss of CO2 absorption and release of stored carbon. In addition, the logging cause deforestation and thus soil erosion and loss of soil fertility. Other consequences are loss of biodiversity and ecosystems imbalance. Without proper climate actions, it may trigger reduced regrowth and irreversible transformations of land.							

The environment is affected by deforestation, loss of biodiversity, depletion of non-renewable raw materials, excessive use of fossil solutions. The entire value chain may meet stricter permit levels regarding logging methods, means of transportation, production process and content of finished goods.

Norske Skog's operations have notable impacts on biodiversity and ecosystems, primarily in the operations and across the value chain. Key areas of concern include:

1. Operations:

- o All sites are linked to water use, wastewater discharge, and raw material harvesting, all of which affect local ecosystems.
- o Forest sourcing, governed by FSC/PEFC certifications, aims to mitigate environmental risks, though poor logging practices can cause habitat loss, species disruption, and soil degradation.

2. Upstream and downstream:

- o Upstream: The sourcing of certified fibre (95%) helps reduce risks of deforestation and forest degradation. However, climate change and overexploitation threaten long-term fibre availability.
- o Downstream: Norske Skog collaborates with customers to minimise impacts during the product lifecycle, especially through recycling and waste management practices.

Impacts on business model:

- Current risks:
 - o Sourcing of wood: Forest overexploitation and habitat destruction could disrupt supply chains, increasing costs and impacting production.
 - o Water availability: Climate change may lead to water shortages, affecting operations, especially in areas like Bruck and Golbey.
- Anticipated risks:
 - o Regulatory pressures: Stricter environmental regulations could raise operational costs and harm the company's reputation.

- o Supply chain disruptions: A shortage of raw materials, driven by climate change and deforestation, could lead to cost volatility.

Responses:

- o Norske Skog is adapting by focusing on sustainable forest management, water system improvements, and closer collaboration with certification bodies to safeguard biodiversity.

Effects on people and the environment:

- People: Operations may harm local communities through pollution and deforestation, affecting health and livelihoods. Increased sourcing costs may impact job security.
- Environment: The main environmental effects include biodiversity loss, habitat destruction, and climate change exacerbated by deforestation.

Norske Skog's strategy and business model:

Norske Skog's strategy emphasizes sustainability with a focus on fibre certification, circularity, and biodiversity protection. The company integrates biodiversity risks into its long-term planning with an eye on reducing environmental impacts and ensuring resource availability.

Time Horizons:

- o Short-Term (0-5 years): Immediate challenges include regulatory changes and water scarcity.
- o Medium-Term (5-10 years): Tighter certification standards and enhanced biodiversity monitoring will shape business decisions.
- o Long-Term (10+ years): Risks like raw material depletion and water shortages may necessitate a business model shift, potentially toward alternative bio-products and increased finished product circularity.

The group's environmental policy aims to ensure resilience against biodiversity risks. Its focus on renewable energy, sustainable sourcing, and reforestation strengthens long-term business resilience.

Main disclosures:

- Material sites: Key sites in Skogn, Halden, Golbey, and Bruck are focused on water management and sustainable harvesting, with specific attention given to biodiversity-sensitive areas in proximity to the sites..
- Land degradation: Forestry practices are designed to minimize land degradation, although unsustainable practices may still contribute to soil erosion.

- Impact on threatened species: The Forest Owner Association, from whom we purchase the wood, monitors and mitigates effects on endangered species through restoration projects in collaboration with the authorities, certification bodies, and wildlife organisations.

This analysis highlights Norske Skog's commitment to reducing environmental impacts while maintaining a resilient strategy that addresses biodiversity, climate change, and resource sustainability.



Photo: Carsten Dybevig

3. Impact, risk and opportunity management

POLICIES

Norske Skog's environmental policy guides biodiversity and ecosystems management, focusing on raw material sourcing, water use, pollution control, and biodiversity preservation. The group ensures sustainability through responsible forest management, FSC/PEFC certification, and deforestation minimisation. Regular monitoring includes annual performance reviews by the board, with business units tracking progress and reporting deviations. This aligns operations with global environmental goals like the Paris and Montreal Agreements.

The policy covers Norske Skog's entire value chain, emphasising biodiversity-sensitive areas near forests and water. It promotes sustainable forestry, pollution control, and circular economy principles. All stakeholders, including employees, suppliers, communities, and regulators, must adhere to high environmental standards. The board and senior management oversee implementation, ensuring compliance with evolving regulations like the EU's EUDR and ISO 14001. Norske Skog engages stakeholders through transparent dialogue and publicly shares policy details, reinforcing employee awareness via training programs.

DISCLOSURES

Aligned with ESRS 2 and ESRS E4, Norske Skog's policies address biodiversity risks and sustainable sourcing, ensuring raw materials contribute to ecosystem resilience. The group monitors biodiversity, mitigates climate risks (water availability, deforestation, habitat loss), and follows global sustainability agreements. Operations in biodiversity-sensitive areas adhere to stringent conservation and sustainable forestry standards, minimising marine and aquatic impacts through responsible water management. Committed to zero deforestation, Norske Skog balances economic growth with environmental and social responsibility.

ACTIONS AND RESOURCES

Norske Skog addresses the material negative impact, and the two risk factors related to biodiversity and ecosystems in the following manner:

Material negative impact: degradation of land through felling of forest

(a) Key Actions taken and planned for the future

1. Sustainable forestry practices:

- o Action taken: Norske Skog has collaborated with the value chain, forest associations, environmental organisations, and governing bodies like FSC and PEFC to ensure responsible sourcing of wood fibre.
- o Expected outcomes: Reduced impact on biodiversity in the surrounding forests, with an emphasis on forest regeneration and ecosystem preservation.
- o Future plans: Continue strengthening partnerships with forest certification bodies and expand monitoring of forest health in collaboration with partners in the value chain.
- o Policy contribution: Contributes to the achievement of sustainable forestry practices, supporting SDG 15 (Life on Land).

2. Reforestation and habitat restoration:

- o Action taken: Active reforestation and habitat restoration projects have been initiated, including transferring significant areas of birdlife habitats to the Norwegian Environmental Agency (Skogn).
- o Expected outcomes: Restoration of biodiversity, including the protection of endangered species. Improved carbon sequestration.

- o Future plans: expand reforestation efforts, especially in areas affected by forest harvesting.
- o Policy contribution: Supports SDG 13 (Climate Action) by promoting carbon absorption through restored habitats.

3. Wildlife monitoring and water management:

- o Action taken: Regular wildlife monitoring and water quality assessments are conducted, especially in Norway, in collaboration with the National Authorities and Norwegian Institute for Water Research (NIVA).
- o Expected outcomes: Protection of local wildlife and improved water quality in nearby fjords and rivers.
- o Future plans: Expand monitoring efforts, focusing on water ecosystems and long-term biodiversity impacts.
- o Policy contribution: Contributes to SDG 6 (Clean Water and Sanitation) and SDG 15 (Life on Land).

The scope of actions covers Norske Skog's global operations, including facilities in Norway, France, Austria, and Australia. The focus is on sustainable sourcing of wood fibre through certification schemes like FSC, Controlled Wood, and PEFC. Direct stakeholders include forestry value chain partners, environmental NGOs, local regulatory authorities, and the communities surrounding the mill sites. Norske Skog works closely with local authorities, conservation organisations, and community groups to support remediation efforts. Sustainable forestry practices and reforestation are ongoing with continuous improvements and specific milestones set for the next 3-5 years to increase forest regeneration, while wildlife and water management involve ongoing monitoring with a major review every 2 years to assess biodiversity and ecosystem recovery.

Risk Factor 1: Availability of water resources

(a) Key actions taken and planned for the future

1. Water usage management:

- o Action taken: Norske Skog monitors water usage and quality in all its production sites.
- o Expected outcomes: By implementing a closed-loop water system in certain facilities, Norske Skog aims to ensure that water availability remains stable despite potential climate changes.
- o Future plans: Expansion of water recycling systems and implementation of closed-loop systems to reduce dependency on external water sources.
- o Policy contribution: Supports SDG 6 (Clean Water and Sanitation) and contributes to more efficient resource usage in the face of climate change.

2. Engagement in climate action initiatives:

- o Action taken: The company is actively participating in industry groups that focus on climate change mitigation and water preservation.
- o Expected outcomes: Reduced environmental footprint and improved resilience to water scarcity.
- o Future plans: Increasing participation in regional climate action groups to drive collective efforts on water conservation.
- o Policy contribution: Helps mitigate climate risks and supports SDG 13 (Climate Action).

The scope of actions covers facilities in regions at risk of water scarcity, especially Bruck and Golbey, and involves collaboration with local governments, environmental groups, and water resource management bodies. Water

management systems involve immediate actions with completion expected within the next 2 years for closed-loop water systems, while climate action participation is ongoing with key milestones every 3 years to track progress.

Risk factor 2: Dependency on natural resources: sourcing of wood

(a) Key actions taken and planned for the future

1. Sustainable sourcing and certification:

- o Action taken: 95% of purchased fibre is certified through FSC and PEFC, ensuring that wood is sourced from responsibly managed forests.
- o Expected outcomes: Reduction in deforestation and forest degradation, contributing to the long-term sustainability of wood fibre supply.
- o Future plans: Reach 100% of certified wood sources, collaborating with forest owners in reaching the target, and strengthen partnerships with forest certification organisations.
- o Policy contribution: Contributes to SDG 12 (Responsible Consumption and Production) and SDG 15 (Life on Land).

2. Monitoring and enhancing raw material harvesting:

- o Action taken: Continuous monitoring of raw material sourcing and improvements to harvesting practices.
- o Expected outcomes: Improved environmental impact from wood fibre sourcing and a reduction in land degradation.
- o Future plans: Expand efforts to improve sourcing practices and engage in industry-wide initiatives to reduce overexploitation.
- o Policy contribution: Supports SDG 12 and SDG 15.

The scope of actions focuses on Norske Skog's supply chain, particularly in regions where deforestation and overexploitation are concerns, involving sourcing partners, certification bodies (FSC, PEFC), and local communities affected by forestry practices. Sustainable sourcing is ongoing with full certification of all wood fibre by 2027, while raw material harvesting monitoring is ongoing with incremental improvements every 2-3 years.



4. Metrics and targets

TARGETS

Norske Skog's commitment to environmental sustainability is underscored by the establishment of robust biodiversity and ecosystems-related targets aligned with international standards and regulatory frameworks.

In 2020 Norske Skog established a set of ambitious targets to mitigate negative environmental impacts, enhance positive contributions to biodiversity, and manage material risks and opportunities associated with its operations. These targets align with the group's environmental policy and are designed to address its material dependencies, risks, and impacts across the entire value chain, ensuring a sustainable and responsible approach to forestry and paper production.

No new targets have been defined in 2024. In 2025 Norske Skog will evaluate updating targets in accordance with elements of MDR-T in ESRS for material IROs.

REDUCTION OF NEGATIVE IMPACTS

Norske Skog has committed to ensuring that 100% of the wood used across all mills is certified under internationally recognized schemes such as FSC and PEFC. This target directly supports the group's policy objectives by promoting sustainable forestry practices, reducing deforestation risks, and preserving biodiversity. The baseline for this target was set in 1995, with the goal of achieving full compliance by 2030. This commitment applies to all mills, including Norske Skog Skogn, Norske Skog Golbey, Norske Skog Bruck, Norske Skog Saugbrugs, and Norske Skog Boyer, ensuring sustainable sourcing and minimal ecosystem disruption.

To further limit negative environmental impacts, Norske Skog has set a goal of sending zero ash to landfill by 2030. This absolute target is measured in tonnes of ash diverted from landfills and is part of the company's broader circular economy efforts.

Additionally, Norske Skog continuously monitors its water usage and wastewater treatment efficiency. The group aims for 100% of its production process waste to be treated through wastewater systems, reducing pollution and mitigating risks associated with industrial water discharge. Compliance with the EU Water Framework Directive ensures that all discharged water meets regulatory standards, protecting local ecosystems and aquatic biodiversity.

ENHANCING POSITIVE IMPACTS

Norske Skog actively contributes to ecosystem restoration through habitat conservation initiatives. The company has undertaken reforestation projects and habitat restoration efforts in partnership with organisations such as FSC and PEFC. At Skogn, a significant birdlife area has been transferred to the Norwegian Environmental Agency, demonstrating Norske Skog's commitment to preserving biodiversity in industrially affected regions.

In Tasmania, Norske Skog Boyer sources wood exclusively from sustainably managed plantations, ensuring that no native forests are exploited. The company's collaboration with local environmental authorities supports conservation efforts, reinforcing its role in maintaining biodiversity at a regional level.

MANAGING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Norske Skog recognizes the risks posed by climate change and resource scarcity. Freshwater availability is a critical factor in production, and climate change-induced droughts pose a significant operational risk. To mitigate this, the group has implemented water efficiency measures and invested in wastewater treatment technologies. Norske Skog Saugbrugs, for instance, collaborates with The Norwegian Institute for Water Research (NIVA) to monitor and mitigate potential impacts on local water bodies.

The group also acknowledges the risk associated with forest resource availability due to overexploitation and regulatory changes. By securing long-term agreements with certified suppliers and prioritising PEFC/FSC-certified wood, Norske Skog aims to minimize exposure to sourcing risks and ensure sustainable supply chains.

STAKEHOLDER INVOLVEMENT AND SCIENTIFIC BASIS

All targets set by Norske Skog are based on conclusive scientific evidence and aligned with international environmental frameworks, including the Paris Agreement and the Montreal Agreement. The group engages with stakeholders, including investors, regulators, and environmental organisations, to ensure that targets are robust and feasible. Targets are monitored through regular internal audits, third-party verifications, and annual reporting.

By setting these ambitious goals, Norske Skog aims to balance industrial growth with environmental responsibility, ensuring that its operations contribute positively to biodiversity conservation while mitigating climate risks and resource dependencies.

Performance metrics and targets in tabular format

Baseline value (year)	Target level	Measurement unit	Target year	Current progress
98% (2023)	100%	% of certified wood used	2025	99% achieved
Baseline (2022)	0%	Tonnes of ash sent to landfill	2030	Ongoing
Ongoing	100%	% of production waste treated	Continuous	Compliant with EU standards
Ongoing	Reduced water use	m³ per tonne of paper	Continuous	Implemented at all mills
Achieved	100% sustainable plantations	% of sourced wood	Continuous	Fully compliant
Ongoing	Active reforestation projects	Number of hectares restored	Continuous	Various projects in progress

METRICS

Norske Skog consumes large quantities of forest resources, which has a notable impact on climate and land degradation. The logging of forests reduces carbon sequestration, leading to increased CO₂ emissions and stored carbon release. Additionally, deforestation contributes to soil erosion, loss of soil fertility, biodiversity loss, and ecosystem imbalances. If not mitigated through sustainable forestry practices and climate action, this could lead to reduced regrowth rates and irreversible transformations of land.

Risk 1: Water availability for production processes

Norske Skog relies on fresh water for the production of publication and packaging paper. Climate change-induced temperature rises are expected to alter precipitation patterns, leading to periods of drought, inconsistent rainfall, and shrinking water sources. This poses a business risk as it may result in water shortages that impact production capacity and raise concerns over industrial water usage compared to public needs. Additionally, water scarcity could trigger ecological and biodiversity risks, leading to stricter regulations on water usage.

Risk 2: Availability of forest resources

Norske Skog's mills are dependent on a consistent supply of wood. The availability of forest resources is threatened by overexploitation, deforestation, climate change, biodiversity loss, erosion, and fluctuating wood prices. Social conflicts, such as land use disputes, stricter environmental regulations, and revised certification mechanisms, could further impact sourcing, making it more challenging to secure sustainable raw materials.

NORSKE SKOG'S APPROACH TO BIODIVERSITY AND ECOSYSTEM CONSERVATION

Norske Skog acknowledges the impact of its global operations and associated value chain on biodiversity and ecosystem services. The primary drivers of nature loss related to its business include land and water use changes, climate change, pollution, and raw material harvesting practices. The group is responsible for managing ecosystem risks within its operations and broader business activities.

Stricter regulations on biodiversity and ecosystems could impact Norske Skog's financial standing, increasing costs and potentially affecting investor confidence. As a result, Norske Skog follows stringent national and international laws to minimize its environmental footprint.

BIODIVERSITY MANAGEMENT BY REGION

Halden, Skogn, and Golbey:

- Implementing sustainable forestry practices in collaboration with FSC and PEFC to ensure responsible wood sourcing and habitat preservation.
- Engaging in reforestation and habitat restoration projects, including transferring significant land areas to environmental agencies.
- Conducting regular wildlife impact assessments and implementing mitigation measures as necessary. Monitoring of water recipients is carried out in accordance with the EU Water Framework Directive.

Bruck:

- Following strict environmental management systems that integrate biodiversity conservation into operational practices.
- Collaborating with local conservation organisations to identify and protect biodiversity hotspots.

Tasmania:

- Ensuring no wood fibre is sourced from native forests, relying solely on sustainably managed plantations.
- Partnering with environmental organisations and Tasmanian authorities to support biodiversity conservation efforts.

REPORTING AND MONITORING OF BIODIVERSITY IMPACTS

To ensure transparency and accountability, Norske Skog discloses material biodiversity impacts through verifiable and scientifically robust metrics. The company assesses its operations not in proximity to biodiversity-sensitive areas and implements strategies to minimise negative effects Norske Skog reports the status annually.

METHODOLOGIES AND ASSUMPTIONS

- Metrics and scope: Norske Skog applies internationally recognised methodologies to assess biodiversity impact, covering corporate business units, site-level operations, and raw material sourcing.
- Data reliability: The group relies on a mix of primary, secondary, and modelled data sources, supplemented by expert judgment.
- Regulatory compliance: Metrics are aligned with EU biodiversity directives, FSC, PEFC certifications, and other relevant environmental regulations.
- Monitoring and adaptive management: Biodiversity data is updated continuously, ensuring adaptive strategies are implemented to mitigate identified risks.

BIODIVERSITY BASELINE AND THRESHOLDS

Norske Skog establishes biodiversity baselines based on planetary boundaries and ecological thresholds. Continuous monitoring ensures that any significant environmental changes are addressed through adaptive management. The group works with regulatory agencies, scientific institutions, and industry associations to maintain compliance and improve biodiversity conservation efforts.

By integrating biodiversity management into its long-term sustainability strategy, Norske Skog aims to mitigate negative environmental impacts while ensuring responsible forest resource utilisation. Norske Skog's commitment to 100% certified wood sourcing, habitat restoration, and sustainable water management underscores its proactive approach to biodiversity conservation.

FINANCIAL EFFECTS

Norske Skog exercises the right, as per the ESRS Phase-in option, to begin reporting on this disclosure in the subsequent year.

Resource use and circular economy (ESRS E5)

1. Impacts, risks and opportunity management

		Location in value chain			Time horizon			
		Upstream	Own operations	Downstream	Short term	Medium term	Long term	
Impacts, Risks and Opportunities (IRO)		Type						
Resource inflows including use								
Utilisation of renewable and recycled resources in production of products		Impact, positive						
Norske Skog uses renewable and recycled resources in the production of finished goods, which have several positive impacts on the environment up- and downstream in the value chain. By reusing the finished goods and using renewable resources, Norske Skog lowers the carbon footprint and help store carbon in the product life cycle. Recycling materials also help establish circular economy in which materials are being reused encouraging reduced demand for virgin raw materials. In addition, less waste is being sent to landfill by reusing materials lessening environmental contamination.								
Availability of recycled fibre for production of products		Risk						
Because the authorities' climate change policy encourage use of recycled fibre in the production of paper products, it is a risk that there will be scarce availability at sustainable price level to produce paper products due to the purchasing power of our customers. Also, the use of recycled fibre may find other alternatives to paper products causing scarcity.								
Resource outflows related to products and services								
Production waste		Impact, negative						
Waste generated from the production process, if not properly managed, can have several negative environmental impacts. Landfilling production waste, such as bark, sludge, and ash, can contribute to soil and water contamination, releasing harmful substances into surrounding ecosystems. Additionally, decomposing organic waste in landfills produces methane, a potent greenhouse gas that contributes to climate change. Improper waste disposal can also disrupt local biodiversity and ecosystems by altering soil composition and contaminating water sources.								

Norske Skog's commitment to sustainability and circular economy principles is deeply embedded in its business model, operations, and upstream and downstream value chains. The group's use of renewable and recycled resources, waste-to-energy initiatives, and waste utilisation for product development contribute significantly to reducing its environmental footprint while enhancing economic efficiency. However, there are also risks associated with the availability of recycled fibre for production due to market demand and policy influences.

Through strategic attention on optimising raw material use, energy efficiency, and waste reduction, Norske Skog demonstrates a strong commitment to sustainable business practices. The approach ensures resilience to external risks while reinforcing its competitive position in the evolving global market for renewable and recycled materials.

POLICIES

Norske Skog's resource use and circular economy policy is designed to reduce environmental impact by increasing the use of recycled and renewable resources. Implementation is closely monitored through environmental management systems and annual sustainability reporting to ensure continuous improvement.

The policy applies to the entire value chain, encompassing raw material sourcing, production processes, and end-of-life product management. All business units are required to comply with resource efficiency guidelines, and there are no significant exclusions from this policy.

Accountability for the policy rests with the board of directors, which provides oversight, while corporate management is responsible for its implementation at the operational level. Norske Skog aligns its practices with internationally recognised third-party standards, including ISO 14001, FSC, PEFC, and the EU's Zero Pollution Action Plan, ensuring adherence to best environmental practices.

Stakeholder engagement is a critical component of the policy. Norske Skog actively collaborates with governmental bodies, NGOs, suppliers, and customers to align interests and drive sustainability improvements across the industry. To maintain transparency, the policy is publicly available through sustainability reports and corporate documentation.

A key aspect of Norske Skog's sustainability strategy is the transition from virgin to recycled resources and sustainable sourcing. Norske Skog continuously enhances its recycling processes to increase the use of

secondary fibers and reduce dependence on virgin materials. Additionally, Norske Skog ensures that all raw materials come from sustainably managed forests, with a strong preference for FSC- and PEFC-certified wood.

To address material impacts, risks, and opportunities (IROs) throughout the value chain, Norske Skog prioritises sustainable forestry practices and responsible supplier selection upstream. Within the operations, Norske Skog emphasises waste minimisation and circularity in production. Downstream, Norske Skog works to improve the recyclability of its finished products and actively promotes customer participation in circular initiatives.

Norske Skog adheres to the principles of the waste hierarchy, focusing first on waste prevention through efficient material use. Norske Skog encourages the reuse of byproducts wherever possible and maximises fibre recovery through recycling. Waste-to-energy initiatives further contribute to resource efficiency, while disposal is treated as a last resort to minimise landfill impact.

Circular economy principles are deeply embedded in Norske Skog's operations. Norske Skog prioritises material repurposing over recycling to extend product life cycles and designs eco-friendly products that enhance recyclability and circularity. Through these efforts, Norske Skog reinforces its commitment to sustainability, ensuring resource efficiency and a reduced environmental footprint across its entire value chain.

ACTIONS AND RESOURCES

Norske Skog is committed to optimising resource use and advancing circular economy principles throughout its operations. Norske Skog has undertaken several key actions to achieve its sustainability objectives, focusing on increasing the utilisation of renewable and recycled resources, minimising waste, and maximising resource efficiency across the value chain.

One of the primary initiatives is the increased use of renewable and recycled materials in the production of its goods. By integrating these materials, Norske Skog effectively reduces its carbon footprint while supporting a circular economy where resources are reused, thereby lowering the demand for virgin raw materials. This practice also mitigates environmental contamination by reducing landfill waste. Norske Skog has observed a growing market demand for products derived from recycled and renewable sources, particularly as governmental policies impose tariffs on fossil-based alternatives. By meeting this demand, Norske Skog actively contributes to climate mitigation efforts by reducing reliance on high-carbon-footprint materials.

Another key initiative involves utilising waste as an energy source for both Norske Skog's operations and local communities. By repurposing production waste, including bark, gas, and materials from wastewater treatment plants, Norske Skog ensures that waste serves as a valuable energy source rather than contributing to landfill accumulation. This practice aligns with Norske Skog's sustainability commitments by preventing environmental degradation and reducing harm to ecosystems. Similarly, Norske Skog is utilising waste materials for product development, particularly through the production of biogas and the repurposing of ash from energy plants as a substitute for cement. This approach not only reduces emissions but also minimises the demand for materials with a high carbon footprint, such as traditional cement.

Despite these positive impacts, Norske Skog acknowledges the risk associated with the availability of recycled fibre for production. Climate change policies encourage increased use of recycled fibers in paper production, potentially leading to supply shortages and unsustainable price levels. Additionally,

alternative uses for recycled fibre could divert resources away from paper production, exacerbating the scarcity issue. Norske Skog continuously monitors market conditions and collaborates with industry partners to mitigate these risks.

To implement and sustain these initiatives, Norske Skog has established Corporate Standards with detailed environmental and societal performance improvement guidelines. Environmental considerations are integrated into strategic and operational decisions, with oversight provided by the board of directors. Business units are tasked with implementing actions that align with energy efficiency and resource utilisation targets, ensuring that production processes remain efficient and environmentally responsible.

A core focus of Norske Skog's sustainability strategy is maintaining high yield efficiency in raw material and energy use. All raw materials are sourced from sustainably managed forests, with rigorous certification standards in place to ensure compliance. Norske Skog actively participates in climate change mitigation efforts by promoting circularity in raw materials, finished goods, and waste resources. By continuously investing in innovative recycling and energy recovery technologies, Norske Skog is enhancing its environmental performance while supporting industry-wide sustainability advancements.

In its 2023 annual report, Norske Skog highlighted its commitment to resource use optimisation and circularity, emphasising key achievements such as recycling approximately 79% of its finished goods one of the highest rates within the EU. Norske Skog has also begun producing containerboard exclusively from recycled paper and developing bio-composites to replace fossil-based plastics. Additionally, its energy recovery initiatives have allowed it to reuse production waste efficiently, with sludge from wastewater treatment plants repurposed as an energy source for bio-boilers.

Looking ahead, Norske Skog will continue to implement and expand its circular economy initiatives, including further investments in renewable energy deployment, waste recovery, and sustainable material sourcing. Norske Skog aims to identify new applications for ash generated in its energy plants to reduce landfill disposal. By adhering to its sustainability commitments and continuously improving its environmental performance, Norske Skog reinforces its leadership in sustainable resource management and circular economy innovation.

3. Metrics and targets

TARGETS

Norske Skog has set ambitious targets aligned with our commitment to resource efficiency, circular economy principles, and sustainability relating to the three IROs. These targets serve as guiding benchmarks to reduce negative impacts, drive positive impacts, mitigate risks, and foster innovation across our operations and throughout our value chain.

In 2020, Norske Skog established targets to reduce negative environmental impacts, advance positive contributions, and manage material risks and opportunities within its operations. These targets align with its resource use and circular economy policies and are fundamental in ensuring sustainable and responsible operations across all business units. No new targets have been defined in 2024. In 2025 Norske Skog will evaluate updating targets in accordance with elements of MDR-T in ESRS for material IROs.

RECYCLED FIBRE

One of the primary targets is to achieve 100% recycled fibre as raw material in packaging paper products. This initiative supports Norske Skog's commitment to circular economy principles, reducing dependency on virgin raw materials and lowering the carbon footprint of production. The scope of this target applies to all packaging paper production across Norske Skog's operations, and progress is measured relative to current levels of recycled fibre usage. The baseline for this target is derived from prior years' data on fibre sourcing, with full achievement anticipated by a defined milestone year. Norske Skog has a production capacity of 210 000 tonnes of packaging paper as of 2024 but will scale up production to 760 000 tonnes of packaging paper by 2027, all based on recycled fibre.

CERTIFIED WOOD

Another key target is to ensure that 100% of the wood used in Norske Skog's mills is certified. This objective relates to sustainable sourcing and the cascading principle of renewable resource use. The certification process guarantees that all fresh fibre originates from responsibly managed forests, in alignment with national and international sustainability goals. The scope includes all mills utilising fresh wood fibre, with Chain of Custody certification systems in place to track compliance. The baseline is Norske Skog's current 96% certification level, with the goal of reaching full compliance in the near future.

WASTE MANAGEMENT

- **Ash:** In addressing waste management, Norske Skog aims for zero ash sent to landfill. Instead, ash will be repurposed for industrial applications, such as cement substitution and agricultural use. This initiative falls within the waste hierarchy principles, prioritising reuse and recycling over landfill disposal. Currently, 53% of ash is still landfilled, but Norske Skog is working to identify new applications and align with regulatory frameworks to minimize this percentage over time.
- **Waste production process:** The group has also committed to ensuring that 100% of production process waste undergoes wastewater treatment. This measure enhances environmental performance by preventing contamination and supporting the recovery of valuable materials such as biogas. The initiative is absolute in nature and applies to all Norske Skog mills globally, with a clear methodology in place for monitoring and reporting compliance.

BUILDING MATERIAL

Another crucial target is that all inbound building materials to energy plants must be certified. This ensures responsible sourcing and aligns with national and EU sustainability policies. Norske Skog collaborates with suppliers and

stakeholders to guarantee compliance, reinforcing transparency and accountability in the supply chain. The certification process helps minimize environmental risks and aligns with broader sustainability initiatives in the industry.

REPORTING

Norske Skog monitors the effectiveness of these targets through structured evaluation processes, including internal audits and external third-party verifications. Progress is internally reported periodically and external reporting annually, ensuring transparency and alignment with environmental policies. Metrics and methodologies are refined based on internal system data, regulatory requirements, and stakeholder expectation to ensure continued progress toward sustainability objectives.

These targets are a combination of mandatory and voluntary commitments, with certain initiatives driven by regulatory expectations and others by Norske Skog's ambition to lead in sustainable resource management. By integrating these goals into the production, sourcing, and waste management practices, Norske Skog reinforces a role in fostering a circular economy and mitigating climate change impacts.

RESOURCE INFLOWS

Norske Skog is committed to responsible resource use, ensuring that raw materials are sourced sustainably while optimising efficiency throughout the production process. The primary inputs in our operations include fresh wood fibres, sawmill chips, recovered paper, purchased pulp, and inorganic fillers or coatings. These materials are sourced through a combination of direct procurement from certified suppliers and the integration of secondary materials to support a circular economy. The group prioritises the use of certified wood, with 99% of roundwood fibres and sawmill chips originating from sustainably managed forests under FSC and PEFC certification schemes. This commitment supports biodiversity preservation and reduces the environmental impact associated with raw material extraction.

The methodologies used to determine resource inflows are based on direct measurement, supplier certifications, and verified tracking systems. Fibre sourcing is conducted through a Chain of Custody (CoC) certification process that ensures compliance with international sustainability standards. The use of recovered paper and secondary materials is integral to Norske Skog's strategy to reduce dependency on virgin resources. In 2024, 0.7 million tonnes of recovered paper were used, contributing significantly to the circularity of the production process. Additionally, sawmill chips accounted for 9% of fresh fibre inputs, promoting resource efficiency by utilising industry by-products.

The total material usage in Norske Skog's operations during the reporting period was 1.8 million cubic meters of fresh fibre (0.85 million tonnes), supplemented by 0.7 million tonnes of recovered paper. The overall weight of inorganic fillers and coatings utilised was 144 960 tonnes. The breakdown of material inputs per mill highlights variations based on geographic location, production capacity, and available resources. For instance, the Norske Skog Skogn mill processed 842 000 million m³ (315 809 bdt) cubic meters of roundwood, whereas Norske Skog Golbey relied entirely on recovered paper as a fibre source. Such diversity in input sourcing aligns with Norske Skog's strategic objective of minimising transport distances and optimising material use.

A key component of Norske Skog's sustainability approach is the transition towards greater use of recycled materials in packaging paper production.

Norske Skog has set ambitious targets, including achieving 100% recycled fibre in its packaging paper products and ensuring that all wood used is certified. This aligns with broader industry goals and regulatory frameworks aimed at reducing reliance on virgin materials and enhancing circularity. The integration of nanocellulose and bio-composites into production at the Norske Skog Saugbrugs mill further exemplifies innovation in sustainable material use, substituting fossil-based plastic materials with renewable alternatives that can be recycled and reused.

In terms of material sustainability, the proportion of secondary or recycled materials in Norske Skog's production processes is substantial. The average recycling rate for finished goods stands at approximately 79%, the highest within the EU according to CEPI figures. Additionally, containerboard production is exclusively using recovered paper, reinforcing the group's commitment to a circular economy. Methodologies for assessing material use include supplier declarations, third-party certifications, and internal tracking systems that provide accurate and verifiable data. As Norske Skog continues to innovate and implement sustainability measures, resource efficiency and material circularity remain core priorities driving its environmental performance.

RESOURCE OUTFLOWS

Norske Skog is committed to optimising resource use and fostering a circular economy in its operations, ensuring that material flows are effectively managed to minimise waste and maximise recirculation. The company's approach is centered on efficient utilisation of raw materials, sustainable product design, and continuous process improvements. By integrating circularity principles into production, Norske Skog enhances resource efficiency, reduces waste, and promotes sustainability throughout its value chain.

RESOURCE OUTFLOWS AND MATERIAL BREAKDOWN

The primary products of Norske Skog's production processes are publication paper and packaging paper, both of which are designed with circularity in mind. In 2024, Norske Skog produced 1 516 533 tonnes of paper, utilising 1 793 338 m³ (701 766 bdt) of roundwood and 376 995 m³ (146 232 bdt) of sawmill chips, with a certification rate of 99%. Additionally, 688 086 tonnes of recovered paper were used as raw material, ensuring significant contributions to circularity. By leveraging both fresh fibre and recovered paper, Norske Skog balances sustainability with operational efficiency. The company also consumes 144 960 tonnes of inorganic fillers or coatings, which contribute to paper quality and performance.

A key aspect of Norske Skog's commitment to circularity is the recycling and reuse of production residues. Approximately 47% of the waste generated in 2024 was repurposed as biofuel in bio boilers, significantly reducing reliance on fossil fuels. In Europe, 55% of production waste was utilised for energy recovery, while in Australia, 58% was repurposed for agricultural applications. The sludge from wastewater treatment plants serves as an energy source, and ash from bio boilers is repurposed for use in cement and fertilizer applications. The ash generated from the combustion process totaled 109 264 tonnes, with efforts underway to find additional applications to reduce landfill dependency.

CIRCULARITY IN PRODUCT DESIGN AND WASTE MANAGEMENT STRATEGY

Norske Skog employs circular principles in its product design, ensuring that finished goods are recyclable and reusable. Norske Skog collaborates with partners in the upstream value chain, forest owner's suppliers, and other industry suppliers to improve forest management and increase the share of certified fibers. The production of containerboard exclusively from recycled paper products proves to Norske Skog's dedication to sustainability. On average, 79% of Norske Skog's finished goods are recycled, making it one of the highest recycling rates in the European market according to the European Paper Recycling Council (EPRC) in 2023.

Norske Skog's waste management strategy focuses on minimising landfill waste and maximising resource recovery. In 2024, only 15% of total production waste was sent to landfill, with the remainder repurposed for energy, construction materials, or agricultural use. Norske Skog generated 413 tonnes of hazardous waste, which was disposed of through authorized national collection systems. The company aims to further reduce hazardous waste through process improvements and enhanced resource recovery methods.

METHODOLOGIES AND REPORTING METRICS

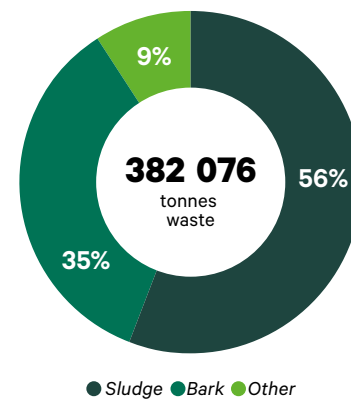
Norske Skog employs rigorous methodologies to assess and report on circularity and waste management. Norske Skog adheres to internationally recognised certification standards, including ISO 9001 and 14001, ensuring compliance with environmental regulations and industry best practices. Waste and emissions data are collected through direct measurement at production facilities, with periodic audits to verify accuracy.

By continuously refining methodologies and investing in sustainable technologies, Norske Skog is well-positioned to achieve its targets of 100% certified wood usage, zero ash to landfill, and complete integration of production waste into circular systems. Norske Skog remains committed to fostering a more sustainable and resource-efficient paper industry.

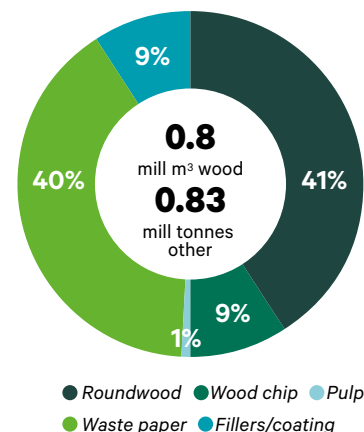
ANTICIPATED FINANCIAL EFFECTS

Norske Skog exercises the right, as per the ESRS Phase-in option, to begin reporting on this disclosure in the subsequent year.

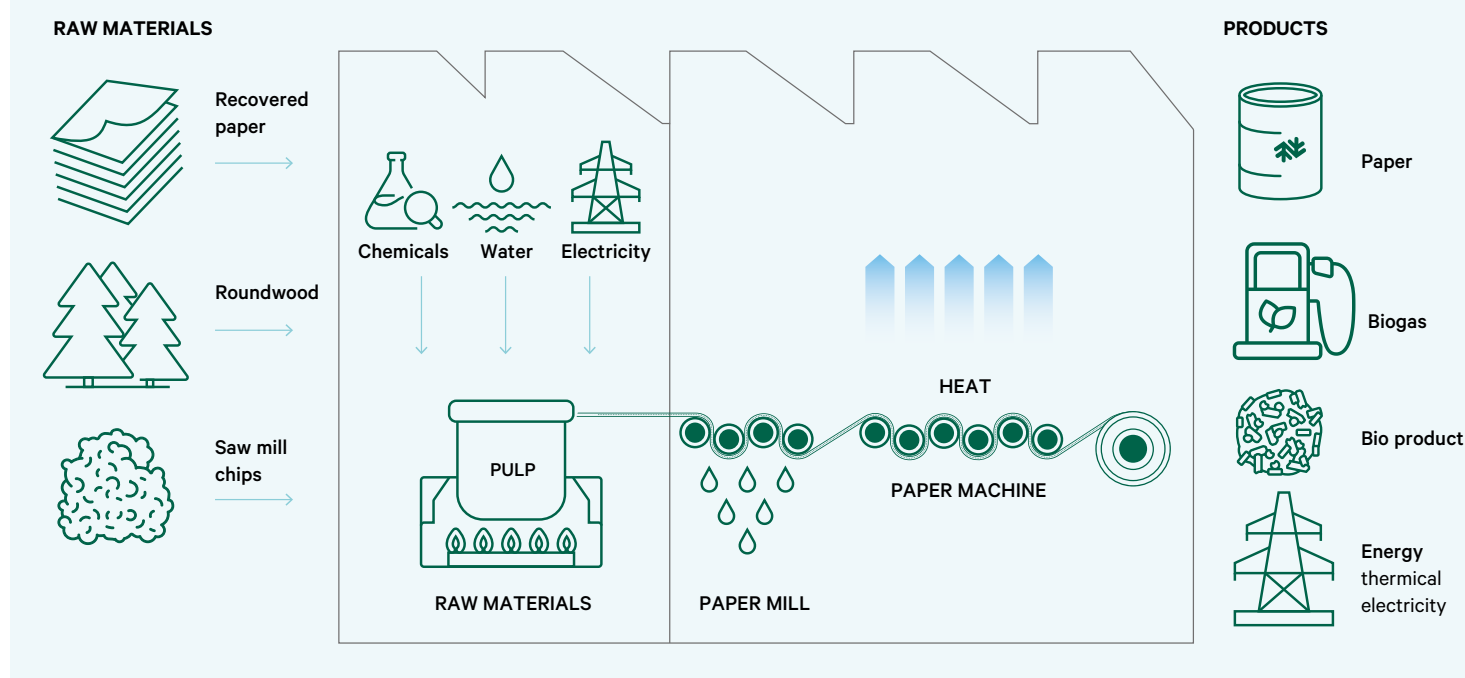
SOURCES PRODUCTION WASTE



CONSUMPTION OF RAW MATERIALS



Production process



Explanation to the diagram:

The highly simplified diagram above illustrates the paper production process. Main input materials are wood and/or recovered paper, as well as energy and chemicals. Wood and recovered fibres are separated during pulp production in two different processes.

Pulp production based on recovered paper consumes less energy than production from fresh fibre because the fibres in recovered paper are more

easily separated than those within wood. In the paper machine, the pulp passes along a web, firstly through a wet section, then a press section and finally through a drying section. The paper is finally rolled up on reels, and then cut to the sizes ordered by the customer. During this process, more than 90% of the wood fibres in trees are converted to paper products.



Norske Skog Skogn
Photo: Carsten Dybevig

E5 - 4 Resource inflows	Unit	2022	2023	2024	% change 2023-24
Total	bdt*	1 815 124	1 504 498	1 703 950	13%
Roundwood	bdt*	886 032	646 620	701 766	9%
Wood chips	bdt*	146 232	108 320	146 232	35%
Pulp	bdt*	21 157	17 236	22 906	33%
Waste paper	bdt*	565 783	596 171	688 086	15%
Fillers/coating	bdt*	195 921	136 151	144 960	6%
Certified wood fibre, FSC/PEFC**	%	94%	98%	99%	1%

* bone dried tonnes (bdt). Standard measurement unit for fresh fibre in the wood processing industry

** Roundwood, chips, pulp

E5 - 5 Resource outflows	2022	2023	2024
Products put on market - recovered paper in containerboard production			
Norske Skog Bruck, Austria		100%	100%
Total Norske Skog group		100%	100%
Recovered paper in newsprint production	2022	2023	2024
Norske Skog Bruck, Austria	77%	0%	0%
Norske Skog Golbey, France	68%	100%	100%
Norske Skog Skogn, Norway	12%	12%	6%
Total Europe	39%	45%	40%
Norske Skog Boyer, Australia	0%	0%	0%
Total Norske Skog group	34%	39%	34%
Recovered paper in magazine production	2022	2023	2024
Norske Skog Bruck, Austria	19%	23%	20%
Norske Skog Saugbrugs, Norway	0%	0%	0%
Norske Skog Boyer, Australia	0%	0%	0%
Total Norske Skog group	7%	7%	7%

E5 - 5 Resource outflows - waste	Category/type	Unit	Total		
			2022	2023	2024
Waste generated		tonnes			
Non-hazardous waste diverted from disposal		tonnes	122 927	142 116	142 116
Recycling	Ash used in agriculture	tonnes	27 098	40 701	36 822
Recycling	Ash used in cement	tonnes	16 779	15 093	14 471
Recycling	Bed ash and other waste categories to recycling,	tonnes	79 050	86 322	90 823
Non-hazardous waste directed to disposal		tonnes	283 225	239 717	239 547
Incineration	Energy recovery, on site - sludge, bark	tonnes	223 165	181 585	178 615
Landfilling	Ash, plastic,	tonnes	60 060	58 132	60 932
Hazardous waste directed to disposal		tonnes	382	498	413
Landfilling	Asbestos to safe handling in municipal landfill	tonnes	-	-	54
Other disposal operations	Waste oil, electronics, paint etc. delivered collectors	tonnes	382	498	359
Non-recycled waste*		tonnes	283 606	240 214	239 960
Percentage of non-recycled waste*		%	70%	63%	63%
Total amount non-hazardous waste			406 152	381 833	381 663
Total amount hazardous waste			382	498	413
Total amount of waste			406 533	382 331	382 076

* Energy recovery is not included in definition of recycling in ESRS

2

SOCIAL



Own workforce (ESRS S1)

1. Strategy

		Location in value chain			Time horizon				
		Upstream	Own operations	Downstream	Short term	Medium term	Long term		
Impacts, Risks and Opportunities (IRO)		Type							
Working conditions									
Industrial accidents		Impact, negative			x		x	x	x
Norske Skog has a negative impact on the health and safety of own workforce related to relevant risks within our industry and type of operations. Employees working in operations (process operators) are exposed to heavy machinery, hot media, harmful chemicals and risk of fires 24/7 due to shift work and continuous operations. This can lead to work related accidents and loss of life. Process operators are exposed to highest risk and other employee categories at mill sites are exposed to moderate risk. The negative impact is systemic for our industry.									
Advocate for improved working conditions through freedom of association*		Impact, negative			x		x	x	x
Freedom of association, collective bargaining and work councils has a strong position our industry, especially in France, Norway and Austria where the majority of Norske Skog employees are located. The existence of work councils and collective bargaining has a positive impact on worker's ability to advocate for improved working conditions such as working time and wages.									
Equal treatment and opportunities for all									
Attract and keep top talent through training and skills development		Risk			x		x	x	x
Norske Skog is dependent on expertise and knowledge of its employees for value creation. By investing in apprentice programs, cooperate with educational institutions and offer technical and soft skills training throughout the career Norske Skog has identified an opportunity to attract and keep top talent (opportunity evolving from a risk).									
Poor gender diversity		Risk			x			x	x
The rate of female workers in the process industry and in Norske Skog is low compared to other sectors. Poor gender diversity can lead to reputational risk and negatively impact recruitment, customers and financing. The risk is considered systemic and derived from the impact "poor gender diversity".									

* The following sub-sub-topics have been combined into one sub-sub-topic, "Freedom of association and collective bargaining" as they overlap and often addressed as one topic:

1) Freedom of association, the existence of works councils and the information, consultation and participation rights of workers

2) Collective bargaining, including rate of workers covered by collective agreements

3) Social dialogue

The Norske Skog group aims to build a strong, secure and safe organisation founded on our core values, and our work to ensure their safety, fair treatment, and rights is central to this.

The double materiality assessment identified material impacts, risks and opportunities in relation to the following topics.

HEALTH AND SAFETY

Health and safety has the highest priority for Norske Skog, twenty-four hours a day, seven days a week. The process industry and production of pulp, paper and containerboard is exposed to inherent health and safety risks due to use of heavy machinery, hot media, chemicals and risk of fires. More than 95% of our workforce work in our production plants and the majority of these carry out key functions related to production processes. Norske Skog is committed to provide a safe working environment for our employees, contractors, and visitors.

WORKING CONDITIONS

Ensuring our employees' rights to a safe workplace, decent working conditions including working hours, conditions of employment and wages is key to

employee wellbeing and a thriving business. Norske Skog is committed to practice openness, honesty and cooperation in dialogue with employees and has a long history of formal agreements with elected employee representatives all levels in the organisation, on the exchange of information and consultation. The group has developed a policy on cooperation with elected employee representatives.

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

Having a workplace where all employees feel included and motivated is important for employee wellbeing. Norske Skog's goal is to maintain a business-oriented, international organisation that attracts and retains highly competent and motivated employees on all levels. We strive to give people the opportunity to grow personally and professionally in a stimulating working environment.

The below disclosures set out our policies, actions, metrics and targets to address these topics.

All materially affected members of our workforce are included in the scope of this disclosure.

We have identified the following material impacts affecting our workforce through our double materiality assessment:

INDUSTRIAL ACCIDENTS (HEALTH & SAFETY)

Most of our workforce work in our plants where they face dangers such as exposure to heavy machinery, potential exposure to harmful chemicals, and hazardous equipment 24/7 due to shift work and continuous operations. This can lead to accidents causing injury or loss of life. This negative impact affects workers in all of Norske Skog mills and is considered systemic. Process operators, employees working in servicing and maintenance, on-site logistics and construction workers (contractors) are exposed to health and safety hazards. This actual, negative impact occurs over the short, medium and long-term.

A strong health and safety culture is directly connected to our business model and strategy and a key contribution from Norske Skog to Sustainable Development Goal 3 on "Good health and wellbeing". Norske Skog is committed to provide a safe working environment and has a long-standing history of continuous learning through the health and safety programme at the mills called "Take care 24/7". The programme receives high continued support across all operations and is supported by policies, procedures, training, risk analysis root cause analysis and best practice sharing between mills and in the industry.

WORKING CONDITIONS

Freedom of association, collective bargaining and work councils has a strong position our industry, especially in France, Norway and Austria where most Norske Skog employees are located. Globally, more than 90% of Norske Skog's workforce are covered by collective bargaining agreements. The existence of work councils, collective bargaining has a positive impact on worker's ability to advocate for improved working conditions such as working time and wages.

The impact reflects Norske Skog's values of openness, cooperation and honesty and is part of Norske Skog's approach to an inclusive and attractive workplace. The actual, positive impact is in own operations and occurs over the short, medium and long-term.

TRAINING AND SKILLS DEVELOPMENT

Norske Skog is dependent on expertise and knowledge of its employees for value creation. By investing in apprentice programs, cooperate with educational institutions and offer technical and soft skills training throughout the career, Norske Skog has identified an opportunity to attract and keep top talent (opportunity evolving from risk).

This opportunity evolves from a risk related to recruitment of new employees. Investment in training and skills development increases employee job satisfaction, reduces voluntary turnover rate and reduces recruitment costs. The opportunity is related to own operations and occurs over the short, medium and long-term.

GENDER EQUALITY – POOR GENDER DIVERSITY

The rate of female workers in the process industry and in Norske Skog is low compared to other sectors. Shift work and unfavorable working hours have been explanations for the low female share. In 2024, the female share of the total workforce was 13%, the same share as in 2023. Poor gender diversity can lead to reputational risk and negatively impact recruitment.

Norske Skog is committed to search for female talents for a wider range of roles in our company. Norske Skog recognises that further improvement is needed, and we believe that our new strategic growth Initiatives will be instrumental in terms of diversity.

The risk is considered systemic in our industry, is related to own operations and occurs over the short-, medium- and long-term.



Norske Skog Bruck, packaging paper machine
Photo: Carsten Dybevig

2. Impact, risk and opportunity management

POLICIES

Norske Skog's core values of openness, honesty and cooperation as well as our policies and guidelines build on the UN Universal Declaration of Human Rights and the 10 principles of UN Global Compact.

Steering Guidelines

The Norske Skog Steering Guidelines is the overarching administrative document for the Norske Skog group and provides the fundament for our ethical, legal and sustainable conduct. It defines expectations of own employees and applies to all employees, including temporary personnel, who perform work for a company in the Norske Skog group. Norske Skog expect similar conduct and ethical standards from our customers and suppliers, as well as in partnerships, joint ventures and partially owned companies.

The Steering Guidelines addresses Norske Skog's commitment to a safe workplace, respect for labour rights and freedom of association, fair working conditions, personal and professional development and equal treatment and opportunities for all. As such the Steering Guidelines govern Norske Skog's approach to material impacts, risks and opportunities defined under S1.

In addition, the Steering Guidelines addresses the committed to respecting fundamental labour rights and constructive employee relations through strict adherence to international frameworks and conventions including the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Fundamental Principles and Rights at Work and to local legislation where we have operations. This includes the commitment to non-harassment and discrimination on the basis of gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age or political opinion. It also includes support for human rights and care for vulnerable groups and commitment to promote equal opportunities, diversity and inclusion by providing equal employment opportunities and treat all employees fairly and with respect.

Norske Skog's business units have a high degree of independence and accountability. Local managers are responsible and accountable for decisions and results within their units. However, Norske Skog apply a uniform basis for our operations across countries and cultures with respect to HESQ (health, environment, safety and quality), people development, financial reporting and legal compliance. In these areas, our conduct shall be based on the same principles to promote a unified Norske Skog group.

The Steering Guidelines is available on Norske Skog's webpage and its complementary documents, such as corporate standards and procedures, are available on the intranet. Steering Guidelines | Norske Skog <https://www.norskeskog.com/sustainability/governance/steering-guidelines>

The Steering Guidelines have been approved by the board of directors of Norske Skog AS and the guidelines and its supporting documents are subject to regular review and robust policy governance.

Health & Safety

The Steering Guidelines are complemented by the following HSE documents, which are available on our intranet:

Health, safety and security:

- Norske Skog Health & Safety Standards
- Norske Skog Health & Safety Procedures

Norske Skog Health and safety standard covers all operations, throughout Norske Skog, which have the potential to adversely affect the health and safety of people, including employees, contractors, visitors and the public.

This objective of this standard is:

- Define the minimum requirements for the Health and Safety Systems at all levels of operation,
- Provide a framework for Health and Safety Systems measurement,
- Encourage a consistent approach to Health and Safety Systems,
- Assist with the identification and sharing of current best practice between Mills
- Provide the mills the opportunity to assess themselves against the Standards and continually improve their systems,
- Enable inter-mill reviews to provide an external perspective and recommendations for improvement.

This standard and related Norske Skog Health & Safety Procedures mandates reporting of all personal injuries with absence (H1 and H2 cases), insurance cases (damage), security breach, critical unwanted incidents including fires and near misses shall be reported within 24 hours to local and corporate management.

Root cause analysis of such incidents to continuously improve our health and safety performance is mandatory. Reporting shall always be followed by a report in Synergi Life, an operational risk management tool from DNV GL which Norske Skog has used for years. Synergi, is also a source for the transfer of experience and sharing of best practices and form the basis for our internal HSE audits.

Norske Skog has monthly Management Focus Report (MFR), which is distributed to all business units for internal distribution and includes type of injury and rates of injury, occupational disease rate, lost working days due to accidents, absenteeism, total number of work-related personal injuries and fatalities, by region and business unit.

Norske Skog Supplier Code of Conduct also requires our suppliers ensure worker safety in line with applicable International Labour Standards.

The CEO is accountable for implementation of the policy, which is subject to periodic internal audit review to ensure it remains effective. All incidents are escalated to group management level for information and guidance purposes. All our business units also have local health, safety and environmental (HSE) forums where the company and trade unions have regular meetings to address local HSE issues. At these meetings, there should be an equal number of representatives from the company and the employees, with as many different groups as possible from within the organisation represented. If the organisation has Occupational Health Services, it should also be represented on the committee. Occupational Health Services should be an advisory and independent body and represent the interests of both the employer and the employees.

Norske Skog believe that issues relating to health, safety and the environment must be fully integrated into all our activities at every level and not managed as a separate and distinct function. That is why everyone working in Norske Skog – whether an employee or contractor – is accountable for the health, environmental and safety performance.

Freedom of association/cooperation with employee representatives

The Steering Guidelines are complemented by the following people and organisational documents, which are available on Norske Skog's intranet:

- Agreement IndustriALL Global Union
- The Norwegian National Collective Agreement between The Confederation of Norwegian Enterprise and the Norwegian Labour Union

Norske Skog has signed and is committed to adhering to the Agreement IndustriALL Global Union, fully supporting the individual employee's right to join a trade union and acknowledging the unions' rights according to international conventions and national regulations. Our commitment to respecting the freedom of association is embodied in the Global Framework Agreement on the Development of Good Working Relations, concluded by Norske Skog and the IndustriALL Global Union. Additionally, Norske Skog respects and supports the human rights of all individuals potentially affected by our operations and subscribes to the United Nations Global Compact principles.

Our Norwegian business units operate under the Norwegian National Collective Agreement between The Confederation of Norwegian Enterprise and the Norwegian Labour Union. This agreement ensures fair and equitable working conditions, upholding workers' rights in alignment with national labor laws and international labor standards.

Furthermore, Norske Skog's Norwegian business units have signed the IA Agreement, which is designed to promote a more inclusive workplace by reducing sickness absence rates and increasing job attendance for all employees. The IA Agreement is a collaborative effort based on tripartite cooperation between the Norwegian government, The Confederation of Norwegian Enterprise, and the Norwegian Labour Union. Although the IA Agreement is a distinctly Norwegian framework, our non-Norwegian business units operate under similar conditions, aiming for an inclusive and supportive work environment.

The IA Agreement and Norske Skog's operational objectives include developing measurable targets to prevent sickness and absence, as well as establishing verifiable activity benchmarks to ensure a proactive and professional approach to both preventive and reactive healthcare within the company. The agreement outlines implementation measures and conflict resolution mechanisms to maintain a stable and healthy working environment. To supplement our policy framework, Norske Skog has established formal agreements with elected employee representatives to facilitate information exchange and consultation at all levels of our organisation. These representatives play a critical role in advocating for the collective interests of our workforce, identify improvements, discuss and define targets while also supporting individual employees in safeguarding their rights.

However, the most valuable collaboration remains direct, face-to-face communication and employee involvement in daily operations. This fosters openness, visible leadership, and a corporate identity built on respect for each employee as an individual.

To ensure efficiency and evaluate the effectiveness of these policies, each Norske Skog mill has a structured and transparent process for cooperation, information sharing, and consultation, based on local legislation and agreements. A formal agreement is in place with all local unions in Norway to define the structure and process for handling information and consultation on common issues related to our business and operations.

The CEO is accountable for implementing the Agreement IndustriALL Global Union policy and ensuring compliance with the Norwegian National Collective Agreement and IA Agreement. These commitments are subject to periodic internal audit reviews to maintain their effectiveness and alignment with Norske Skog's broader corporate responsibilities.

All employees of Norske Skog are paid an adequate wage, in line with applicable benchmarks. All employees are covered by social protection, through public programs or through benefits offered by Norske Skog, against loss of income due to any of the following major life events: sickness, unemployment, employment injury and acquired disability, parental leave, retirement,

Training and development

Norske Skog believe in developing people through their entire employment period in Norske Skog by providing training, job enrichment and career opportunities. This commitment is addressed in the Norske Skog Steering Guidelines.

Training and development at Norske Skog is focused on structured on the job training which provide rewarding achievements, excellent career development opportunities and good results for the group. A central element in our approach to training, development and recruitment is the advanced programs for apprentices run by all mills. These programs are the preferred source when recruiting to our business and a key contribution from Norske Skog to Sustainable Development Goal 4 on "Quality Education".

Mechanisms to monitor and report the effectiveness of this commitment include reporting on targets related to apprentice programmes and recruitment of new ordinary employees recruited from apprentice programs. To support the policy commitment on training and development for all employees, Norske Skog has implemented processes and routines for assessing people performance and creating professional development plan for employees.

Gender diversity

The Steering Guidelines cover our commitment to equal treatment and opportunities for all including the commitment to promote gender diversity. Mechanisms for managing, monitoring and reporting the effectiveness of this include reporting of female representation in general workforce and leadership positions.

Engaging with our workforce

As described in the section about policies in chapter S1, dialogue and feedback mechanisms with our employees is crucial to ensure a workplace that meets the needs and demands of our workforce and creates an environment where people thrive every day. It is also vital to ensure our employee's perspectives are considered when making decisions and developing policies, actions, metrics and targets and therefore is undertaken both in reflection of and sometimes in advance of the development and implementation of employee-related policies.

Mills monitor the progress and the wellbeing of our employees through regular employee engagement survey. This is available to all employees. Results from the surveys are shared with local mill management and with teams for follow up. The local head of human resources is responsible for all overseeing workforce engagement – this includes monitoring the actions implemented in response to the survey and undertaking periodic evaluations to evaluate their effectiveness.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

Norske Skog has a reporting channel in place for all employees and non-employees to report concerns and complaints. This is aligned to the UN Guiding Principles on Business and Human Rights effectiveness criteria. Reports can be submitted by email to compliance@norskeskog.com.

It is an important principle under the Steering Guidelines that the reporting in good faith by employees of actual or suspected breaches or other concerns within Norske Skog shall not have adverse consequences for the relevant employee's employment relationship with Norske Skog. It is equally important to avoid misuse of the reporting mechanisms, which leads to unfounded or unfair treatment or negative consequences for employees.

The Steering Guidelines are complemented by the following documents, which are available on our intranet:

- Norske Skog Reporting Routine
- Form for receiving a report on non-compliant circumstances

We ensure employees are aware of this channel by incorporating them into management touchpoints and throughout the onboarding process. For matters of legal or financial impropriety we also have in place whistleblowing policies and procedures.

We take any issues raised seriously, and all reports are treated with utmost sensitivity, and confidentiality is protected as far as possible. When a grievance is received, we conduct a due diligence process to collect facts about the case, and when verified, we seek to remedy any adverse impacts. The type and nature of remedial action will depend on the nature of the impact.

The Senior Vice President General Counsel informs the corporate management and board of directors about grievances raised on an annual basis to understand any trends over time, and monitor the effectiveness of the system. We track trust in these mechanisms via dialogue with the local human rights and compliance officers in the mills and regional sales offices.

ACTIONS

Health & safety

To meet the commitment to a safe and healthy workplace Norske Skog actions focus on building a strong health and safety culture. Safety culture is built over time and require continuous focus, maintenance and development to remain effective.

To supplement our policy framework, Norske Skog has a health and safety programme at the business units, called "Take Care 24 hours". The programme is adapted to different cultures and local requirements where we operate and shall always meet the requirements of our health and safety standards for international activities. Two mills, Norske Skog Saugbrugs and Norske Skog Bruck, hold management system certificates for health and Safety (ISO 45001).

There are many elements that make up good health & safety management systems and all mills have regular reviews of plant & equipment integrity, legal compliance and safe working procedures. Equal important is to measure the more intangible elements like leadership commitment, communication or employee participation and safe working behaviour. Widespread awareness is integral to the management and prevention of safety hazards. Actions related

all elements are in place in all mills and serve to reduce safety hazards. Additionally, the health & safety policy and management system is available to all staff via the intranet.

Norske Skog continue to evolve and improve its health and safety programme.

Below is a list of actions that was carried out in the reporting year related to health and safety targets (S 1-5);

Zero injuries:

- New PPE directive related to handling of hot media: Ongoing implementation of the new PPE directive on hot media rolled out in all mills.
- Maintenance and repair: Improved routines for maintenance- and cleaning stops due to identified high risk procedures at identified mills.
- New procedures: Draft and implement new procedures and staff training for new facilities and operations at Bruck and Golbey mill.
- Visible leadership: Increased focus on safety walks centred around process observation and behaviour, documentation and standards for H&S leadership.
- Awareness-raising campaigns: Several mills have rolled out awareness-raising campaigns related to Norske Skog health and safety programme "take care 24/7".

Reduce sick leave:

- Medical centres: Continued operations of BU medical centres
- Well-being: initiatives initiated at mills offering local fitness services, social events

Knowledge sharing:

- Internal knowledge network: regular meetings with health and safety managers from European mills focused on review of risk and sharing of best- practices.
- Training: Evaluation of mill health and safety training with increased focus on new production processes and facilities at Bruck and Golbey.

These, and other local actions rolled out by the mills, help us to improve how we address health & safety impacts, risks and opportunities. Norske Skog continues to monitor the effectiveness of management systems and evaluate necessary actions to keep all employees safe.

Freedom of association/cooperation with employee representatives

Throughout the year, business units have remained focused on measures that can support improved working conditions. Actions include:

- Adjustment of wages based on job description and responsibilities in cooperation with labour unions
- Employee surveys mapping working environment, mental and physical stress and employee well being
- Dialogue with employee representatives and unions related to organisational changes, reduction in workforce and temporary employment

In addition to attractive working conditions, several of Norske Skog mills offer employees' pension- and insurance plans, subsidised lunch and gym access.

To support Norske Skog's policy commitment and target to invest in our employees, business units have implemented planned actions in the following areas in 2024:

INVEST IN OUR PEOPLE THROUGH TRAINING AND DEVELOPMENT

Employee training and development plans varies depending on job profiles, type of machinery and individual needs. Education and training are part of the annual cycle at all mills. Local human resource management and respective divisions keep track of all planned training and update schedules according to needs. New employees are assigned to training programs according to their job profile.

Over the last two years Norske Skog has been setting up a containerboard knowledge network group to prepare the workforce for entering the packaging paper market. Actions in this area has been maintained during 2024 and is related to the business model and strategy of the group to diversify its operations in new growth markets.

ATTRACT AND KEEP TOP TALENT

All business units cooperate with selected schools, colleges, and universities in their region. The engagement embraces annual activities such as mill visits, project work, diploma theses, trainee, and apprentices' programs. Norske Skog takes pride in delivering advanced programs for apprentices. These programs are the preferred source when recruiting to our business.

All mills are increasing their efforts related to talent acquisition and development. Key actions in the reporting year include dialogue and awareness raising with managers. This includes approaches to stimulate mid-level managers to improve the completion rate for annual performance reviews and development plans. The mills are working to identify challenges and solutions to further improve the execution of annual performance reviews development plans in 2025.

Gender diversity

Norske Skog mills are responsible for implementing local measures related to inclusion and diversity, including gender diversity to support Norske Skog's

policy commitment. All mills work systematically with locally defined annual action plans and roll out appropriate measures.

Some mills have established Inclusion and Diversity Committees that hold the main responsibility for this work. These committees typically consist of the chief union representative, the chief safety delegate, representatives from management, and HR (i.e., a joint committee). The committee has regular meetings and works to investigate and evaluate risks of discrimination, plan and implement measures. The committees are responsible for rolling out annual initiatives aimed at strengthening diversity, preventing discrimination, and creating an inclusive culture in the workplace.

An important part of the work to ensure equality and improve gender diversity in the workplace takes place during recruitment processes (internal and external).

In 2024, actions implemented in the mills have been focused on:

- Actively collaborating with educational institutions so that we become visible to students early in their education. Especially the opportunities available in vocational education, with a particular focus on recruiting female employees.
- Motivating female employees to take on leadership positions, especially process operators
- Ensuring that unconscious bias regarding gender, ethnicity, orientation, age, and disability do not appear in the recruitment process.
- Objective tests and selection criteria are applied used in the recruitment to ensure that all candidates are evaluated on equal measures.

Norske Skog mills are actively working to increase the proportion of female employees, and some mills have defined targets to increase the proportion of women in their workforce and leadership positions.

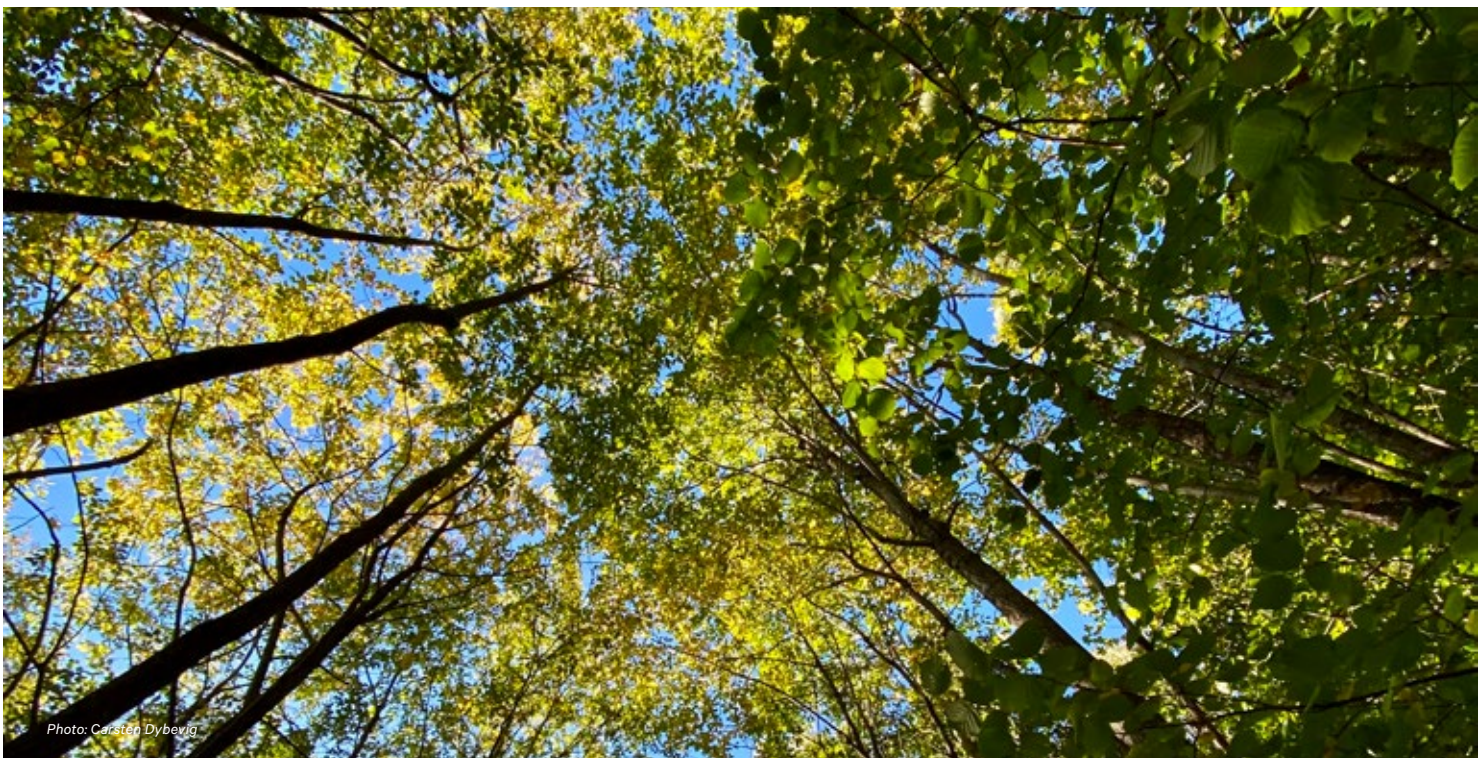


Photo: Carsten Dybevig

3. Performance, metrics and targets

TARGETS

Health & safety targets

Norske Skog has set the following targets to meet the commitment to a safe and healthy workplace and to support Sustainable Development Goal 3

related to “Good health and wellbeing”. The targets were set in 2020 and the scope include all employees and contractors. During 2025 Norske Skog plans to review targets in accordance with elements of MDR-T in ESRS.

Focus area	Ambition/area	Target	Planned actions
Health & safety	Increase job attendance for all employees	Reduce absenteeism	<ul style="list-style-type: none"> • Provide medical assistance for injuries • Provide health and wellbeing programmes for employees
	Health & safety	Reach zero personal injuries (H1 and H2)	<ul style="list-style-type: none"> • Develop leadership training program • Perform regular self-assessments to identify areas of improvement
	Inspire others to learn from our occupational health and safety standards	Share knowledge through relevant professional forums and industry organisations	<ul style="list-style-type: none"> • Participate in and share knowledge with membership association like Federation of Norwegian Industries and CEPI (Confederation of European Paper Industry) • Review and develop internal e-Learning HESQ-material for local training • Focus on Contractor Management contracts

Working conditions targets - Freedom of association/cooperation with employee representatives

Norske Skog's target related to working conditions are covered by our targets related to health and safety and training and development.

Training & development targets

The Norske Skog group aims to be an attractive employer in our communities where we operate. In 2020 we defined the following targets to support our ambitions to attract and keep top talent. Norske Skog plans to review targets and related planned actions in 2025.

Focus area	Ambition/area	Target	Planned actions
Learning and development	Attract and keep top talent	Achieve at least 75% of new hired skilled workers to be recruited from apprentices programs by 2025	Implement advanced apprentice programs and extended training programs at all mills.
		Offer ten trainee positions or internships for master degree students annually	Cooperate with local schools and selected universities about relevant programs
	Invest in our people through training and development	Provide training modules for technical core skills, soft skills and compliance skills	Offer training and supplementary education for all through their entire job career
		Achieve a 100% completion rate for annual performance reviews and development plans.	Stimulate mid-level managers to carry out performance reviews and annual plans for training and development

Gender diversity

Norske Skog operates in a male-dominated industry. Improving the share of female employees is a focus area in recruitment of new employees. The Norske Skog group has not set formal targets at group level in this area.

ACCOUNTING POLICIES

Characteristics of own employees

Annual metrics reported in this chapter represent status per end of December for each year.

Employee data on headcount is reported monthly in Adaptive, Norske Skog's finance reporting tool. Reporting on own workforce include full-time employees, temporary employees, non-guaranteed hours employees, apprentices and internal resources.

External contractors are considered non-employees in Norske Skog's workforce and include people not on Norske Skog payroll running their own business or being employed by a contractor, agency or supplier company working on a regular basis within the unit.

Full-time employees mean employees on ordinary/permanent employment contract with Norske Skog. This includes employees on leave, holiday, and sick absence but still on payroll. Employees on non-paid leave are included as long as they have a formal employment with Norske Skog.

Temporary employees are employees on a temporary contract with Norske Skog covering vacancies, holidays, projects, temporary workloads or other special reasons. Temporary employees include apprentices.

Apprentices are normally younger people who are recruited on a temporary employment contract with the main objective to develop their professional skills and competence. Normal working tasks and responsibilities, "on the job training", might be a part of their development activities. This includes trainees, apprentices or graduates on special graduate programs. Apprentices can be fully or partly financed by external or public sources.

Top management is defined as employees in the following levels of the organisation; corporate management team, mill management team and Hub MD and inside sales managers. Other management is defined as management level below top management that include personnel responsibility.

Breakdown of employee data by gender and employment type is reported by headcount for 2024. Data for 2023 and 2022 is reported by FTE. Employment type by gender and age group for 2022 and 2023 has been estimated based overall gender split.

Health and safety

Reporting of incidents, root cause analysis and related data is reported in Synergi Life, an operational risk management tool from DNV GL.

Rate of recordable work-related accidents (TRI): This includes total number of fatalities, lost time injuries, substitute work, and other injuries requiring treatment by a medical professional per million hours worked (H1 in Norway). Lost days due to work-related injuries, ill-health, accidents and fatalities (LTI): This includes lost time injuries per million working hours (H2 in Norway).

Social dialogue and collective bargaining

Data is reported to corporate head quarter as part of the ESRS reporting on an annual basis in Adaptive, Norske Skog's finance reporting tool. Data reporting started in Adaptive for 2024. Data for 2022 and 2023 was collected from entities in excel based reporting tools.

Employees covered by collective bargaining agreements are those individuals to whom Norske Skog is obliged to apply the agreement. Data for 2024 has been reported by headcount in adaptive, data for 2023 and 2022 is covering permanent employees only.

Workers' representatives mean trade union representatives, namely representatives designated or elected by trade unions or by members of such unions. Data has been reported in adaptive for 2024 and estimated for 2023 and 2022.

Training and development

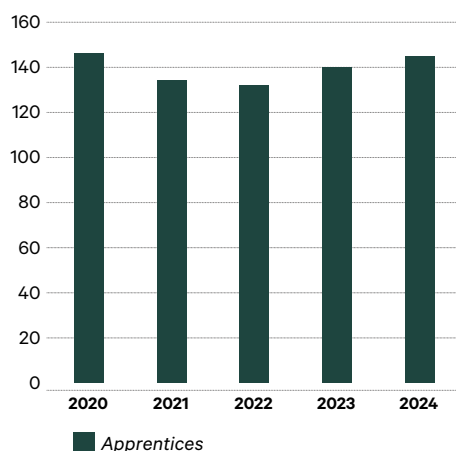
Data is reported to corporate head quarter as part of the ESRS reporting on an annual basis in Adaptive, Norske Skog's finance reporting tool. Data reporting started in Adaptive for 2024. Data for 2022 and 2023 estimated based on 2024.

Training hours have been estimated on hours allocated to annual training programs and performance reviews. There is no consolidated summary tool for counting the group's actual hours.

Training hours include initiatives put in place by Norske Skog aimed at the maintenance and/or improvement of skills and knowledge of own employees. It can include different methodologies, such as on-site and on-the-job training, and online training. Training can be conducted by internal or external staff. Apprentice training (external and on the job) is not included. shall not be counted in this category.

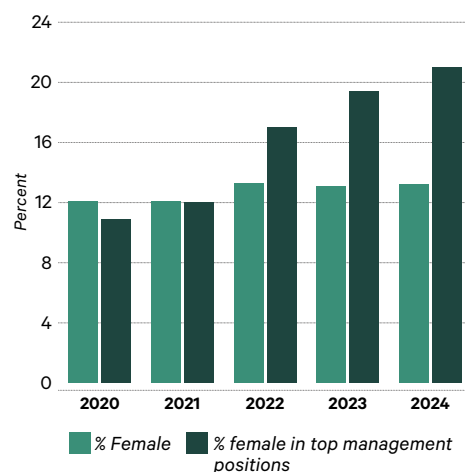
APPRENTICES AND TEMPORARY EMPLOYEES

Headcount



SHARE OF FEMALE EMPLOYEES

In organization and management positions (%)



S1-6 Turnover rate

	Unit	2022	2023	2024
Employee turnover rate	%	14	11	11
Number of employees who left	Number	256	223	224

S1-6 Number of employees - by gender and employment type*

	Unit	2022			2023			2024		
		FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of permanent employees	Number	252	1 640	1 892	255	1 691	1 946	247	1 653	1 900
Number of temporary employees	Number	13	84	97	8	55	63	25	160	185
Number of non-guaranteed hours employees	Number	3	16	19	2	10	12	3	14	17
Total	Number	285	1 855	2 140	283	1 878	2 161	275	1 827	2 101
Apprentices	Number	18	114	132	18	122	140	18	127	145

Number of non-employees

External contractors	Number	0	0	6	15	21
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* Data for 2024 reported by headcount, data for 2023 and 2022 reported by FTE. Employment type by gender 2022 and 2023 estimated based overall gender split

S1-6 Number of employees - by country**

Number of employees

	Unit	2022	2023	2024
Austria	Number	486	510	513
France	Number	401	426	415
Germany	Number	17	15	12
Italy*	Number	10		
Norway	Number	907	893	839
United Kingdom	Number	10	10	10
Australia	Number	309	307	312
Total	Number	2 140	2 161	2 101

* Office closed December 2022

** Data for 2024 reported by headcount, 2023 and 2022 by FTE

S1-8 Collective bargaining and social dialogue

	Unit	2022	2023	2024
Employees covered by collective bargaining agreements*	%	88	90	86
Employees covered by workers representatives**	%	80	80	81

* Data for 2024 reported by headcount, 2023 and 2022 by FTE

** Data estimated for 2022 and 2023

S1-8	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA	Employees – Non-EEA	Workplace representation
60-79%		Australia	Australia, Austria
80-100%	Norway, France, Austria		Norway, France

S1-9 Diversity	Unit	2022	2023	2024
Gender diversity				
Women in top management	number	9	10	11
Women in top management	%	17	19	21
Women in other management positions	%	12	14	17
Distribution of employees by age group*				
Under 30 years old	%	15%	15%	15%
Between 30-50 years old	%	37%	37%	37%
Over 50 years old	%	48%	48%	48%

* Distribution of employees by age group estimated for 2022, 2023

S1-13 Training and skills development	2022	2023	2024
% Participation in performance reviews			
	32%	40%	56%
Of which% were men*	69%	69%	69%
Of which% were women*	31%	31%	31%
Total performance reviews			
	682	862	1 181
Performance reviews per employee	1	1	1
% agreed reviews in the year (Target)	100	100	100
Total number of training hours*			
	38 806	39 203	46 540
Men	34 315	34 742	42 143
Women	4 491	4 462	4 397
Average number of training hours*			
	17	17	20
Men	18	18	23
Women	16	16	16

* Data for 2022 and 2023 estimated based on 2024

S1-14 Health and Safety metrics	2022	2023	2024
% workforce covered by H&S management system (based on headcount)	100%	100%	100%
Number of fatalities			
	0	0	0
Employees	0	0	0
Value chain workers working on own sites	0	0	0
Number of recordable work-related accidents	26	23	36
Rate of recordable work-related accidents (H1)*	7.1	5.7	9.9
Number of days lost to work-related injuries, ill-health, accidents and fatalities	3	7	8
Lost days due to work-related injuries, ill-health, accidents and fatalities (H2)*	0.8	1.9	2.2
Absence due to illness	4.7	4.5	4.6

* Total number of fatalities, lost time injuries, substitute work, and other injuries requiring treatment by a medical professional per million hours worked.

* Lost time injuries per million working hours (LTI)

3

CORPORATE GOVERNANCE

Business conduct (ESRS G1)

1. Material impacts, risks and opportunities

The materiality assessment identified the following impacts and risks relating to business conduct to be material to Norske Skog:

ESRS G1 Business conduct

Material Impacts risks and opportunities

ESRS G1 Business conduct Material Impacts risks and opportunities	Location in value chain	Time horizon					
		Upstream	Own operations	Downstream	Short term	Medium term	Long term
Impacts, Risks and Opportunities (IRO)	Type						
Corporate culture							
Unethical business practice	Risk		x		x	x	x
Norske Skog is a global company, and engaging with international business partners inherently carries the risk of unethical practices. Within our own operations, the sales and procurement organisations face an elevated risk when securing contracts. Such incidents could result in fines and reputational damage, potentially undermining trust and relationships with customers, suppliers, and employees.							
Protection of whistleblowers							
Failure to protect whistleblowers	Risk	x	x	x	x	x	x
Failure to protect whistleblowers could lead to reputational damage and undermine trust and relationships with customers, suppliers, and employees. A failure to uphold the anonymity principle may result in job insecurity and negatively impact the whistleblower’s wellbeing.							

BUSINESS CONDUCT

We are committed to conducting our business with integrity and ensuring compliance with all applicable laws and regulations. We seek to embed a strong compliance culture through regular training and awareness raising.

At Norske Skog, our material risks related to business conduct reveal both negative and positive dimensions, tied to our business model, operations, and value chain. Risk like unethical business practices, are concentrated within our own operations particularly in sales and procurement where securing contracts globally heightens exposure to risks like anti-competitive behaviour, especially in regions with weaker regulatory frameworks. Upstream, our supply chain faces risks from supplier non-compliance with ethical standards, while downstream, customer trust could erode if our publication paper operations are linked to unethical conduct. Measures to mitigate the risks are handled in our robust Steering Guidelines, fostering a culture of openness, honesty, and cooperation across all business units, enhancing our reputation as a “best in class” partner. These risks influence our strategy by reinforcing zero-tolerance policies and due diligence processes, with ongoing adjustments to training and auditing to mitigate risks. Over the short term (1-3 years), reputational damage or fines could disrupt operations, while long-term (5-10 years) resilience hinges on sustained ethical performance. Our involvement arises directly from our global activities and business relationships, necessitating vigilant oversight of suppliers and joint ventures. To assess resilience, we qualitatively evaluate compliance adherence and quantitatively monitor incident reports, ensuring our strategy adapts to emerging risks over these time horizons.

The effects of these risks are profound: unethical practices could harm employee wellbeing, local communities, and environmental standards particularly in resource-intensive regions while our ethical commitments uplift stakeholder trust and support human rights, aligning with our business model's emphasis on sustainability and independence of local units. Material

risks may often originate from external pressures in high-risk markets. We respond by embedding ethical principles into decision-making, with plans to further integrate the Code of Conduct into supplier contracts. No significant shifts in risks occurred compared to the last reporting period, reflecting stable governance amid growing international exposure.

Material business-conduct risks at Norske Skog center on unethical practices and whistleblower protection failures, while risk mitigating measures lie in leveraging our ethical framework to strengthen market position. Risks are concentrated in our own operations sales and procurement teams navigating international deals and upstream, where suppliers in diverse geographical areas (e.g., Asia or emerging markets) may flout anti-competitive norms. Downstream, risks emerge if distributors or customers perceive inconsistent ethical standards. These risks currently strain financial performance via potential fines (estimated at 1-5% of annual revenue in severe cases) and reputational costs. We respond by enforcing the Steering Guidelines. Resilience is qualitatively assessed via stakeholder feedback and quantitatively via compliance incident trends, projecting stability over short-term (1-2 years), medium-term (3-5 years), and long-term (10+ years) horizons. Compared to the prior period, risks remain steady, though opportunities may grow with increased supplier engagement.

Financially, risks could reduce cash flows by 2-3% (estimated figure) annually in the short term if severe incidents occur, with medium-term recovery dependent on mitigation investments. Current financial effects are minimal, with no significant adjustments to assets or liabilities anticipated within the next year. Our strategy's resilience withstands risks through geographically diversified operations and robust reporting, with qualitative evaluation of legal exposure and quantitative forecasts of penalty impacts ensuring preparedness. Anticipated effects remain manageable, with no transformative divestments or acquisitions planned.

PROMOTING A CULTURE OF INTEGRITY

Norske Skog's policies addressing material business conduct impacts, risks, and opportunities are rooted in our Steering Guidelines and Code of Conduct, overarching frameworks approved by the board of directors. These guidelines tackle unethical practices and whistleblower protection by mandating ethical, legal, and sustainable conduct across all operations, with a zero-tolerance stance on non-compliance. Key contents include anti-corruption measures, compliance with laws, and robust reporting mechanisms, directly addressing risks like reputational damage and fines from unethical behavior in sales and procurement, as well as trust erosion from whistleblower neglect.

The policy applies universally to all employees, temporary staff, and, where feasible, partly owned companies, with no exclusions, covering the entire value chain. Implementation is overseen by the CEO, cascading through line management, and aligns with the UN Convention against Corruption through its bribery prohibition. Stakeholders' interests, particularly employees and business partners, are considered to foster trust, and the guidelines are accessible via the intranet, supported by training and auditing to monitor efficacy.

Our corporate culture of openness, honesty, and cooperation is established and promoted through the Steering Guidelines, which every employee must follow, reinforced by leadership's commitment to model impeccable behavior. We develop this culture via a people-oriented strategy, encouraging professional growth and inclusivity, and evaluate it through regular training, audits, and compliance reporting, ensuring alignment with our "best in class" goal. Concerns about unlawful or unethical conduct are identified and reported via multiple channels superiors, HR, HSE reps, or a confidential email (compliance@norskeskog.com) accessible to internal and external stakeholders. Investigations are prompt, independent, and objective, extending beyond whistleblower reports, with the corporate legal department ensuring rigor. External investigators will be used when appropriate and especially in situations where members of the board or corporate management are reported to the whistleblower function. Typical external investigator could be a lawyer, auditor or other expert independent of Norske Skog and the persons involved.

Sales and procurement functions are most at risk for anti-competitive behaviour due to global contract dealings, targeted by mandatory training. This training, offered annually to all employees, covers ethical conduct in depth, with records tracking participation and effectiveness.

Whistleblower protection is embedded in the Steering Guidelines, offering confidential reporting channels and explicit non-retaliation guarantees per Directive (EU) 2019/1937. We provide training to workers on reporting processes and to staff handling reports, ensuring awareness and competence. The guidelines' efficacy is monitored via the Continuous Compliance Program, with local management agendas and incident reports tracking progress. In especially serious cases, the compliance officer will consult with the board of directors to determine if any regulatory and/or authority will be reported to. Empirical evidence proves that most of the whistleblower cases being reported are human resource issues and handled accordingly. This comprehensive approach, rooted in our core values, ensures accountability, protects stakeholders, and upholds our ethical standards across all business conduct matters.

2. Metrics and targets

No incidents related to fraud, corruption, bribery, breach of anti-trust, competition laws and whistleblowing cases were reported in 2024.

Norske Skog did not receive any convictions or fines for violations of anti-corruption or anti-bribery law in the year, nor has it been subject to any legal action relating to corruption and bribery.

All employees have undergone annual training sessions both for new employees and repetitive training for existing employees.



4

APPENDIX

CONTENT INDEX OF ESRS DISCLOSURE REQUIREMENTS

List of material DRs	Reference - section in report
ESRS 2 - General disclosures	
BP-1 General basis for preparation of the sustainability statement	General disclosures - Basis for preparation
BP-2 Disclosures in relation to specific circumstances	General disclosures - Basis for preparation
GOV-1 The role of the administrative, management and supervisory bodies	General disclosures - Governance
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	General disclosures - Governance
GOV-3 Integration of sustainability-related performance in incentive schemes	General disclosures - Governance
GOV-4 Statement on due diligence	General disclosures - Governance
GOV-5 Risk management and internal controls over sustainability reporting	General disclosures - Governance
SBM-1 Strategy, business model and value chain	General disclosures - Strategy, stakeholders, material impacts, risks and opportunities
SBM-2 Interests and views of stakeholders	General disclosures - Strategy, stakeholders, material impacts, risks and opportunities
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	General disclosures - Strategy, stakeholders, material impacts, risks and opportunities
IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	General disclosures - Impacts, risks and opportunity management
E1 - Climate change	
ESRS 2 GOV-3-E1 Integration of sustainability-related performance in incentive schemes	General disclosures - Governance
E1-1 Transition plan for climate change mitigation	Climate change (ESRS E1) - Strategy
ESRS 2 SBM-3-E1 Material impacts, risks and opportunities and their interaction with strategy and business model	Climate change (ESRS E1) - Impacts, risks and opportunities
ESRS 2 IRO-1-E1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
E1-2 Policies related to climate change mitigation and adaptation	Climate change (ESRS E1) - Impacts, risks and opportunity management
E1-3 Actions and resources in relation to climate change policies	Climate change (ESRS E1) - Impacts, risks and opportunity management
E1-4 Targets related to climate change mitigation and adaptation	Climate change (ESRS E1) - Metrics and targets
E1-5 Energy consumption and mix	Climate change (ESRS E1) - Metrics and targets
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	Climate change (ESRS E1) - Metrics and targets
E2 - Pollution	
ESRS 2 IRO-1-E2 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
E2-1 Policies related to pollution	Pollution (ESRS E2) - Impacts, risks and opportunity management
E2-2 Actions and resources related to pollution	Pollution (ESRS E2) - Impacts, risks and opportunity management
E2-3 Targets related to pollution	Pollution (ESRS E2) - Metrics and targets
E2-4 Pollution of air, water and soil	Pollution (ESRS E2) - Metrics and targets
E2-5 Substances of concern and substances of very high concern	Pollution (ESRS E2) - Metrics and targets
E1 - Climate change	
ESRS 2 GOV-3-E1 Integration of sustainability-related performance in incentive schemes	General disclosures - Governance
E1-1 Transition plan for climate change mitigation	Climate change (ESRS E1) - Strategy
ESRS 2 SBM-3-E1 Material impacts, risks and opportunities and their interaction with strategy and business model	Climate change (ESRS E1) - Impacts, risks and opportunities
ESRS 2 IRO-1-E1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
E1-2 Policies related to climate change mitigation and adaptation	Climate change (ESRS E1) - Impacts, risks and opportunity management
E1-3 Actions and resources in relation to climate change policies	Climate change (ESRS E1) - Impacts, risks and opportunity management
E1-4 Targets related to climate change mitigation and adaptation	Climate change (ESRS E1) - Metrics and targets
E1-5 Energy consumption and mix	Climate change (ESRS E1) - Metrics and targets
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	Climate change (ESRS E1) - Metrics and targets
E2 - Pollution	
ESRS 2 IRO-1-E2 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
E2-1 Policies related to pollution	Pollution (ESRS E2) - Impacts, risks and opportunity management
E2-2 Actions and resources related to pollution	Pollution (ESRS E2) - Impacts, risks and opportunity management
E2-3 Targets related to pollution	Pollution (ESRS E2) - Metrics and targets
E2-4 Pollution of air, water and soil	Pollution (ESRS E2) - Metrics and targets
E2-5 Substances of concern and substances of very high concern	Pollution (ESRS E2) - Metrics and targets

List of material DRs	Reference - section in report
E3 - Water and marine resources	
ESRS 2 IRO-1-E3 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
E3-1 Policies related to water and marine resources	Water and marine resources (ESRS E3) - Impacts, risks and opportunity management
E3-2 Actions and resources related to water and marine resources	Water and marine resources (ESRS E3) - Impacts, risks and opportunity management
E3-3 Targets related to water and marine resources	Water and marine resources (ESRS E3) - Metrics and targets
E3-4 Water consumption	Water and marine resources (ESRS E3) - Metrics and targets
E4- Biodiversity and ecosystems	
E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Biodiversity and ecosystems (ESRS E4) - Strategy
ESRS 2 SBM-3-E4 Material impacts, risks and opportunities and their interaction with strategy and business model	Biodiversity and ecosystems (ESRS E4) - Strategy
ESRS 2 IRO-1-E4 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks dependencies and opportunities	General disclosures - Impacts, risks and opportunity management
E4-2 Policies related to biodiversity and ecosystems	Biodiversity and ecosystems (ESRS E4) - Impacts, risks and opportunity management
E4-3 Actions and resources related to biodiversity and ecosystems	Biodiversity and ecosystems (ESRS E4) - Impacts, risks and opportunity management
E4-4 Targets related to biodiversity and ecosystems	Biodiversity and ecosystems (ESRS E4) - Metrics and targets
E4-5 Impact metrics related to biodiversity and ecosystems change	Biodiversity and ecosystems (ESRS E4) - Metrics and targets
E5- Resource use and circular economy	
ESRS 2 IRO-1-E5 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
E5-1 Policies related to resource use and circular economy	Resource use and circular economy (ESRS E5) - Impacts, risks and opportunity management
E5-2 Actions and resources related to resource use and circular economy	Resource use and circular economy (ESRS E5) - Impacts, risks and opportunity management
E5-3 Targets related to resource use and circular economy	Resource use and circular economy (ESRS E5) - Metrics and targets
E5-4 Resource inflows	Resource use and circular economy (ESRS E5) - Metrics and targets
E5-5 Resource outflows	Resource use and circular economy (ESRS E5) - Metrics and targets
S1- Own workforce	
ESRS 2 SBM-2-S1 – Interests and views of stakeholders	Own workforce (ESRS S1) - Strategy
ESRS 2 SBM-3-S1 - Material impacts, risks and opportunities and their interaction with strategy and business model	Own workforce (ESRS S1) - Strategy
S1-1 Policies related to own workforce	Own workforce (ESRS S1) - Impacts, risks and opportunity management
S1-2 Processes for engaging with own workforce and workers' representatives about impacts	Own workforce (ESRS S1) - Impacts, risks and opportunity management
S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	Own workforce (ESRS S1) - Impacts, risks and opportunity management
S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Own workforce (ESRS S1) - Impacts, risks and opportunity management
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Own workforce (ESRS S1) - Metrics and targets
S1-6 Characteristics of the undertaking's employees	Own workforce (ESRS S1) - Metrics and targets
S1-7 Characteristics of non-employees in the undertaking's own workforce	Own workforce (ESRS S1) - Metrics and targets
S1-8 Collective bargaining coverage and social dialogue	Own workforce (ESRS S1) - Metrics and targets
S1-9 Diversity metrics	Own workforce (ESRS S1) - Metrics and targets
S1-13 Training and skills development metrics	Own workforce (ESRS S1) - Metrics and targets
S1-14 Health and safety metrics	Own workforce (ESRS S1) - Metrics and targets
G1 - Business conduct	
ESRS 2 SBM-3-G1 Material impacts, risks and opportunities and their interaction with strategy and business model	Business conduct (ESRS G1) - Impacts, risks and opportunity management
ESRS 2 GOV-1-G1 The role of the administrative, management and supervisory bodies	General disclosures - Governance
ESRS 2 IRO-1-G1 Description of the processes to identify and assess material impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
G1-1 Business conduct policies and corporate culture	Business conduct (ESRS G1) - Impacts, risks and opportunity management
G1-3 Prevention and detection of corruption and bribery	Business conduct (ESRS G1) - Metrics and targets
G1-4 Incidents of corruption or bribery	Business conduct (ESRS G1) - Metrics and targets



Norsk Skog Brück, energy plant
Photo: Carsten Dybevig

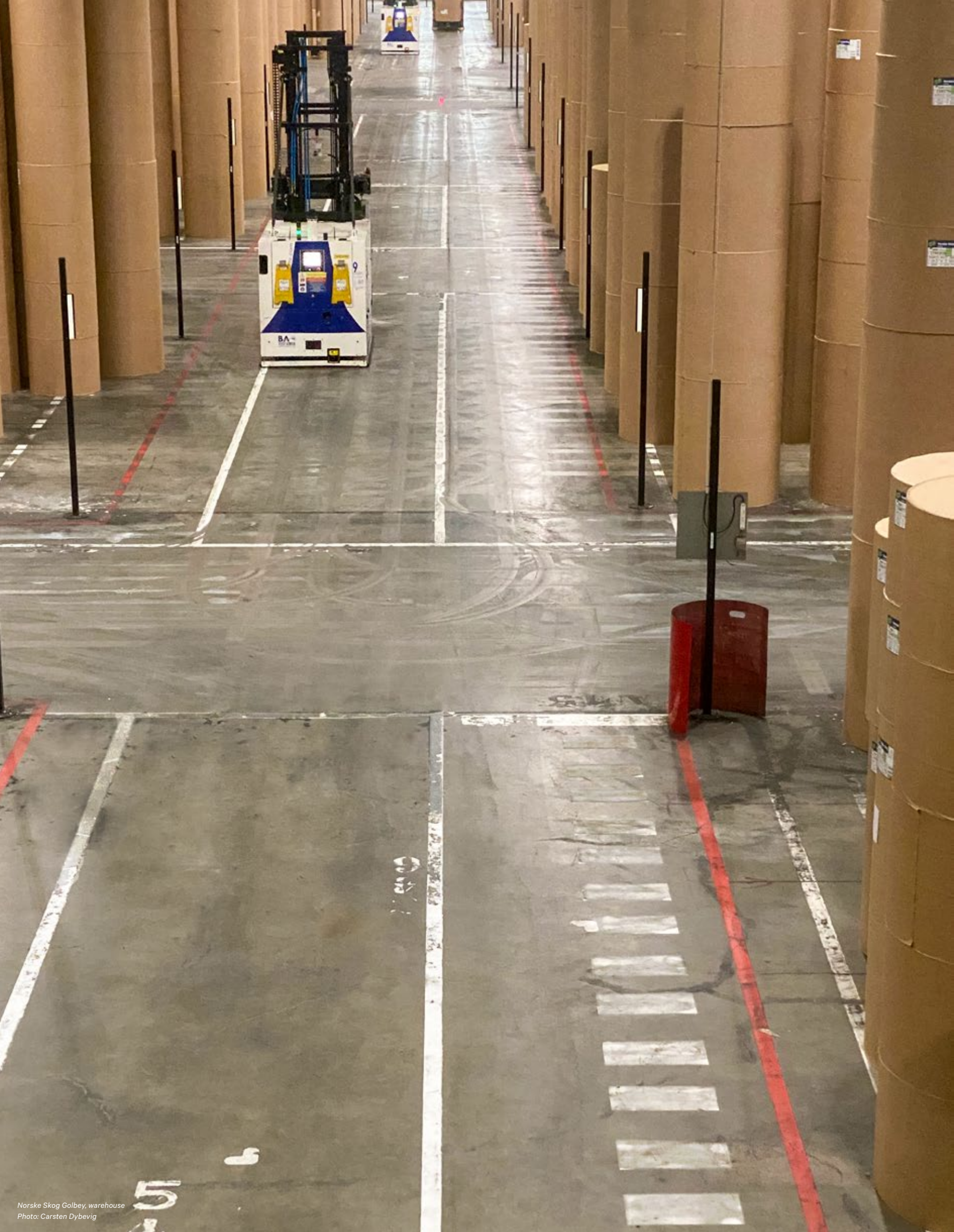
LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material/not material	Paragraph reference annual report
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	Governance - Competence and expertise in governing bodies
ESRS GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	Governance - Competence and expertise in governing bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	Governance - Competence and expertise in governing bodies
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	Climate change (ESRS E1) - Strategy - Transition plan
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not material	N/A
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	N/A
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material	N/A - Phasing in requirement

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material/not material	Paragraph reference annual report
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Material	N/A - Phasing in requirement
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	Governance - Competence and expertise in governing bodies
ESRS GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	Governance - Competence and expertise in governing bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	Governance - Competence and expertise in governing bodies
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	Climate change (ESRS E1) - Strategy - Transition plan
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not material	N/A
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	N/A
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material	N/A - Phasing in requirement

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material/not material	Paragraph reference annual report
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Material	N/A - Phasing in requirement
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Material	N/A - Phasing in requirement
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Material	N/A - Phasing in requirement
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Material	Pollution (ESRS E2) - Metrics and targets
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Material	Water and marine resources (ESRS E3) - Metrics and targets
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	N/A
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	N/A
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Material	Water and marine resources (ESRS E3) - Metrics and targets
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Material	Water and marine resources (ESRS E3) - Metrics and targets
ESRS 2- SBM-3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Material	Biodiversity and ecosystems (ESRS E4) - Strategy
ESRS 2- SBM-3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Material	Biodiversity and ecosystems (ESRS E4) - Strategy
ESRS 2- SBM-3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Material	Biodiversity and ecosystems (ESRS E4) - Strategy
ESRS E4-2 Sustainable land/ agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Material	N/A - Voluntary disclosure
ESRS E4-2 Sustainable oceans /seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Material	N/A - Voluntary disclosure
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Material	N/A - Voluntary disclosure
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Material	Resource use and circular economy (ESRS E5) - Metrics and targets
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Material	Resource use and circular economy (ESRS E5) - Metrics and targets
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material	N/A
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	N/A
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Not material	N/A
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	Own workforce (ESRS S1) - Policies
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material	N/A

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material/not material	Paragraph reference annual report
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	Own workforce (ESRS S1) - Policies
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	Own workforce (ESRS S1) - Policies
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	Own workforce (ESRS S1) - Metrics and targets
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	Own workforce (ESRS S1) - Metrics and targets
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Not material	N/A
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Not material	N/A
ESRS S1-17 Nonrespect of UN-GPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material	N/A
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	N/A
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material	N/A
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material	N/A
ESRS S2-1 Nonrespect of UN-GPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	N/A
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	N/A
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	N/A
ESRS S3-1 non-respect of UN-GPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	N/A
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	N/A
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material	N/A
ESRS S4-1 Non-respect of UN-GPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	N/A
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material	N/A
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	Business conduct (ESRS G1) - Promoting a Culture of integrity
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	Business conduct (ESRS G1) - Promoting a Culture of integrity
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	Business conduct (ESRS G1) - Metrics and targets
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	Business conduct (ESRS G1) - Promoting a Culture of integrity



Board of directors statement on corporate governance

Norske Skog ASA is the ultimate parent company of the Norske Skog group, which is a paper manufacturing group with production and sales operations in Europe. Norske Skog's goal is to increase shareholder value, through profitable and sustainable production of publication and packaging paper as well as other fibre and energy related business. Norske Skog ASA is a Norwegian registered public limited liability company listed on the Oslo Stock Exchange and is subject to Norwegian law, including Norwegian and EU securities legislation and stock exchange regulations.

The board of directors of Norske Skog has a strong focus on ensuring compliance with applicable corporate governance standards. Norske Skog is subject to reporting requirements for corporate governance pursuant to Section 2-9 of the Norwegian Accounting Act and complies with the Norwegian Code of Practice for Corporate Governance (the "Code", see www.nues.no, English pages). The Code was last revised on 14 October 2021.

Corporate governance principles as referred to in this statement define roles and responsibilities, powers, and processes, between and within governing bodies, such as the general meeting, the board of directors and the corporate management. For further information on corporate bodies and corporate governance matters, please visit Norske Skog's website www.norskeskog.com/sustainability/governance.

Corporate governance is continuously addressed by the board of directors, and the board of directors has approved this corporate governance statement. There are no material amendments to the corporate governance statement compared to the corporate governance statement included in the annual report for 2023.

1. Implementation and reporting on corporate governance

This corporate governance statement follows the structure of the Code published on 14 October 2021. Deviations from the Code shall be explained where relevant in this statement, together with a summary of all deviations in this section 1.

There are currently no deviations from the Code.

The corporate governance principles adopted by Norske Skog are set out in the company's Corporate Governance Policy and are fundamental for the company's corporate governance and value creation. Norske Skog's Corporate Governance Policy is based on the Code and, as such, it is designed to establish a basis for good corporate governance and to support achievement of the company's core objectives on behalf of its shareholders, including the achievement of profitability for the shareholders of Norske Skog in a sustainable manner. The way Norske Skog is governed is vital to the development of its value over time.

Norske Skog believes that good corporate governance involves openness, honesty and cooperation between all parties involved in and with the group: the shareholders, the board of directors and executive management,

employees, customers, suppliers, public authorities, and the society in general.

By pursuing the principles set out in the Corporate Governance Policy, the board of directors and management shall contribute to achieving the following objectives:

- Openness and honesty. Communication with the interest groups of Norske Skog shall be based on openness and honesty on issues relevant for the evaluation of the development and position of the company.
- Independence. The relationship between the board of directors, the management and the shareholders shall be based on independence. Independence shall ensure that decisions are made on an unbiased and neutral basis.
- Equal treatment. One of Norske Skog's primary objectives is equal treatment and equal rights for all shareholders.
- Control and management. Good control and corporate governance mechanisms shall contribute to predictability and reduce the level of risks for shareholders and other interest groups.

The development of, and improvements in, the company's Corporate Governance Policy are ongoing and important processes that the board of directors and management have continuous focus on.

Deviations from the Code: None.

2. Business

Norske Skog's business purpose is set out in the Articles of Association, article 2: "The company's objective is to conduct wood processing industry, investing activities and activities related to this, as well as providing headquarter services for the group, including raise of external loans and conducting group financing arrangements." The Articles of Association are available on the company's website, www.norskeskog.com/investors/articles-of-association. The business of the company is conducted in accordance with the targets, strategies and risk profile determined by the board of directors, within the scope of the company's business purpose, to realise value creation for the shareholders in a sustainable manner. The board of directors considers the targets, strategies, and risk profile of the company on a continuous basis.

The company has established guidelines and principles which are used to integrate considerations to human rights, decent working conditions, employee rights and social matters, the external environment and anti-corruption and other compliance efforts in its business strategies, its day-to-day operations and in relation to its stakeholders. This includes but is not limited to the Norske Skog Steering Guidelines and the Code of Conduct. Compliance with the Steering Guidelines and the Code of Conduct is mandatory for all employees in the group and others acting on the group's behalf, and similar conduct and ethical standards are expected from suppliers, customers, other business relations and in partnerships, joint ventures, and partially owned subsidiaries. The Steering Guidelines and the Code of Conduct can be found on the company's website, www.norskeskog.com/sustainability/governance/steering-guidelines.

Sustainability and corporate social responsibility are integrated parts of the group's business and are described in the sustainability report section of the annual report.

Deviations from the Code: None.

3. Equity and dividends

SHARE CAPITAL

The share capital of Norske Skog is set out in the Articles of Association, article 4. The company's share capital at year end 2024 was NOK 339 352 940, divided into 84 838 235 shares, each with a nominal value of NOK 4.00.

EQUITY

The board of directors is responsible for ensuring that the group is adequately capitalised relative to the risk and scope of operations and that the capital requirements set forth in laws and regulations are met. The company shall have an equity capital at a level appropriate to its objectives, strategy, and risk profile. The board of directors shall continuously monitor the group's capital situation and shall immediately take adequate steps if the company's equity or liquidity is less than adequate.

Norske Skog's consolidated total equity as at 31 December 2024 was NOK 5 384 million, which is equivalent to 37.2% of total assets (for Norske Skog ASA, the total equity was NOK 4 062 million, which is equivalent to 63.1% of total assets).

DIVIDEND POLICY

It follows from Norske Skog's Corporate Governance Policy that the company shall, always, have a clear and predictable dividend policy established by the board of directors. The dividend policy forms the basis for the board of directors' proposals on dividend payments to the company's general meeting.

The company's dividend policy has historically been to pay dividends reflecting the underlying earnings and cash flow while ensuring efficient capital allocation in the group. When deciding the dividend level, the board of directors will among other things take into consideration capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility of the group. The group's financing arrangements for the projects to convert newsprint production capacity to recycled containerboard production capacity include restrictions on dividend distribution in the period up to July 2025. The company's dividend policy has therefore been suspended until such restrictions do no longer apply. For financial years with particularly strong financial performance, however, the company may consider requesting consent from relevant financing providers to make dividend distributions.

CAPITAL INCREASES AND ISSUANCE OF SHARES

The general meeting in 2024 authorised the board of directors to increase the share capital one or several times with an aggregate amount of up to NOK 33 935 294, equivalent to 10% of the company's share capital. The authorisation may be used for general corporate purposes, including, but not limited to, financing of the company's strategic plans and in connection with acquisitions of companies or other businesses. The authorisation was granted for the period up to the annual general meeting in 2025. As of the date hereof, the authorisation has not been used.

The general meeting in 2024 furthermore authorised the board of directors to

acquire own shares with a total nominal value of up to NOK 33 935 294, equivalent to 10% of the company's share capital. The authorisation may be used to optimise the company's capital structure. The authorisation was granted for the period up to the annual general meeting in 2025. As of the date hereof, the authorisation has not been used.

The Articles of Association do not include provisions regarding share capital increases, issuance of shares or purchase of own shares.

Deviations from the Code: None.

4. Equal treatment of shareholders

The company has only one class of shares. Each share in the company carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis unless there is just cause for treating them differently.

In the event of an increase in share capital through issuance of new shares, a decision to deviate from existing shareholders' pre-emptive rights to subscribe for shares shall be justified. Where the board of directors resolves to issue shares and deviate from the pre-emptive rights of existing shareholders pursuant to an authorisation granted to the board of directors by the general meeting, the justification will be publicly disclosed in a stock exchange announcement issued in connection with the share issuance.

Any transactions in treasury shares carried out by the company shall be carried out on the Oslo Børs, and in any case at the prevailing stock exchange price. If there is limited liquidity in the company's shares, the company will consider other ways to ensure equal treatment of shareholders. Any transaction in treasury shares by the company is subject to notification requirements and shall be publicly disclosed in a stock exchange announcement.

Deviations from the Code: None.

5. Shares and negotiability

The shares of the company are freely negotiable and there are no limitations on any party's ability to own or vote for shares in the company.

Deviations from the Code: None.

6. General meetings

The general meeting is the shareholders' forum and the supreme governing body of the company. The Articles of Association do not limit the shareholders' rights as provided by the Public Limited Liability Companies Act. The board of directors sets the agenda for the general meeting. The minutes from the general meeting are published externally and on the company's website, in accordance with applicable laws and deadlines.

The board of directors shall ensure that as many of the company's shareholders as possible are able to exercise their voting rights at the company's general meetings, and that the general meeting is an effective forum for shareholders

and the board of directors, which shall be facilitated through the following:

- the resolutions and any supporting documentation shall be sufficiently detailed, comprehensive, and specific allowing shareholders to understand and form a view on all matters to be considered at the general meeting.
- deadlines for shareholders to give notice of their attendance at the general meeting shall be set as close to the date of the general meeting as practically possible.
- the board of directors and the chair of the nomination committee shall be present at general meetings, while other members of the nomination committee as well as the auditor shall be present at general meetings where matters of relevance for such committees/persons are on the agenda; and
- the board of directors shall ensure that the general meeting can elect an independent chair for the general meeting.

The shareholders shall be able to vote on each of the matters on the agenda and shall be able to vote separately on each candidate at elections. Shareholders who are unable to be present at the general meeting, or for other reasons so desire, shall be given the opportunity to vote electronically through VPS in advance of the general meeting, be represented by proxy and to vote by proxy. The company shall in this respect:

- provide information on the procedure for voting electronically in advance of the general meeting.
- provide information on the procedure for attending by proxy.
- nominate a person who will be available to vote on behalf of shareholders as their proxy; and
- prepare a proxy form, which shall, to the extent this is possible, be set up so that it is possible to vote on each of the items on the agenda and the candidates nominated for election.

Deviations from the Code: None.

7. Nomination committee

Pursuant to the Articles of Association, article 8, the company shall have a nomination committee consisting of between one and three members. The company's general meeting elects the members and the chair of the nomination committee and determines their remuneration. The majority of the members of the nomination committee shall be independent from the company's board of directors and executive management. The members of the nomination committee shall not be members of the board of directors or the executive management, and not offer themselves for election to the board of directors. The composition of the nomination committee should be such that the interests of shareholders in general are represented. The nomination committee currently consists of three members, Richard Heiberg, who serves as the chair of the committee, Gert Steens and Rune Smestad.

The general meeting shall approve the instructions for the nomination committee. These instructions set out the objectives, responsibilities, and functions of the nomination committee, and provide guidelines for rotation of its members. The company shall provide information regarding the composition of the nomination committee, the members of the nomination committee and any deadlines for submitting proposals to the nomination committee as part of its recommendations to the general meeting.

The nomination committee shall recommend candidates for the election of members and chair of the board of directors, candidates for the election of members and chair of the nomination committee, and remuneration of the

members of the board of directors, its board committees, and the nomination committee.

The nomination committee shall have contact with shareholders, the board of directors on individual basis and the company's executive personnel as part of its work on proposing candidates for election to the board.

The nomination committee's recommendation of candidates to the nomination committee shall ensure that they represent a broad group of the company's shareholders. The nomination committee's recommendation of candidates to the board of directors shall ensure that the board of directors is composed to comply with legal requirements and principles of corporate governance. The nomination committee shall justify why it is proposing each candidate separately. The proposals from the nomination committee shall include a reasoning for its proposal, as well as a statement on how it has carried out its work. The nomination committee's proposal shall include information about the candidates and shall be made available at the latest in accordance with the 21 days' notice rule to call for a general meeting. Shareholders shall be given the opportunity to submit proposals to the nomination committee for candidates for election to the board of directors and other appointments in a simple and practical manner. Any date for when such proposals must be submitted to be considered by the nomination committee shall be communicated. The nomination committee of Norske Skog are, however, generally available to receive proposals for candidates or other input from shareholders at any time throughout the year.

Deviations from the Code: None.

8. The board of directors' composition and independence

According to the Articles of Association, the board of directors of Norske Skog shall have between three and eight board members, and board members are elected for a period of two years unless another term is determined by the general meeting. The current number of board members is five, and in addition there are two observers to the board of directors being union representatives from each of the two Norwegian mills. The composition of the board of directors should ensure that the board of directors has the expertise, capacity and diversity needed to achieve the company's goals, handle its main challenges, and promote the common interests of all shareholders. Each board member should have sufficient time available to devote to his or her appointment as a board member. The number of board members should be determined on this basis. Furthermore, individuals of the board of directors shall be willing and able to work as a team, resulting in the board of directors working effectively as a collegial body. Further requirements to the composition of the board of directors are set out in the instructions for the nomination committee, as further described in section 7 above. The company does not have separate guidelines for equality and diversity in the composition of the board of directors, management and control bodies and their sub-committees for the reason that adequate regulations are considered to be provided for in the Norwegian Public/Private Limited Liability Companies Act, the Norwegian Equality and Non-Discrimination Act and the principles promoted in the Norske Skog group on equality and diversity, as further described in the sustainability statement in the report of the board of directors.

The board of directors shall be composed so that it can act independently of any special interests. A majority of the shareholder-elected members of the

board of directors shall be independent of the executive management and material business connections of the company. At least two of the members of the board of directors shall be independent of shareholders that owns or controls 10% or more of the company's shares or votes, meaning that there are no circumstances or relations that may be expected to be able to influence the independence of the board members' assessments.

The members of the board of directors and the chair of the board of directors shall be elected by the company's general meeting. No member of the company's executive management shall be a member of the board of directors.

At least half of the members of the board of directors shall reside in Norway or another EEA country. Both genders shall be represented on the board of directors in compliance with the gender representation requirements set out in section 6-11a of the Norwegian Public Limited Liability Companies Act. The term of office for the board members shall not be longer than two years at a time. Members of the board of directors may be re-elected. The election of the members to the board of directors should be phased so that the entire board of directors is not replaced at the same time.

The following table summarises the roles of the members of the board of

Name (i)	Residence	Role	Committee memberships	Board meetings attended	Board member since	End of term
Arvid Grundekjøn	Oslo, Norway	Chair	Audit committee and remuneration committee	10/10	2018	2025
Trine-Marie Hagen	Oslo, Norway	Board member	Audit committee and remuneration committee	9/10	2019	2025
Christoffer Bull	Oslo, Norway	Board member	N/A	10/10	2023	2025
Tone Wille ⁽ⁱⁱⁱ⁾	Oslo, Norway	Board member	N/A	7/8	2024	2026
Terje Sagbakken ^(iv)	Gjøvik, Norway	Board member	N/A	8/8	2024	2026
Johanna Lindén ⁽ⁱⁱ⁾	Gothenburg, Sweden	Board member	N/A	2/2	2022	2024

⁽ⁱ⁾ Please refer to the description in the board of directors' section of the annual report for further information on the expertise, experience and independence of the members of the board of directors, as well as the board members' respective shareholdings in the company. Comments have been provided in the following for board members who have not served in their roles for the whole of 2024.

⁽ⁱⁱ⁾ Johanna Lindén served as a board member until the annual general meeting in 2024 and participated in 2 of 2 board meetings in 2024.

⁽ⁱⁱⁱ⁾ Tone Wille was elected as a board member by the annual general meeting in 2024 and participated in 7 of 8 board meetings in 2024.

^(iv) Terje Sagbakken was elected as a board member by the annual general meeting in 2024 and participated in 8 of 8 board meetings in 2024.

directors and meeting attendance at board meetings held in 2024:

The board members have a statistic attendance at board meetings of close 100% as described in further detail in the schedule above.

Members of the board of directors are encouraged to own shares in the company. However, caution should be taken not to let this encourage a short-term approach, which is not in the best interests of the company and its shareholders in the longer term.

The nomination committee's proposal to the general meeting (as further described in item 7 above) shall include detailed information on candidates for the board of directors (both appointments and re-elections) and shall be made available at the latest in accordance with the 21 days' notice rule to call for a general meeting.

Deviations from the Code: None.

9. The work of the board of directors

The board of directors' main tasks comprise the overall responsibility for the management of the company and overseeing the daily administration and operations of the company. The work of the board of directors is carried out in accordance with the rules and standards applicable to the group, as described in the company's Corporate Governance Policy's instructions to the board of directors. The instructions to the board of directors include detailed description of duties and responsibilities of the board members, as well as working and meeting procedures. The Corporate Governance Policy's

instructions to the board of directors and the instructions to the CEO include procedures for how the board of directors and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained. Agreements with related parties are described in Note 31 Related parties in the consolidated financial statements.

The board of directors prepares an annual plan for its work, clearly setting out strategic, financial, operational, and organisational matters for discussion and resolution. In addition to addressing the matters on such plan, the board of directors continuously addresses matters and processes which require the board of directors' involvement from time to time. Throughout 2024 and into 2025, the board of directors has in addition to recurring matters concentrated a significant amount of time on the strategic development and projects of the group. Among the most important strategic projects of the group worked on by the board of directors during 2024 is the group's conversion of a newsprint paper machine to a recycled containerboard paper machine at the Norske Skog Golbey mill in France. In addition, the board of directors allocated significant time to optimise the financing structure of the group over the course of 2024, as well as the sales process for the regional holding company of the group in Australia. Furthermore, efforts and results within the areas of health, environment and safety are annually reported comprehensively to the board of directors, and the CEO reports on health, environment and safety, operations, and market developments in every board meeting. The board of directors actively manages the resources of the board of directors and its committees in accordance with the relative strategic and commercial importance of matters.

The board of directors has two sub-committees, an audit committee, as

required by the Public Limited Liability Companies Act, and a remuneration committee. The members of the audit committee and the remuneration committee during 2024 were Arvid Grundekjøn (chair) and Trine-Marie Hagen. The company's Corporate Governance Policy includes a set of instructions for each of the committees, describing defined areas of responsibility. The committees undertake preparatory discussions and submit their recommendations to the board of directors.

The audit committee focused on the company's financial reporting and internal control function during 2024. The committee furthermore focussed on the group's first sustainability statement prepared in accordance with CSRD. The external auditor, CEO and CFO attend the meetings of the audit committee. The CEO attends the meetings of the remuneration committee, except if excused for discussions on the CEO's remuneration.

The following table summarises the meeting attendance of the board members at board and committee meetings held in 2024:

Name (i)	Committee memberships	Board meetings attended	Audit committee meetings attended	Remuneration committee meetings attended
Arvid Grundekjøn	Audit committee and remuneration committee	10/10	6/6	1/1
Trine-Marie Hagen	Audit committee and remuneration committee	9/10	6/6	1/1

⁽ⁱ⁾ Please refer to the description in the board of directors' section of the annual report for further information on the expertise, experience and independence of the members of the board of directors, as well as the board members' respective shareholdings in the company.

The board members have a statistic attendance at committee meetings of 100%.

In 2024, the board of directors held ten meetings and one matter was resolved by written resolutions. The audit committee held six meetings in 2024. The remuneration committee held one meeting in 2024. The meetings of the board of directors and its committees are held as physical meetings, with the possibility to participate by video conference if board members are prevented from participating in person. Representation at meetings of the board of directors is nearly at 100% (see the schedule included under item 8 above for further details) and representation at committee meetings is at 100%.

The board of directors shall annually evaluate its performance and expertise for the previous year. This evaluation shall include the composition of the board of directors and the way its members functions, both individually and as a group, in relation to the objectives set out for its work. The report shall be made available to the nomination committee.

Deviations from the Code: None.

10. Risk management and internal control

The board of directors is responsible for ensuring that the company has sound and appropriate internal control systems and systems for risk management, and that these systems are proportionate to and reflect the extent and nature of the company's activities. Having effective internal control systems and systems for risk management in place are important to prevent the group from situations that can damage its reputation and financial standing. Furthermore, effective, and proper internal control and risk management are important factors when building and maintaining trust, to reach the company's objectives, and ultimately create value. Having in place an effective internal control system means that the company is better suited to manage commercial risk, operational risk, the risk of breaching legislation and regulations as well as other forms of risk that may be material to the company. As such, there is a correlation between the company's internal control systems and effective risk management. The internal control system shall also address the organisation

and execution of the company's financial reporting, as well as cover the company's guidelines for how it integrates considerations related to stakeholders into its creation of value. Norske Skog shall comply with all laws and regulations that apply to the group's business activities.

Norske Skog's enterprise risk management processes are based on COSO's Enterprise Risk Management framework, and cover financial, operational, market and organisational risks. By this delineation of risk control, all sustainability and responsibility areas covered by Norske Skog's Steering Guidelines are also covered by its enterprise risk management processes and is reported to the board of directors. The system is based on the management teams in each business unit and in key corporate functions annually reporting potential risk factors to the company's risk management function, which in turn provide a basis for the agenda of the corporate management meetings and adequate follow-up measures. In addition, Norske Skog reports on sustainability in accordance with CSRD. The review of the sustainability statement is carried out by an independent and internationally recognised audit firm, currently PwC. Further information on sustainability is provided in the sustainability statement in the report of the board of directors

The internal control systems within the finance organisation primarily cover the financial reporting structure and processes. Routines for internal control over financial reporting are defined in Norske Skog's internal control documentation (Financial Reporting Manual, Financial Closing Manual and Financial Closing Checklist). Responsibilities are clearly defined in terms of execution, documentation, and control. As part of the continuous focus on compliance, regular reviews of business processes, investments or other issues are carried out. These compliance processes are carried out on the basis of risk assessments and support the business in improving internal control and achieving the set goals. The group also has a power of attorney structure which describes and regulates financial empowerment to individual positions.

In addition, Norske Skog has implemented internal routines to ensure continuous attention and efforts on maintaining high compliance standards throughout the group. These internal routines are set out in Norske Skog's Continuous Compliance Program and include a number of compliance related activities that shall be carried out over the course of a calendar year.

Norske Skog has clearly established channels and procedures for reporting and handling instances of possible serious misconduct (whistleblowing). Such channels are described on our website, intranet and in the Steering Guidelines. It is the opinion of the board of directors that Norske Skog's internal control and systems for risk management are adequate and proportionate to the nature and complexity of the company's operations and financial situation.

Deviations from the Code: None.

11. Remuneration of the board of directors

The remuneration of the board of directors is decided by the annual general meeting on the basis of the nomination committee's proposal. The committee considers the level of responsibility, complexity and time consumption, as well as the required expertise, for the board members. Proposals for annual adjustments of the remuneration of the board of directors are based on considerations to ensure that Norske Skog remains attractive and competitive on the market for governing bodies' competencies.

No board member has carried out specific tasks or commissions for the company in addition to the directorship, and Norske Skog has not paid other remuneration to any board member than the ordinary board remuneration.

Separate remuneration is set for the chair and members of the board of directors and respective committees under the board of directors. The current remuneration amounts are as follows:

1. The remuneration for the chair of the board is NOK 577 500 per year.
2. The remuneration for the other members of the board is NOK 325 500 per year.
3. The remuneration for the chair of the audit committee is NOK 130 000 per year.
4. The remuneration for other members of the audit committee is NOK 52 500 per year.
5. The remuneration for the chair of the remuneration committee is NOK 31 500 per year.
6. The remuneration for other members of the remuneration committee is NOK 21 000 per year.
7. Travel expenses in connection with board and committee meetings are paid in accordance with the Norwegian Government's Travel Allowance Regulation.

The total remuneration for the board of directors in 2024, including committee work, was NOK 2 002 000. For further information, please refer to the report on salary and other remuneration to leading personnel, which is available on the company's website, www.norskeskog.com/sustainability/governance/remuneration-of-leading-personnel.

Deviations from the Code: None.

12. Remuneration of executive personnel

The board of directors has adopted guidelines for determining salary and other remuneration to leading personnel in accordance with Section 6-16 a of the Public Limited Liability Companies Act and the Regulation on guidelines and reporting on remuneration for leading personnel. In the preparation of the guidelines and in any subsequent amendments to these, the focus of the board of directors is to provide for that the guidelines are clear and easily understandable, and that they contribute to the company's commercial strategy, long-term interests and financial viability. Furthermore, the company's arrangements in respect of salary and other remuneration shall be simple and contribute to aligning the interests of leading personnel and shareholders, with an absolute limit on performance-related remuneration. The guidelines are presented for approval by the general meeting if significant changes are made, and at least every fourth year. The current version of the guidelines was approved by annual general meeting in 2021 and are available on the company's website, www.norskeskog.com/sustainability/governance/remuneration-of-leading-personnel.

The CEO's remuneration terms are reviewed and decided annually by the board of directors following preparatory discussions in the board of directors' remuneration committee. The remuneration consists of base salary, annual performance bonus, pension, and other benefits. The decision on the CEO's remuneration takes into consideration the overall performance of the CEO and the company, and the market development for CEO remuneration in companies of similar complexity, size and industries. The remuneration of other leading personnel is determined by the CEO, and the performance related remuneration consist of the same elements as for the CEO.

Performance based elements are calculated on the basis of quantifiable objective targets as well as on quantifiable targets falling within areas over which the respective executives have a reasonable influence.

In addition, Norske Skog has established a long-term incentive program based on synthetic stock options. The program mirrors the financial outcome of an actual stock option with an initial "exercise price" (which corresponds to the price per share set at the time of award of the options) and a mechanic to fix a "fair market value" in the future when the options are exercised (3-5 years following award of the options). The long-term incentive program is described in the guidelines for determining salary and other remuneration to leading personnel, which are available on the company's website, www.norskeskog.com/sustainability/governance/remuneration-of-leading-personnel.

The board of directors shall for each financial year provide for the preparation of a report on salary and other remuneration to leading personnel in accordance with Section 6-16 b of the Public Limited Liability Companies Act and the Regulation on guidelines and reporting on remuneration for leading personnel. The report is subject to an advisory vote by the annual general meeting and is published on the company's website, www.norskeskog.com, following the annual general meeting. In addition, information about remuneration of leading personnel is available in the financial statements, in Note 10 Employee benefit expenses in the consolidated financial statements.

Deviations from the Code: None.

13. Information and communications

The company has established guidelines for its reporting of financial and other information based on openness and taking into account the requirement of equal treatment in the securities market. These guidelines are set out in the company's Communication Policy and the Investor Relations Policy.

The company provides, timely and on a continuous basis, precise information about the company and its operations to its shareholders, the Oslo Børs and the securities market and the financial market in general. Such information is published through the Oslo Børs' information system and the company's website. Information is typically given in the form of annual reports, half-year reports, quarterly reports, press releases, stock exchange notices and through published investor presentations in accordance with what is deemed appropriate and required at any given time. Financial reporting follows International Financial Reporting Standards, and through open and proactive communication with investors and financial markets, including through regular presentations, Norske Skog ensures transparency and equality to facilitate our stakeholders' assessment of the company. The company furthermore regularly provides information on its long-term potential, including strategies, value drivers and risk factors. Information to Norske Skog's investors will also be published simultaneously through the Oslo Børs' information system and/or the company's website.

The company publishes an annual, electronic financial calendar with an overview of dates for important events, such as the annual general meeting, interim financial reports, public presentations, and payment of dividends, if applicable. The information is made available in English and Norwegian.

Unless there are applicable exemptions that is appropriate to utilise in the specific situation, Norske Skog promptly discloses all inside information (as defined in article 7 of the EU Market Abuse Regulation). In addition, Norske Skog provides information about certain events, e.g. by the board of directors and the general meeting concerning dividends, mergers/demergers or changes to the share capital, the issuing of subscription rights, convertible loans and all agreements of major importance that are entered into by Norske Skog and related parties.

Separate guidelines have been implemented regarding handling of inside information, and these follow from the instructions for handling of inside information and the instructions for primary insiders. The rules of procedure for the board of directors set out who in the board of directors that are entitled to publicly speak on behalf of the company, and the Communication Policy defines the responsibility of communications on behalf of the company in various matters.

Deviations from the Code: None.

14. Take-overs

The board of directors has established clear principles in the Corporate Governance Policy for how it will act in the event of a take-over bid, including that it will act in accordance with the Code and Norwegian law. The principles emphasise the importance of equal treatment of existing shareholders. They further warrant that the board of directors will ensure sufficient information in time and content for the shareholders to assess a possible bid, including issuing a statement to the shareholders with the board of directors' assessment of such bid, together with a valuation prepared by an independent expert. A sale of a significant part of the company will require approval by the general meeting. The board of directors will not without decision by the general meeting attempt to hinder a take-over bid for the company.

Deviations from the Code: None.

15. Auditor

The auditor presents an annual audit plan, describing the auditor's understanding of the industry and significant risks, as well as the audit approach to be applied. The auditor participates in audit committee meetings when discussing the financial statements and other audit related matters. The auditor furthermore attends board meetings at which the annual financial statements are on the agenda and as otherwise requested. At such meetings, the auditor is requested to report on any material changes in the company's accounting principles and key aspects of the audit, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the company. The auditor annually confirms its independence in writing. During 2024 and 2025, the auditor has participated in discussions with the audit committee. Furthermore, the auditor has met with the board of directors without the corporate management being present and reviewed the company's internal control procedures. The company has effective guidelines for the ability of the auditor to perform non-audit services for the company upon approval by the audit committee. The company informs the general meeting about the auditor's fees for audit and non-audit services.

The board of directors regularly assesses the quality and efficiency of the work of the auditor.

Deviations from the Code: None.

The UN Sustainable Development Goals are an integral part of our strategy

The UN Sustainable Development Goals (SDGs), adopted by world leaders in September 2015, are a call for action for all countries and businesses to promote prosperity while protecting the planet. Norske Skog supports all 17 SDGs but realise that some are more relevant to our business than others. We believe that we can make the greatest difference and contribute positively through the prioritised SDGs highlighted in the illustration. Norske Skog has in 2023 added one more prioritised SDG, which is number 6 regarding clean water and sanitation, in addition to the already five prioritised SDGs in 2022. Higher public awareness concerning clean water and despite effective wastewater treatment plants, Norske Skog will face severe public attention in occurrences of unwanted discharges or breach of wastewater emission permits. We have summarized what the prioritised SDGs mean to us in one sentence:

Norske Skog shall create value for people and society in a responsible way, while promoting a sustainable environment and principles of circular economy.

The 17 Sustainable Development Goals (SDGs) are important for Norske Skog's business operations for several key reasons:

- **Alignment with global priorities:** The SDGs represent a universal call to action to end poverty, protect the planet, and ensure prosperity for all. By aligning with the SDGs, Norske Skog demonstrates commitment to addressing pressing global challenges and contributing to sustainable development.
- **Risk management:** The SDGs highlight critical sustainability issues, including climate change, social inequality, and environmental degradation. By integrating the SDGs into our operations, our business units can identify and mitigate risks associated with these challenges, safeguarding their long-term viability and resilience.
- **Enhanced reputation and brand value:** Embracing the SDGs may enhance our reputation and brand value by demonstrating our commitment to social and environmental responsibility. Contributing actively to achieving the SDGs may attract socially conscious consumers, investors, and partners, gaining a competitive advantage in the marketplace.
- **Innovation and market opportunities:** The SDGs present significant opportunities for innovation and market growth. Our ability to develop sustainable products, services, and business models aligned with the SDGs may drive customer loyalty and capture new revenue streams.
- **Regulatory compliance and license to operate:** Governments, regulatory bodies, and international organisations increasingly incorporate the SDGs into policy frameworks and reporting requirements. By integrating the SDGs into our operations, we ensure compliance with relevant regulations, maintain their social license to operate, and avoid reputational and legal risks.
- **Access to capital and investment:** Investors are increasingly considering environmental, social, and governance (ESG) factors when making investment decisions. Aligning with the SDGs may attract sustainable investment capital, access financing at favourable terms, and enhance their appeal to socially responsible investors.

- **Supply chain resilience:** Integrating the SDGs into supply chain management practices enhance resilience, traceability, and transparency throughout the value chain. Our business units may work with suppliers to promote ethical sourcing, reduce environmental impact, and ensure social responsibility, mitigating risks associated with supply chain disruptions and reputational damage.
- **Employee engagement and talent attraction:** We believe that embracing the SDGs will foster employee engagement, satisfaction, and retention by providing meaningful opportunities for employees to contribute to positive social and environmental impact. Business units that prioritise sustainability and social responsibility may also attract top talent aligned with our values and mission.

The SDGs provide a comprehensive framework for our operations to address sustainability challenges, manage risks, seize opportunities, and create long-term value for stakeholders, society, and the planet. By integrating the SDGs into our business strategy, we believe it will positively impact our operations, foster innovation, and contribute to a more sustainable and prosperous future for all.

Norske Skog business units have during the last 50 years been seeking best environmental practice, and the reported figures show great progress in the same period. The group has achieved significant results in collaboration with stakeholders, national authorities, and employee initiatives. Norske Skog has been nationally recognised for its labour practices and excellent work environment. Norske Skog's health and safety performance is outstanding compared to the industry average for decades as result of tenaciously efforts.

Our operations must be based on sustainable sourcing by using certified wood and chips documented through the Chain of Custody certifications and use of recycled paper. Improved margins and reduced environmental impacts from the value chain and the mills are achieved through effective resource and energy management. We monitor activities to achieve sustainable products and processes throughout the entire value chain.

In addition, Norske Skog continuously strives to maintain our status as the most attractive industry partner for suppliers and customers. The corporate strategy consists of three elements and gives us a well-defined foundation for our work related to the prioritised SDGs:

- Improve and optimise publication paper cash flows
- Become a leading and independent European producer of renewable packaging paper
- Integrate vertically within the entire value chain

To make the SDG targets relevant for the board, management and the rest of the group, the intention was to align and integrate the 6 prioritised sustainable development goals to the resolved strategic goals already effectuated by the board of directors.

The following six sustainable development goals that were selected to be most relevant to the existing strategy:



- SDG 3:** Good health and wellbeing (no change)
- SDG 4:** Quality education (no change)
- SDG 6:** Clean water and sanitation (new)
- SDG 9:** Industry, innovation and infrastructure (no change)
- SDG 12:** Responsible consumption and production (no change)
- SDG 13:** Climate action (no change)

THE REASON AND ANALYSIS BEHIND THE SELECTION ARE:

SDG	Justification to prioritise the SDG	
SDG 3	Good health and wellbeing	Good health and wellbeing is not only a moral imperative but also a strategic decision that can benefit Norske Skog, its stakeholders, and society as a whole. By investing in health and wellbeing initiatives, the company can create positive impacts that extend beyond its operations and contribute to a healthier, more sustainable future.
SDG 4	Quality education	Investing in quality education enables Norske Skog to develop a skilled and knowledgeable workforce. By providing employees with access to education and training programs, the company can enhance productivity, innovation, and overall performance. By supporting educational initiatives, such as scholarships, vocational training, or school infrastructure improvements, the company can help improve access to quality education for children, youth, and adults in these communities. Quality education plays a critical role in succession planning and ensuring the long-term viability of Norske Skog's business. By investing in employee training and development, the company can cultivate a pipeline of talent and leadership capabilities to support future growth and continuity.
SDG 6	Water and clean sanitation	Improve water quality by reducing pollution, minimising hazardous chemical release, and adopting sustainable water management practices, is crucial for Norske Skog to promote environmental stewardship, comply with regulations, protect public health, ensure sustainable operations, mitigate risks, and meet stakeholder expectations.
SDG 9	Industry, innovation and infrastructure	Industry, innovation, and infrastructure aligns with Norske Skog's commitment to sustainability, competitiveness, and long-term business success. By investing in innovation and infrastructure, the company can drive positive social, economic, and environmental impacts while positioning itself for future growth and resilience in a rapidly changing world.
SDG 12	Responsible consumption and production	Norske Skog works proactive to implement measures to improve production efficiency, optimise raw material usage, and reduce energy consumption, leading to cost savings and enhanced competitiveness. Norske Skog adopts circular business models, such as recycling paper, process residues, reusing by-products, and exploring alternative materials, contributing to a more sustainable and resilient economy. Responsible consumption and production align with Norske Skog's sustainability objectives, business values, and long-term viability. By adopting responsible practices, the company can drive positive environmental and social impacts while maintaining competitiveness and fostering stakeholder trust and loyalty.
SDG 13	Climate action	Climate action is essential for Norske Skog to mitigate climate risks, reduce emissions, transition to renewable energy, promote sustainable forestry practices, adapt to climate impacts, and meet stakeholder expectations, thereby contributing to global efforts to address climate change and build a more sustainable future.

In the appendix, there is a matrix summarising our ambitions, targets and planned activities.

THESE 6 SDGS ARE AN INTEGRAL PART OF OUR BUSINESS STRATEGY:

Ambition		Strategy	Prioritised SDGs
	Packaging paper	Establish renewable packaging	
	Publication paper	Improve and optimise	
	Up- and downstream value chain	Intergrate vertically	





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