

Annual report

# 2022



The Norske Skog of tomorrow is a team effort and can only be realised through external and internal **cooperation**.

Our business is by definition circular as it's based on renewable resources, aiming to replace fossil alternatives. We increasingly use recycled material. We are **honest** about our processes, and strive to make all aspects of our business sustainable.

# We create green value

This is something we realise through innovation, **openness** to new opportunities, competence and hard work. It doesn't come by itself. It's up to us.

We provide **value** in many meanings of the word: for society in general, for local communities, for customers, for employees, for shareholders.

Our core values: **openness, honesty and cooperation**

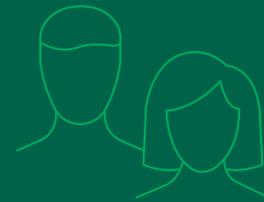
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### Business units in 4 countries

- Skogn, Norway
- Saugbrugs, Norway
- Golbey, France
- Bruck, Austria
- Boyer, Australia



2 140 employees



20.4% EBITDA-margin



Photo: Carsten Dybevig



**A-**  
CDP - climate  
change score 2022



**91%**  
certified wood fibres



**85%**  
renewable energy  
consumption



**0.8**  
lost time injuries  
per million working hours



**17%**  
female in top  
management positions



**-23%**  
reduction in scope  
1 & 2 emissions in 2022





“

*We are committed to be competitive in the global marketplace, leaving us with no other options than being innovative, creating new products and exploring new business opportunities.*

## *We create green value*

The transformation of Norske Skog is developing according to our chosen strategy with dedicated contribution from our suppliers and own employees. We are transforming from an almost pure publication paper business to also a packaging and bio-energy company. We are creating new green products and processes necessary to reach the global zero emission ambition by 2050. The long-term strategic ambition to diversify our product portfolio through creative utilization of fibre sources will add value not only for our shareholders but also for numerous stakeholders.

The UN has in 2022 completed two major global conferences, one in Egypt to combat climate change, and another in Canada to protect the planet's biodiversity. The decisions and consensus from these conferences will have a significant impact on the way we operate. There will not only be a critical look at how we operate our industrial facilities, but how we deal with the entire value chain from sourcing of raw materials and energy to production of products and the distribution of goods to the market.

We will be committed to create value for our shareholders, and simultaneously deliver value to our other stakeholders through ambitious emission targets, prudent sourcing of raw materials, and supplying circular and green products to the markets. We are responsible for our own destiny, and our strategy is already designed to meet these global changes.

The promotion of our environmental efforts and growth story will strengthen the valuation of the entire group and most importantly the local reputation of each mill. Europe and Australia will until 2050 strive to fulfil the common commitments of a carbon neutral industry and altered biodiversity conditions. Through our strategic choices, we are without doubt well positioned to be a competitive business leader in the green shift.

We are on a threshold to be an entirely new company. In 2023, we will start production of packaging paper. Firstly, Norske Skog Bruck will start delivering packaging paper in first half of 2023. Secondly, Norske Skog Golbey will start delivering packaging paper in the fourth quarter. Our entire commercial team has been outstanding in promoting our market presence and establishing profound customer relations for almost two years already.

Our Bruck and Golbey project teams are transforming the former publication paper machines (PM3 at Bruck and PM1 at Golbey) into 760 000 tonnes of packaging paper capacity. This is a demanding

task involving hours of detailed planning, technical adaptations to existing infrastructure, and adjustments of entirely new equipment by our clever engineers.

After the corona pandemic, the demand for publication paper has surpassed the production capacity, putting an upward pressure on sales prices. During this market scenario, Europe was suddenly struck by the Russian invasion of the Ukraine leaving Europe with the largest energy crisis since the early 1970s. Despite market turbulence, our financial performance in 2022 has been excellent due to our ability to respond effectively to volatile markets and changing conditions.

For years, we have been loyal to our long-term strategy, which is to:

- Become a leading producer of renewable packaging paper
- Improve and optimise publication paper cash flows
- Diversify and innovate within fibre and energy

Clearly, Norske Skog has moved from the planning stage to the execution phase. In April 2022, Norske Skog demonstrated the long-term commitment to the Norske Skog Bruck mill by officially opening the new waste-to-energy plant, which will significantly reduce the fossil carbon footprint and eliminate dependency on the volatile gas market. Similarly, in a joint venture, the largest biofuel plant in France is under construction at the Golbey site, securing green and low-fossil carbon energy to the Norske Skog Golbey mill.

In May, Norske Skog Saugbrugs opened a pilot plant for producing bio-composites, which has a huge market potential, especially considering the decommissioning of fossil-based plastic products expected well before 2050. New green products like CEBINA and CEBICO developed at Saugbrugs, have successfully entered new markets, replacing high carbon footprint products.

Norske Skog Skogn has developed a strategy that will see the mill capitalising on exciting new opportunities at the crossroads of fibre and green energy, including utilisation of biogenic CO<sub>2</sub>. In Tasmania, Norske Skog Boyer will spend AUD 6.9 million to reduce emissions, keep costs down and continue to deliver an Australian source of newsprint and magazine paper.

At Norske Skog, we are committed to be competitive in the global marketplace, leaving us with no other options than being innovative, creating new products and exploring new business opportunities. Certainly, we are committed to our slogan: We create green value!

**SVEN OMBUDSTVEDT**  
CEO

*We create green value*  
**from sustainable fibre and energy for the benefit of all stakeholders.**

## STRATEGY

### Publication paper

Improve and optimise publication paper cash flows



### Packaging paper

Become an independent and leading European producer of renewable packaging paper



### Bio products and energy

Diversify and innovate within bio products and energy



## OPERATIONAL EFFICIENCY TARGETS FOR PACKAGING PAPER

### Packaging paper (from 2025-26)

Achieve an EBITDA margin of at least

**+20%**

Maintain an operating rate of at least

**95%**

# About Norske Skog's operations

## SUMMARY

Norske Skog is a world leading producer of publication paper with strong market positions and customer relations in Europe and Australasia. The Norske Skog group operates four mills in Europe, of which two will also produce recycled containerboard following the completion of the conversion projects in 2023. In addition, the group operates one publication paper mill in Tasmania in Australia.

Norske Skog aims to further diversify its operations and continue its transformation into a growing and high-margin business through a range of promising conversions, energy and bio products projects. The group has approximately 2 100 employees in seven countries, is head-quartered in Norway and listed on the Oslo Stock Exchange under the ticker NSKOG.

## PUBLICATION PAPER – IMPROVE AND OPTIMISE

The group's newsprint paper products include standard and improved grades, while the group's magazine paper products comprise uncoated super-calendared paper ("SC") and lightweight coated paper ("LWC"). The end uses of the group's products are mainly newspapers and magazines, but also include catalogues, inserts and flyers, supplements, free-sheets, directories, direct mail, brochures and book paper. The group sells its products under well-known brands, including Nornews, Norbright, NorX, Norstar, Norcote, NorSC, Norbook, and Vantage.

The group's customers include publishers of leading newspapers and magazines in Europe, Australasia and the rest of the world. The group has longstanding relationships with several of its largest customers. In Europe, the group serves a diversified customer base including internationally recognised publishers, retailers and commercial printers, with the top 15 customers representing approximately 40% of the revenue.

The group's market shares based on production capacity for newsprint, SC magazine paper and LWC magazine paper in Western Europe are approximately 25%, 9% and 6% respectively, according to PPPC. In Australasia, the group is the sole producer of publication paper, but the group estimates a market share in terms of publication paper deliveries of approximately 75% for newsprint and 65% for magazine paper.

## PACKAGING PAPER – LEADING INDEPENDENT PRODUCER

Following the completions of the conversions of two newsprint machines, one at Norske Skog Bruck and one at Norske Skog Golbey, Norske Skog will become an independent European producer of recycled containerboard. In 2023, Norske Skog will introduce 760 000 tonnes of competitive containerboard capacity to meet the growing demand for renewable packaging. The group has chosen Strato as the new recyclable packaging paper product brand name. The commercial team has prepared several promotional activities and

campaigns to attract customers to new packaging products. The Skogn mill produces inter-liner, a complementary packaging paper product to Strato, on one of its three newsprint machines.

Following the conversions, Norske Skog Bruck and Norske Skog Golbey will have access to renewable energy and will have reduced their carbon footprints to become among the best performers in the industry. The 50 MW renewable waste-to-energy boiler in Austria commenced production in the first half of 2022.

## BIO AND ENERGY PRODUCTS – DIVERSIFY AND INNOVATE

Norske Skog actively works to realise value from the industrial sites by developing existing infrastructure and industry competence.

The continued development of CEBICO at Saugbrugs progressed well during the year now effectively producing bio-composites for commercial sale. The start-up of a 300 tonnes pilot-plant at Norske Skog Saugbrugs, enabling a significant increase in the bio-composite quality to selected customers, was officially opened in May by the Trade and Industry Minister of Norway, Jan Christian Vestre.

Following significant marketing efforts and further customer testing in 2022, Norske Skog have realised commercial sales and proof-of-concept for its CEBINA products. CEBINA is a natural fibre product developed at Norske Skog Saugbrugs, which is suitable in adhesives, paints, and putties, fibreboards and more. In epoxy systems, demonstrations in putty and spray filler have shown great potential with customers.

At the Golbey industrial site, in a joint venture with Green Valley Energie (GVE), a biomass boiler is under construction. The biomass boiler will produce about 200 GWh of electricity and about 700 GWh of renewable heat, thus generating CO<sub>2</sub> savings of 210 000 tonnes per year. The biomass boiler will ensure a stable, long-term supply of cost-competitive and renewable steam as an alternative to fossil energy sources.

Norske Skog Skogn will build a new thermo-mechanical pulp (TMP) line, substituting expensive recovered paper with fresh fibre. The new TMP line will reduce variable costs, significantly reduce NO<sub>x</sub> and fossil CO<sub>2</sub> emissions, and reduce waste sent to landfill. The start-up is expected to be in the first half of 2024.

Norske Skog is the largest shareholder in Circa Group. With a EUR 9.2 million from the EU Flagship Grant and NOK 500 million from a private placement, a 1 000 tonnes biochemicals plant, which is patented on Furacell technology, is under the construction in France. Circa Group is listed on the Euronext Growth market in Oslo.

# Stakeholder and materiality analysis

The stakeholders affect Norske Skog's decisions, activities and thus performance. The key stakeholders include the employees in Norske Skog, local communities where we operate, investors and owners, our customers and suppliers. In determining the most material sustainability topics for Norske Skog, we have assessed to what extent different stakeholder groups influence our operations. Our ongoing interactions and dialogues with stakeholder groups will influence and define the management response. Likewise, altered political decisions will clearly define the conditions under which we operate. One example of stakeholder influence is how customer surveys will directly influence the commercial team's activities and deliveries.

The materiality analysis highlights areas of business risks but also opportunities fundamental to the group's strategy and will be integrated in daily operations. 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.

Unexpected events such as the corona pandemic, and fundamental changes in the demand for our products as well as change in legislation and increased expectations from society, especially to environmentally friendly operations, have demanded a thorough risk assessment process. Group management has reviewed the risk factors and prepared the necessary operational contingency measures. The materiality analysis has been revised and approved by the corporate management. The sustainability strategy is based on both external and internal input.

A comprehensive risk assessment process has been conducted at the business units. The mill's management groups have assessed both the likelihood for the GRI-topic (risk) to occur, and the consequence for the mill if that risk, event and/or incident happens. They have given a number character from 1 – 5 for each GRI-topic, both for the likelihood and the consequence.

Likelihood is how likely the risk is to materialise, whereas consequence is the impact on the group, not just financial, but also operational and reputational and, in some instances, its license to operate.

The outcome of the materiality review is listed below.



# Change in risk assessment

There is no change in the assessment of GRI topics economic performance (201), energy (302), occupational health and safety (403) and public policy (415). Uncertainty around political framework conditions, developments in the energy market and the global economy will affect Norske Skog's operating performance. The GRI score for anti-competitive behaviour (206), materials (301) and emissions (305) are lower compared to 2021 due to lower likelihood of occurrence but may still cause severe operational and reputational damage if occurred. There are only minor adjustments in the other GRI topics.

The most active stakeholders are investors, financial institutions, local communities and environmental organisations. For investors and financial institutions are concerned about the long term economic performance and GRI topic that will have severe impact on Norske Skog's operational ability. The execution of Norske Skog's strategy to convert machines into packaging paper products has been followed closely by all these stakeholders. The regional and local communities and environmental groups have also been concerned about the handling of raw material, degree of fibre certification and emission issues.

## Risk assessment 2022

Global Reporting Initiative Index reference		Likelihood	Consequences	Score
201	Economic performance	5	5	5
302	Energy	5	5	5
403	Occupational health and safety	5	5	5
303	Water and effluents	4	4	4
413	Local communities	3	4	3
306	Waste	3	3	3
206	Anti-competitive behaviour	2	4	3
301	Materials	3	3	3
305	Emissions	3	3	3
304	Biodiversity	3	3	3
307	Environmental compliance	2	3	3
401	Employment	2	3	2
407	Freedom of association and collective bargaining	2	2	2
416	Customer health and safety	2	2	2
412	Human right assessment	2	2	2
405	Diversity and equal opportunity	2	2	2
205	Anti-corruption	1	2	2
406	Non-discrimination	1	2	2

### EXPLANATION TO THE MATRIX:

Likelihood/Probability - how likely it is for the risk to occur

1. Rare/Improbable (unlikely to occur)/(1% chance)
2. Unlikely/Remote (unlikely, though possible to occur)/(1-20% chance)
3. Possible/Occasional (likely to occur occasionally during standard operations)/(21-50% chance)
4. Likely/Probable (not surprised, will occur in a given time)/(51-90% chance)
5. Almost certain/Frequent (likely to occur, to be expected)/(90% chance)

Consequences (impact/severity - determines the effects that the incident/hazard can cause for the company/mill:

1. Insignificant - will cause insignificant harm to the business or operation
2. Minor - can only cause minor harm to the business or operation

3. Significant - can cause significant harm to the business or operation

4. Major - can cause irreversible harm to the business or operation that demand actions
5. Severe - can result in fatal harm to the business or operation demanding immediate actions

Our priorities will have a significant impact throughout the sustainability report, and are included in the presentations related to each of the 17 UN Sustainable Development Goals. A total overview of which GRI Standards we report on, can be seen from the GRI Index presented in the back of this report and on our homepages below: [www.norskeskog.com/sustainability](http://www.norskeskog.com/sustainability)

# Our business environment offers both business opportunities but also risks



Photo: Carsten Dybevig

## Business opportunities

- Industrial sites with access to effective infrastructure and green energy
- Society demanding and consumers asking for more sustainable products
- Exploring new activities in synergy with existing production at our industrial facilities
- Public programs to reach net zero society enabling the development of new sustainable business

## Business risks

- Stricter regulatory requirements, expected or unexpected
- Specific costs related to the transition to low carbon economy imposed in single countries weaken the competitiveness
- Market development for publication paper and capacity adjustments in the industry
- Cost of input factors, volatile energy prices and increased pressure on the availability of biomass

*Additional information on Climate related Risks and Opportunities are available in our TCFD report, see Appendix B, and in our CDP Climate Change report available at [www.CDP.net/responses](http://www.CDP.net/responses).*

# 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. The 17 SDGs address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The SDGs interconnect, and it is important that the world achieves each of the SDGs and its targets set for 2030.

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 prioritized SDGs highlighted in the illustration. We have summarized what the prioritized 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.*

To be a profitable business is fundamental for creating jobs and value for society through our operations and products. Innovations and operational excellence encompassing high-level governance practice and employee health and safety focus will spur long-term profitable business. 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 prioritized SDGs:

- *Improve and optimise publication paper cash flows*
- *Become a leading, independent producer of renewable packaging paper*
- *Diversify and innovate within bio and energy products*

These strategic goals are communicated extensively throughout the organisation, and are well known to external, crucial stakeholders, especially the press and investors.

To make the SDG targets relevant for the board, management and the rest of the group, the intention was to align and integrate the 5 prioritized sustainable development goals to the resolved strategic goals already effectuated by the board of directors.

The following five sustainable development goals that were selected to be most relevant to the existing strategy:

	<b>SDG 3:</b> Good health and well-being
	<b>SDG 4:</b> Quality education
	<b>SDG 9:</b> Industry innovation and infrastructure
	<b>SDG 12:</b> Responsible consumption and production
	<b>SDG 13:</b> Climate action

In the appendix, there is a matrix summarizing our ambitions, targets and planned activities.

## THE SDGS ARE AN INTEGRAL PART OUR STRATEGY

Ambition	Strategy	Prioritised SDGs
<p><b>We create green value</b></p>	Packaging paper	Leading and independent 
	Publication paper	Improve and optimise 
	Bio and energy products	Diversify and innovate 

# About the sustainability report

The report covers the most material sustainability topics to Norske Skog. The sustainability report is divided into **four sections**:



## 1 Environment



## 2 Social



## 3 Governance and economy



## 4 Ambition and performance

Norske Skog is committed to contribute to sustainable development and supports the ten principles in the UN Global Compact.

Norske Skog use the Global Reporting Initiative's (GRI) Standards for reporting relating to sustainability as a tool in our work to report

environmental and corporate responsibility. In 2022, Norske Skog reported to the Carbon Disclosure Project and follow the reporting expectations set forth in the GHG-protocol regarding Scope 1, 2 and 3.

1

# Environment



## Ensure sustainable resource management

Norske Skog shall have an environmental performance that ensures our production and activities have minimal environmental impact. The key objectives in all our business units are efficient production processes with efficient raw material and energy utilisation. Norske Skog expects all business partners to comply with the applicable laws, regulations and principles set out in Norske Skog's Code of Conduct.

Norske Skog is committed to maintain sustainable environment and responsible use of natural resources. We are committed to foster innovation and implement continuous improvement activities to have none or only minimal adverse impact on the environment.

The production process is in nature circular. The finished publication and packaging paper products are collected and reused to make new paper products. All residues from the production processes are reused or disposed of either through energy recovery, landfill, agricultural fertilizer or sale/delivery.

**Sustainable fibre management:**

The fibre source used at the different Norske Skog mills depends upon availability, production facilities and economic considerations. The minimisation of transport distances and costs is an increasingly important economic and environmental consideration.

Forestry and use of forest products play an important role in the combat of climate change and for the preservation of biodiversity and ecosystems. For the forest value chain to be a part of the climate change solution, the forests must be managed sustainably. Norske Skog is not a forest owner. Norske Skog has systems and processes to make sure that all wood used in Norske Skog's products comes from sustainably managed forests. All Norske Skog mills utilising fresh wood fibre have third-party verified Chain of Custody (CoC) certification systems in place. Our goal is to have 100% certified wood in our products. The ability to increase the share of certified wood therefore depends mainly on decisions made by forest owners.

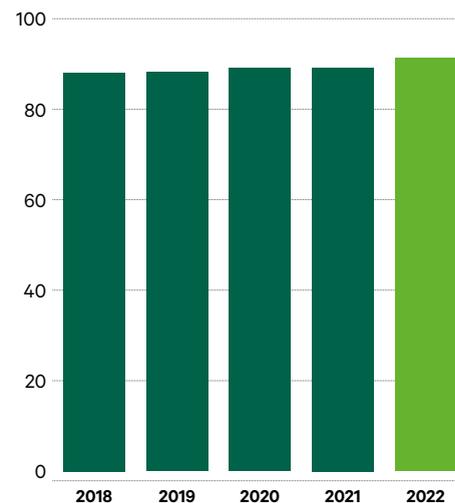
The main global forest challenges are related to deforestation in developing countries and forest biodiversity degradation through the logging of high-conservation areas in many parts of the world. In order to meet these

challenges, we need to ensure that more of the world's forest areas are managed on a sustainable basis. Forest certification is an important tool in this context.

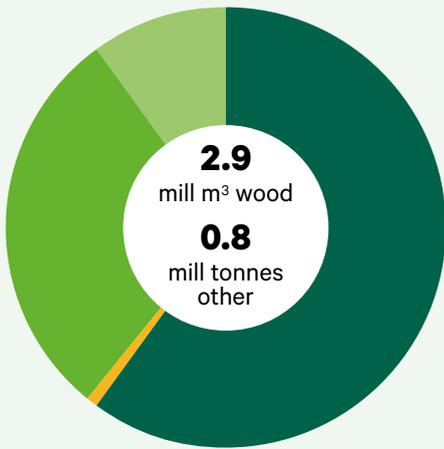
The roundwood component of our fresh fibre came from both forests (81%) and plantations (19%). In all countries where Norske Skog sources wood, forest areas are increasing. The average share of certified fresh fibre in 2022 was 91%. In 2022, Norske Skog consumed 2,9 million m<sup>3</sup> of fresh fibre and 0.57 million tonnes of recovered paper.

Roundwood accounted for 79% of our consumption of fresh wood fibres in 2022. Sawmill chips, a by-product from the sawmill industry, accounted for the remaining 21%.

**CERTIFIED PROPORTION OF FRESH FIBRE (%)**  
Roundwood and chips



SHARE OF RECOVERED PAPER IN PAPER PRODUCTION:



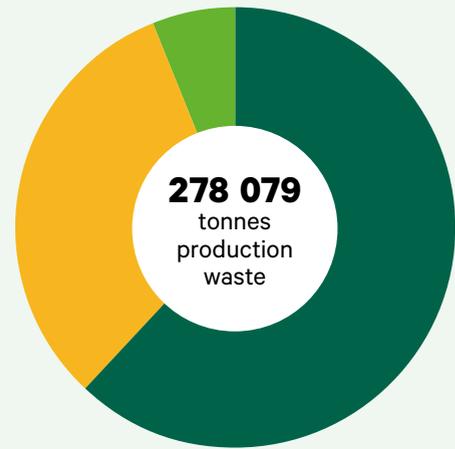
**CONSUMPTION OF RAW MATERIAL**

- **60%**  
Wood (roundwood and sawmill chips)
- **1%**  
Purchased pulp
- **29%**  
Recovered paper
- **10%**  
Inorganic fillers



**DISPOSAL PRODUCTION WASTE**

- **80%**  
Biomass used as biofuel
- **9%**  
Agriculture
- **2%**  
Landfill
- **9%**  
Sold or delivered collectors



**SOURCES PRODUCTION WASTE**

Total 278 079 tonnes

- **62%**  
Sludge
- **32%**  
Bark
- **6%**  
Other

**Production waste performance:**

The total quantity of production waste, such as sludge and bark, generated by the group in 2022 was 278 079 dry tonnes. In 2022, 80% of the waste was used as biofuel for the bio boilers at the mills generating thermal energy. In Europe 87% of the waste was used for energy purposes, whereas in Australia was 88% used for agricultural purposes.

In addition, 128 454 tonnes of ash, which may be used in concrete or brick making, or in road construction, were generated from the combustion process.

Ash residues result from combustion processes involving solid fuels. Agricultural re-use is also an option for some ash and organic materials. However, about 45% of the ash are deposited in landfills. This was higher than prior years mainly due to the new energy plant in Bruck. During 2023, Norske Skog aim to identify new use applications for this ash. Different national legislation put limitation on the use of ash. In Austria, Norske Skog Bruck sells the ash under the product brand name Stabinor for construction purposes. In 2022, 382 tonnes of hazardous waste were disposed through authorised collection systems according to national regulations.

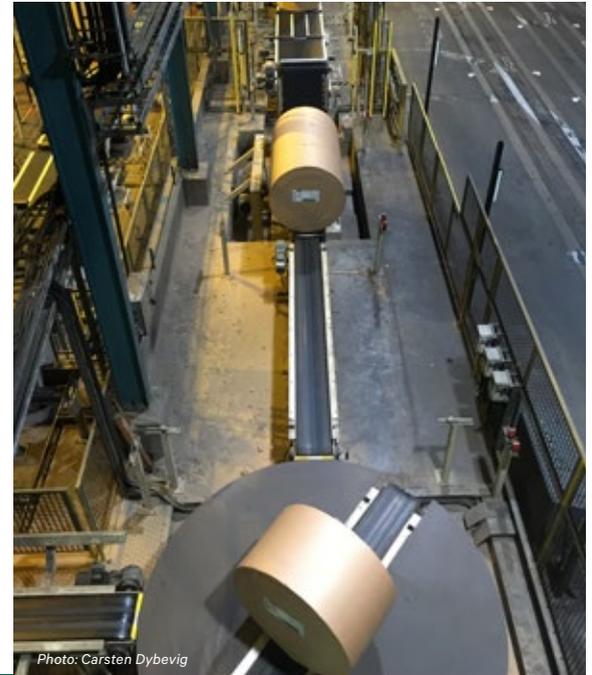
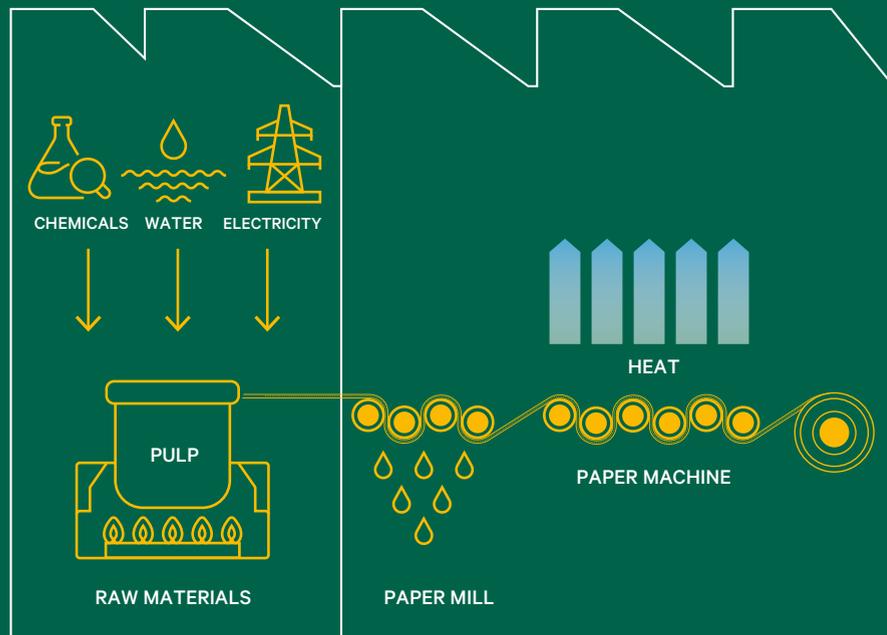


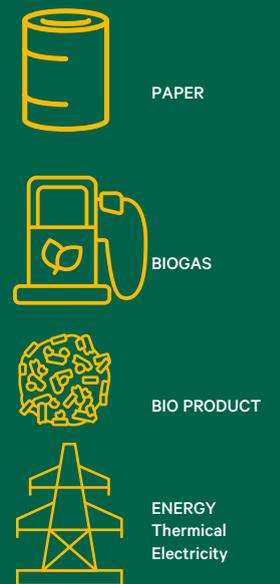
Photo: Carsten Dybevig

# Paper production process

## RAW MATERIALS



## PRODUCTS



**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.

# Biodiversity and sustainable ecosystems

Norske Skog's objective is to prevent and reduce pollution of all kinds. Our direct impact on biodiversity is managed and controlled through strict laws and regulations that we follow under construction and operations of our production sites. Key indirect impact on biodiversity is mainly identified in upstream activities through sourcing of fresh fiber, which we manage through sourcing of certified and sustainable forests. We are committed to follow the EU Water Framework Directive and the ambitious water permit goals given by the local authorities. Our objective is to minimise our impact on the surrounding ecosystems.

### Water usage performance:

Water shall generally be used and recovered multiple times through the pulp and papermaking processes before finally being discharged and treated in a number of stages. These treatments remove solid particles as well as dissolved organic material, making the water suitable for safe return to the natural environment. A minimum of nutrients such as nitrogen and phosphorus are added during this effluent treatment. Norske Skog is committed to follow the ambitious water permit goals given by the local authorities.

The water usage in 2022 is shown in the illustration. 99% of the water taken into the mills is returned to the waterways after treatment to fulfil the local quality requirements for water discharges. Permit breaches are reported and managed according to standard procedures. Any permit breaches will be continuously monitored and discussed with supervisory authorities.

Norske Skog does not use bleaching chemicals containing chlorine in any mills. Chlorinated organic compounds are therefore not created, and AOX (adsorbable organic halides) is not included in our emission reporting.

Some of our mills are located in areas where access to water and/or flooding might become a risk with climate change. In 2022, Norske Skog reviewed these climate risks related to our mills.

### Wastewater treatment performance:

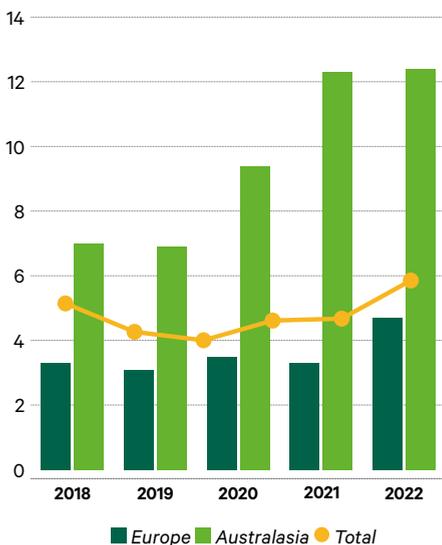
Norske Skog makes great efforts to ensure that the wastewater treatment meet the highest standards. The majority of solid wastes occur from the processing of fibre inputs (wood or recovered paper) and from the treatment of effluent (fibre and biological solids). The increase in discharges of organic substances (COD) and suspended solids (SS) are related to technical challenges at the Golbey and Skogn wastewater treatment plant during 2022. At the year end, the Skogn mill has resolved these issues, and the wastewater treatment plant is operating as expected. At Skogn, a new termomechanical pulp line will be built to substitute recovered paper with fresh fibre. The reduction in the Australasian discharges of suspended solids (SS) is mainly related to reduced environmental profile at Boyer.

Many of our mills participate in projects to find alternative or additional methods of reusing the by-products from the production processes. Norske Skog's products are sold with an environmental product declaration for paper (paper profile), which guide the paper buyer according to environmental performance on standardised environmental parameters. All of Norske Skog's business units are certified in accordance with ISO 9001 and 14001.

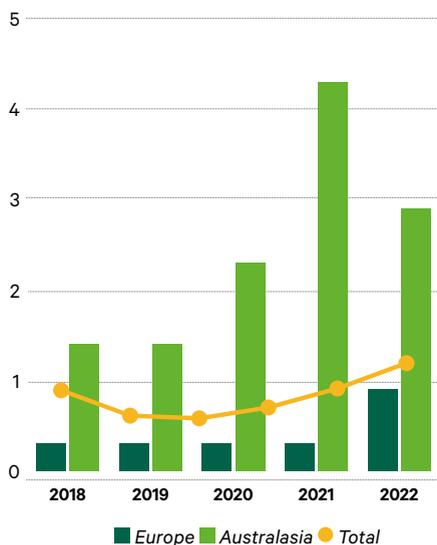
Two mills (Norske Skog Boyer and Norske Skog Golbey) reported minor non-compliance issues to the respective local authorities in 2022. None of the instances have resulted in any further actions from the authorities.

The discharges of dissolved organic material and suspended matters per tonne of paper were respectively up by 25% and 30% compared to 2021 due to technical issues at the Golbey and Skogn treatment plant. The discharge of nitrogen and phosphorus per tonne of paper was in line with the 2021 reported figures. The difference in results from one year to the next is the result of many factors, including process improvements, utilisation of equipment, production-related issues and product changes.

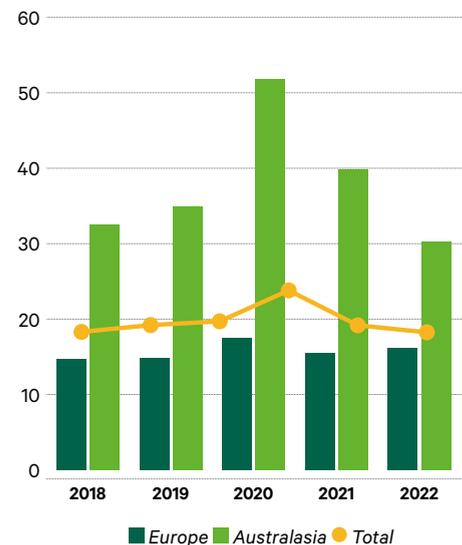
**DISCHARGES OF ORGANIC SUBSTANCES (COD)**  
Kg per tonne of paper



**DISCHARGES OF SUSPENDED SOLIDS (SS)**  
Kg per tonne of paper

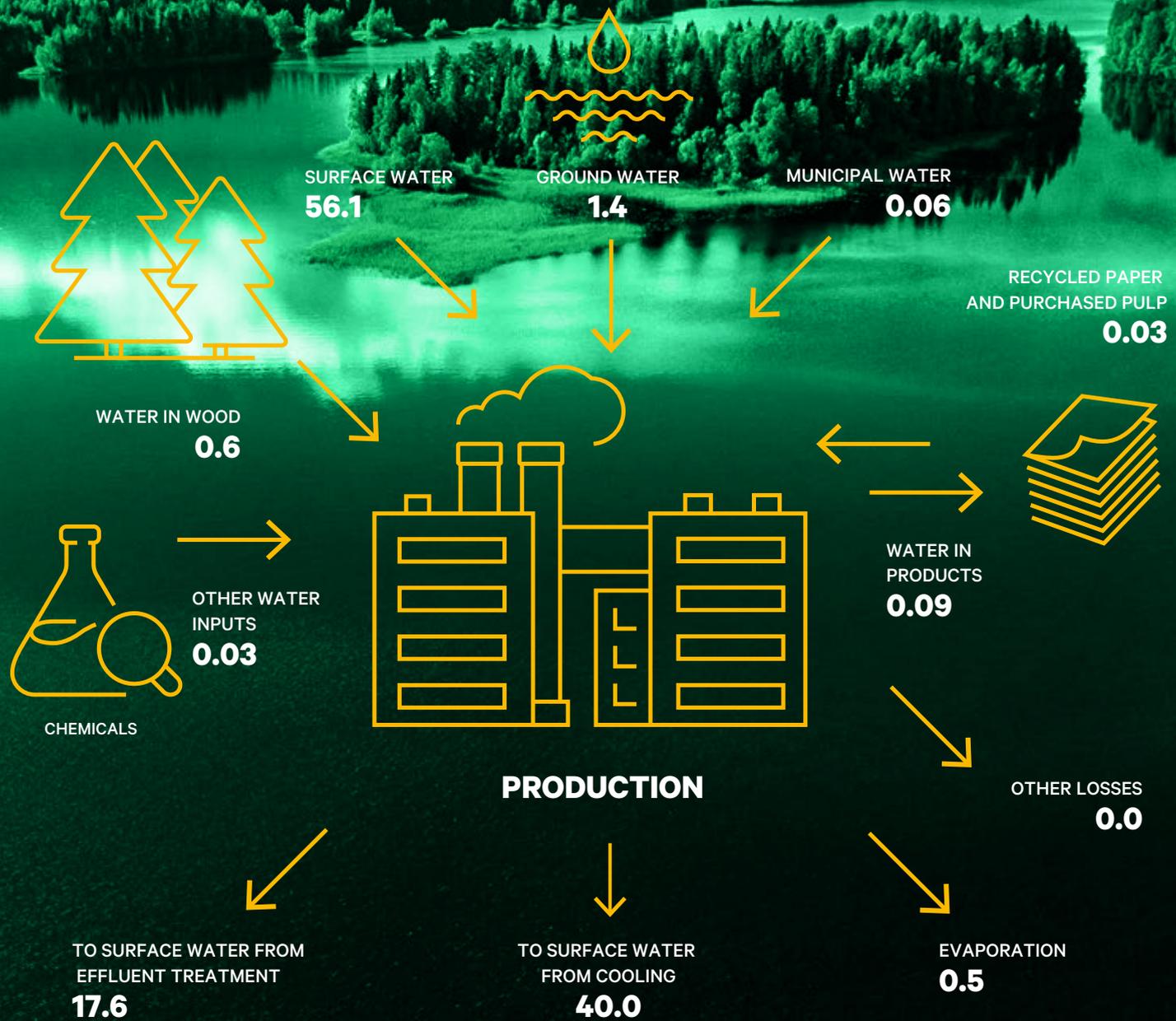


**DISCHARGES OF WASTEWATER**  
m<sup>3</sup> per tonne of paper



# Norske Skog global average water use and discharge

m<sup>3</sup>/tonne of paper



The total water consumption in 2022 was 99 440 899 m<sup>3</sup>, of which 96% derived from surface water. 99.9% of the water is returned as surface water after cooling and effluent treatment.

# Combat climate change

The European Union and related national governments have set forth new ambitious goals to reach carbon neutral societies by 2050. Norske Skog, together with other European and Norwegian industries, has adopted these ambitious goals and through our industrial organisations presented a proposed industrial road map to reach this ambition by 2050.

Norske Skog has integrated reduction of greenhouse gas emissions as a key part of the business strategy. The goal is to reduce energy consumption, increase the share of renewable energy sources and to optimise the use of process chemicals and transport. We are committed to contribute to combat global climate change. Norske Skog has a long-term commitment to achieve net zero GHG emission by 2050, and a 55% reduction within 2030 from a 2015 baseline. Norske Skog has a long-term commitment to achieve net zero GHG emission (Scope 1 and 2) by 2050, and a 55% reduction within 2030 from a 2015 baseline.

Emissions to air occur primarily from energy generation processes. Our mills have their own boilers or incinerators for producing thermal energy from production waste 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, sulphur dioxide and nitrogen oxides.

To demonstrate Norske Skog's commitment to combating climate change, and to make critical information available to investors, customers and other stakeholders, Norske Skog reported to the CDP (Carbon Disclosure Project) in 2022. Norske Skog achieved a favorable A- rating on CDP Climate Change. During 2023, Norske Skog will also calculate effects of adopting science-based targets.

Norske Skog's carbon footprint covers emissions from several elements of the value chain such as pulp and paper production, forest and recycling operations, energy operations and transport. Carbon stored in forest products (biogenic carbon) is separately reported to the Norwegian Environment Agency.

## **Scope 1 and 2 CO<sub>2</sub> emission performance:**

In 2022, 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 and 2022 to allow for comparison. The emission factors 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 Australia, we have applied emission factors from local authorities. We do not source any Energy Attribute Certificates / Guarantees of Origin as part of our Market-based accounting. Norske Skog does not purchase these certificates due to the political position of the Norwegian Trade and Industry associations. Therefore, our targets and KPIs are measured against the location-based accounting method.

Using location-based methodology, Norske Skog reached a level of 276 kg scope 1 and 2 CO<sub>2</sub>/tonne of paper in 2022 according to the GHG protocol methodology, which is a 14% reduction from 2021. This is mainly due to reduced gas consumption at Bruck after the start-up of a new energy plant in

2022, which is based on refused derived fuel.

Our Carbon Footprint according to the GHG protocol, is illustrated in table on the next page and in section 4 under key figures.

The source of the emission factors and the global warming potential (GWP) rates used is from the IPCC Fourth Assessment Report (AR4 - 100 year). 2015 was selected as the base year, after a comprehensive restructuring of the mill portfolio, in the calculation of the 55% CO<sub>2</sub> reduction target within 2030, which is congruent to evaluations done by the EU and the Norwegian Federation of Trade and Industries. The reporting boundary and consolidation approach for emissions are disclosed according to operational control.

With the performance in 2022, Norske Skog has achieved a 51 % reduction in CO<sub>2</sub> equivalent/per ton paper compared to the 2015 baseline. Due to investments in low-emission energy generation, Norske Skog expects to reach the 55% reduction in CO<sub>2</sub>-emission by 2030 ahead of time.

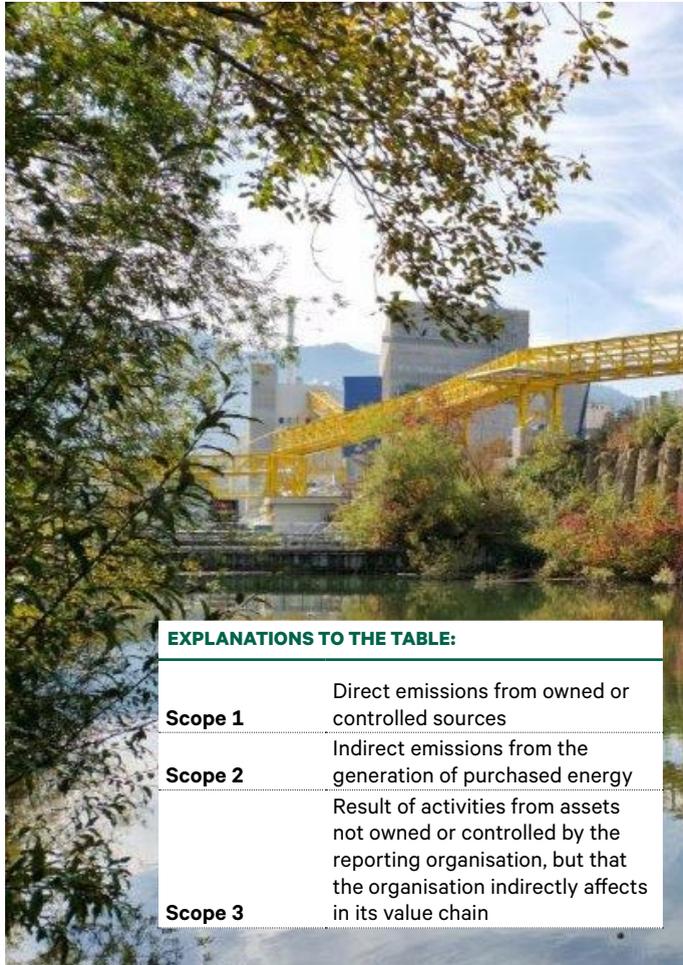
In 2022, the Norske Skog Boyer mill accounted for 67% of the fossil CO<sub>2</sub> emissions in the Norske Skog group. The CO<sub>2</sub> emissions for the Norwegian mills, Norske Skog Saugbrugs and Norske Skog Skogn, are very low due to a long-term commitment and completed investments to reduce fossil-based energy sources in the production of thermal energy.

With AUD 2 million in grant from the Australian federal government, Norske Skog Boyer will in the first half of 2023 present a study to replace the mill's coal fired boiler, which is used to produce thermal energy (steam). A new electrical or biomass boiler(s) will use alternate fuels when implemented. This will reduce Boyer's scope 1 carbon emissions by around 90% and group scope 1 carbon emissions by around 60%.

The two Norwegian mills accounted for about 3% of the total scope 1 and 2 CO<sub>2</sub> emission in the group. Norske Skog Skogn will invest around NOK 230 million in a new thermomechanical pulp (TMP) production line replacing expensive recycled paper with fresh fibre. This will from 2024 significantly reduce NOx and fossil CO<sub>2</sub> emissions, and this will also reduce waste to landfill at the mill.

Through the partnerships with Ocean GeoLoop at Norske Skog Skogn and Borg CO<sub>2</sub> at Norske Skog Saugbrugs, Norske Skog aims to pursue the opportunity to become CO<sub>2</sub> net negative, and to explore economically viable models for utilisation of biogenic CO<sub>2</sub>. Norske Skog will through collaboration with industry and environmental organisations seek to establish effective, political and market designed mechanisms for carbon capture and usage.

Norske Skog mills are offering customers Product Carbon Footprint according to two industry standards developed by European Paper Producers. This include "CEPI Ten Toes, Carbon Footprints for Paper and Board Products" and "Paper Profile". Both are available upon request.



**EXPLANATIONS TO THE TABLE:**

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

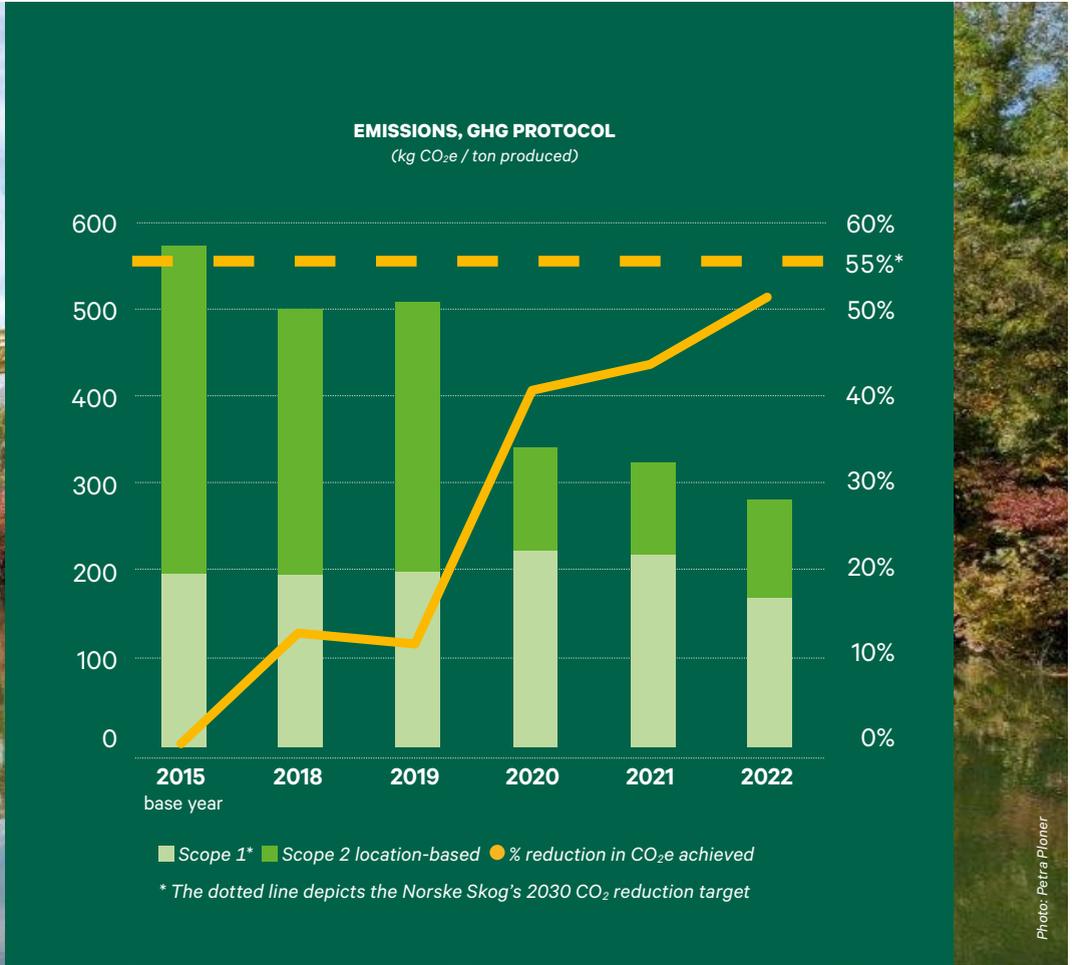


Photo: Petra Pfloner

Emissions, GHG Protocol (metric tonne CO <sub>2</sub> equivalent)	Base year 2015	2018	2019	2020	2021	2022	% change
<b>Scope 1</b>	474 946	500 136	465 636	409 970	427 294	294 926	-31 %
<b>Scope 2 location-based</b>	865 236	734 033	692 672	195 762	186 703	177 808	-5 %
Scope 2 market-based					1 119 620	1 162 024	4 %
<b>Total Scope 1 and 2 location-based</b>	<b>1 340 182</b>	<b>1 234 169</b>	<b>1 158 308</b>	<b>605 732</b>	<b>613 998</b>	<b>472 734</b>	<b>-23 %</b>
kg CO <sub>2</sub> e/tonne paper (scope 1 and 2 location-based)	567	495	502	337	320	276	-14 %
% reduction vs 2015		-13 %	-11 %	-41 %	-44 %	-51 %	
Biogenic CO <sub>2</sub>	530 274	556 050	598 897	481 214	482 813	457 451	
<b>Scope 3</b>							
Purchased goods and services						148 000	
Upstream transportation and distribution						167 000	
Downstream transportation and distribution						201 000	
Processing of sold products						224 000	
Other						12 000	
<b>Total Scope 3</b>						<b>752 000</b>	

**SCOPE 3**

During 2022, Norske Skog has completed a first mapping of all Scope 3 categories, according to the GHG protocol, as shown in table above. The largest sources of emissions in our value chain are related to transport and distribution (~49%), processing of sold products (~30%) and purchased goods and services (~20%). Other categories, represented by waste, business travel, fuel and energy related activities, capital goods make up approximately 2% combined. Emissions related to purchased goods and services as well as upstream emissions are have been calculated based on purchased volumes and the use of generic emission factors from trusted sources. Processing of

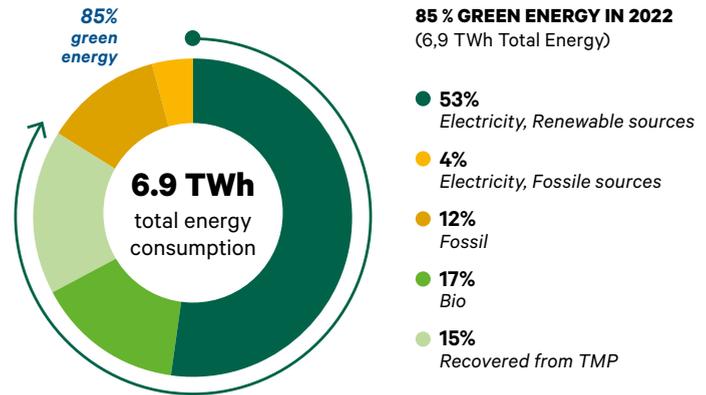
sold products cover emissions generated during the printing process and downstream transportation cover distribution from the printing house to the final customer for printed magazines and printed newspaper. These two downstream categories have been estimated based on annual production volume and emission factors from trusted research papers. Our total scope 3 footprint was ~752 000 tons in 2022, and represent 61% of our combined Scope 1, 2 and 3 emissions. Going forward, Norske Skog is committed to improve the quality of our scope 3 inventory, work with partners across our value chain to reduce emissions and set reduction targets for scope 3.

**EU taxonomy:**

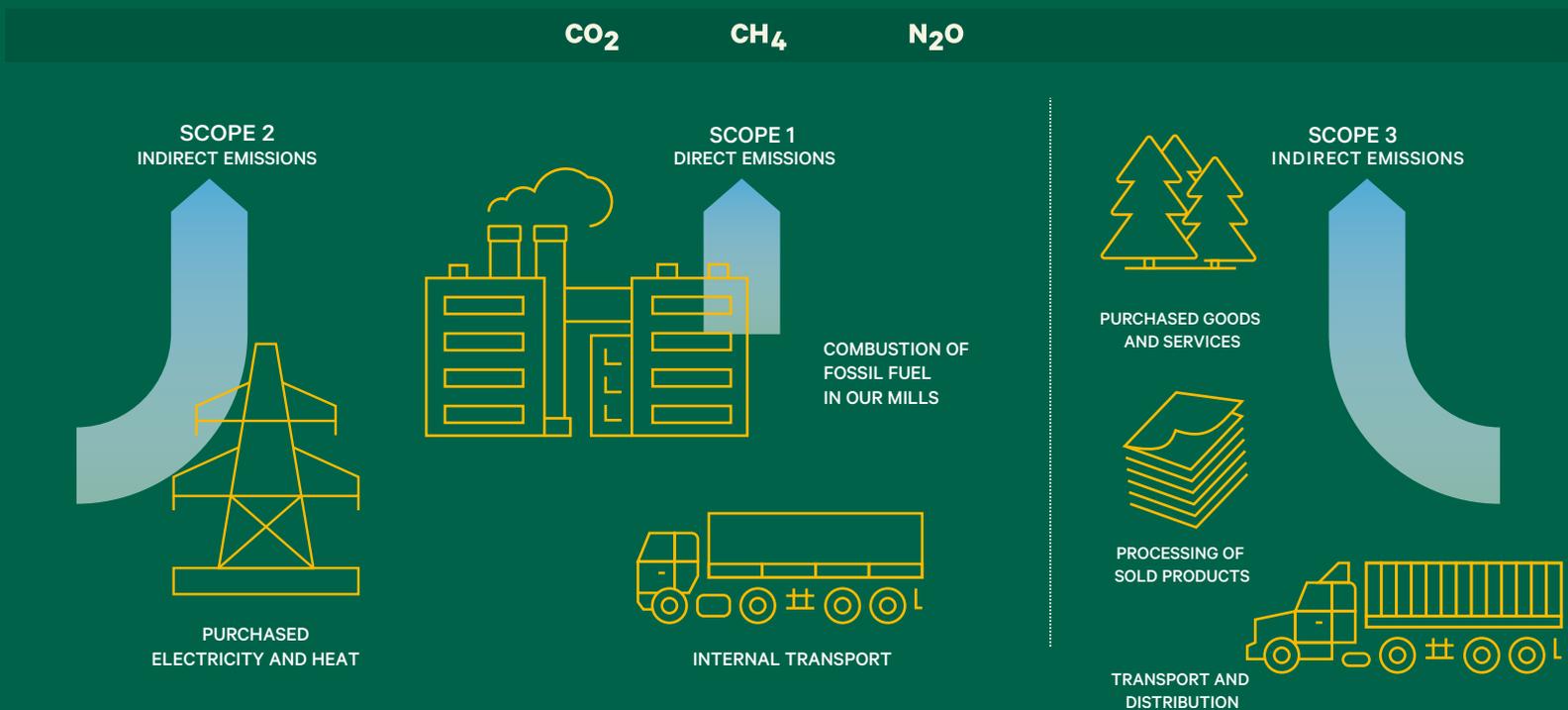
To meet the climate and energy targets and reach the objectives of the European green deal, the EU has introduced the “EU Taxonomy”, a classification system for sustainable economic activities.

The EU Taxonomy Regulation sets mandatory requirements on disclosure. Norske Skog’s main activities, paper and containerboard production, do not fall under the scope of the taxonomy activities that are published in the Climate Delegated Act.

The European Commission has been explicit that economic activities that are not recognised by the EU Taxonomy, are not necessarily environmentally harmful or unsustainable. This is also true for the non-eligible activities in Norske Skog. Norske Skog will closely follow the EU Taxonomy regulation to assess the eligibility for new activities and products from Norske Skog under development.



# Sources of greenhouse gas emissions







# Ensure long term access to sustainable energy

The production of publication and packaging paper is an energy-intensive process. Energy is consumed mainly for two purposes:

- To separate, process and transport fibre and water (electrical energy)
- To provide process heat and to dry the paper (thermal energy)

The major use of electrical energy in mills, which process fresh fibre, is the process to mechanically convert roundwood and wood chips into fibres, called thermomechanical pulping (TMP) process. Paper production based on recovered paper consumes less energy because the fibres from recovered paper are more easily separated than those within wood.

Thermal energy is used for the heating and drying of paper. In contrast with electrical energy, thermal energy is mostly generated within the mill. The sources of this energy include recovered heat from the thermomechanical pulping or effluent treatment processes, combustion of mill residues, purchased biofuel, oil, gas or coal. In some cases, the thermal energy is supplied by external third parties.

Norske Skog has comprehensive programmes to continuously reduce energy consumption and become more environmentally friendly by changing the sources of energy. Norske Skog is utilising the effluent to produce biogas with its own biogas plants at Saugbrugs and Golbey for energy sales to external customers. Effluent from Skogn is delivered to an external biogas plant adjacent to the mill. The biogas plants employ biowaste from paper production as fuel, contributing to a reduced carbon footprint and an improved environmental profile for the group.

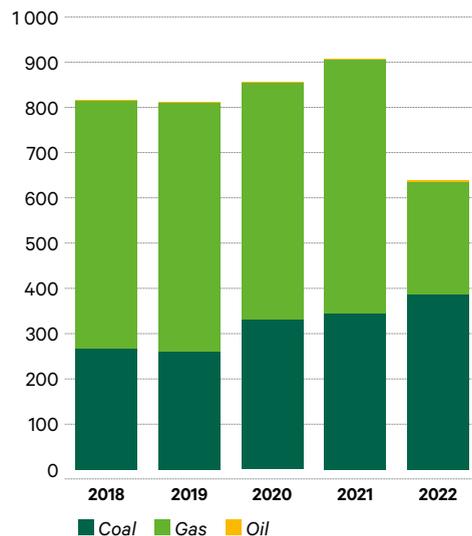
At Bruck in Austria, the group opened a new 50MW wide range energy boiler, utilising refuse derived fuels and paper production residuals in April 2022. The new energy plant at the Bruck mill is estimated to provide new revenue from waste handling as well as cost savings in the publication paper production. Bruck will deliver heat to the local district heating system to supply 1 500 households (30 GWh). In France, the Green Valley Energie (GVE) project, supported by a partnership between Norske Skog Golbey, PEARL Infrastructure Capital and Véolia Industries Global Solutions (Véolia), involves the design and construction of a new biomass cogeneration plant, which will produce 200 GWh of electricity and more than 500 GWh of steam.

In 2023, Norske Skog Skogn announced to explore opportunities to build a biogas plant adjacent to the mill site processing livestock waste into large quantities of biogas and farming fertilizer, thus substantially reducing agricultural CO<sub>2</sub> emissions in the region. Norske Skog will continue to explore projects within bioenergy that support and develop the business.

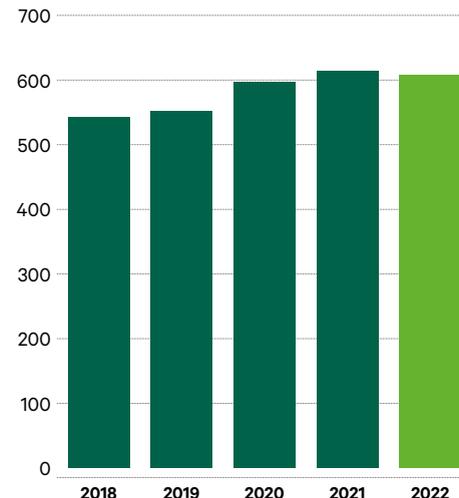
## ACHIEVING LESS DEPENDENCY ON FOSSIL-BASED FUEL

Thermal energy, mostly heat recovery from the thermomechanical pulping (TMP) or effluent treatment processes or from combustion of mill residues (biofuel), is used for the heating and drying of paper. This accounts for in total about 32%, in addition, electricity covers about 53% and fossil sources 16% of the total energy consumption in 2022. In Norway, less than 1% of the energy sources derives from fossil-based fuels. After the start-up of the new energy plant at Bruck, the gas consumption went down by almost 70% from 2021 to 2022, and further reductions are expected in 2023 as the energy plant is approaching normal capacity utilisation.

**CONSUMPTION OF FOSSIL FUEL PER TONNE PAPER**  
KWh/tonne



**CONSUMPTION OF RECOVERED HEAT FROM THERMO-MECHANICAL PRODUCTION**  
MWh/tonne



2

Social





# Ensure healthy lives and promote well-being for all

## HEALTH AND SAFETY:

Health and Safety has high priority for Norske Skog, twenty-four hours a day, seven days a week. Norske Skog’s health and safety programme at the business units, called “Take Care 24 hours”, is adapted to our different cultures and local requirements where we operate, and shall always meet the requirements of our health and safety standards for international activities. Our goal is a safe working environment where health and safety receive equal attention in planning and in the daily operations of the company.

All employees in Norske Skog shall take responsibility for improving the working environment for themselves, their colleagues, visitors and sub-contractors. Internal cooperation, involving sharing of experience and best practice, enables us to adapt preventive activities to all our business units. Through the activities in Take Care 24 hours, the group stimulates and encourages the same attitudes and behaviour at work and during our spare time, for our own employees and their families. At Norske Skog, we 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.

The Process for Safety Excellence (PSE) is an ongoing, structured process integrated into the day-to-day business of the group to achieve the highest level of health, safety and environmental performance. It applies to every unit within Norske Skog and activity carried out by employees and contractors. PSE focuses on three management components: people, assets and systems. Each component includes nine elements (standards), providing the framework for health, safety and loss prevention.

These standards are applicable to 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.

## THE OBJECTIVES OF THESE STANDARDS ARE:

- 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
- Identify and share the best practice between business units
- Provide the business units the opportunity to assess themselves against the standards and continually improve their systems
- Enable inter-mill/unit reviews to provide an external perspective and recommendations for improvement

Where Norske Skog has no operational responsibility, but has an equity stake, or where significant Norske Skog assets are involved in a subcontracting site, arrangements shall be made to ensure that comparable standards of safety are maintained. We strongly believe in behavioural based safety observations and audits. These are observations of people’s workplace behaviour that enables positive feedback for safe behaviour, recognition and correction of unsafe acts.

Our Norwegian business units have signed an IA agreement regarding a more inclusive workplace with the aim of reducing sickness absence rates and increasing job attendance for all employees. Although the IA Agreement is a distinctly Norwegian concept, our non-Norwegian business units operate under similar conditions. The IA Agreement builds on a tripartite cooperation between the national authorities, the trade unions and the company. The IA Agreement and Norske Skog’s operational objective is to develop targets for our work to prevent sickness and absence and to establish verifiable activity



targets to achieve a professional attitude to both preventive and reactive health care in the company.

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 has used Synergi Life for many years, which is an operational risk management tool from DNV GL. We have a 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. All business units report their information into the Synergi, which is also a source for the transfer of experience and sharing of best practices. Reports from Synergi are analysed and form the basis for our internal HSE audits conducted by our HSE staff at the group level.

Norske Skog is committed to provide a safe working environment for our employees, contractors and visitors. Health and safety considerations are integrated into the day-to-day business of Norske Skog and apply to every organisation within Norske Skog and every activity carried out by its employees and contractors.

**Norske Skog aims to have zero injuries, reduce sickness absence rates and to increase focus on job attendance for all employees.**

**HEALTH AND SAFETY PERFORMANCE:**

Norske Skog had an absence rate due to illness of 4.7 per cent in 2022, which is a 10% increase from last year. The total number of accidents at the mills are almost at the same level in 2022 as in 2021, but it was a 58% decrease in lost time injuries per million working hours (H1 or LTI) in 2022 compared to 2021.

**The Norwegian inclusive working environment (IA) agreement directs the operational objectives for the cooperation:**

- Reduce sick leave
- Increase employee retention rate
- Increase employment of people with functional impairments
- Increase the retirement age

Our work with the IA-agreement has been extended to apply to all of Norske Skog's business units and is intended to be an integral part of our targeted health, safety and environmental (HSE) work.

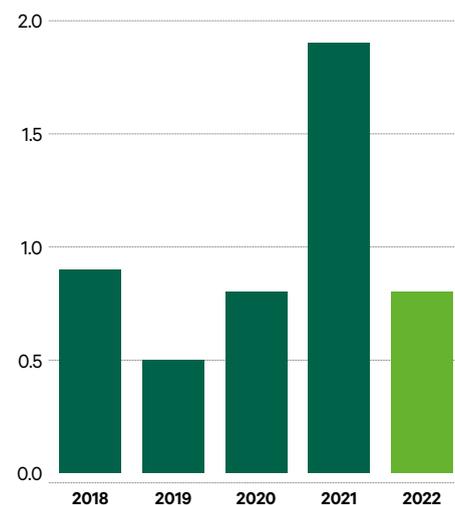
	2018	2019	2020	2021	2022
LTI <sup>1)</sup> (H1)	0.9	0.5	0.8	1.9	0.8
TRI <sup>2)</sup> (H2)	7.4	9.8	6.6	5.9	7.1
Absence due to illness	3.8	3.7	4.2	4.2	4.7

<sup>1)</sup> LTI = Lost Time Injuries per million working hours.

<sup>2)</sup> TRI = Total Recordable Incident meaning total number of injuries with and without lost time per million working hours.

**H1 DEVELOPMENT**

Lost time injuries per million working hours



## Promote lifelong learning opportunities for all

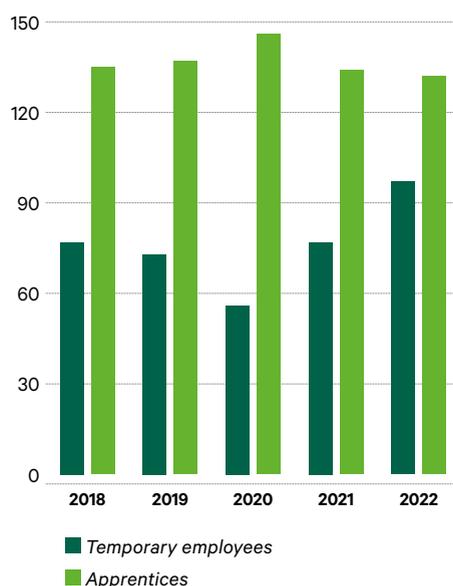
Norske Skog's people and organisation strategy is to maintain a business-oriented, international organisation that attracts and retains highly competent and motivated employees on all levels around the world. We strive to give people the opportunity to grow personally and professionally in a stimulating working environment.

Our goal is to have a broad access to qualified personnel in a short and long-term perspective. Norske Skog has a structured process for assessing people performance and creating targeted professional development plan for human resources. We believe in developing people through their entire employment period in Norske Skog by providing training, job enrichment and career opportunities. During 2023 the group is looking to establish an internal global leadership development program.

We take pride in delivering advanced programs for apprentices. These programs are the preferred source when recruiting to our business and a key contribution from Norske Skog to society in terms of quality education. In 2022, 6.2% of our employees were apprentices and trainees. In Norway, 44% of new hired skilled workers are recruited from apprentice programs, whereas the group achieved 32%.

A containerboard knowledge network group was established to prepare for entering the packaging paper market. Most business units cooperate with selected schools, colleges, and universities in their region. Our engagement embraces activities such as mill visits, project work, diploma theses, trainee, and apprentices' programs. In our internal continuous improvement programs, we aim to share knowledge and learnings. The group is working to further improve the execution of annual performance reviews and development plans by 2023.

**NUMBER OF APPRENTICES AND TEMPORARY EMPLOYEES**



## Achieve gender equality

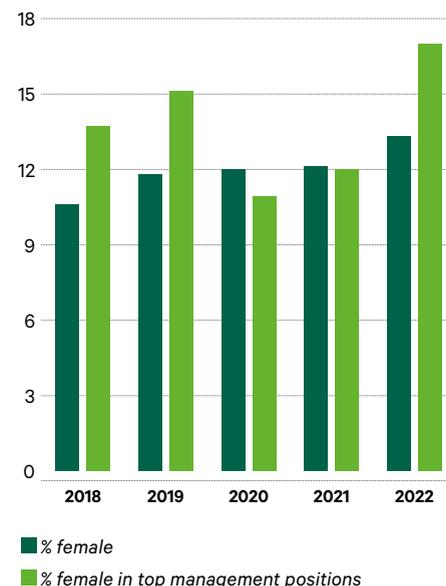
Norske Skog has an overall ambition to promote diversity and inclusion by providing equal employment and career opportunities, in addition to treat all employees fairly and with respect. We consider competence as the key for both the company and the individual.

Norske Skog will conduct an analysis of certain aspects of equality and diversity. Based on the outcome of this analysis, Norske Skog will further develop its targets and initiatives.

The paper industry has traditionally attracted few female employees despite several attempts to attract females to the industry. Shift work and unfavourable working hours have been explanations for the low female share. In 2022, the female share of the total workforce was 13%. Our female share in top management positions is 17%, representing the top level in group management at the headquarter, the management teams at the business units and the Managing Directors at the sales offices. Our female share in other management positions is 12%.

We are 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.

**PROPORTION OF FEMALE (%)**



## Promote inclusive and productive employment

Norske Skog's ambitions are to promote decent and transparent working conditions, which are necessary to nurture the productivity, growth, and sustainability of our business. In addition, Norske Skog will comply with employment legislation in the countries where we operate and have close cooperation with unions.

Norske Skog is committed to promote diversity and inclusion by providing equal employment opportunities and treating all employees fairly and with respect. All employees and others acting on behalf of Norske Skog are expected to conduct business in an ethical manner and must always comply with applicable laws and regulations. In practice, we encourage the Norwegian Discrimination Act's objectives within our business. Norske Skog will commit to an inclusive work culture, which appreciates and recognises that all people are unique and valuable and should be respected for their individual abilities and views. We will also prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith.

In 2022, Norske Skog Golbey and Norske Skog Saugbrugs had Platinum Rating from EcoVadis for its performance on environmental and social impact, human rights and responsible sourcing. Eco Vadis is a leading independent organisation that evaluate supplier performance in terms of sustainability. Platinum rating is the highest possible rating and place them in the top 1 % of companies in the pulp and paper industry.

### Labour associations:

Norske Skog fully complies with all laws regulating collective bargaining and recognises freedom of association. Our commitment to respect 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. 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.

### People performance analysis:

As of 31 December 2022, Norske Skog employed 2 140 people in Europe and Australasia, which is an 2% increase from last year was mainly connected to new employees to operate the energy plant and the packaging paper production at Norske Skog Bruck. The turnover of people, including retirement, was 14%. Our employment levels are not subject to seasonal variations, and the share of temporary employment is around 5% of the total.

In 2022, unions represented 88% of our employees for collective bargaining purposes. There have been no reported incidents of child labour, forced or compulsory labour during the reporting period. Nor has there been any reported incidents of discrimination in respect of employment or occupation. The risk of such incidents in the supply chain is considered low, and a high-level risk assessment of suppliers has not provided information or indications of any violation by our suppliers.

## Respecting Human Rights

Norske Skog is committed to respect and support fundamental human rights and decent working conditions of all individuals potentially affected by our operations and business relationships. We perform human rights due diligence in accordance with the OECD Guidelines for Multinational Enterprises and ensure compliance with relevant national legislations.

Norske Skog does not have operations in countries with high risk of human rights violations. As a global company, with suppliers and customers in a variety of countries, we do however recognize that Human Rights risk may be present in our value chain.

To manage this responsibility, Norske Skog established new processes for responsible business conduct into our management systems in 2022. A Human Rights Policy was approved by the board of directors in December 2022. As part of this process, we have developed a Human Rights Manual for internal use, describing roles, responsibilities and compliance activities at group and business unit levels as including practical guidance.

In 2022 business units across Norske Skog Group have started the work of systematically identifying and assessing actual and potential negative consequences for basic human rights and decent working conditions. Results from the high-level identification process highlight three areas of priority across our value chain:

- Health and safety
- Fair labor conditions
- Natural resource related human rights

The risk of adverse impact from these areas are assumed to most significant is our supply chain. Our business units have started the process of assessing prioritized areas in selected purchasing categories. We will publish updated information about these processes and related results in 2023. We will publish information on our webpage annually by 1st of July regarding these processes and related results.

### Modern Slavery and Trafficking Statement in Australia:

Norske Skog Australia signed the first Modern Slavery and Trafficking Statement, as required under the Australian Federal Modern Slavery Act of 2018. The purpose is to outline our approach and commitment to ensuring that the group has robust frameworks and processes in place to establish zero tolerance level for modern slavery and human trafficking in our business and value chain. Norske Skog is obliged to operate responsibly and adhere to the highest ethical standards across business units.

### The Norwegian transparency act:

In June 2021, the Norwegian Parliament passed the Transparency Act (In Norwegian: "Åpenhetsloven") with the purpose to promote companies' respect for fundamental human rights and decent working conditions in connection with the production of goods and services, and to ensure the general public access to information on how companies handle negative consequences on fundamental human rights and decent working conditions.

The act applies to large enterprises that are domiciled in Norway, which offer goods and services inside or outside Norway. The act entered into force on 1 July 2022. Norske Skog will comply with the obligations under the scope of this act.

## Cooperation with local communities

Norske Skog seeks to understand the actual and potential impacts our operations have on local communities, and to understand their expectations and needs. We cooperate and report to the local communities about significant infrastructure investments and services supported, both current or expected impacts on communities and local economies.

Several business units are situated in immediate proximity to local towns. Norske Skog aims to be a strong and solid contributor for these communities. To manage this relationship, we have established a target to report the significant social, environmental, safety and economic impacts our operations have on these local communities. We achieve this by working closely with the community in various aspects, both authorities and private partners and through open and honest dialogue about environment, safety- and economic issues on regularly.

Our activities affect employees, suppliers, customers and partners in many countries, regions, towns, and villages. Our decisions and activities, production

and sales have an impact on a multitude of individuals, groups, and companies, both financially and otherwise. We are aware of that Norske Skog's decisions may have great significance and impact on the local community. We believe that an open dialogue and cooperation with the local community on strategies and investment plans will benefit all parties in the long term. During the process to establish new industrial facilities and machine conversions at Norske Skog Bruck and Norske Skog Golbey, Norske Skog had and still have positive experience with the comprehensive dialogue and communication with stakeholders in the local communities.

To improve and maintain our role in society and as an important employer in local communities, our business units are encouraged to be active and open in their communication and contact with local stakeholders. Examples include reports to neighbours and other local stakeholders, open days for the public to inform about our business, engagement in nature protection projects, support to local museums, involvement in sports and cultural initiatives, support to charitable organisations, as well as integration of immigrants and disabled persons through vocational training. We encourage employees to take part in local community work as many of them do.



**Laura Ness**  
HR trainee  
Norske Skog Skogn

Hello, I am Laura Ness, and I am 24 years old. I have a Bachelor and Masters degree (BSc Business Management with specialism in HR & MSc Occupational and Business Psychology) from Kingston University

in London. I started working as an HR trainee in June 2022.

I decided to work for Norske Skog because I have always been fascinated with industry, but I really do not have an engineering type of brain. However, now I have the best of both worlds, HR at an industrial company!

My main tasks include employer branding, social media, communication, recruitment and other HR-related tasks.

Outside of work, I enjoy cross-country skiing, working out, and spending time with my niece. Besides that, I'm obsessed with podcasts, documentaries and skincare.



A large, bold, yellow number '3' is positioned on the left side of the image, partially overlapping the green gradient bar and the sunset scene. The background features a sunset over a frozen lake with a reflection of the sun on the ice. The sky is a mix of green and orange, and the water is dark with a bright reflection of the sun.

3

# Corporate governance

Norske Skog ASA is a Norwegian based paper manufacturer with production and sales operations in Europe and Australasia. 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 Børs 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 3-3b the Norwegian Accounting Act, and complies with the Norwegian Code of Practice for Corporate Governance (the "Code", see [www.nues.no](http://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](http://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 2021.

## 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 manner in which 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. 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, in order 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.

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 2022 was NOK 377 058 820, divided into 94 264 705 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 2022 was NOK 5 909 million, which is equivalent to 43.4% of total assets (for Norske Skog ASA, the total equity was NOK 4 115 million, which is equivalent to 53.6% of total assets).

#### DIVIDEND POLICY

It follows from Norske Skog's Corporate Governance Policy that the company shall, at all times, 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 ongoing 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 to request consent from relevant financing providers to make dividend distributions.

On the basis of the results for the financial year 2022, the company will request a consent from relevant financing providers to pay dividend of up to NOK 5 per share, and the board of directors will accordingly propose that the annual general meeting approves an authorisation to the board of directors for payment of dividend in the equivalent amount, i.e. up to NOK 5 per share.

#### CAPITAL INCREASES AND ISSUANCE OF SHARES

The general meeting in 2022 authorised the board of directors to increase the share capital one or several times with an aggregate amount of up to NOK 37 705 882, 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 2023. As of the date hereof, the authorisation has not been used.

*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. In the event that 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 two members, Yngve Nygaard, who serves as the chair of the committee, and Richard Timms.

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 an 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. 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.

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, and 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 members 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 of 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 directors and meeting attendance at board meetings held in 2022:

Name (*)	Residence	Role	Committee memberships	Board meetings attended	Board member since	End of term
John Chiang (**)	London, UK	Chair	Audit committee and remuneration committee	8/8	2018	2023
Arvid Grundekjøn	Oslo, Norway	Board member	Audit committee and remuneration committee	8/8	2018	2023
Trine-Marie Hagen	Oslo, Norway	Board member	Audit committee	8/8	2019	2023
Nikolai Johns	Oslo, Norway	Board member	N/A	6/6 (***)	2022	2024
Johanna Lindén	Gothenburg, Sweden	Board member	N/A	6/6 (***)	2022	2024

(\*) 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.

(\*\*) John Chiang served as chair of the board of directors until the extraordinary general meeting held on 9 March 2023, at which Geir Drangslund was elected as the new chair of the board of directors.

(\*\*\*) The board member was elected to the board of directors at the annual general meeting in 2022, after which six board meetings were held in the remainder of 2022.

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

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 24 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 2022 and into 2023, 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 2022 are the group's conversion of newsprint paper machines to recycled containerboard paper machines, with one machine at the Golbey mill in France and one machine at the Bruck mill in Austria, including the energy boiler projects at these mills that are being constructed in tandem with the conversions. 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 during 2022 were Arvid Grundekjøn (chair), John Chiang and Trine-Marie Hagen. The members of the remuneration committee during 2022 were John Chiang (chair) and Arvid Grundekjøn. 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 2022. In addition, the committee completed a tender process for the role as new external auditor as part of a periodical change of audit firm, and prepared a recommendation to the general meeting in this respect. The committee furthermore focussed on improving the reporting on salary and other remuneration to executive personnel in 2022.

The external auditor and the 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 2022:

Name (*)	Committee memberships	Board meetings attended	Audit committee meetings attended	Remuneration committee meetings attended
John Chiang (**)	Audit committee and remuneration committee	8/8	8/8	2/2
Arvid Grundekjøn	Audit committee and remuneration committee	8/8	8/8	2/2
Trine-Marie Hagen	Audit committee	8/8	8/8	N/A

(\*) 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.

(\*\*) John Chiang served as chair of the board of directors, member of the audit committee and chair of the remuneration committee until the extraordinary general meeting held on 9 March 2023, at which Geir Drangslund was elected as the new chair of the board of directors.

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

In 2022, the board of directors held eight meetings and one matter was resolved by written resolutions. The audit committee held eight meetings in 2022. The remuneration committee held two meetings in 2022 and one matter was resolved by written resolutions. Due to the circumstances around COVID-19, the meetings of the board of directors and its committees were to a large extent held by video conference throughout 2021. At the end of 2021 and in the beginning of 2022, the meetings were increasingly held with physical attendance and following Q1 2022, all meetings were held physically. Representation at meetings of the board of directors and 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 manner in which 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. In the beginning of 2023, ISCO Group assisted with completing the evaluation process for the year 2022.

*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 annually reviews and reports on sustainability in accordance with GRI's Sustainability Reporting Standards. The annual review is carried out by an independent and internationally recognised audit firm. Further information on the group's sustainability reporting is provided in the group's sustainability report included in the sustainability report section of the annual report.

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 (whistle blowing). 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 500 000 per year. <sup>(\*)</sup>
2. The remuneration for the other members of the board is NOK 300 000 per year.
4. The remuneration for the chair of the audit committee is NOK 130 000 per year.
5. The remuneration for other members of the audit committee is NOK 50 000 per year. (\*)
4. The remuneration for the chair of the remuneration committee is NOK 30 000 per year. (\*)
5. The remuneration for other members of the remuneration committee is NOK 20 000 per year.
6. Travel expenses in connection with board and committee meetings are paid in accordance with the Norwegian Government's Travel Allowance Regulation.

<sup>(\*)</sup> John Chiang, who during 2022 served as the chair of the board, chair of the remuneration committee and member of the audit committee, is a partner of Oceanwood Capital Management LLP, the investment manager of the company's previously largest shareholder, NS Norway Holding AS. Due to internal guidelines in Oceanwood Capital Management LLP, Mr Chiang did not receive remuneration for his role as chair of the board, chair of the remuneration committee and member of the audit committee.

The total remuneration for the board of directors in 2022, including committee work, was NOK 1 369 745. 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](http://www.norskeskog.com).

*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](http://www.norskeskog.com).

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](http://www.norskeskog.com).

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](http://www.norskeskog.com), following the annual general meeting. In addition, information about remuneration of leading personnel is available in the financial statements, in

Note 7 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 is 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 accounts are on the agenda and as otherwise requested. At such meetings, the auditor are 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 2022 and 2023, 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.*

4

# Ambition and performance

# Key figures

## KEY FIGURES – EMPLOYEES

Business Unit	Number of employees (FTE) 31 December 2022				Total	Female share in %		% of employees covered by collective agreements
	Ordinary	Temporary	Apprentices	Other		Top mngt positions	Other mngt positions	
						End 2022	End 2022	End 2022
Norske Skog Saugbrugs	413.0	12.0	31.0	3.0	459.0	11.1	14.8	89.0
Norske Skog Skogn	367.0	29.0	19.0	2.0	417.0	11.1	8.0	92.0
Headquarter Oslo	31.0	0	0	0	31.0	0	25.0	9.6
<b>Norway total</b>	<b>811.0</b>	<b>41.0</b>	<b>50.0</b>	<b>5.0</b>	<b>907.0</b>	<b>8.3</b>	<b>11.3</b>	<b>87.3</b>
Norske Skog Bruck	388.0	35.0	36.0	3.0	462.0	0	4.0	100.0
Norske Skog Papier Recycling	19.0	0	0	0	19.0	0	0	100.0
Norske Skog Golbey	353.0	8.0	29.0	0	390.0	50.0	10.8	100.0
Sales offices in Europe	52.0	0	1.0	0	53.0	33.3	0	7.7
<b>Europe total</b>	<b>812.0</b>	<b>43.0</b>	<b>66.0</b>	<b>3.0</b>	<b>924.0</b>	<b>28.6</b>	<b>9.3</b>	<b>94.1</b>
Norske Skog Boyer	247.0	13.0	16.0	5.0	281.0	0	16.0	75.3
Norske Skog Tasman	0	0	0	6.0	6.0	0	0	0
Australasia Shared Services	22.0	0	0	0	22.0	33.3	50.0	0
<b>Australasia total</b>	<b>269.0</b>	<b>13.0</b>	<b>16.0</b>	<b>11.0</b>	<b>309.0</b>	<b>12.5</b>	<b>20.7</b>	<b>69.1</b>
<b>Norske Skog group total</b>	<b>1 892.0</b>	<b>97.0</b>	<b>132.0</b>	<b>19.0</b>	<b>2 140.0</b>	<b>17.0</b>	<b>11.9</b>	<b>87.6</b>

		2017	2018	2019	2020	2021	2022
<b>Health &amp; Safety</b>							
H1 <sup>1)</sup>			1.0	0.9	0.5	0.8	1.9
H2 <sup>2)</sup>			7.3	7.4	9.8	6.6	5.9
Absence due to illness	%		3.5	3.8	3.7	4.2	4.2
<b>People</b>							
Total employees	FTE		2 414	2 444	2 359	2 332	2 092
Temporary employees	FTE		66	77	73	56	77
Apprentices	FTE		130	135	137	146	134
Average age of employees	FTE		47.0	47.3	47.1	46.6	44.9
Female in top management position	%		8.5	13.7	15.1	10.9	12.0
Female in management position	%		8.5	10.1	10.2	12.1	12.7
Employees w/ collective agreements	%		84.3	84.1	83.3	86.5	88.0

<sup>1)</sup> Number of personal injuries with absence x 1 000 000/number of worked hours.

<sup>2)</sup> Number of personal injuries with medical treatment x 1 000 000/number of worked hours.

Age distribution employees	up to 34 years	35-54 years	55 and older
%	26	43	31

## KEY FIGURES OPERATIONS

		2017	2018	2019	2020	2021	2022
<b>Production</b>							
Paper	tonnes	2 495 000	2 494 000	2 308 000	1 799 020	1 919 574	1 713 016
<b>Consumption of raw materials</b>							
Roundwood	m <sup>3</sup>	2 810 000	2 785 000	2 586 000	1 930 000	2 241 800	2 257 360
Sawmill chips	m <sup>3</sup>	1 018 000	1 031 000	1 093 000	917 000	870 324	607 585
Recovered paper	tonnes	814 000	871 000	777 000	608 000	645 686	565 783
Purchased pulp	tonnes	50 000	43 000	31 000	27 000	29 215	21 157
Inorganic fillers	tonnes	320 000	308 000	282 000	215 000	223 321	195 921
<b>Energy consumption</b>							
Electricity	GWh	5 571	5 526	5 316	4 203	4 365	3 975
Heat	GWh	4 325	4 161	4 127	3 425	3 478	2 956
<b>Discharges to water</b>							
Discharged process water	mill m <sup>3</sup>	46	48	46	41	36	30
Discharges of organic substances	tonnes	12 831	10 623	9 226	8 283	8 958	9 989
Suspended Solid (SS)	tonnes	2 227	1 529	1 329	1 259	1 746	2 030
Phosphorus (Tot-P)	tonnes	41	31	37	29	30	27
Nitrogen (Tot-N)	tonnes	302	280	303	262	268	275
<b>Emission to air</b>							
CO <sub>2</sub> -equivalents (direct)	tonnes	514 000	500 000	466 000	410 000	427 294	294 926
SO <sub>2</sub>	tonnes	198	175	162	297	401	360
NOX	tonnes	908	772	786	701	879	709
<b>Production waste</b>							
Sludge (dry)	tonnes	246 000	249 000	246 000	186 000	198 892	152 980
Bark	tonnes	98 000	128 000	133 000	93 700	106 958	102 714
Other	tonnes	14 000	25 500	18 000	17 400	19 992	20 834

## PRODUCTION CAPACITY

in tonnes/year

Business unit	Newsprint (including improved NP)	SC (magazine paper)	LWC (magazine paper)	Total capacity business unit	Under construction Packaging paper*
Norske Skog Bruck	-	-	257 000	257 000	210 000
Norske Skog Golbey	330 000	-	-	330 000	550 000
Norske Skog Saugbrugs	-	356 000	-	356 000	-
Norske Skog Skogn	500 000	-	-	500 000	-
<b>Total Europe</b>	<b>830 000</b>	<b>356 000</b>	<b>257 000</b>	<b>1 443 000</b>	<b>760 000</b>
Norske Skog Boyer	145 000	-	120 000	265 000	-
<b>Total Australasia</b>	<b>145 000</b>	<b>-</b>	<b>120 000</b>	<b>265 000</b>	<b>-</b>
<b>Total Norske Skog group</b>	<b>975 000</b>	<b>356 000</b>	<b>377 000</b>	<b>1 708 000</b>	<b>760 000</b>

\* The listed capacity is when full production has been reached.

**SCOPE 1 AND 2 EMISSION**

in 2022

	Scope 1	Scope 2*	Scope 2**	Biogenic CO <sub>2</sub>	Total Scope 1 & 2*	Share Scope 1 & 2*	Paper Production	Emission Intensity Scope 1 & 2*
<i>Unit of measurement</i>	<i>t CO<sub>2</sub>e</i>	<i>%</i>	<i>tonnes</i>	<i>kg CO<sub>2</sub>e/tonne</i>				
Norske Skog Bruck	67 458	20 817	86 100	66 571	88 275	19%	219 452	402
Norske Skog Golbey	25 324	30 496	36 144	186 174	55 820	12%	429 452	130
Norske Skog Saugbrugs	708	3 938	355 156	97 094	4 646	1%	313 613	15
Norske Skog Skogn	3 231	6 381	568 448	107 612	9 612	2%	501 426	19
Norske Skog Boyer	198 205	116 176	116 176	-	314 381	67%	249 073	1 262
<b>Total Norske Skog Group</b>	<b>294 926</b>	<b>177 808</b>	<b>1 162 024</b>	<b>457 451</b>	<b>472 734</b>	<b>100%</b>	<b>1 713 016</b>	<b>276</b>

\* Location-based method

\*\* Market-based method

tCO<sub>2</sub>e: tonnes CO<sub>2</sub> equivalent



**Tore Hansesætre**  
SVP Strategic projects  
Norske Skog Headquarter

Hello, I am Tore Hansesætre, and I'm heading the transformation projects that we are implementing to become a supplier of packaging paper. This is done in close cooperation with my colleagues,

especially in Norske Skog Bruck and Norske Skog Golbey. It also includes realization of large-scale green energy plants at these industrial sites.

I started working in Norske Skog in 2009, after finishing studies at the university. My main motivation for starting in Norske Skog back then was to learn as much as possible through exposure to challenges across several areas and disciplines.

I like the fact that Norske Skog produces renewable products in an environmental-friendly way. At the same time, both the publication paper and the packaging paper industries are highly competitive, which requires us to continuously improve the way we operate.

I would like to see Norske Skog as a leading independent supplier of recycled containerboard and publication paper in Europe in the future.



Photo: Thomas Leirvik

# Our response to the TCFD recommendations **(Task Force on Climate-related Financial Disclosures)**

For further details, see our CDP Climate Change report 2022 [\(link\)](#)

1. Governance	Disclose the organisation's governance around climate-related risks and opportunities.
<p><b>A.</b> Describe the board's oversight of climate-related risks and opportunities.</p>	<ul style="list-style-type: none"> <li>The highest level of responsibility on climate related issues sits with the board of directors, led by the chairman.</li> <li>Climate related issues are addressed by the board of directors on an ongoing basis, and environmental performance is part of all board meetings. Recurring and specific issues are scheduled as appropriate and needed.</li> <li>The board reviews the climate risks and opportunities annually as part of the overall risk assessment for the group.</li> <li>Long-term climate-related targets and KPIs are reviewed annually by the board as an integral part of the business budget, strategy process and major capital investment / divestment decisions.</li> </ul>
<p><b>B.</b> Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<ul style="list-style-type: none"> <li>The CEO reports to the board of directors and is the highest-level management position with responsibility for climate-related issues. The CEO has the ultimate responsibility for the business strategy, herein the low carbon transition plan, and for assessing and managing climate related risks and opportunities, including monitoring of performance on climate related targets. The CEO leads the corporate management team (CM) and report climate-related issues to the board.</li> <li>The corporate management team assesses business risk and opportunities, strategies, corporate ambitions, and targets for environmental aspects, including climate-related topics related to their respective areas of responsibility.</li> <li>The chief operating officer is part of the CM and reports directly to the CEO. The COO is responsible for managing climate related issues related to operations across the Norske Skog group including overall responsibility for the strategies targets and monitoring of KPIs. CM receive monthly summary reports of the environmental performance data from the mills.</li> <li>The Head of Sustainability reports directly to the COO and is responsible for the development of climate related strategies, coordinate the practical implementation across the group including monitoring.</li> <li>At each mill, the managing director is the main responsible for environmental issues. Each mill also has a responsible manager for environmental issues. Environmental reporting is part of the agenda at mill management meetings. Specific environmental incidents receive specific attention.</li> </ul>
2. Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.
<p><b>A.</b> Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p>	<ul style="list-style-type: none"> <li>Norske Skog assesses climate-related risks and opportunities based on likelihood of occurrence and impact on operations.</li> <li>The assessment is based on COSO's Enterprise Risk Management framework applied for the overall risk assessment for the group including recommendations from the TCFD framework.</li> <li>The time horizons applied for the overall assessment of risks and opportunities for the group is short term (1-5 years), medium term (5-10 years) and long-term (10 -30 years).</li> <li>Based on the assessment, opportunities related to low-emission product development and risk related to regulatory changes in energy and carbon markets were identified as the most material.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Products: The transformation to a larger, more diversified product portfolio with new products will reduce the dependency on publication paper and thus reduce the business and market risk. The planned packaging production will be based on renewable resources. One of the new legs in Norske Skog's main strategy is to exploit opportunities within the circular economy utilising fibre and energy to create new non-fossil products. Today, pilot plants utilise fibre to produce nanocellulose-based products, biochemicals and bio composites. This will in the long run contribute to green growth when commercialised.</li> <li>Energy source: The goal is to reduce energy consumption in production, eliminate the use of fossil energy sources and to optimise the use of process chemicals and transport. After the start-up of the new energy boiler at Bruck in 2022, all the European mills are among the top performers regarding scope 1 and scope 2 emissions in the industry.</li> <li>Resource efficiency: An opportunity to prioritize in- and outbound logistics in the long-term horizon to minimise transport distances and costs, and for environmental considerations is identified.</li> </ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Regulatory: Norske Skog is subject to many regulatory requirements relating to energy and emissions including the EU Emissions Trading Scheme (ETS), which include CO<sub>2</sub> compensation scheme, and CO<sub>2</sub>-allowances. Due to the financial impact such regulations have on our business we monitor associated risks closely.</li> <li>Acute Physical: Some of our mills are in areas where drought/access to water and/or flooding might become a risk in the future with a changing climate.</li> <li>Chronic Physical: the availability of sustainable and affordable biomass for production of publication paper in Norway and Australia may be affected by longer-term shifts in climate patterns in the future.</li> </ul>
<p><b>B.</b> Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p>	<ul style="list-style-type: none"> <li>Strategic development: In 2020, Norske Skog had an extensive revision of its business strategy, emphasising the need for a profitable, robust and sustainable business plan. The climate goal for the new product portfolio is to attain a recyclable, low CO<sub>2</sub> footprint and be environmentally and financially sustainable. This strategy has later been confirmed by the board and the corporate management in 2022.</li> <li>Products and Services: Before the climate-related transition plan, Norske Skog was a pure publication paper company. With change in climate-related goals, change in consumer patterns and customer demand, Norske Skog has expanded and diversified its business strategy from publication paper to three more legs: 1) packaging paper, 2) sustainable energy and 3) biomaterials. All strategic legs are aligned with the environmental and climate action targets.</li> <li>Investments in R&amp;D: Norske Skog actively works to realise value from the industrial sites by developing existing infrastructure and industry competence. Business opportunities include several early-phase research projects in biochemical and fibre products: A) CEBINA, a natural fibre product that adds rheology control in fluids and armouring in solid materials. B) CEBICO, a bio-composite product developed at Saugbrugs. C) Cyrene, developed at a pilot plant in partnership between Norske Skog Boyer and Circa Group, could represent the first biochemical solvent for use in the pharmaceutical industry to replace petrochemical products.</li> <li>Operations: Our operations are impacted by unstable energy markets and increasing carbon prices. Norske Skog has included a reduction of greenhouse gas emissions from fossil energy sources as a key part of our business strategy. The goal is to reduce energy consumption, change the sources of energy, invest in on site green energy generation and to optimise the use of process chemicals and transport. It is important for Norske Skog to reuse production waste, which has a significant impact on CO<sub>2</sub> emissions. The biogas plants tied to our production at Golbey, Skogn and Saugbrugs utilise waste to produce energy. In addition, the energy plant at Bruck uses production process waste, waste from households, and fuels derived from refuse.</li> <li>Value Chain: Forestry and use of forest products play an important role in the combat of climate change. For the forest value chain to be a part of the climate change solution, the forests must be managed sustainably. Forest certification is an important tool in this context and Norske Skog has implemented systems and processes to make sure that all wood used in products comes from sustainably managed forests. Reduction of Scope 3 emissions, particularly from transport, is a forward-looking ambition for the group. The speed of implementing scope 3 initiatives will depend on the ability of our suppliers to transform their business into low-carbon services and of authorities' ability to design effective political tools.</li> </ul>

<p><b>C.</b> Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<ul style="list-style-type: none"> <li>Norske Skog has adopted a strategy and production process to develop existing and new products in congruence with the vision of a maximum 1.5C temperature increase. Norske Skog is committed to the EU GHG targets of carbon neutrality by 2050 with an intermediate target of a 55% reduction in GHG emissions/tonne product by 2030 based on 2015 figures.</li> <li>Norske Skog plans to conduct a Climate-Related Scenario Analysis during 2023, testing the business strategy against both low and high emission scenarios.</li> </ul>
<p><b>3. Risk management</b> <span style="float: right;"><b>Disclose how the organisation identifies, assesses, and manages climate-related risks.</b></span></p>	
<p><b>A.</b> Describe the organisation's processes for identifying and assessing climate-related risks.</p>	<ul style="list-style-type: none"> <li>Annually, the board, corporate and business unit management make an extensive and systematic risk and opportunity evaluation.</li> <li>Identification of climate-related risk and opportunities are done both in bottom-up and top-down processes.</li> <li>The bottom-up process is based on the management teams in each business unit annually performing a risk- and opportunity analysis using the framework of Task Force on Climate-related Financial Disclosures (TCFD). The teams are made up by senior subject matter experts in different functional areas with local knowledge on topics with strategic importance to the mills. The local management team identify different types of climate related risks and opportunities assess the likelihood and impact that each of these will affect our mill within a short (1-5 years), medium (5-10 years) and long-term (10 -30 years) perspective. The management teams in each business unit report the summary to the company's risk management function and represents the bottom-up process for identification of climate related risks.</li> <li>At group level, the corporate management team is also responsible for identifying climate-related risk and opportunities in their functional areas. The corporate management team summaries the most material risks and present them to the board together with material risks identified in the bottom-up process.</li> </ul>
<p><b>B.</b> Describe the organisation's processes for managing climate-related risks.</p>	<ul style="list-style-type: none"> <li>Climate-related risk and opportunities identified in the bottom-up and top-down process are reported to the groups corporate risk function which in turn consolidates and assesses the related quantitative impact for the group. This provides the basis for the agenda of the corporate management meetings and adequate follow up measures based on the threshold for financial and strategic impact, measured as EBIDTA effect.</li> <li>Risks and opportunities with lower impact are monitored and managed by local management teams whereas material risks are reported to the board.</li> <li>The business risks and opportunities are discussed and considered in defining the business plans.</li> <li>Capitalizing on identified opportunities typically require investment decisions in operations and R&amp;D.</li> <li>In an annual risk review process for the entire group, the board set ambitious targets, especially for environmental and climate-related issues and reviews the long-term climate-related targets as an integral part of the business budget and strategy process.</li> </ul>
<p><b>C.</b> Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<ul style="list-style-type: none"> <li>Norske Skog's enterprise risk management processes are based on COSO's Enterprise Risk Management framework, and cover financial, operational, market and organisational risks. All sustainability areas covered by Norske Skog's Steering Guidelines, including climate-related risks and opportunities, are also covered by the group's enterprise risk management processes, and is reported to the board of directors.</li> <li>This company-wide risk assessment process is integrated into multi-disciplinary management processes</li> <li>Annually, the board, corporate and business unit management make an extensive and systematic climate-related risk and opportunity evaluation.</li> <li>In addition, environmental and climate related issues are reported monthly and is part of the agenda on the monthly business review meetings between the corporate management and business unit meetings.</li> </ul>
<p><b>4. Metrics and targets</b> <span style="float: right;"><b>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</b></span></p>	
<p><b>A.</b> Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<ul style="list-style-type: none"> <li>Key data including historical trends are reported in the back of the sustainability report and in the chapter "Environment".</li> <li>(A) Ensure sustainable use of materials and energy in our operations, which includes (1) to achieve efficient use of biprocess streams in the production process to create bio based-energy or biproducts for sale, and (2) to utilize bi-products from the entire production process.</li> <li>(B) Operate mills with high energy efficiency, which include (1) to measure the level of CAPEX used on energy efficiency/energy-source improvements; (2) to establish specific activities and investments in energy efficiency and changes in energy source, i.e. activities from the CAPEX-lists and the continuous improvement programs.</li> <li>(C) Reduce Chemical Oxygen Demand (COD) to recipient, which include (1) to install anaerobic wastewater treatment and biogas at all European mills (75% installed) within 2030; (2) to invest in anaerobic waste water treatment and biogas production at all European mills.</li> <li>(D) Reduce emissions of Sulphur Dioxide (SO2) and Nitrogen Oxide (NOX) from our operations, which means (1) to ensure compliance with emission permits and regulations; (2) to perform mill activities related to SO2 and NOX improvements.</li> <li>(E) Reduce waste from our operations, which relates to (1) deliver no ash to landfill in 2030; (2) establish procedures and/or ash product development</li> <li>(F) Ensure sustainable sourcing of raw material, which implies (1) to achieve 100% certification of all wood used for our products. (2) Review internal control routines to measure and reach the certification target.</li> <li>(G) Ensure responsible supplier value chain handling, which result in (1) to ensure supplier adherence to Norske Skog code of conduct within 2023; (2) to mature sustainable sourcing practices by updating code of conduct, questionnaire for suppliers on ESG-topics and routines for audit of suppliers.</li> </ul>
<p><b>B.</b> Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</p>	<ul style="list-style-type: none"> <li>Out absolute carbon footprint based on the GHG Protocol             <ul style="list-style-type: none"> <li>Scope 1: 294 926 t CO<sub>2</sub>e (-31 % vs 2021)</li> <li>Scope2 (location-based method): 177 808 t CO<sub>2</sub>e (-5 % vs 2021)</li> <li>Scope 3: 752 000 t CO<sub>2</sub>e (first year of publication)</li> </ul> </li> <li>Key data including historical trends are reported in the back of the sustainability report.</li> </ul>
<p><b>C.</b> Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>	<ul style="list-style-type: none"> <li>Norske Skog Environmental Index (E-Index) is an internally defined KPI for measuring environmental performance based on 6 key climate related parameters critical to our operations.</li> <li>In 2020, through an extensive involvement and anchoring process throughout the entire organisation, new GHG-emission targets were set. Norske Skog's targets for CO<sub>2</sub> emissions with baseline 2015:             <ul style="list-style-type: none"> <li>A 55% reduction in CO<sub>2</sub> emissions/ tonne product produced by 2030</li> <li>A zero CO<sub>2</sub> emission target by 2050</li> </ul> </li> </ul>

Sustainability goals overview

	E/S/G & E*	Ambition/ Area
	S	Inspire others to learn from our 'best in class' occupational health and safety standards.
		Increase job attendance for all employees.
		Ensure a healthy and safe working environment.
	S	Attract and keep top talent.
		Attract and keep top talent.
		Invest in our people through training and development.
		Invest in our people through training and development.
		Invest in our people through training and development.
	G & E	Create shareholder value.
		Create shareholder value.
		Develop sustainable industrial clusters utilizing existing site infrastructure and contribute to economic growth.
		Align innovation activities with the long term group strategy.
		Perform R&DI (research, development and innovation) activities at all business units based on Norske Skog's position in the fiber value chain.
		Commercialize promising and profitable innovation results.
	S	Understand the actual and potential impacts our operations have on local communities, and to understand their expectations and needs.
		E
	E	Ensure sustainable use of materials and energy in our operations.
		Operate mills with high energy efficiency.
		Reduce Chemical Oxygen Demand (COD) to recipient.
	G	Reduce emissions of Sulphur Dioxide (SO2) and Nitrogen Oxide m(NOX) from our operations.
		Reduce waste from our operations.
	E	Reduce greenhouse gas (GHG) emissions.
		Reduce greenhouse gas (GHG) emissions.
		Reduce greenhouse gas (GHG) emissions.
		Use sustainable energy sources.
		Handle climate risk and business opportunity understanding.
	G	Abstain from financial and in-kind political contributions.
	S	Ensure our customers healthy and safe working environment.
	G	Abstain from anti-competitive behaviour and adhere to relevant competitive legislation.
	S	Have zero tolerance for discrimination on grounds of race, color, sex, religion, political opinion, national extraction, or social origin as defined by the ILO, or other relevant forms of discrimination involving internal and/or external stakeholders.
	G	Have no tolerance for practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering; the offer or receipt of gifts, loans, fees, rewards, or other advantages as an inducement to do something that is dishonest, illegal, or represents a breach of trust. This also include practices such as embezzlement, trading in influence, abuse of function, illicit enrichment, concealment, and obstructing justice.  Refrain from the use of child labor within our operations and the value chain.

\* E/S/G&E: Environment / Social / Governance and Economy

**Targets**

**Planned activities**

Share knowledge through relevant professional forums and industry organisations.	<ul style="list-style-type: none"> <li>- Participate in and share knowledge with membership association like Federation of Norwegian Industries and CEPI (Confederation of European Paper Industry).</li> <li>- Define internal knowledge network vital to increase HESQ innovation across Norske Skog.</li> <li>- Review and develop internal e-Learning HESQ-material for local training.</li> <li>- Focus on Contractor Management contracts.</li> </ul>
Reduce absenteeism.	<ul style="list-style-type: none"> <li>- Develop local and community BU medical centres.</li> <li>- Provide medical assistance for injuries.</li> <li>- Provide extensive health and well-being programmes for employees.</li> </ul>
Reach zero personal injuries (H1 and H2).	<ul style="list-style-type: none"> <li>- Develop HES Leadership Training program.</li> <li>- Perform regular self-assessments to identify focus areas for improvement.</li> <li>- Assess and improve standards and behaviour based on internal audits.</li> </ul>
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.
Establish three knowledge networks to capture critical competence and facilitate knowledge transfer throughout the group.	Establish and operate three knowledge networks by the end of 2023.
Provide training modules for technical core skills, soft skills and compliance skills.	<ul style="list-style-type: none"> <li>- Offer training and supplementary education for all through their entire job career.</li> <li>- Reinvigorate the Norske Skog Academy.</li> <li>- Reinvigorate NSPS-modules.</li> </ul>
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.
Establish three knowledge networks and related commercial processes to capture critical competence and facilitate knowledge transfer throughout the Group.	<ul style="list-style-type: none"> <li>- Operate the containerboard knowledge network.</li> <li>- Review the sales organisation.</li> <li>- Deliver a market knowledge program.</li> </ul>
<ul style="list-style-type: none"> <li>o <b>Publication paper:</b> <ul style="list-style-type: none"> <li>- Achieve an EBITDA margin of at least 10-15%.</li> <li>- Maintain an operating rate of at least 90%.</li> </ul> </li> <li>o <b>Packaging paper:</b> <ul style="list-style-type: none"> <li>- Achieve an EBITDA margin of at least 20%.</li> <li>- Maintain an operating rate of at least 95% from 2025.</li> </ul> </li> </ul>	Adhere to operational budget plans and implement necessary corrective actions.
Maintain net debt/EBITDA ratio of 2 or less.	Finance activities adapted to operational profit capabilities.
Achieve 50 % of revenue from new business areas by 2030.	Invest in packaging, energy and fibre projects.
Achieve 50 % of revenue from new business areas by 2030.	Ensure alignment through Group annual strategy discussions in corporate management.
Achieve 50 % of revenue from new business areas by 2030.	Report R&D activities in the mills to corporate management through the budget process.
Achieve 50 % of revenue from new business areas by 2030 Achieve at minimum an IRR of 10% on new investment projects.	Establish project Steering Committees at group level to ensure needed anchoring and allocation of necessary resources to speed up and succeed with commercialisation of new business opportunities.
Reach a minimum of 20 annual continuous improvement activities across all mills.	Evaluate the continuous improvement activities and the impact they have on the SDG targets compared to planned activity.
Report the significant social, environmental, safety and economic impacts our operations have on the local communities.	Cooperate with local community organisation and being open and honest about environment, safety and economic issues with relevant community bodies.
Report examples of significant identified indirect economic impacts of the organisation also in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.	Cooperate and communicate openly with the local community about company strategy and investment plans as early as possible.
Achieve efficient use of biprocess streams in the production process to create biobased-energy or biproducts for sale.	Utilise bi-products from the entire production process.
Measure the level of CAPEX used on energy efficiency / energy-source improvements.	Establish specific activities and investments in energy efficiency and changes in energy source, i.e. activities from the CAPEX-lists and the continuous improvement programs.
Install anaerobic wastewater treatment and biogas at all European mills (% installed) within 2030.	Invest in anaerobic waste water treatment and biogas production at all European mills.
Ensure compliance with emission permits and regulations.	Perform mill activities related to SO <sub>2</sub> and NO <sub>x</sub> improvements.
Deliver no ash to landfill in 2030.	Establish procedures and/or ash product development.
Achieve 100% certification of all wood used for our products.	Review internal control routines to measure and reach the certification target.
Ensure supplier adherence to Norske Skog Code of Conduct within 2023.	Review sustainable sourcing practices by updating Code of Conduct, questionnaire for suppliers on ESG-topics and routines for audit of suppliers.
Reduce GHG emission kg/ton paper (baseline 2015) by 55% in 2030 (Scope 1 & 2).	Invest in packaging and promising energy and fibre projects.
Net zero GHG emission kg/ton paper in 2050.	Participate in BECCS and BECCU activities at Skogn and Saugbrugs.
Reduce Scope 3 GHG emissions by collaborating with external parties.	Collaborate with transporters to utilize CO <sub>2</sub> -free vehicles such as train for truck programs at the mills.
Reduce dependency of fossile energy sources.	Invest in biomass-boilers to replace fossile energy sources at the mills.
Review the annual climate risk plan and business opportunity analysis.	Perform an annual climate risk and opportunity analysis for each business unit.
Report which political topics and influence channel the group has used.	Be involved in political tasks through the Norwegian Federation of Trade and Industry, the Norwegian Pulp and Paper organisation, CEPI, and through other relevant partnerships.
Report percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Perform reviews of relevant health and safety hazards our products expose to our customers.
Report the number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant. Report the main outcomes of completed legal actions, including any decisions or judgments.	Perform annual reviews with relevant personell and agents on relevant anti-competitive legislation and Norske Skog Steering Guidelines.
Report the total number of incidents of discrimination during the reporting period.	Identify through formal process(es) instance(s) of non-compliance to relevant non-discriminatory Steering Document procedures, including management system audits, formal monitoring programs or grievance mechanisms (whistleblower channels).
Report the total number and percentage of operations assessed for risks related to corruption, and the significant risks related to corruption identified through the risk assessment. Report the total number and nature of confirmed incidents of corruption: in which employees were dismissed or disciplined, when contracts with business partners were terminated or not renewed, public legal cases against the organisation or its employees.	<ul style="list-style-type: none"> <li>- Review the Steering Guidelines annually.</li> <li>- Perform mandatory compliance review and training for relevant personell and business partners and others relevant to our business periodically or when needed.</li> </ul>
Report operations and suppliers considered to have significant risk for incidents of: <ul style="list-style-type: none"> <li>- child labor and young workers exposed to hazardous work,</li> <li>- child labor either in terms of type of operation (such as manufacturing plant) and supplier; or</li> <li>- countries or geographic areas with operations and suppliers considered at risk.</li> </ul>	<ul style="list-style-type: none"> <li>- Review the Steering Guidelines and Code of Conduct annually.</li> <li>- Perform mandatory compliance review and training for relevant personell and business partners and others relevant to our business periodically or when needed.</li> </ul>

# GRI STANDARDS INDEX 2022

Norske Skog is reporting in accordance with the Global Reporting Initiative GRI Standards: Core option.

Following the materiality analysis - the table below covers aspects that are considered to be the most material ones to our stakeholders and/or the company. For more information on GRI Standards and on the individual disclosures, see GRI's homepages, [www.globalreporting.org](http://www.globalreporting.org)

The index refers to where information about each GRI disclosure can be found in the Norske Skog – Annual Report 2022, regardless of whether they are fully or partly reported relative to GRI.

AR = Annual Report 2022

SR = Sustainability Report 2022, part of Annual Report 2022

General disclosures – The Organization and its reporting practices		Reference and/or response
2-1	Organizational details	SR - 3 Corporate Governance SR - About Norske Skog's operations SR – Key figures operations
2-2	Entities Included in the organization's sustainability reporting	AR – Consolidated financial statement – note 16
2-3	Reporting period, frequency and contact point	2022 Annual reporting cycle <a href="mailto:info@norskeskog.com">info@norskeskog.com</a>
2-4	Restatements of information	No significant restatements
2-5	External assurance	SR - Independent auditor's assurance report
General disclosures – Activities and workers		Reference and/or response
2-6	Activities, value chain and other business relationships	SR - About Norske Skog's operations SR - Key figures operations
2-7	Employees	SR – Key figures employees
2-8	Workers who are not employees	Not applicable. Norske Skog's business is mainly managed and carried out by its own employees. For larger projects Norske Skog hires additional resources.
General disclosures – Governance		Reference and/or response
2-9	Governance structure and composition	SR - 3 Corporate Governance <a href="https://www.norskeskog.com/sustainability/governance">https://www.norskeskog.com/sustainability/governance</a>
2-10	Nomination and selection of the highest governance body	SR – 3 Corporate Governance
2-11	Chair of the highest governance body	SR- 3 Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	SR – 3 Corporate Governance <a href="https://www.norskeskog.com/sustainability/governance">https://www.norskeskog.com/sustainability/governance</a>
2-13	Delegation of responsibility for managing impacts	SR – 3 Corporate Governance <a href="https://www.norskeskog.com/sustainability/governance">https://www.norskeskog.com/sustainability/governance</a>
2-14	Role of the highest governance body in sustainability reporting	SR – 3 Corporate Governance
2-15	Conflicts of interest	SR – 3 Corporate Governance
2-16	Communication of critical concerns	SR – 3 Corporate Governance
2-17	Collective knowledge of the highest governance body	SR – 3 Corporate Governance; 4 Ambition and performance
2-18	Evaluation of the performance of the highest governance body	SR – 3 Corporate Governance
2-19	Remuneration policies	SR – 3 Corporate Governance <a href="https://www.norskeskog.com/sustainability/governance/remuneration-of-leading-personnel">https://www.norskeskog.com/sustainability/governance/remuneration-of-leading-personnel</a>
2-20	Process to determine remuneration	SR – 3 Corporate Governance <a href="https://www.norskeskog.com/sustainability/governance/remuneration-of-leading-personnel">https://www.norskeskog.com/sustainability/governance/remuneration-of-leading-personnel</a>
2-21	Annual total compensation ratio	Annual compensation ratio: 26,4 Change in annual total compensation: 13,3 The large impacts in 2022, and the changes from 2021 to 2022, are due to the accounting effects of valuing the synthetic options in the long-term incentive plan
General disclosure – Strategy, policies and practices		Reference and/or response
2-22	Statement on sustainable development strategy	SR - We create green value – CEO message
2-23	Policy commitments	SR – 3 Corporate Governance SR - About the sustainability report
2-24	Embedding policy commitments	SR – 3 Corporate Governance
2-25	Processes to remediate negative impacts	SR – 3 Corporate Governance
2-26	Mechanisms for seeking advice and raising concerns	SR – 3 Corporate Governance
2-27	Compliance with laws and regulations	No significant instances of non-compliance with laws and regulations during the reporting period.
2-28	Membership associations	SR - Social - promote inclusive and productive employment
General disclosures – Stakeholder engagement		Reference and/or response
2-29	Approach to stakeholder engagement	SR – Stakeholder and materiality analysis
2-30	Collective bargaining agreements	SR – Key figures employees
Main category: Economy		Reference and/or response
103 1-3	Management approach for economic standards and disclosures	AR –Report of the Board of Directors SR – 4 Ambition and compliance

GRI Standard: Economic performance		Reference and/or response
201-1	Direct economic value generated and distributed	SR – 4 Ambition and performance AR - Key figures; Consolidated financial statements and notes
201-2	Financial implications and other risks and opportunities due to climate change	SR – Our business environment offers both business opportunities but also risks SR – 4 Ambition and compliance
201-3	Defined benefit plan obligations and other retirement plans	AR – Consolidated financial statements, Note 20
GRI Standard: Anti-corruption		Reference and/or response
205-3	Confirmed incidents of corruption and actions taken	No confirmed incidents in 2022
GRI Standard: Anti-competitive behavior		Reference and/or response
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No such legal actions in 2022
Main category: Environment		Reference and/or response
103 1-3	Management approach for environmental standards and disclosures	AR – Corporate governance; Report of the Board of Directors SR – 1 Environment – Combat climate change; Ensure long term access to sustainable energy
GRI Standard: Materials		Reference and/or response
301-1	Materials used by weight or volume	SR –1 Environment - Ensure sustainable resource management
301-2	Recycled input materials used	SR –1 Environment - Ensure sustainable resource management
GRI Standard: Energy		Reference and/or response
302-1	Energy consumption within the organisation	SR – 1 Environment - Ensure long term access to sustainable energy
302-3	Energy intensity	SR – 1 Environment - Ensure long term access to sustainable energy
302-4	Reduction of energy consumption	SR – 1 Environment - Ensure long term access to sustainable energy
GRI Standard: Water		Reference and/or response
303-3	Water withdrawal	SR – 1 Environment - Biodiversity and sustainable ecosystems
303-4	Water discharge	SR – 1 Environment - Biodiversity and sustainable ecosystems; 4 Ambition and performance – Key figures operations
303-5	Water consumption	SR – 1 Environment - Biodiversity and sustainable ecosystems
GRI Standard: Biodiversity		Reference and/or response
304-2	Significant impacts of activities, products and services on biodiversity	SR – 1 Environment - Biodiversity and sustainable ecosystems
GRI Standard: Emissions		Reference and/or response
305-1	Direct (Scope 1) GHG emissions	SR – 1 Environment - Combat climate change SR - 4 Ambitions and performance - Key figures operations
305-2	Energy indirect (Scope 2) GHG emissions	SR –1 Environment - Combat climate change
305-3	Other indirect (Scope 3) GHG emissions	SR –1 Environment - Combat climate change
305-4	GHG emissions intensity	SR –1 Environment - Combat climate change
305-5	Reduction of GHG emissions	SR –1 Environment - Combat climate change
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	SR –1 Environment - Combat climate change; SR - 4 Ambitions and performance, Key Figures Operations
GRI Standard: Waste		Reference and/or response
306-3	Waste generated	SR – 1 Environment – Ensure sustainable resource management ; 4 Ambitions and performance – Key figures operations
306-4	Waste diverted from disposal	SR – 1 Environment – Ensure sustainable resource management
306-5	Waste directed to disposal	SR – 1 Environment – Ensure sustainable resource management
Main category: Social		Reference and/or response
103 1-3	Management approach for social standards and disclosures	AR – Corporate governance; Report of the Board of Directors SR – Social – Ensure healthy lives and promote well-being for all at all ages
GRI Standard: Employment		Reference and/or response
401-1	New employee hires and employee turnover	SR – Key figures employees
GRI Standard: Labor/Management relations		Reference and/or response
402-1	Minimum notice periods regarding operational changes	Follow national laws and practice
GRI Standard: Occupational health and safety		Reference and/or response
403-8	Workers covered by an occupational health and safety management system	SR – 2 Social – Ensure healthy lives and promote well-being for all at all ages
403-9	Work-related injuries	SR –2 Social – Ensure healthy lives and promote well-being for all at all ages
GRI Standard: Diversity and equal opportunity		Reference and/or response
405-1	Diversity of governance bodies and employees	AR – Board of Directors; Corporate management SR - Key figures employees
GRI Standard: Non-discrimination		Reference and/or response
406-1	Incidents of discrimination and corrective actions taken	SR – 2 Social – Achieve gender equality SR – 2 Social – Promote inclusive and productive employment
GRI Standard: Freedom of associations and collective bargaining		Reference and/or response
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR – 2 Social – Respecting Human Rights
GRI Standard: Child labour		Reference and/or response
408-1	Operations and suppliers at significant risk for incidents of child labor	SR – 2 Social – Respecting Human Rights
GRI Standard: Forced or compulsory labour		Reference and/or response
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR – 2 Social – Respecting Human Rights
GRI Standard: Local communities		Reference and/or response
413-2	Operations with significant actual and potential negative impacts on local communities	SR – 2 Social – Cooperation with local communities



**Gerhard Preisig**  
Shift supervisor  
Norske Skog Bruck

Hello, my name is Gerhard Preisig, and I am 52 years old. After school, I started an apprenticeship as a universal welder. After military service, an employee of Norske Skog informed me about vacancies, and

I applied. I started at paper machine (PM) 4.

As I was interested in energy and environmental technology, I joined the energy department 10 years later. Currently, I work as a shift supervisor, and our team consists of 5 people, including me. We are responsible for safe and energy-efficient plant operation as well as for the energy supply throughout the plant.

One thing I appreciate about Norske Skog is that training and further education are always encouraged and supported.

In my spare time, I like to take part in sporting events as a cyclist or mountain biker, for example. Very often, you can find me in the gym.





## Independent Auditor's Assurance Report

### To the board of directors of Norske Skog ASA

We have been engaged by the Management of Norske Skog ASA to provide limited assurance in respect of the information presented in the Sustainability Report section ("the Report") included in the Norske Skog - Annual Report 2022.

#### Conclusion

Based on our work, nothing has come to our attention causing us to believe that:

- Norske Skog does not apply a reporting practice for its sustainability reporting aligned with the Global Reporting Initiative (GRI) Standards reporting principles nor that the reporting does not fulfil level Core according to the GRI Standards.
- Norske Skog's GRI index presented in the Report does not appropriately reflect where information on each of the disclosures of the GRI Standards is to be found within the Norske Skog - Annual Report 2022.
- Sustainability information presented for 2022 is not consistent with data accumulated and appropriately presented in the Report.

#### Management's Responsibilities

Management of Norske Skog is responsible for the preparation and presentation of the Report and that it has been prepared in accordance with the reporting criteria described in the Report, including the GRI Standards. Management is also responsible for establishing such internal control management determine is necessary to ensure that the information is free from material misstatement, whether due to fraud or error.

#### Our independence and quality control

We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards - IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion on the information in the Report. We have conducted our work in accordance with ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board.

The procedures performed in a limited assurance engagement vary in nature and timing compared to, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Considering the risk of material misstatement, our procedures included, among others:

- Meetings with central and local management (Norske Skog Golbey and Norske Skog Skogn) to discuss issues, risks, important sustainability topics and procedures for collecting and reporting relevant data
- Analytical review of development and changes from prior reporting periods
- Review of evidence supporting the information in the report on a sample basis

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for a conclusion with a limited level of assurance on the subject matters.

Oslo, 24.03.2023

BDO AS

A handwritten signature in blue ink, appearing to read 'Terje Adolfsen', is written over a faint, light blue circular stamp or watermark.

Terje Eggum Adolfsen  
State Authorized Public Accountant



**Norske Skog**

**NORSKE SKOG ASA**

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