

SUSTAINABILITY REPORT

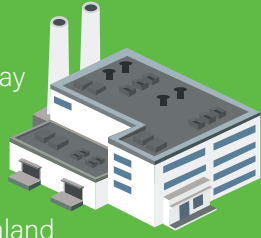
2020



6 PAPER MILLS IN 5 COUNTRIES

Skogn, Norway

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



NORSKE SKOG SKOGN

WOOD CONSUMPTION



1 000 000 m³

WASTE PAPER



100 000 TON

POWER CONSUMPTION



1 200 GWh

TURN OVER



2 000 MNOK

MARKET

Nordic countries, Central Europe,
United Kingdom, Asia

PRODUCTION



500 000 TON PAPER

400 000 NEWSPRINT

100 000 IMPROVED NEWS



350 EMPLOYEES

30 APPRENTICES



CERTIFICATES

ISO 9001

ISO 14001

ISO 50001

FSC-C017989

2018-SKM-PEFC-254

NORDIC SWAN

EU ECOLABEL

Quality Management systems

Environmental Management systems

Energy Management systems

Chain of Custody Certification

Chain of Custody of Forest based products

Delivering to "Nordic Swan labeled pressrooms"

EU Ecolabel NOR / 011/ 002 on "Improved news"



About Norske Skog Skogn AS' operations

Norske Skog Skogn AS was founded in 1962 and the first newsprint machine started its production in 1966. Placed in Skogn in the municipality of Levanger, Norske Skog Skogn AS is one of the largest newsprint mills in Europe. The mill is operating three paper machines, and our strength has always been our low cost – high quality profile, making us competitive in most markets. Our core markets are the Nordic countries and UK but our mill is in general serving demanding customers worldwide. Norske Skog Skogn AS has its own port facilities, and operates a twice-a-week regular line combining shipments of newsprint to our main hubs in the UK and Continental Europe, normally bringing recycled paper back on the return trip to be recycled in newsprint production at the Skogn mill. Since 2018 the mill has also developed improved newsprint qualities with higher brightness, a product that has been well received and has become an increasingly important product for us.

Norske Skog Skogn AS is an important industrial player in the region of Trøndelag, currently employing 360 employees. Our operations is also an important part of the value chain for the forest industry, consuming significant volumes of locally sourced pulp wood subject to FSC and PEFC sustainable forests certification schemes. Our industrial facilities are operating under an environmental permit administered by Miljødirektoratet. Our activity has impacts on the external environment, however within strict requirements and subject to constant surveillance and monitoring. Our consumption of fossil fuels are reduced to a minimum and by the recycling of significant amounts of by-products, the resulting carbon footprint from the production of newsprint paper in Skogn is among the lowest in the industry. In 2018, the company Biokraft AS was established inside our industrial site, producing bio-fuels partly based on shares of our bio sludges and effluent water amongst other types of organic wastes from fish-farms, thus further contributing to the sustainability and circular economy of our mill.



Bjørn Einar Ugedal
Managing Director



WE CREATE  GREEN VALUE

Norske Skog Skogn AS and the UN Sustainable Development Goals (SDGs)

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 Skogn supports all the 17 SDGs, but realize that some are more relevant to our business. In this report we address how Norske Skog Skogn relates to our prioritized UN Sustainable Development Goals (SDGs).

During discussion and interaction amongst the members of the management team at Norske Skog Skogn, we have dealt with the following questions:

- 1) How do the SDGs affect our operations and business strategies?
- 2) How may we influence and contribute to the achievement of the specific goals?

We realize that achieving the 17 SDGs requires changes. “As is” will not help the world reach these goals. Going forward, we will further assess in more detail how the Norske Skog Skogn AS’ operations and strategic approaches can contribute to achieving the SDGs. FN bærekraftsmål - Anne G.K - min arena This report is prepared and approved by the Management team of Norske Skog Skogn AS.

We create green value!

Norske Skog’s core values of openness, honesty and cooperation as well as our policies and guidelines are built on the UN Universal Declaration of Human Rights and the 10 principles of UN Global Compact. These values also guide Norske Skog Skogns business activities and sustainability work and are, together with the leadership principles, the foundation for ethical and competitive business conduct. To demonstrate Norske Skog Skogns commitment we have prepared this report aligned with the UN Sustainability Development Goals (SDG’s).



SUSTAINABLE DEVELOPMENT GOALS

Sustainable business strategy

Norske Skog have set ambitious targets for the development of the group, simply saying that by 2030, we shall both reduce our carbon footprint by 55 % from a 2015-baseline, and convert our core business allowing 50% of our revenue stream to be generated from new business activity.

This is a challenge we have put upon ourselves and is representing a strong call for development of our operations. To guide us in our future development efforts we have expressed our ambition, as a vision-statement and motto going forward, by these few words;

“We Create Green Value”

“**We**”, meaning that this is a common challenge for our employees and stakeholders, working together. In our future efforts, Norske Skog Skogn will have to rely on the competence and efforts from own employees as well as cooperation with group specialists, research institutes, suppliers of technology and the local community.

“**Create**”, meaning that we have to be open to new ideas, to new ways of working, to develop new product categories resulting in new revenue streams that can contribute to fulfill our target by 2030.

“**Green**”, meaning that whatever we decide to focus on and produce in the future, it has to be a sustainable business, based on a timely and environmentally friendly operation.

“**Value**”, meaning that whatever we are engaged in in the future, our business at Skogn mill must yield value for all stakeholders, from owners and employees to the local community in Levanger.

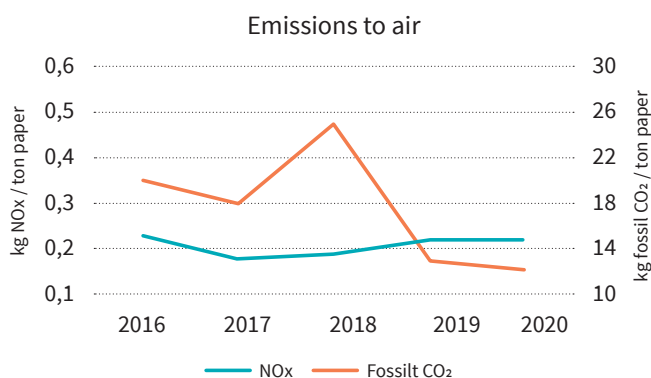
For us, the core values of Norske Skog will certainly have their full significance and meaning during the years to come. The SDGs will provide important guidelines to our team’s efforts in order to develop Norske Skog Skogn going forward!



We
create
green value!



Biological diversity, forest certification



Corporate focus

All timber should be delivered from sustainable forestry.

Ambitions

All timber should be delivered from 100 % certified forestry. The proportion of trees planted after harvesting should be higher than what is harvested.

Timber and wood chips are our most important resource. All of our wood comes from sustainable forestry, and the fiber raw material can be traced from harvesting to the consumer. All areas are replanted after harvesting.

91 % of the pulpwood is certified to international forestry standards. The rest comes from controlled areas where we have insight into operating conditions. In addition, we use recycled paper, which also is a part of the traceability certification.

FSC CoC and PEFC CoC are the certification systems where an approved auditor checks documentation for the entire chain for both pulp and recycled paper. In addition, a national risk analysis forms the basis for assessing the biodiversity and sustainable forestry.

Planting trees is a very important contribution to carbon capture.





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



Business themes that Norske Skog Skogn focuses on:

- **Occupational and private health and safety**
- **Facilitate that employees and their family take care of their own health**
- **Prevention and treatment of drug and alcohol abuse**
- **Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control**
- **Reduce premature mortality through prevention and treatment and promote mental health and well-being**

Ambition

Norske Skog Skogn’s strategic document states: “Norske Skog Skogn shall have high safety standards and encourage employees to live a healthy lifestyle” and “Norske Skog Skogn will work for sustainable development and good environmental performance”.

Norske Skog Skogn is committed to provide a safe working environment for our employees, contractors and visitors. Health and safety considerations are integrated into our day-to-day business and this applies to every activity carried out by our employees and contractors. We aim to have zero injuries, reduce sickness absence rate and to increase focus on job attendance for all employees. A number of work-tools helps us keep the right HES focus.

Norske Skog Skogn’s objective is to have no employees with drug, alcohol or other abuse problems. Employees with abuse problems will be offered a suitable treatment program. The mill is also a no smoking workplace.

Norske Skog Skogn has an occupational health service for all employees. This occupational health service map employees’ health and work environment, and focus on prevention, so all employees stay healthy in a fully sound and secure working environment. We have company sports activities and other activities to help employees being active and social.

Performance

Norske Skog Skogn has a high focus on occupational safety. We see a decrease in the number of accidents and the risk level in general. We still believe that we can improve our performance by continuing the systematically work with our safety barriers. In that matter we aim for higher goals.

We have a smoking ban in all our facilities. Today fewer employees smoke than before.

We cooperate with AKAN (National Committee for Treatment of Alcohol and Drug Abuse) in the prevention and treatment of drug and alcohol abuse. Each year we have one or two colleagues attending treatment programs.

Our occupational health service helps us achieve our ambitious goals on HES. They assists managers with sick leave follow-up and health care arrangements. This has helped us bring down the sick leave rate to a good level. “Work is medicine” is a god mantra for our leaders.



Ensure sustainable consumption and production patterns

Norske Skog Skogn will contribute by working:

- **Sustainable harvest and use of resources and raw materials**
- **Higher efficiency outputs on our machines**
- **Increase output of resources**
- **Lowering our energy consumption**
- **Improving recycling levels**
- **Sustainable solutions for transportation**

Ambition

All our suppliers and customers shall work in compliance with laws and regulations, as well as focusing on achieving goals in sustainable development goals. Every day we shall focus on increasing output of our resources and lowering energy consumption.

Our products will be sustainable and environmentally friendly. We have a clear ambition to end depositing ash to landfill by 2030 and finding sustainable use of it in stead.

We also put a great effort into more sustainable and commercial usage of bi-products such as fibresludge and fines.

Performance

Norske Skog Skogn have systems for working in compliance with relevant laws and regulations, these being yearly revised and improved. Wood is harvested from sustainable forests and we are certified from FSC CoC and PEFC CoC.

Recycled paper comes from Norwegian homes and imported mainly from Holland and UK. Newsprint mad from recycled paper means that every fiber is used 4–7 times before it is worn out.

We have ongoing projects when it comes to utilization of side streams such as fibresludge and ash. Both of these have superior characteristics for different applications and use. Both regional and notional industries, universities/research institutions and funding instruments are involved in these projects. We have several continuous improvement groups working on reducing input, energy- and water consumption.

Norske Skog Skogn is certified according to:

- ISO 9001 Quality management
- ISO 14001 Environmental management
- ISO 50001 Energy management

Papperroles. Foto: Norske Skog Skogn





Conserve and sustainably use the oceans, seas and marine resources for sustainable development

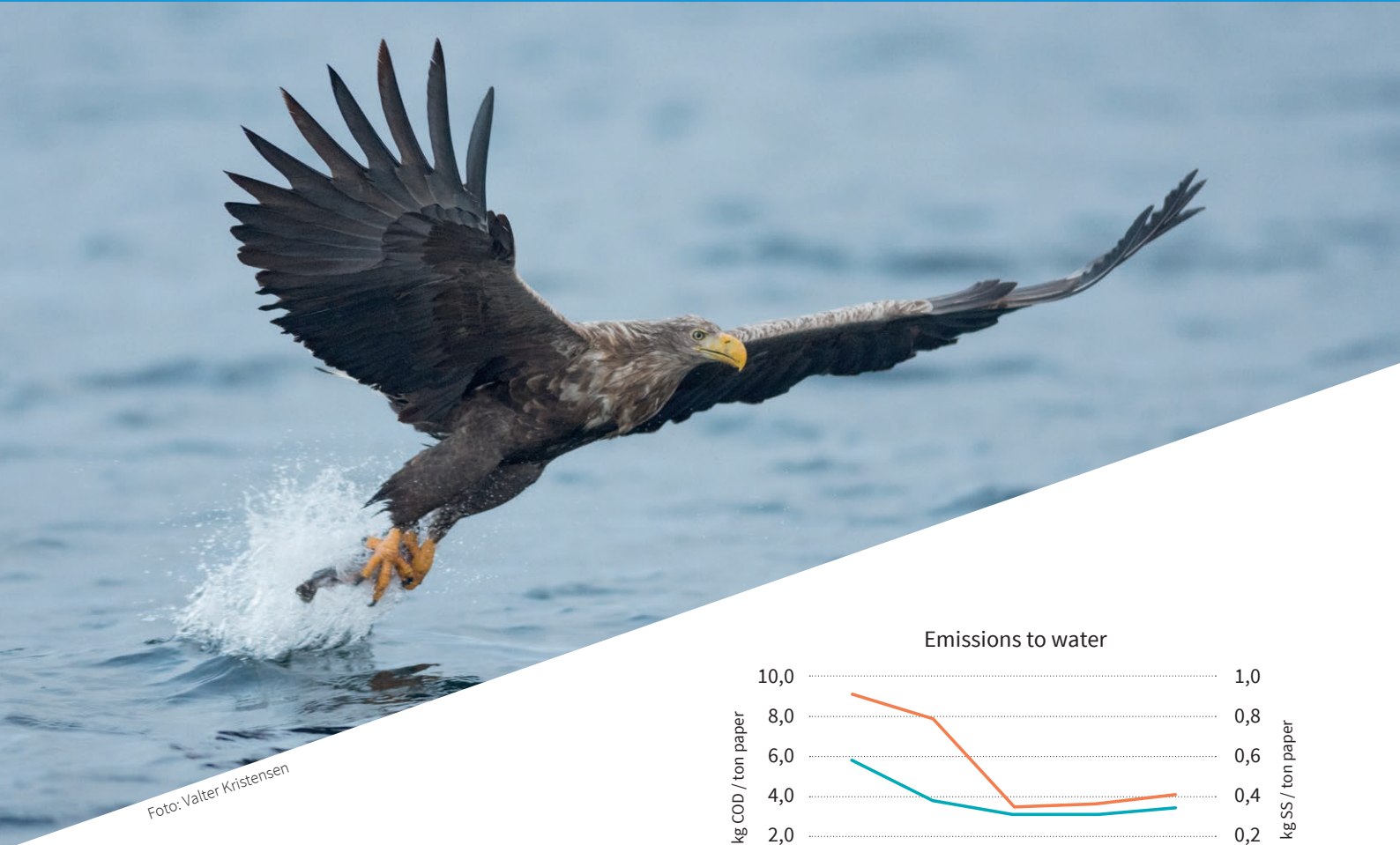
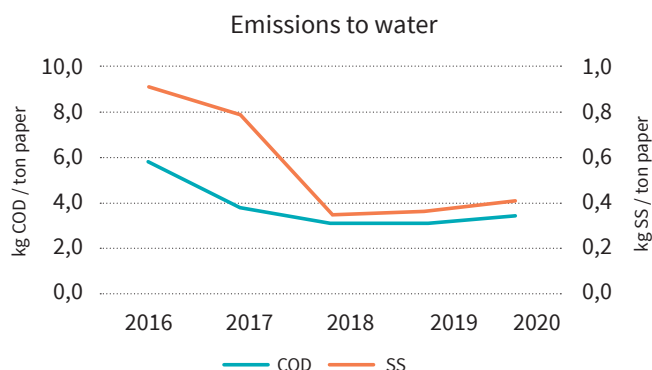


Foto: Valter Kristensen



Business themes that Norske Skog Skogn focuses on:

- **Reduce the volume of the discharge water**
- **Good operation of the waste water treatment plant**

Ambitions

Discharge of water should not affect life in the sea. The fjord areas should be attractive for fishing and outdoor activities. Since the mill started, fjord investigations have been carried out in the areas outside the mill.

Recent studies in the recipient were conducted in 2015 and 2018 by an external water environmental specialist. The study was conducted in accordance with the requirements of the water regulations and to document the condition of the fjord. Good conditions for fauna have been shown at all measuring stations and the areas appear to be little affected. The latest survey shows an increase in the number of species and individuals at all stations. The entire area seems to stay at a stable level with small changes over time. The fjord area outside the mill is used by locals for fishing and recreation.



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



Apprentice Tonje Carlsson. Foto: Adresseavisen Brand Studio

The company facilitates education both before, after and during employment, as an important strategic solution to ensure the best possible result at every stage. Our employees are our most important resource.

Ambition

Our goal is to have a broad access to qualified personnel in the short and the long term. Norske Skog Skogn's objective is that competence for all our employees shall result in increased ability to achieve:

- **Maintain the optimal and the best possible production**
- **Continuous improvement in the business value chain**
- **Innovation leading to new and improved processes, and even products**

Performance

Training and development of employees is a high priority task and is part of each department's work with annual goals. This includes:

- **Apprenticeship in various disciplines**
- **Documented and certified training**
- **Internal and external courses**
- **Continuous job training/rotation for all employees**

For many years, we have had a large number of apprentices. Our aim is that 10 % of our total workforce are apprentices, including both genders. This is our most important recruitment channel. We have good collaboration with the school administration - vocational education in particular.

On average, all personnel attend a minimum of 40 hours formal training each year, regardless of gender, race, ability and age.

Take urgent action to combat climate change and its impacts

Business themes that Norske Skog Skogn focuses on:

- Reducing greenhouse gas emissions
- Increase the proportion of biofuels

Ambitions

Minimize the use of oil for boiler startup, consider the use of bio-oil Follow-up against recovered paper suppliers for cleaner and better sorted paper.

Performance

Climate change is our biggest global challenge. The mill have made major changes early to reduce greenhouse gas emissions.

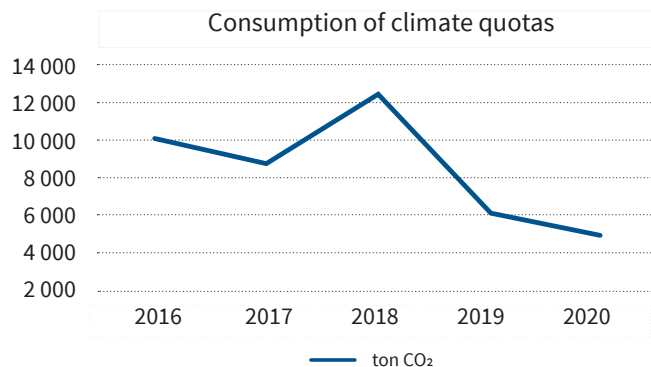
Paper production requires a lot of energy, and we were early in the process of changing and optimizing energy consumption.

Oil boilers were early phased out in favor of a bark boiler and boiler for burning multi-fuel.

Smaller amounts of oil are used to heat the boilers before starting up. The biological fuel is bark, sludge from the wastewater treatment plants, purchased demolition timber and waste from recovered waste paper.

Norske Skog Skogn has the following carbon source streams:

- Boiler heating oil
- Burning of waste from return-pair handling, plastic fractions
- Burning of CaCO₃



Markabygda. Foto: Fotograf Hattrem





Wish to contribute into building resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation based on our renewable raw material, wood.

To achieve these targets we want to:

- **develop our employees in the whole chain of value to ensure that we are in a lead position both in the present and future market.**
- **further develop our cooperation with the leading science institutions in our industry.**
- **utilize our infrastructural advantages in terms of availability by ship, railroad and trucks.**
- **take advantage of our premises, supply of clean energy and water and allow new sustainable businesses to establish and grow in synergy with us.**
- **facilitate industrial spin-offs in connection with our business for mutual benefits.**

Ambitions

Norske Skog Skogn is committed to continuously both improve our existing products and develop new products based on our renewable raw materials such as wood and clean water concerning minimizing our carbon footprint.

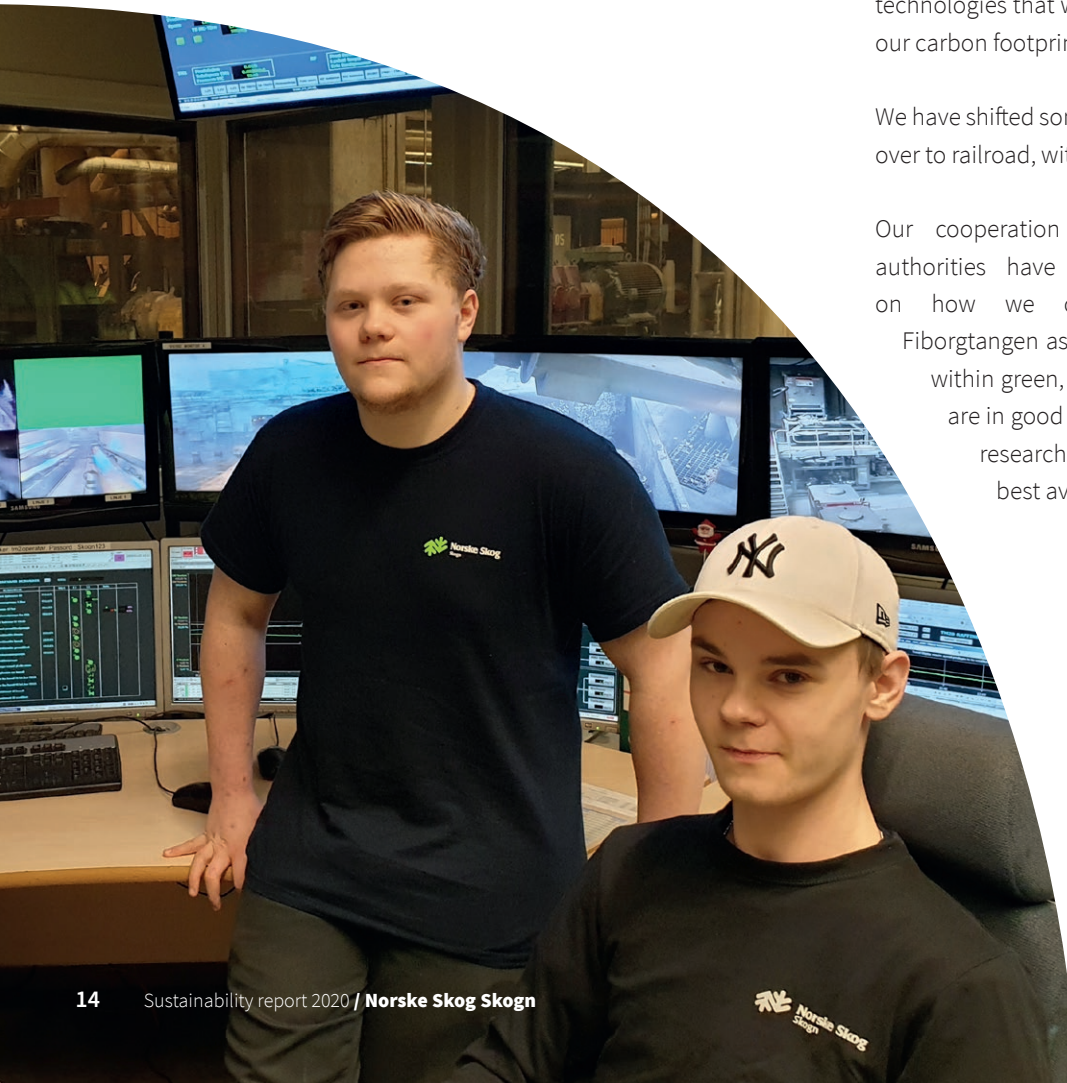
By being open and transparent, we will work strongly to lower our carbon footprint by taking part in both CCS (carbon capture and storage) and CCU (carbon capture and utilization) projects.

Performance

We are involved in several projects that are in both trial and implementation phase when it comes to carbon catching. These projects involve both CCS and CCU technologies that will have a direct, positive impact on our carbon footprint.

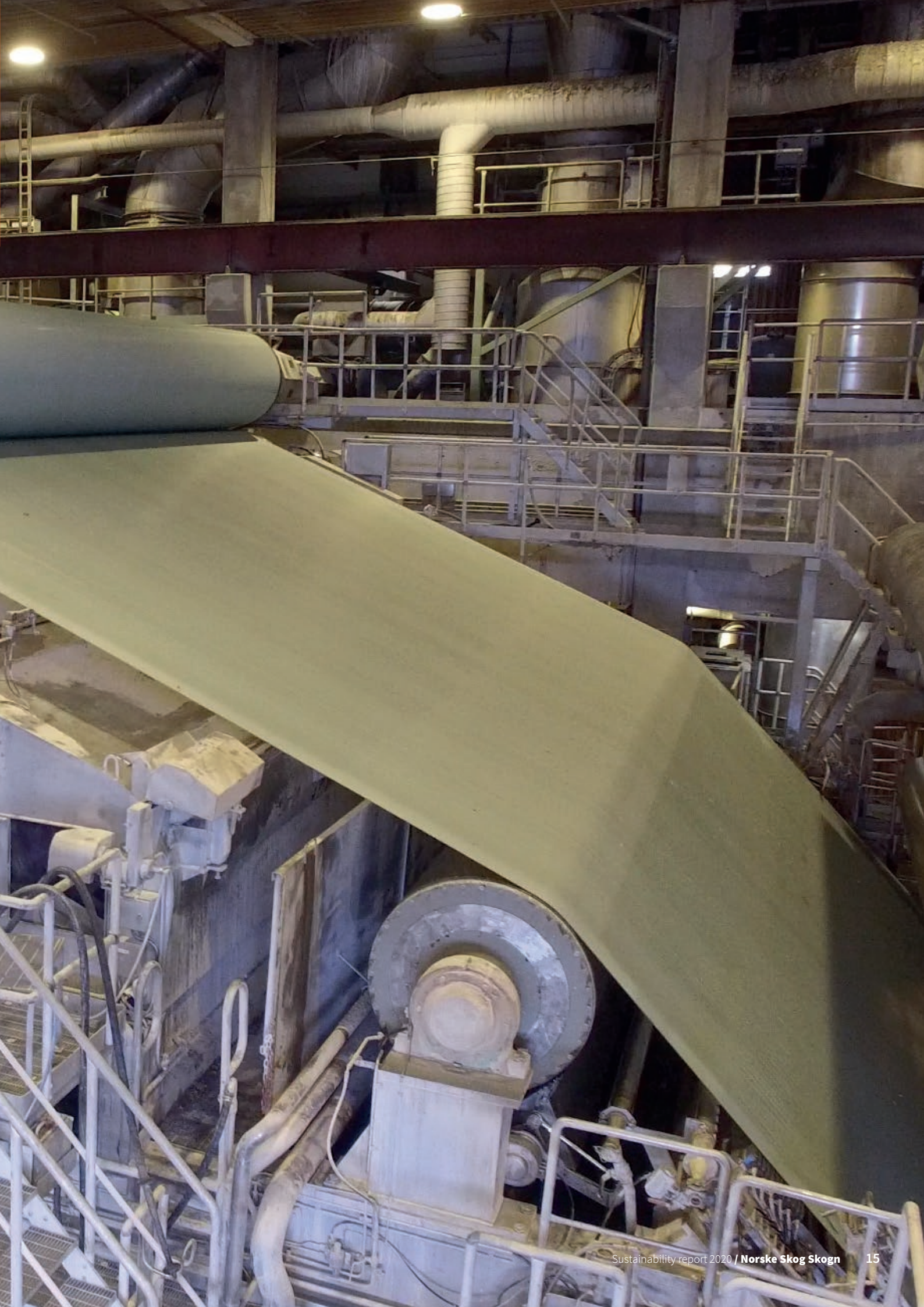
We have shifted some of our inbound logistic from road over to railroad, with room for further increase.

Our cooperation with both local and regional authorities have grown with regular discussions on how we can make Norske Skog and Fiborgtangen as a center for innovation and growth within green, blue and sustainable industries. We are in good dialogue with universities and other research institutions – always looking for the best available technology.



Left side:
Process operators Joakim Størseth
and Simon Christensen

Foto right side:
Fredrik Bye, Ravnfilm



We create green value



Norske Skog Skogn / Sjøvegen 108 / 7620 Skogn / Norway / www.norskeskog.com