



Photo: Hattrem



Photo: Væifer Kristensen

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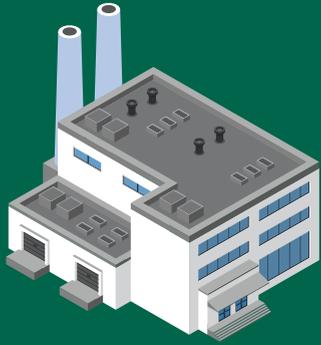
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NORSKE SKOG ASA PAPER MILLS IN 5 COUNTRIES



Skogn, Norway

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



Norske Skog Skogn THE BIG PICTURE:

Number of employees:

350

35 apprentices



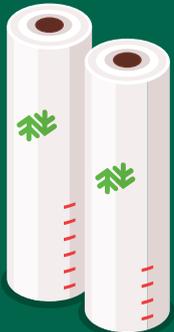
Market
**Nordic countries,
United Kingdom,
Central Europe**

Wood consumption

1 mil. m3

Waste paper

150 000 ton



Production

550 000

ton paper



Power consumption

1000 GWh

Turn over

2 000 MNOK

Certificates:

ISO 9001
ISO 14001

Quality Management systems
Environmental Management systems

ISO 50001
FSC-C017989
2018-SKM-PEFC-254

Energy Management systems
Chain of Custody Certification
Chain of Custody of Forest based products

Nordic Swan
EU Ecolabel

Delivering to "Nordic Swan labeled pressrooms"
EU Ecolabel on "Improved news"

400 000

 Newsprint

150 000

 Improved news

ABOUT NORSKE SKOG SKOGN AS' OPERATIONS



BJØRN EINAR UGEDAL

Managing Director

Norske Skog Skogn AS is the largest producer of newsprint in Norway. The mill 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 350 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 Norwegian Environment Agency. Our activity has impacts on the external environment, however within strict requirements and subject to constant surveil-

lance 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.

Norske Skog Skogn AS is the largest producer of newsprint in Norway.

NORSKE SKOG SKOBN 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. This report explains how Norske Skog Skogn relates to each of the UN Sustainable Development Goals (SDGs).

The most relevant ones are those where we can make a difference and contribute positively. 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. We have during our discussions on how to approach the SDGs, developed our own goals and measure our performance in relation to these.

This report is prepared and approved by the Management team of Norske Skog Skogn AS.



THE SUSTAINABLE DEVELOPMENT GOALS PROVIDES IMPORTANT GUIDELINES!

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). This report show how Norske Skog Skogn, through cooperation, operations and development, contributes to a sustainable development.

Norske Skog Skogns employees are committed to produce and develop our standard and improved newsprint paper every day. However, in our market of newsprint paper over the years we have seen that traditional newspaper reading habits are changing, resulting in a slowly but surely declining demand for newsprint paper, in competition with digital media. This means that Norske Skog Skogn has to look at new ways of using our competence and resources in order to develop new wood-

based fibre products in synergy with paper production. However, this challenge also opens new possibilities for sustainable development. In our future development 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, the local community and others for innovation and sustainable development. 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!

For us, the core values of Norske Skog will certainly have their full significance and meaning during the years to come.





End poverty in all its forms everywhere
Earnings, wages and benefits

Ambitions:

We aim to maximize Norske Skog Skogn’s value through reliable, responsible and sustainable conduct throughout our operations, also in our interaction with other companies.

Performance:

Our operations have delivered a significant increase in profitability in the last years and by this safeguarded employment for our workers. We aim to gain leverage from this and work towards developing the mill in order to be prepare for future challenges.

Our company is a cornerstone of the local community. Our target is to work closely with the local community through an open dialog.



End hunger, achieve food security and improved nutrition and promote sustainable agriculture

We do not have a significant impact on food systems or agriculture nor are we operating in societies with high poverty.

We deliver organic materials from production waste to agriculture for re-use. We seek to maintain sustainable forestry.

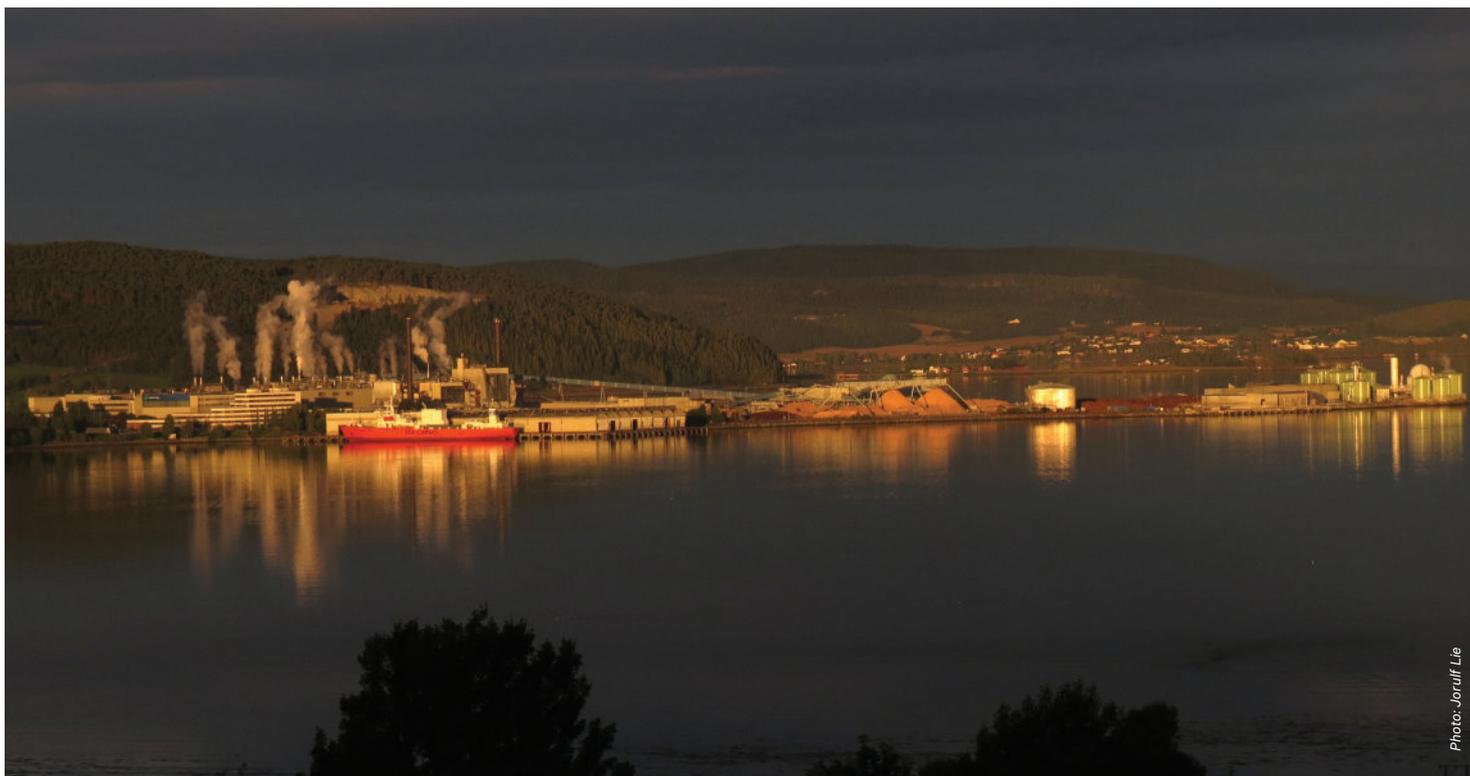


Photo: Jorulf Lie



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

Ambitions:

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.

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.



Photo: Levanger kommune

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

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 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

For many years, we have had a large number of apprentices. Our aim is that 10 % of our total workforce are apprentices, and that this number includes both genders. This 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.



Photo: Intern



Achieve gender equality and empower all women and girls.

Ambition:

Norske Skog Skogn’s objective is that all persons have equal development possibilities. This means that women have equal opportunities to receive employment and to have leading positions in our organization. Norske Skog Skogn wants to increase the number of female employees.

Performance:

We are not satisfied with our current number of female employees; this applies to the entire organization. Action has been taken to recruit more female apprentices and skilled workers. The Gender equality Committee is actively working on this issue. We are happy to have women in key positions in Production area.



Clean water and sanitation for all

Areas of focus from Norske Skog Skogn AS:

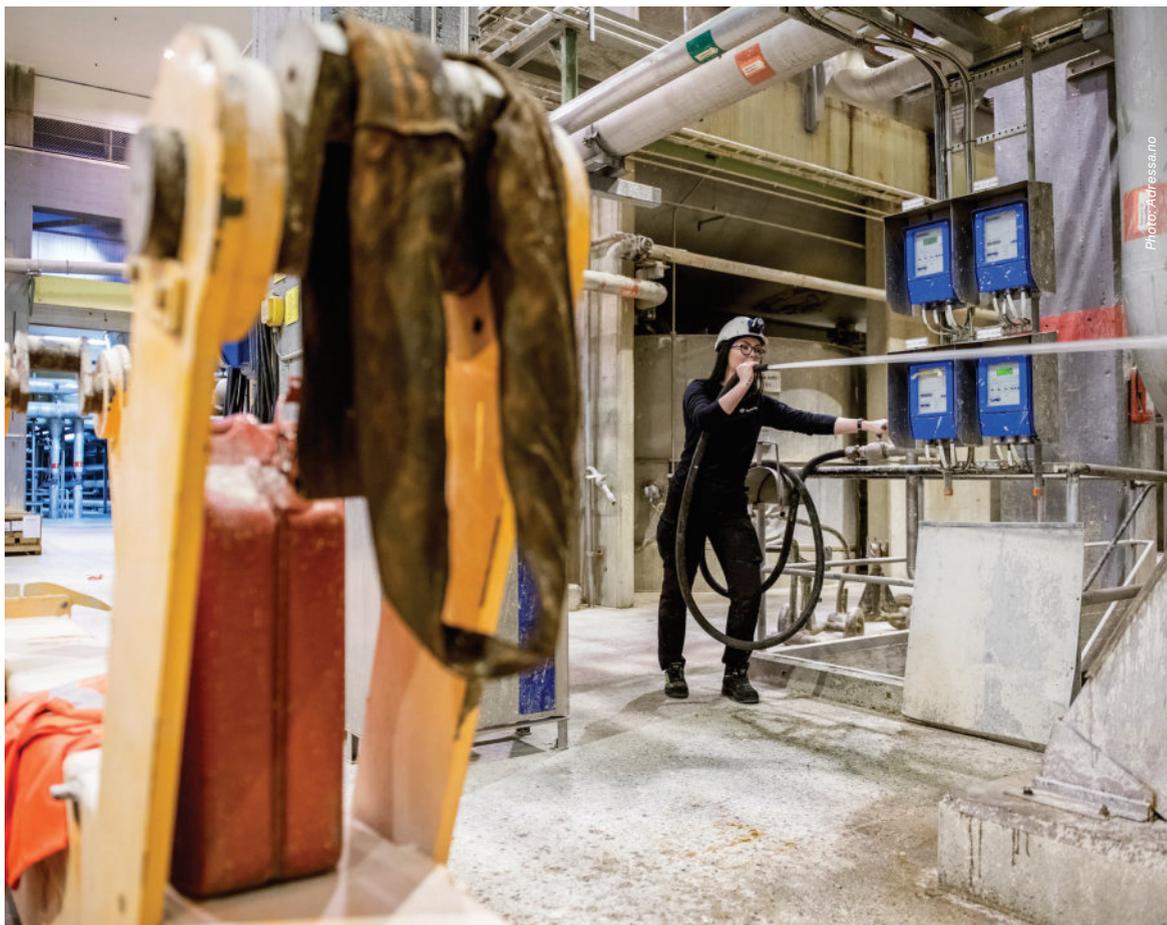
- Reduction in the use of fresh water
- Sustainable operation of the water treatment plant to reduce emissions to the external environment

Ambitions:

Our water discharge should not affect life in the sea, and the bottom conditions and the oxygen saturation should not change from the impact of our effluents.

The discharges of process water to the sea are regulated in its own concession from the authorities. The permit is based on international regulations for the corresponding industry. The process water is purified in a biological treatment plant. The most important parameters are emissions of fiber, chemical oxygen consumption and nutrient. Water supplies for our production activities is sourced from a local lake. The water supply is limited and is affecting local water systems. Our consumption needs to be controlled in order to ensure that there would be a minimum flow in the local river. A municipal water plant that also supplies the municipality and the local hospital receives water from the company’s water inlet. Raw water is used in production, meaning no purification or use of chemicals before the water is taken into production.

The water emissions are sustainable and do not affect the local ecosystem. Chemicals used in production must be captured in the water treatment plants and are biodegradable. The fjord area outside the factory is used by locals for fishing and recreation.



Clean energy

Business themes that Norske Skog Skogn focuses on:

- Optimal and correct use of electrical energy
- Optimal and correct use of heat energy
- Heat recovery from pulp production
- Minimize fossil fuel use
- Sludge from the treatment plants is used in biogas production
- Minimal emission of fossil CO₂

Ambitions:

Continuous process to improve all production stages for optimal and correct use of energy.

Develop the TMP process with lower specific el.energy consumption to a more even pulp quality that will also lead to lower specific heat energy consumption.

Produce “green” energy of excess heat and biofuel.

Performance

Our company is a major consumer of electrical energy and heat energy. The electrical energy consumption is from renewable hydro and wind power production in Central Norway. The largest amount of electrical power

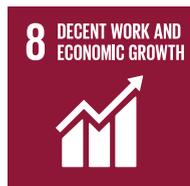
is used to grind the chipwood in the thermomechanical plant and about 60% of this energy is recovered as heat used to dry paper.

Frequency controlled motors are installed for lower electrical consumption in several positions.

Oil boilers were phased out early so fuel oil is only used to start-up the biofuel boilers. Heat is produced from 1 electric boiler and 2 boilers with these biofuels:

- All bark from purchased timber is burned
- Demolition wood and energy wood are purchased
- Fiber sludge and biological sludge from our own wastewater treatment plant are burned together with sludge from the recycled paper plant
- Waste from the recycled paper and other internal wood/paper waste.

Norske Skog Skogn is certified according to the energy management standard ISO 50 001.



Decent work and economic growth

employment
 non-discrimination
 non-bullying
 reduce the use of hired and temporary workers

Ambitions:

Norske Skog Skogn is committed to promote diversity and inclusion by providing equal employment opportunities and treat all employees fairly and with respect.

All employees and others acting on behalf of Norske Skog Skogn are expected to conduct business in an ethical manner and must comply with applicable laws and regulations at all time.

The mill fully complies with all Norwegian labor laws, and is an active supporter of a broad cooperation with trade unions.

Performance

Almost all employees are members of a union. We have an open organization and everyone can make suggestions and input to the management.

There are formal forums where employees and management discuss the most important plans, goals and results. The employees have co-determination over their own workplace. This also applies to safety, environment and sustainable development. A decent work for all.

There are few temporary employees. Seasonal work does not exist at the factory.



Industry, Innovation and Infrastructure

We want 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
- facilitate industrial spin-offs in connection with our business for mutual benefits.

Ambition:

Norske Skog Skogn is committed to continuously both improve our existing products and develop new products based on our renewable raw materials such wood and clean water with regards to minimize the carbon footprint of our production.



Reduce inequality within and among countries

Ambition:

Norske Skog Skogn are committed to an inclusive work culture, and appreciates and recognizes that all people are unique and valuable and should be respected for their individual abilities and views.

Norske Skog Skogn is working to implement the Norwegian Discrimination Act's objective within our business. This includes activities to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion and faith.

Performance:

Norske Skog Skogn participate in the Norwegian Public Social Security System regarding more inclusive workplace (IA). The IA Agreement builds on a tripartite cooperation between the national authorities, the trade unions and the company's, with the aim of reducing sickness absence rates and increasing focus on job attendance for all employees. This cooperation ensures the participation of all parties involved.

Norske Skog Skogn also include standard terms in supplier contracts related to minimum wage conditions for subcontractors.





Sustainable cities and communities

Will continue to contribute making our local community inclusive, safe, resilient and sustainable.

To achieve these targets we want to:

- continue and develop our cooperation with local authorities
- continue and develop our cooperation with local society
- be open and more visible in our local community and further develop our relation to local media
- support sports for children

Ambition:

We are the industrial cornerstone in our municipality and that is a position that we are intending to keep.

Performance:

We share the same water source as the municipality and we are cooperating with local authorities to keep the source safe and sustainable.

Our presence is crucial to maintain important local structure as : Schools, Kindergartens, local business etc.

We are situated in a area rich of agricultural activity and quite a few of our employees can make a living of agricultural activity since they also are employed in our mill.

Our activity does also create a large number of repercussions for example: Forestry, transport, sawmills, maintenance etc.

Our Mill is also a important training arena for apprentices in various subjects.



Foto: Levanger kommune



Responsible consumption and production

Business themes that Norske Skog Skogn focuses on:

- Sustainable consumption of raw materials
- High efficiency on machines
- High yields of raw materials
- Reuse and recycling
- Low and efficient transport solutions for raw materials and products

Ambitions:

All our suppliers and customers must comply with applicable laws and regulations for the use of resources.

Utilize our input factors optimally, utilize raw materials from certified forests and systems.

Paper should appear as an environmentally friendly product. All waste fractions should be recovered or utilized.

Performance:

The company has systems and processes that ensure that all pulp used in the production comes from sustainable forestry. 85% of timber is certified, the remainder is controlled by a third party. We are certified by FSC CoC and PEFC CoC.

Recycled paper comes from households in Norway, but something is imported from the Netherlands and England as a return load on our paper boats.

We have systems for collecting and recycling our waste streams. Fly ash from the boilers is deposited in its own internal landfill, work is being done to find solutions for the reuse of ash.

Norske Skog Skogn is certified by:

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



Climate action

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



Photo: Jonulf Lie



Life below water

Business themes that Norske Skog Skogn focuses on:

- Reduce the volume of the discharge
- Good operation of the treatment plant
- Good household waste

Ambitions:

Discharge of water should not affect life in the sea.

The fjord areas should be attractive for fishing and outdoor activities

Performance:

Since the mill started the paper productin, fjord investigations have been carried out in the areas outside the factory.

Recent studies in the recipient were conducted in 2015 and 2018 under the auspices of Åkerblå from Frøya. 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 positions and the areas appear to be little affected. The latest survey shows an increase in the number of species and individuals at all positions. The entire area seems to stay at a stable level with small changes over time.

Locals use the fjord and the area around the mill for fishing and recreation.



Life on Land

Business themes that Norske Skog Skogn focuses on:

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.

Performance:

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 harvest to consumer. All areas are replanted after harvesting.

85% of the pulpwood is certified according to international forestry standards. All fiber materials comes from controlled areas where we have insight into operating conditions. In addition, recycled paper used in the traceability certification is also used.

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, inter alia, biodiversity and sustainable forestry.

Planting trees is a very important contribution to carbon capture





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

Business themes that Norske Skog Skogn focuses on:

- Effective, accountable and transparent governance
- Compliance with laws and regulations
- Anti-corruption

Ambition:

Norske Skog Skogn’s goal is to create competitive shareholder values within our strategic goals. As part of the Norske Skog Group, we share the important instruments for achieving this objective, which includes good principles for corporate governance and a clearly defines division of responsibilities and roles between Norske Skog’s governing bodies.

All employees and others acting on behalf of Norske Skog Skogn must act in compliance with applicable laws and regulations and ethical guidelines at all times. Norske Skog Skogn has a zero tolerance policy for non-compliant behavior and will take necessary actions in order to respond to any breaches that may occur.

Performance:

To meet future sustainability expectations, we conduct our business mandates and activities according to the Norske Skog Groups internally developed Steering Guidelines, Power of Attorney structure and Operating

Model. These provide the basic framework for our mandates and activities.

Norske Skog Skogn has – as a business unit in the Norske Skog Group – a high degree of independence and accountability. Norske Skog Skogn’s General Manager is responsible and accountable for decisions and results within the unit. The Norske Skog Group has common standards of conduct for all business units and employees through our Steering Guidelines. Employees train annually in these matters. The group apply a uniform basis for our operations across countries and cultures concerning HESQ (health, environment, safety and quality), people development, financial reporting and legal compliance. In these areas, our conduct must be based on the same sustainable principles to promote the shared interests of the Norske Skog Group and our stakeholders.

Norske Skog Skogn has for a number of years maintained a reporting (whistle-blowing) channel, where employees and other stakeholders can report on possible unethical and/or unlawful behavior, and be assured confidential and serious treatment of the report. Any confirmed non-compliance will be followed-up with fair consequences.



Strengthen the means of implementation and revitalize the global partnership for sustainable development.

The Norske Skog Group was the first international paper manufacturer to sign an agreement with the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) and the Norwegian United Federation of Trade Unions concerning employee rights on a global basis.

The Norske Skog Group were also an early adopter of the 10 principles in the UN Global Compact.

The Norske Skog Group's research and development work is performed at the individual business units and the cooperation with external research institutions. The work is coordinated centrally, with the aim to leverage synergies and best practices throughout the group. There is a continued focus on the evolution of paper products and new innovative green alternatives to existing resources.





Norske Skog
Skogn

Norske Skog Skogn

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