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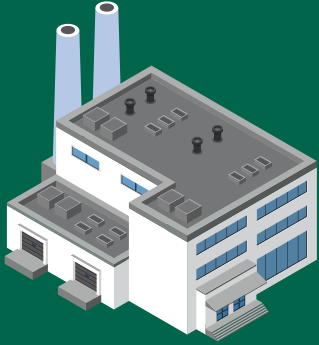
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NORSKE SKOG ASA PAPER MILLS IN 5 COUNTRIES



Skogn, Norway
Saugbrugs, Norway
Golbey, France
Bruck, Austria
Boyer, Australia
Tasman, New Zealand



Norske Skog Golbey THE BIG PICTURE:

Workforce: approximately

330



**Leading producer
of newsprint**
in Western Europe



Certified wood content:
(2019)

67%

70%

Recycled paper content
in our newsprint

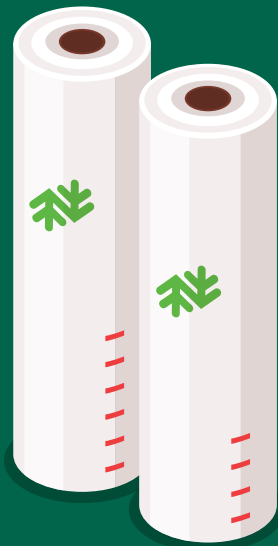
Annual
turnover:

**€250M to
€300M**

Annual production capacity:

600 000 tonnes

(base 45 g/m²)



STRATEGIC VISION AND CONCERNS

Norske Skog Golbey aims to retain a high-performing papermaking core business while showing creativity and dynamism to identify and develop levers for growth in the area of bio-sourced products and the bioeconomy.

The value of a company is not measured merely by its financial performance, but also by the positive contribution its activity makes to society at large. The Norske Skog Golbey strategy is based on five complementary pillars:

- 1) Maintaining a high-performing core business
- 2) Developing levers for growth
- 3) Nurturing the skills of our staff

- 4) Engaging with our stakeholders
- 5) Promoting a responsible approach

In 2018, we decided to take a step back and identify the risks and issues we have to face, and determine those that are of interest to our stakeholders. With the support of an outside consultant for this analysis, we have identified 14 areas on which our efforts will be focussed:

- Sustainability of the Golbey site
- Product quality
- Changes in consumer habits
- Circular economy
- Innovation and the bioeconomy
- Dialogue with stakeholders

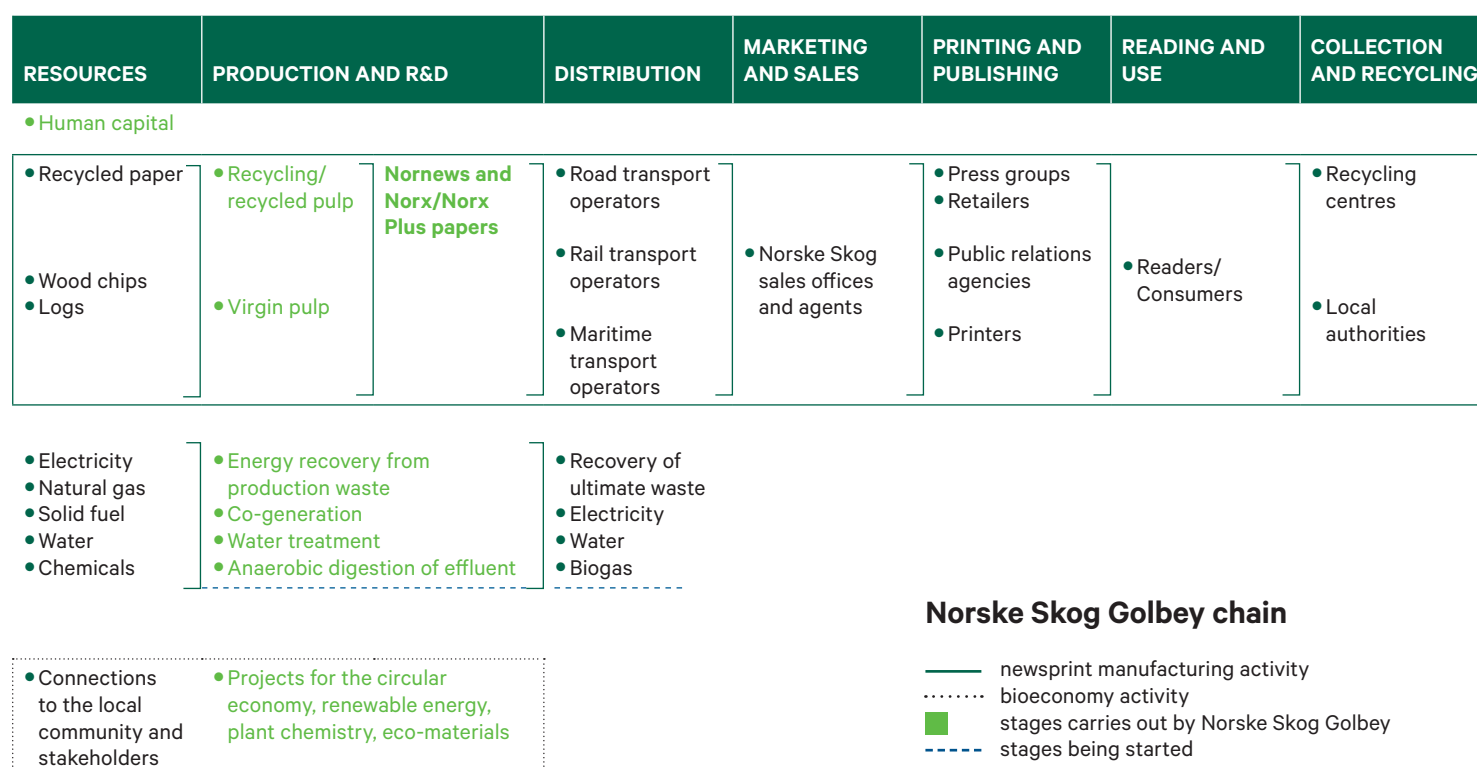
- Access to resources
- Climate and carbon footprint
- Water
- Energy
- Activities and trades
- Organisation of work
- Training and employability
- Attractiveness and loyalty



VALUE CHAIN

The value chain of our trade and our activities consists of a series of stages which meet the needs of our customers and partners.

All our activities enable us to create economic value for our stakeholders and also intangible value for our region.



SOCIAL RESPONSIBILITY AT THE CORE OF OUR CONCERNS



YVES BAILLY

Chairman & Managing Director of
Norske Skog Golbey

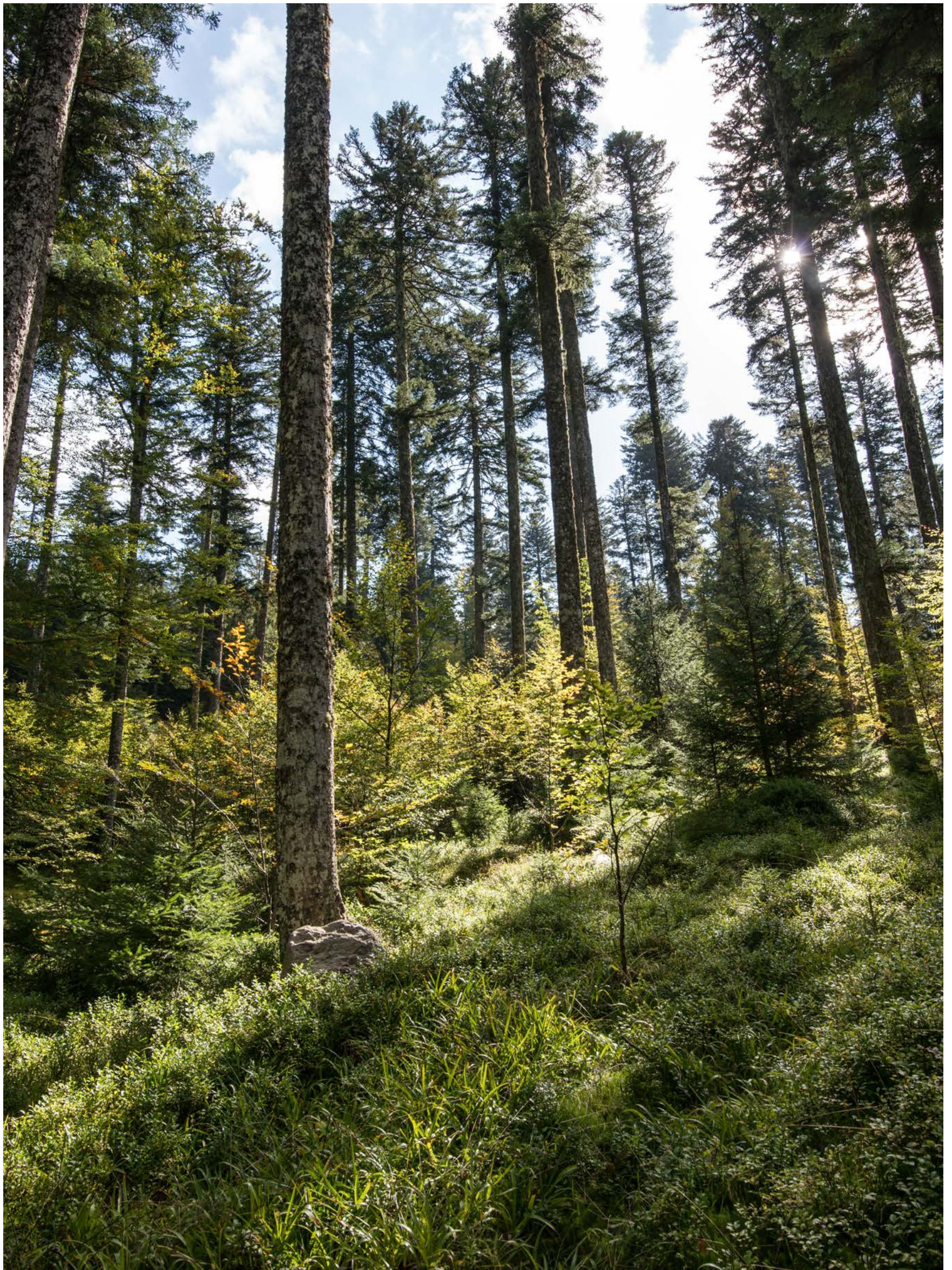
Norske Skog Golbey is the leading producer of newsprint in Western Europe. Although the company is operating in a declining paper market, it bases itself upon a clear strategy, high-quality renewable products, an efficient production plant and a skilled workforce.

As we continue our research in the areas of the bioeconomy and our dialogue with our stakeholders, we have created conditions that are favourable to the emergence of a true ecosystem based on governance by partnership, which helps create value in our local area.

Social responsibility is not just for major corporations, and we have everything to gain from a dynamic that will make us more competitive, innovative and attractive. Over time, it must become an essential component in the management of Norske Skog Golbey and our employees, and a key expectation of our stakeholders.

The United Nations 17 sustainable development goals (SDGs) set a standard by addressing the main issues and challenges for 2030. By analysing our own impacts and issues, we have prioritised those 17 SDGs on the basis of their relevance to our activities and the associated capacity to act. In this document, we will set out our ambition for each of these prioritised SDGs, as well as the steps we are taking and the results we have obtained.

“Our responsibility consists in going beyond the search for profitability, by also taking account of social and environmental issues in our decisions and strategies.”



NORSKE SKOG GOLBEY AND THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

UN SUSTAINABLE DEVELOPMENT GOALS (SDGs),
where the most relevant to Norske Skog Golbey are
marked in colour



Ensure healthy lives and promote well-being for all at all ages

Business themes that Norske Skog Golbey focuses on:

- Protecting the health and safety of employees
- Optimising working conditions and patterns

Ambition:

The health and safety of our employees is a clear priority. Norske Skog Golbey believes that “No task is so urgent, and no job so important, that it cannot be done safely.” The aim is thus to identify potential risks and take the measures required to protect the health and safety of employees.

As the Norske Skog Golbey plant operates continuously and as part of the well-being, working patterns are monitored closely. 44% of our staff work in shifts, including at night and on weekends. Norske Skog Golbey has thus implemented specific actions to support these employees.

Performance:

Everybody at Norske Skog Golbey is concerned by safety and our employees are very committed to it. Four people in the QHSE department routinely manage action to promote health and safety. They rely on the dedication and commitment of all staff. In each area, volunteer employees act as health and safety contact points between their co-workers and the Health and Safety Department. In order to maintain the highest level of vigilance and make efforts more visible, we have launched many actions:

- All newcomers receive health and safety training.
- Every year, we put in place a safety action plan with the health, safety and working conditions committee.
- All external staff regularly working in our company are made aware of our health and safety rules.
- Every month, we publish the results of health and safety initiatives suggested and implemented by our employees.
- Every quarter, we implement improvement initiatives developed by frontline staff (safety barriers, ergonomic tools etc.).
- Every year, health and safety trophies are awarded to the most worthy initiatives.

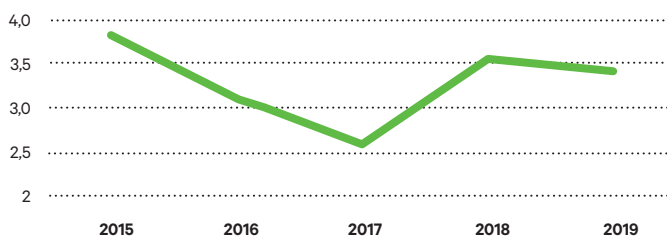
Furthermore, in order to support those employees, Norske Skog Golbey has established measures to prevent arduous work, closely monitor night workers and provide training in rest and recovery techniques. Career adjustments are also envisaged for shift workers over the age of 57.

Finally, in order to make our employees more aware of good health and safety practices, events are organised from time to time on our site, also at the initiative of employees, such as actions to raise awareness of smoking risks (we are an entirely non-smoking site) or diabetes screening programmes.

To conclude, as the low absenteeism rate shows, we can rely on a strong involvement of our staff.



ABSENTEEISM RATE (%)





Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Business themes that Norske Skog Golbey focuses on:

- Maintaining high skills levels in the years to come
- Providing career-long training to employees
- Training new generations

Ambition:

Our careers are chiefly linked to our paper making activities or support functions that require know-how and technical skills. Maintaining these skills is a priority for our HR strategy.

Our teams have acquired extensive skills and there has been very little staff turnover since we recruited new employees between 1990 and 1999, at the time when our paper machines were put into service. With an average age of 47 and 48% of employees over the age of 50 (in 2018), we have sought to anticipate the 28 retirements that are scheduled between 2019 and 2022 and thus ensure that the company does not run the risk of losing knowledge and expertise.

Norske Skog Golbey is thus supported by teams with recognised qualifications and professionalism. Monitoring the development of the careers within our business and the associated skills, and also providing training for new generations, are therefore major challenges. At the same time, our bioeconomy projects will enable us to work on new trades.

Performance:

In order to maintain high skill levels, Norske Skog Golbey supports employees with their career development and encourages them to take control of the direction they want their career to take.

Employee training is an element that fosters the employability of all workers and ensures long-term expertise. Norske Skog Golbey creates conditions that promote access to training, with a training plan that is designed to allow our employees to learn new skills and adapt to a new job or develop skills that can be transferred to other areas of activity.

In addition, job descriptions are becoming more multi-faceted; in order to make the organisation more flexible and also to allow employees to upskill, we encourage the development of a variety of skills through multidisciplinary training provided within and outside the company. This also helps develop the employability of employees (see SDG 8 for more information).

Lastly, many skills are transferred internally, particularly using the recruitment of young people through apprenticeship or training programmes. In 2018 or 2019, we hosted some forty apprentices and trainees. Tutoring offers young recruits a pathway that enables them to gain the theory and practical expertise to master their trade,



while benefiting from the skills transferred by more experienced workers. It also helps them understand the company and its values and acquire the know-how that is indispensable for them to rapidly become integrated within the company. Norske Skog Golbey recruits a number of apprentices and trainees every year and regularly hires them on permanent contracts.

To do so, we work in partnership with educational institutions where the paper makers of the future are trained, such as:

- The CFA paper industry training centre in Gérardmer in the Vosges

The CFA offers courses leading to a vocational qualification, a vocational baccalaureate and an advanced technical diploma. Yves Bailly, Chairman & Managing Director of Norske Skog Golbey, is its Vice-President. Alongside the teaching staff, he supports the centre to ensure that the training the young people receive matches the needs of the paper industry.

- INP-PAGORA Engineering School in Grenoble

This international school for paper, printed communication and bio-materials is the largest centre in Europe training engineers for these industries: it trains future production, R&D, quality and sales engineers.



EDUCATION AND AWARENESS

Providing information about and organising tours of the Norske Skog Golbey site is the best solution for raising awareness of our industry. Every year, we welcome between 600 and 750 visitors, including 300 to 350 children from primary, secondary and high schools. By being open and transparent, we respond to their queries and correct any preconceived ideas they may have. By telling them more about our trades and employees, we offer guidance support. By giving them a chance to see and touch newsprint, we show them the importance of that information medium. Norske Skog Golbey regularly publishes or contributes towards documents to raise the awareness of paper-making careers and the issues facing the paper making industry.

EDUCATION AND CULTURE IS AT THE HEART OF OUR PRODUCTS

Paper is a traditional medium for communication, culture, news and entertainment. That content and its readers make our activities meaningful and justify their existence.

NEWS

Newsprint conveys topical information and contemporary discussions. It helps share knowledge and ideas, and also allows important content to be stored and archived.

MORE TIME FOR DEEPER ANALYSES

The sweeping media revolution has led to a continuous flow of information, where one event is quickly replaced by the next. That over-abundance of disorderly content creates confusion and deprives events of perspective. Newspapers allow more time for understanding and analysis.

Newsprint thus plays a key role in human communication. It is both essential and commonplace, and its qualities are well defined and known to users. This medium of information, culture and education, which is often wrongly set against digital tools, has an emotional dimension for readers, who thumb through newspapers every day and sometimes keep them.



Achieve gender equality and empowering all women and girls

Business themes that Norske Skog Golbey focuses on:

Reducing inequalities in:

- pay,
- training,
- career development,
- recruitment.

Ambition:

Since 2011, Norske Skog Golbey has applied a policy to promote gender equality in the workplace. Several agreements have thus been signed and renewed; we have also established rules on gender equality in the workplace. Our commitments aim to ensure equal treatment in the areas of pay, and to pursue the application of a discrimination-free training policy.

We also make sure we offer the same career development opportunities to women and men, and thus contribute to gender balance in senior positions and promoting both genders in all positions.

Finally, we strive to ensure our employees can enjoy the best work-life balance.

Performance:

Approximately 15% of our employees are women. They account for 28% of managerial staff, but only 11 to 12% of operators and technicians, which are more technical trades where we receive few applications from women.

Under the French law of 5 September 2018, we have published our gender equality index. Our score in 2018 was 85/100 and 84/100 in 2019, both above the acceptability level of 75.

That index takes into account different criteria such as pay gaps, the presence of women among the ten best paid employees and the distribution of promotions and individual salary increases.

In addition, a review of our occupational equality agreement for 2017-2019 shows that the gender-gap is narrowing. However, efforts are still required to promote gender balance in all our positions. An action plan with goals is being discussed with the employees' representatives. We have also called in an independent organisation specialised in workplace equality, to provide a more objective view.





Ensure availability and sustainable management of water and sanitation for all

Business themes that Norske Skog Golbey focuses on:

- Limiting the quantity of water drawn from the natural environment,
- Maintaining the quality of water emissions,
- Limiting the impact of these emissions on the water quality of the Moselle.

Ambition:

Newsprint manufacturing requires large quantities of water, because newsprint pulp is made up of 99% water and 1% fibres. Norske Skog Golbey abstracts water from a gravel pit, uses it and recycles as much of it as possible while manufacturing paper.

We strive to reduce the quantity of water we draw, particularly during the dry summer months, through the implementation of a dedicated action plan.

After water is treated in our internal water treatment plant, the effluent is partly recycled (approximately 25%) into our paper-making processes, thus reducing the

amount of water we need. The remainder of the treated effluent is discharged into the river Moselle after being continually inspected for quality and compliance with the regulations.

Performance:

Since the start of our second paper making machine in 1999, the optimisation of our manufacturing process has allowed us to reduce our water use per tonne of paper produced by 27%, making us one of the most efficient paper mills in this respect (12.3 m³/tonne in 2019).

The quality of our waste water is continuously monitored by sensors, tested daily in our laboratory and verified by independent laboratories. This monitoring allows us to demonstrate that our waste water complies with the limits set by a prefecture order, with the exception of a few particular situations, such as in 2018, when we started a system for the anaerobic digestion of our waste water, which led to a temporary overrun of the suspended solids limit.

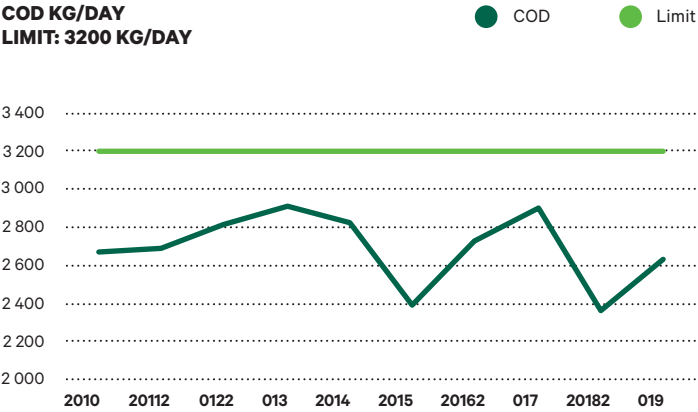
Every year, a laboratory takes biological samples from the Moselle in the spring and autumn, upstream and downstream from our discharge point. Tests are then used to calculate a Standardised Overall Biological Index (SOBI) which can be taken as representative of the overall score of the biological quality of the ecosystem. Such monitoring, which has been in place since 1991, shows no impact that is directly attributable to our emissions.

However, it has been noted that river water quality can be significantly affected in certain years, particularly when there is a drought, as was the case in 2019, and particularly when the river level is at it lowest.

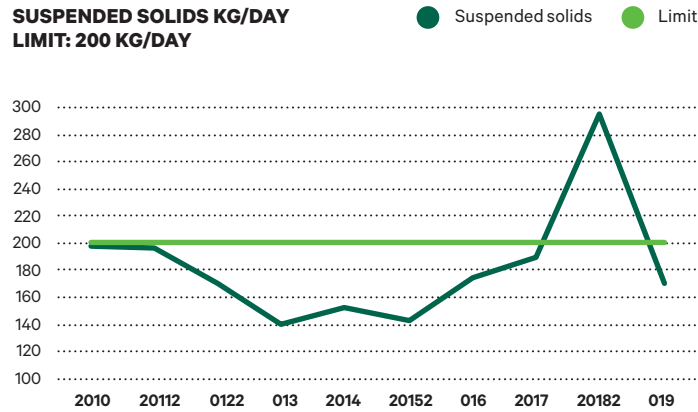
STANDARDISED OVERALL BIOLOGICAL INDEX (S.O.B.I.)
UPSTREAM AND DOWNSTREAM FROM OUR EMISSIONS
OVER TIME

Very good	>= 17
Good	13 to 16
Fair	9 to 12
Poor	5 to 8
Very poor	<= 4

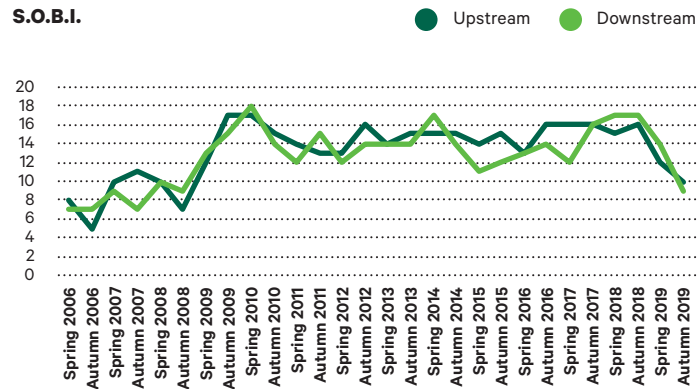
COD KG/DAY
LIMIT: 3200 KG/DAY



SUSPENDED SOLIDS KG/DAY
LIMIT: 200 KG/DAY



S.O.B.I.



Ensure access to affordable, reliable, sustainable and modern energy for all

Business themes that Norske Skog Golbey focuses on:

- Optimising energy consumption per tonne of paper produced
- Limiting dependence on fossil fuels

Ambition:

We prioritise the use of non-fossil sources of energy and have taken a number of steps to reduce our electrical and thermal energy consumption.

Our ISO 50001 certified management system guarantees the monitoring and control of our impacts and consumption.

Performance:

Many steps have thus been taken over a number of years to improve our energy efficiency and reduce dependency on fossil fuels:

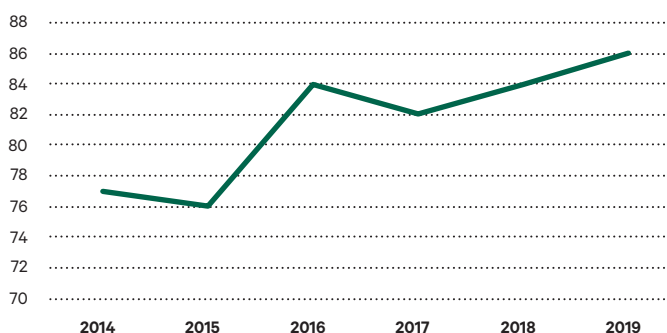
- We have been running the OptiWatt programme for many years in order to establish a workplace culture and systems that optimise our energy efficiency.
- The shutdown of some equipments in the paper pulp manufacturing process helped reduce our electricity consumption by about 6500 megawatt-hour in 2016.
- Since 2006, some of the electricity consumed has been generated on the site by a steam turbine through our co-generation system.
- The optimisation of our steam distribution system has

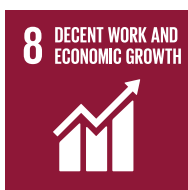
enabled us to reduce heat losses by 92% from 2015 to 2016.

- The proportion of non-fossil fuels in our steam production has gradually increased, through the implementation of two complementary measures:
 - the replacement, as far as possible, of gas consumption for our main boiler by solid fuel (wood material at the end of its life),
 - the optimised recovery of the steam derived from our thermo-mechanical process for making wood pulp.
- In 2017, we installed a biogas production unit that uses the anaerobic digestion of liquid waste from our water treatment plant. It was started up in early 2018 and requires some additional investment. It will ultimately produce 17,500 megawatt-hour, or the equivalent of the energy required for heating 1,500 homes.
- In December 2019, along with a partner, we were awarded a national French tender for the construction of a new biomass boiler with a larger capacity and a new steam turbine that is twice as large the one currently in use. Those systems, which are scheduled to start up by early 2023, will enable us to reduce our overall environmental impact (CO and NOx emissions, gas consumption etc.) through the use of more efficient new technology.



% OF THERMAL ENERGY FROM NON-FOSSIL SOURCES





Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Business themes that Norske Skog Golbey focuses on:

- Developing the employability of employees
- Encouraging initiative and workplace recognition
- Combatting exclusion and discrimination

Ambition:

Like other paper makers, we have had to adapt in recent years to the declining demand for newsprint, and have therefore been faced with reorganisations that have impacted our employees. As an employer, we are responsible for supporting our employees through these changes and also for encouraging their development and their involvement in their own careers.

Norske Skog Golbey aims to raise awareness of its activities, values, culture and performance in order to attract new recruits and ensure its employees are proud of their company.

We are aware that the strong commitment from our teams is dependent upon a mutually beneficial relationship between them, their position and the company. We measure this through a low absence rate, which has varied little in spite of the difficulties relating

to employee turnover and work reorganisation, and also by the average length of service, which stands at over 19 years.

Performance:

The formalisation of the job and skills planning process, initiated in 2017, enabled us to adapt our resources and anticipate our needs, particularly in respect of developments in technical expertise, rare skills and the trades of the future. We have initiated several action plans to allow our employees to upgrade their knowledge and skills through professional qualification certificates, as well as through multidisciplinary courses (see SDG 4 for more information). That is beneficial to employees and the company alike, and is dependent on everyone being involved. Employees remain competitive in the job market, while the company develops the expertise it needs.

In addition, Norske Skog Golbey has taken a number of steps to raise awareness of career opportunities and make these jobs more attractive, particularly to young people. Norske Skog Golbey has decided to invest in apprenticeships and development by contributing





to training young apprentices and trainees, and pays particular attention to their induction into the company (many benefits, possible contribution to transport and housing costs, discovery of the company, monitoring by a mentor). The recruitment process can take several months and always ends with a “fresh-eyes report” that enables newcomers to provide a new and constructive view of the company’s practices.

Recognition is another lever which Norske Skog Golbey has decided to use. Along with decent working conditions, the average salary level is and remains a determining element for creating loyalty, and we monitor this accordingly. We are careful to ensure compensation levels that are competitive with French industry. Since 2017, we have put in place bonuses to recognise and reward the individual involvement of operators, clerical staff, technicians and supervisors. At the same time, we pay particular attention to the development of trades under pressure.

Finally, we encourage our employees to show initiative and to lead projects, so as to play an active part in their own career development. Every year, an awards ceremony is organised to reward employees who have taken the most valuable action in the areas of safety, continual improvement, energy and CSR.



CSR Trophy

FIGHTING EXCLUSION AND PROMOTING ACCESS TO EMPLOYMENT

In order to promote the employment of the most vulnerable in society and to fight exclusion, Norske Skog Golbey is involved in a variety of initiatives in the local region:

- We take part in the Industry Week, a countrywide annual event, where we give children, students and job-seekers an opportunity to visit our site. This enables us to demonstrate our expertise and to showcase the work of our employees, and address visitors’ queries about the industry and the job opportunities it provides.
- We support the National “Foundation against exclusion” (FACE) and have been a founding member of the FACE Vosges club since January 2014.
- Whenever possible, we work with companies and organisations that promote labour market integration and that provide protected and adapted workplaces.
- Furthermore, Norske Skog Golbey complies with its obligations in respect of the employment of people with disabilities.

For more information about our actions, please also refer to SDG 10.



Build a resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Business themes that Norske Skog Golbey focuses on:

- Promoting an approach to local industrial ecology
- Taking part in the transition to bio-economics

Ambition:

Along with our main business of paper-making and in line with our activities, we have been involved for several years in promising diversification projects.

Our knowledge of wood, the growing demand for responsible practices and declining fossil resources are driving us towards promising markets and strategies based on the circular economy, renewable energy, plant chemistry and eco-materials.

Performance:



The Green Valley is a concrete approach towards local industrial ecology that has been implemented in the Epinal-Golbey region within the Vosges. The Green Valley was set up in 2010 to develop an ecosystem around our site and to contribute to the economic development of the region, by boosting joined-up working between local authorities and the companies that operate from here.

In practical terms, this has led to the installation next to Norske Skog of Pavatex, a company that specialises in the production of eco-materials, namely wood-based insulating panels. There is a great deal of synergies between Norske Skog Golbey and Pavatex which have generated productivity and competitiveness since 2013.

The circular economy approach is reflected in the voluntary pooling of infrastructure, equipment, know-how, materials and energy.

Our knowledge of timber has also led us to work on innovative partnership projects to develop natural bio-sourced extracts with high added value to serve markets such as the cosmetics and health food industries.

For instance, the “Le Bois Santé®” project aims to recover molecules with anti-oxidant and anti-inflammatory properties from wood by-products generated by Norske Skog Golbey. After an initial R&D stage, several patents have been filed by Norske Skog Golbey and its partner Harmonic Pharma. The “Le Bois Santé®” extract is now being assessed, before the final stage of ramping up to scale to reach the final goal of making products formulated as food supplements or for cosmetic applications.





Reduce inequality within and among countries

Business themes that Norske Skog Golbey focuses on:

- Equal opportunities
- Fighting exclusion and discrimination
- Contributing to labour market integration of the most vulnerable people

Ambition:

Like the rest of the Norske Skog group, Norske Skog Golbey is committed to valuing individuals for their skills, promoting workplace equality, providing equal opportunities and preventing discrimination based on ethnicity, colour, nationality, sex, language or religion.

Performance:

As a company that is firmly rooted in its region, Norske Skog Golbey works alongside local NGOs to help the most vulnerable people to become part of mainstream society and find gainful employment.

Thus, we support the National “Foundation against exclusion” (FACE) and have been a founding member of the FACE Vosges club since January 2014. The FACE foundation, which is a recognised charity, aims to prevent and combat all forms of exclusion, discrimination and poverty. Our many interactions include our contribution

to coaching job seekers, and the production by FACE Vosges of the film entitled “Reverse CV” to promote careers in the paper making industry.

In addition, whenever possible, we work with labour market integration organisations and with companies employing disabled workers in specially adapted and protected sectors. For example, as part of our bio-economy project entitled “Le Bois Santé®”, we worked with the AVSEA ESAT (a local organisation acting for the protection of children, adolescents and adults) in Epinal for the manual sorting of wood chips, which is a part of the process that has been developed and patented. If the project is successful, the partnership will become a lasting one.

Finally, we promote workplace equality within our company. In 2017, we signed a company agreement on workplace equality (for more information about gender equality, please refer to SDG 5). We comply with our obligations in respect of employing workers with disabilities. We help these workers integrate into our teams and adapt their workstations where necessary (for example by providing electric trolleys).



Job interview coaching.



Make cities and human settlements inclusive, safe, resilient and sustainable

Business themes that Norske Skog Golbey focuses on:

- Contributing to the vibrancy of the local area
- Developing dialogue with stakeholders and creating shared value

Ambition:

Norske Skog Golbey is very active in its local area and strives to make it more attractive, to bring together its employees, to meet new partners, to create value, to develop its profile and to raise the awareness of its trades and values.

Our Purchasing Department is at the heart of the strategic issues facing Norske Skog Golbey and regularly discusses with stakeholders to guarantee the quality of purchased products and services and thus better meet customers' expectations.

This report is also a response to our stakeholders' expectations: it describes our most relevant issues and presents our activities in a clear and responsible manner. We want this to be a sustainable interaction, so we can foster the emergence of new ideas, innovate and continue to work together on the creation of shared value in our region.

Performance:

• Local integration

We are aware that our sustainability and the acceptability of our activities depends on our ability to respond to the needs of our environment and to be held accountable. That is why we are in regular contact with our stakeholders, particularly those who are based in our area.

We build new local partnerships and support a number of regional events every year. To that end, an annual budget of approximately €70K is devoted to supporting local organisations and events.

Here are a few examples:

- We contribute to promoting Vosges, our homeland, alongside a local enterprise network coordinated by the regional council.
- We encourage all our employees to take part in sporting and/or charity events.
- We take part in events to promote careers in our industry, such as the Industry Week event (see SDG 8)
- We support cultural events such as the "Imaginales" festival and the "Fêtes des Images" organised by the city of Epinal.
- We support the Fondation "Agir Contre L'Exclusion" (FACE) and have been a founding member of the FACE Vosges business club since January 2014 (see SDG 8 and 10).

• Supplier relations

Norske Skog Golbey contributes to regional development and local employment by selecting local or regional companies with equivalent performance. For example, our industrial purchases mainly come from France: 50% from the Grand-Est region and 25% from other French regions. Whenever possible, we work with organisations and companies that promote labour market integration and that provide protected and adapted working environments (more information in SDG 10).

Our fibre supplies also contribute to our social commitment towards local authorities and the region:

- We are one of the leading actors in France when it comes to sorting and use of recovered papers: 77 to 78% of our supplies come from the public waste management department, that is to say the collection of waste recycled by French households. We thus offer an environmentally friendly paper recycling solution and a source of income to the local authorities with which we work.
- The virgin fibres we select come from the intelligent exploitation of the forests in the Grand-Est. Wood chips, which account for about 70% of our wood purchases, come from local sawmills, where they are a by-product of the timber used for carpentry, furniture making or construction.



Ensure sustainable consumption and production patterns

Business themes that Norske Skog Golbey focuses on:

- Producing high-quality products that are part of a circular economy
- Reducing the environmental impact of activities
- Improving industrial performance

Ambition:

Based in a seventy-hectare site in the Vosges, Norske Skog Golbey is the largest newsprint manufacturer in Western Europe. As a result, it has a great responsibility for producing high-quality paper at the best cost, while minimizing its environmental footprint. That is why our teams strive to constantly improve our industrial performance.

After close to thirty years in business, we have demonstrated that the plant is economically competitive and fully integrated into its ecosystem. We are subject to

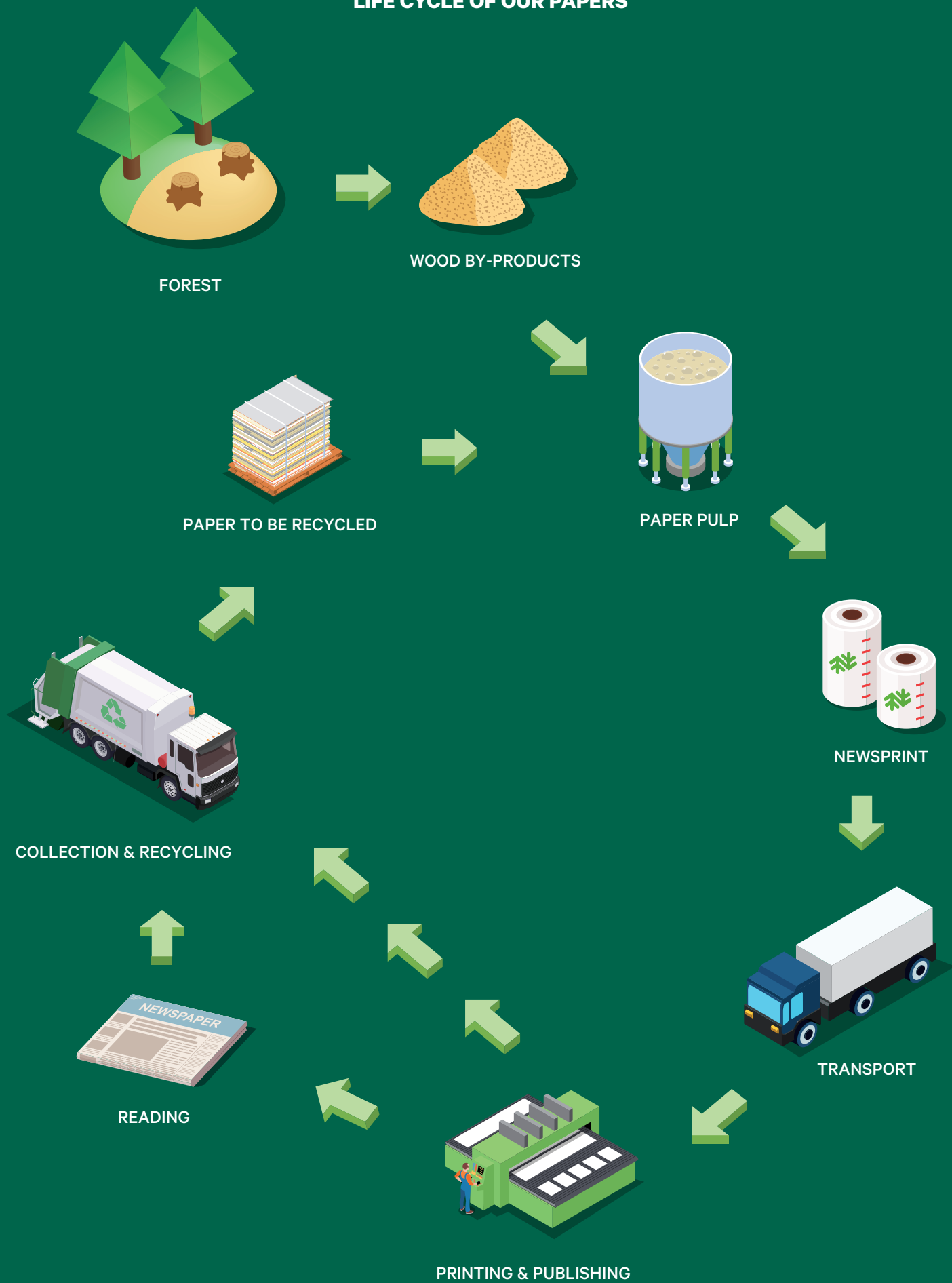
very stringent regulations and have invested, ever since our inception, in processes that enable us to considerably reduce our environmental impacts. We produce paper from raw material that is mainly recycled and select wood from sustainably managed forests. We are part of an industrial and territorial ecology approach (pooled within the Green Valley) and reduce our waste and emissions. And yet, every day, we continue to look for solutions to further reduce our environmental footprint.

Performance:

The lifecycle of newsprint is naturally part of a virtuous circle at the heart of the circular economy: the product is made from natural, renewable and recyclable fibres.



LIFE CYCLE OF OUR PAPERS



Materials

Our products are made of 70% recycled paper and 30% wood. Recycled paper is mainly sourced through selective collection from French households (post-consumer) and also unsold copies and printing scrap (pre-consumer). Wood is sourced from sawmills (chips) and local forests (thinning round wood). Thinning roundwood comes from the thinning that is required for forest maintenance and development. Wood chips, which account for about 70% of our wood purchases, come from local sawmills, where they are a by-product of the timber used for carpentry, furniture making or construction.

Production

Our paper machines are among the most recent and efficient in Europe. With a total capacity of about 600,000 tonnes of paper, they operate optimally in a site where resources and waste are identified and controlled. The by-products of our paper production are also valorised; some of them are being studied as part of our diversification projects.

Transport

We transport our paper reels to our customers' facilities by rail, road and sea (more information about our logistics solutions in SDG 13).

Printing and publishing

Our paper is fine and strong, and is suitable for the fastest rotary presses. Printing methods depend on the end use of the paper, which is mainly intended for the press and retailers. Once printed, the paper is cut into sheets and assembled.

Reading

Newsprint is a daily information medium, which brings news, culture and entertainment to its readers. When information is important, paper makes it possible to store it.

Collection and sorting for recycling

Selective collection increases the volume of repurposed household waste. The paper is sent to sorting facilities where it is separated from other non-fibrous materials. Thus, it turns into raw material that can be used to make new products.

The environmental impact of our activities is without a doubt, one of the major issues facing our production facility. When Norske Skog Golbey, which is a listed environmental protection plant, moved to the Vosges in 1990, the fear of environmental impacts was strong and our operating permit came with particularly stringent obligations for the industry. In spite of those very strict requirements, internal and external inspections show, year on year, that Norske Skog Golbey complies with the regulations. But beyond its mandatory reports, the company is in close contact with the local community and environmental organisations, in a climate of mutual trust.

Furthermore, the Norske Skog Golbey plant complies with a quality management system (ISO 9001), an environmental management system (ISO 14001) and an energy management system (ISO 50001), all of which guarantee that its risks are controlled and that it is committed to improving its results.

Lastly, improving industrial efficiency is an integral part of our strategy. To this end, we use a continual improvement process that involves all employees in solving issues and helping improve the overall efficiency of the company. The continual improvement approach, which is based on Lean Management principles, consists in viewing each problem as an opportunity for improvement and for trying out new ideas. It is used to break down partitions between departments and offers each individual an opportunity to contribute to the performance of the company in a variety of areas: improving flows, quality, lead time, productivity, ergonomics, working conditions etc. Every year, company trophies are awarded to the most deserving teams. We have also received awards from the French Technical Association of the Paper Industry (ATIP) in recognition of the actions our company has taken to improve industrial performance and sustainability.

For more information, please refer to:

- SDG 9: local industrial ecology and synergies between our diversification projects and our paper-making activities
- SDG 13: actions to reduce our carbon footprint
- SDG 6 and 14: water resource management
- SDG 15: repurposing waste and sustainable management of natural resources

DID YOU KNOW?

- Between 2005 and 2015, European forests grew by 44,000 square kilometres, which is a surface area larger than Switzerland. (FAO, UN Food and Agriculture Organisation, 2005–2015)
- If the cloud were a country, it would be ranked 6th in the world in terms of its annual electricity needs, which is expected to rise by 63% by 2020. (Greenpeace, 2014)
- In some regions of Europe, the paper recycling rate has almost peaked (70 to 75%), making the European paper industry a leading recycler. (European Declaration on Paper Recycling, 2014)
- 62% of consumers prefer to read product catalogues in printed form and 59% pay more attention to printed advertisements than to advertising emails. (Two Sides, Paper and Printing in the Digital Age, 2015)

UNFOUNDED MESSAGES CAN HAVE A MISLEADING EFFECT ON CONSUMERS' PERCEPTION.

Some mistakenly believe that paper is harmful to the environment, that it is responsible for deforestation and is a source of wasted resources. There is also a misconception that digital communication is more environmentally friendly. More information, themed documents and videos are available from the French Cardboard, Paper and Cellulose Industries Union (CO-PACEL) and the Two Sides organisation.



Take urgent action to combat climate change and its impacts

Business themes that Norske Skog Golbey focuses on:

- Reducing its carbon footprint
- Managing raw materials
- Optimising energy consumption
- Limiting the impact of transport solutions

Ambition:

By measuring our carbon footprint and ranking sources of emissions by size, we are prioritising the most effective reduction action to combat global warming.

Performance:

- Reducing our carbon footprint

We measure our carbon footprint based on the environmental impact that results from our choices of materials,

energy consumption, selected modes of transport and the waste produced.

In order to measure the result of our efforts, we closely monitor these indicators, which are strongly dependent on production volumes. Thus, every two or three years, we carry out a Bilan Carbone® assessment based on the ADEME method, with the first calculations dating from 2006. In 2012, we set ourselves the aim of reducing our carbon footprint by 30% between 2006 and 2020.

The table below summarises the results achieved by 2017.

CARBON FOOTPRINT OF NORSKE SKOG GOLBEY (CO ₂ equivalent tonnes)		2017	2013	2009	2006	2006/2017
	RAW MATERIALS (recovered paper, wood chips and logs)	26 827	27 190	30 203	27 747	- 3,3 %
	↓					
	UPSTREAM TRANSPORT (raw materials, fuel)	29 252	28 676	24 735	28 615	+ 2,2 %
	↓					
	ENERGY (natural gas, electricity, pulping rejects, non-road diesel, wood fuel)	70 458	75 834	77 187	105 987	- 33,5 %
	DIRECT WASTE (sludge, non-hazardous industrial waste, ash)	2 989	7 689	1 551	7 461	- 60,0 %
=						
	TOTAL (CO ₂ eq. tonnes)	129 526	139 390	133 676	169 811	- 23,7 %
	TOTAL (CO ₂ eq. kg/tonne of paper)	235	242	273	284	- 17,3 %



- *Choice of raw materials*

The use of thinning roundwood helps forest grow and promotes carbon fixation. Paper, which is made from fibres extracted from wood, continues to stock carbon throughout its life. Recycling paper helps retain that carbon.

- *Optimising our energy consumption*

Many steps have been taken over a number of years to improve our energy efficiency. We also promote the use of non-fossil sources of energy. That is the case for over 80% of the energy used in our steam production (for more details, please refer to SDG 7).

- *Different transport solutions*

We are continually seeking transport solutions that allow on-time procurements and deliveries for the best cost,

with the least environmental impact. The development of forms of transport that can offer alternatives to road haulage is a major focus of our logistics strategy.

Rail transport accounts for 35% of our transport solutions. We have a railway siding connected to the national network, and are one of the last paper mills in France to make massive use of the railways.

In order to optimise road transport, which accounts for 65% of our transport solutions, we have been working since early 2015 with two local partners to control our upstream and downstream flows. Over 95% of the lorries used comply with the Euro 6 standard, which sets the most stringent pollution limits in respect of nitrogen oxide, carbon monoxide, hydrocarbons and particulate emissions.

ALTERNATIVE MOBILITY

In order to reduce the number of vehicles, we offer a financial incentive to those employees who come to work by bicycle (€200 bonus per year, self-declared without checking) or who choose to car share (€10 bonus per month). In 2017, thirty-four employees benefited from these measures.



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Business themes that Norske Skog Golbey focuses on:

- Reducing and repurposing waste
- Protecting air quality
- Protecting forest resources ambition:

Ambition:

Like any other product, newsprint requires the use of natural resources for its production. That is why it is indispensable to use those resources more efficiently, conserve them and reduce our impact on the environment, particularly the planet's ecosystem, at all the stages of the product life cycle.

Repurposing our internal and external waste, monitoring air quality, contributing to the conservation of forest resources and manufacturing products in a responsible manner are some of the measures that can protect biodiversity and life on earth in general.

Performance:

Waste: reducing, reusing and repurposing

Our circular economy approach drives us to continue to reduce our waste and its impact:

- We sort about a dozen different types of waste in skips spread over our site, with a total internal and external repurposing rate of over 98.5%.
- We convert our waste into energy to produce the steam we need. Our boilers are fired with wood bark, paper manufacturing and urban sludge and waste from the manufacturing of paper and demolition wood.
- We are committed to identifying sustainable repurposing streams for our combustion residue, ash, which forms our ultimate waste. The 50,000 tonnes of ash produced every year is currently used for soil remediation and waste stabilisation, the hydraulic properties of which (it hardens in contact with water) are of interest to local partners. At the same time, we have initiated R&D work to incorporate our ash into paving stones and breeze blocks. This work is carried out with several other partners and supported by ADEME (French Agency for the Environment and Energy Management) and has been successful, allowing us to envisage setting up a new stream for repurposing our ash.

- We have reduced by 84% (divided by 6, between 2006 and 2017), the sludge made up of non-hazardous organic and mineral material, which is recycled outside the company by composting.

Protecting air quality

Atmospheric discharge from our boilers is continuously monitored by inline sensors and analysed every quarter by approved external contractors. In order to assess the potential impact of atmospheric fallout around the site, a specialised laboratory measures the heavy metal content in vegetables and plants, and the dioxin content in milk from a dairy farm located downwind of the prevailing winds. No impact attributable to our atmospheric emissions has been found to date, and all the results comply with the health thresholds.

Wood industry and biodiversity

For manufacturing newsprint, Norske Skog Golbey uses virgin fibres derived from the sustainable exploitation of the forests in the Grand-Est region. Forestry certifications guarantee a sustainable access to wood resources, protect biodiversity and allow the renewal of forests. Logs come from the thinning that is required for forest maintenance and development. Wood chips are by-products of local sawmills which use the timber and valorise the chips.

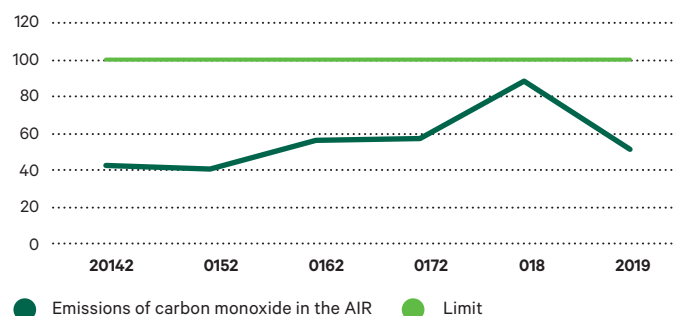
In addition, Norske Skog Golbey plays an active part in reconstituting forest resources. In 2012, we contributed to creating the conifer resource reconstitution fund (FA3R) with other stakeholders in the forestry and wood industry in Lorraine, Alsace and Franche-Comté. The aim was to encourage and support private owners in the Vosges to replant trees in order to improve the forest renewal rate, particularly in the "hagis" of the Vosges, which are small plots of coniferous trees planted after World War II.

In 2014, the "Planting for the Future" endowment fund was set up with the purpose of boosting reforestation in France as part of sustainable management. Norske Skog Golbey supports one of the two funds every year in order to ensure the continuity of coniferous resources. Over the last three years, we contributed approximately €25K to €28K depending on the year.

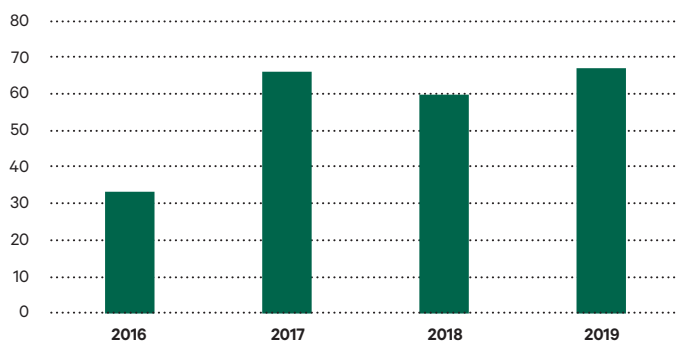
NOX EMISSIONS IN THE AIR (MG/NM³)
LIMIT: 400 MG/NM³



EMISSIONS OF CARBON MONOXIDE IN THE AIR (MG/NM³)
LIMIT: 100 MG/NM³



AVERAGE CERTIFIED WOOD CONTENT (%)



OUR ENVIRONMENTAL CERTIFICATIONS

Environmental declarations

We publish clear and transparent information about the environmental performance of our pulp and paper production.
 Products concerned: all

EU Ecolabel

Products concerned: NorX and NorX Plus

Blue Angel

Products concerned: NorX and NorX Plus (on request)

Forestry certifications

The wood used to produce our paper pulp is sourced from responsibly managed forests. Products concerned: all (on request).





Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Business themes that Norske Skog Golbey focuses on:

- Governing in an effective, responsible and transparent way
- Complying with laws and regulations
- Fighting against corruption

Ambition:

The goal of the Norske Skog group, and therefore of Norske Skog Golbey as a member of that group, is to create value for its stakeholders as part of its strategic goals. The tools used to achieve this objective include good practices in the areas of corporate governance and a clearly defined division of responsibilities and roles between the governing bodies of the Norske Skog group.

All the employees and other individuals representing Norske Skog are required to act in compliance with applicable laws and regulations, and ethical guidelines. Norske Skog has a zero-tolerance policy in respect of non-compliant behaviour and takes all the measures required to sanction any infringement.

Performance:

In order to address future expectations in the field of sustainability, we carry out our activities in accordance with the Steering Guidelines of the Norske Skog group, the Power of Attorney structure and the operating model. These make up the basis of our mandates and activities.

The members of the Norske Skog group, to which the Golbey facility belongs, enjoy a high level of autonomy and responsibility. Local directors are responsible for the site's activities and report their decisions and results within their unit. The Norske Skog Group has adopted common operating standards for all units and all employees through our Steering Guidelines. We apply a group-wide policy regarding our HESQ (Health, Environment, Safety and Quality) system, personnel development, financial reports and legal compliance. In those areas, our conduct must be based on the same sustainable principles in order to promote the common interests of the group, the Golbey unit and our stakeholders.

For several years, Norske Skog has been using a reporting system whereby employees and other stakeholders can report any behaviour that goes against ethics and/or the law, and which makes sure that the report is confidential and accurate. Any non-compliance that is confirmed is followed up by actions, with appropriate consequences.

Furthermore, as part of its purchasing policy, Norske Skog Golbey complies with the conventions of the International Labour Organization (ILO) and its duty of care. We have asked our most important suppliers to sign up on the Actradis platform, which regularly verifies compliance with their legal obligations in the areas of measures against illegal work, that is to say undeclared work.

CONSISTENT QUALITY

In order to offer newsprint of the highest possible quality, we select materials according to their origin and quality and control all our manufacturing and delivery processes.

Monitoring the quality of our papers

Norske Skog Golbey has a Quality Control department that monitors the conformity and quality of finished products. In order to supply customers with paper that addresses all their specific needs, we apply a Quality Policy and carry out inspections throughout the procurement, manufacturing and delivery chain.

During the process of manufacturing pulp and paper, our integrated laboratory carries out a variety of tests (fibre length, whiteness etc.). We carry out inline inspections using sensors distributed throughout the paper making machines, and inspect finished products by taking a sample from each jumbo reel for testing and analysis. A last visual inspection is carried out by winder operators before the reel is shipped.

The traceability of finished products is assured by labelling to enable identification. Thus, our customers have essential information about their reels: weight, grammage, width etc. Barcodes may become a valuable tool in stock management. Finally, if a reel is not entirely satisfactory, its code helps us identify the circumstances in which it was produced and establish a better diagnosis.

Quality of recycled paper

Every year, Norske Skog Golbey buys and recycles 500,000 tonnes of paper, accounting for 40% of selective collection in France. In order to meet the requirements of newsprint manufacturing, the recycled

paper must come exclusively from newspapers, magazines and leaflets.

If it has an excessively high non-fibrous material content (plastic, metal, glass, staples, CD-ROMs, sand etc.), it has to be refused. Since 2014, we have observed a deterioration in the quality of recovered paper. To counter that growing phenomenon, we are involved in recycling sector, particularly alongside local authorities, which account for 78% of our procurements of recovered paper.

Wood quality

Every year, Norske Skog Golbey uses 250,000 dry tonnes of wood: chips that are the by-products of sawmills and logs from thinning. Coniferous species such as fir and spruce enable us to make strong paper, with no effect on the optical characteristics of the end product.



RENEWED TRUST

90% of our customers are in Europe. That geographical and cultural proximity enables us to anticipate market trends to better adapt to them and offer tailored services.

Supporting our customers

The Norske Skog Golbey Marketing Department works with regional company sales offices and outside agents located close to customers, who market the paper produced by the different European plants of Norske Skog group.

Local sales teams have the task of supporting all customer queries relating to products, order planning and delivery schedules. They know how to show flexibility and offer solutions that address both customers' expectations and the

technical constraints of production.

Quality/customer service technicians, who have a strong presence on the ground, act as intermediaries with the plant and know how to optimise printed products, regardless of the printing technique. The Norske Skog Golbey Quality Control Department also monitors the compliance and quality of finished products.

Dialogue with customers

Every two years, we organise a satisfaction survey of around one hundred customers who

are representative of our markets (countries, types of product, sales percentage, a variety of interlocutors).

The survey that was carried out in 2018 revealed progress, with a score of 8.3 out of 10. We put that down to the action plans implemented since 2016, particularly to the work on the areas of improvement. A new survey will be carried out in 2020 to assess whether we have been able to address the expectations of our customers and market developments over the past two years.







Norske Skog
Golbey

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