





*We took some vital and brave steps
in 2019 that will have great effects on
the company in the years to come.*

Sven Ombudstvedt, CEO of Norske Skog

Photo: Enzo Zadra

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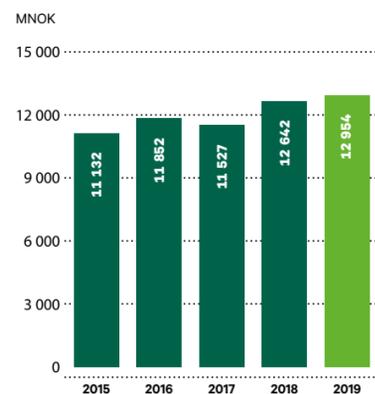
KEY FIGURES

NOK MILLION (UNLESS OTHERWISE STATED)	2015	2016	2017	2018	2019
INCOME STATEMENT					
Total operating income	11 132	11 852	11 527	12 642	12 954
EBITDA*	818	1 081	701	1 032	1 938
Operating earnings	19	-947	-1 702	926	2 398
Profit/loss for the period	-1 318	-972	-3 551	1 525	2 044
Earnings per share (NOK)**	-15.98	-11.78	-43.04	18.48	24.77
CASH FLOW					
Net cash flow from operating activities	146	514	404	881	602
Net cash flow from operating activities per share (NOK)**	1.77	6.23	4.89	10.68	7.30
Net cash flow from investing activities	-174	-105	-278	-188	-180
OPERATING MARGIN AND PROFITABILITY (%)					
EBITDA margin*	7.3	9.1	6.1	8.2	15.0
Return on capital employed (annualised)*	5.2	8.9	6.6	14.1	28.5
PRODUCTION/DELIVERIES/CAPACITY UTILISATION					
Production (1 000 tonnes)	2 366	2 506	2 494	2 492	2 310
Deliveries (1 000 tonnes)	2 356	2 520	2 491	2 485	2 285
Production / capacity (%)	85	93	93	95	89
BALANCE SHEET					
Non-current assets	9 620	7 184	4 939	4 789	5 248
Assets held for sale	0	0	0	0	631
Current assets	3 512	3 313	3 170	3 776	4 360
Total assets	13 133	10 497	8 109	8 565	10 240
Equity	4 729	2 090	-1 427	2 365	5 493
Net interest-bearing debt	4 528	5 038	5 717	2 268	919

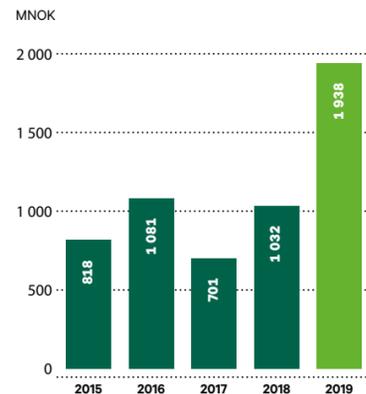
*As defined in Alternative Performance Measures

**Adjusted for the share split on 18 September 2019 pursuant to which the number of shares was increased from 30 000 to 82 500 000

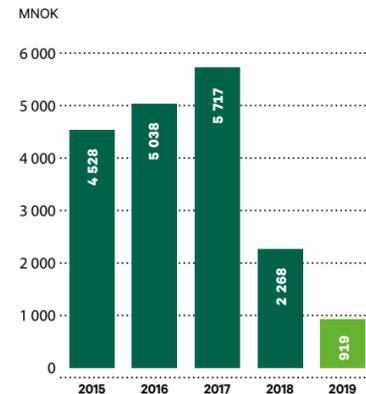
TOTAL OPERATING INCOME



EBITDA



NET INTEREST-BEARING DEBT



6

PAPER MILLS IN 5 COUNTRIES



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

CEO

Sven Ombudstvedt

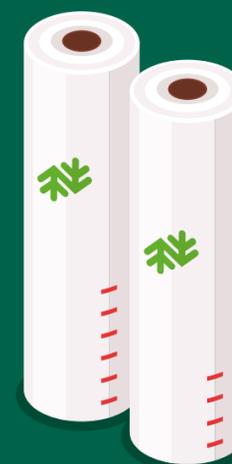
Corporate management



Employees

2 359

12% female employees



88% certified fibres

81%

Electricity and renewable energy

0.47

Lost time injuries per million working hours

BRAVE STEPS IN 2019 LEAVE US WITH A PROMISING FUTURE

Our employees represent the heartbeat of our company, and I am very impressed with their efforts and commitments.

We took some vital and brave steps in 2019 that will have great effects on the company in the years to come. Our mill teams have proven great ability to create profit and run our core operations effectively in a declining market. We have delivered the best operating performance in many years; in addition, we have the best health and safety results in the history of Norske Skog. Further, we issued a bond of EUR 125 million in June, and Saugbrugs was fully included in the Norwegian CO₂-compensation scheme. The huge milestone was, however, when we went public on the Oslo Stock Exchange on 18 October, preparing us for future success and creating a base for new opportunities.

There has also been some tough choices along the way. Thursday 5th December marked the end of an era as the Albury Mill ceased newsprint production. Since 1981, the mill and its employees have made an outstanding contribution to the local community and the Australian economy.

At Norske Skog, we are acutely aware that we are in charge of our own destiny. We need to remain competitive in a fiercely competitive global marketplace, and we need to be innovative, creating new products and exploring new business opportunities.

Norske Skog's long-term strategy remains to improve the core business, to convert certain of the group's paper machines and to diversify the business within the bioenergy, fibre and biochemical markets. Although our employees are committed to deliver quality publication paper every day, Norske Skog is actively

developing new revenue streams in synergy with existing paper production. In the years ahead of us, we will launch new green products. All these initiatives will be profitable and sustainable:

- At Bruck in Austria, we are investing in a new 50MW wide range energy boiler, utilizing refuse derived fuels and paper production residuals. This will improve the carbon footprint, further strengthen the mill's profitability and create new business beyond publication paper.
- At Saugbrugs, we will work to develop a new type of bio-composite that may be used in furniture, packaging materials and car interiors. We will develop sustainable solutions related to plastic raw materials by fibre blending, technology development and testing of bio-composites. This will contribute to decreased plastic consumption by creating new, green products with significantly reduced carbon footprint.
- Our biogas facilities at Golbey and Saugbrugs already contribute positively to our earnings, but more impressively, it has reduced our carbon footprint substantially. We will invest further to improve our biogas activities, and we are proud to be a global forerunner in the circular economy.
- At Nature's Flame in New Zealand, we have doubled the output of wood pellets to an annual capacity of 85 000 tonnes delivering to our domestic customers as well as markets in Asia.
- Likewise, there are also numerous encouraging initiatives at the Tasman (New Zealand), Skogn (Norway) and Boyer (Australia) mills.

We need to be innovative, creating new products and exploring new business opportunities.

Our core values are openness, honesty and cooperation. Our policies and guidelines build on the UN Universal Declaration of Human Rights and the 10 principles of UN Global Compact. These values guide our business activities and sustainability work across regions and are, together with our leadership principles, the fundament to ensure an ethical and competitive business conduct within and on behalf of Norske Skog. To further demonstrate our commitment, we have prepared a sustainability report aligned with the UN Sustainable Development Goals (SDGs). Some of the goals express the challenges we meet in our daily operations. Others have less direct relevance to our business, but they still constitute important goals to the communities we belong. Norske Skog is contributing to the fulfilment of the SDGs we may impact to the best of our competences.

I want to send my thanks and warm thoughts to all my colleagues running the mills 24/7 every day of the year. Our employees represent the heartbeat of our company, and I am very impressed with their efforts and commitments. Let us continue to join forces together – we have a promising future ahead of us.

SVEN OMBUDSTVEDT
CEO





ABOUT NORSKE SKOG'S OPERATIONS

Norske Skog is a global producer of both newsprint and magazine publication paper. The group has a total production capacity of 2.3 million tonnes split between the group's six mills in Europe and Australasia. In Europe, the group operates four mills, two in Norway, one in France and one in Austria, with a combined 1.9 million tonnes of publication paper production capacity. The group estimates that it is the third largest European producer of publication paper and the group exports products to North America, Africa and the Middle East, which are the most important export destinations from Europe. In Australasia, the group operates one mill in Australia and one mill in New Zealand with a combined 0.4 million tonnes of publication paper production capacity. The group is the sole producer of newsprint and magazine publication paper in the region where the group has a leading position in a concentrated newsprint and magazine paper market and only competes with imports. Our

mills in Australia and New Zealand also export to Asia.

The group's newsprint paper products include standard and improved grades, while the group's magazine paper products comprise uncoated super-calendared paper ("SC") and lightweight coated paper ("LWC"). The end uses of the group's products are mainly newspapers and magazines, but also include catalogues, inserts/flyers, supplements, free-sheets, directories, direct mail, brochures and book paper. The group sells its products under well-known brands, including Nornews, Norbright, NorX, Norstar, Norcote, NorSC, Norbook, Vantage and Tasman Directory. The group's customers include publishers of leading newspapers and magazines in Europe, Australasia and the rest of the world. The group has longstanding relationships with several of its largest customers.

In Europe, the group serves a diversified customer base including internationally recognised publishers, retailers and commercial printers, with the top 15 customers representing approximately 30% of revenue.

The group's market shares based on production capacity for newsprint, SC magazine paper and LWC magazine paper in Western Europe are approximately 22%, 12% and 4% respectively, according to PPPC. In Australasia the group is the sole producer of publication paper, but the group estimates a market share in terms of publication paper delivery of approximately 85% for newsprint and 25% for magazine paper.

The group has approximately 2 350 employees. In addition to the traditional publication paper business, new growth initiatives related to renewable energy, biochemical products and fibre products have been launched.

STAKEHOLDER AND MATERIALITY ANALYSIS

The stakeholders affect Norske Skog's decisions, activities and performance in many ways. In our opinion, our most important stakeholders are our own employees, local communities where we operate, investors and owners, customers and our key suppliers. When determining which sustainability topics that are the most material ones for Norske Skog, we have also assessed to what extent different stakeholder groups are affected by our activities and/or to what extent they are affecting our sustainability work and performance. This is based on our on-going interactions and dialogues with the different stakeholder groups. One example is that the commercial organization in Norske Skog regularly performs customer surveys. The most important customers are followed up closely for each delivery. Other examples of cooperation and interaction with different stakeholders are included under the different sections of the sustainability report.

The materiality analysis highlights areas of opportunity and risk that will be fundamental to the group's strategy and integrated in daily operational activities. Environmental issues have been a concern to a great number of stakeholders since the start-up of Norske Skog in 1962. The aspects of the environmental category have undergone a substantial quality improvement. The group has achieved significant results in collaboration with stakeholders, national authorities and employee initiatives. Norske Skog has also through the years been nationally recognized for its labour practices and excellent work environment, and the outstanding health and safety performance compared to the industry average.

During 2019 our materiality analysis has been revised and approved by the Corporate management. The outcome of the materiality review shows that the GRI Standards topics

Economic performance, Anti-corruption, Emissions (including greenhouse gas emissions), Effluents and waste, and Occupational health and safety have the most vital impact on Norske Skog and our stakeholders. For Norske Skog, the topics Raw materials and Anti-competitive behaviour will also have serious impact on daily and long-term business performance.

This priority is reflected in the sustainability report and included in the presentations related to each of the 17 UN Sustainable Development Goals. A total overview of which GRI Standards we report on can be seen from the GRI Index presented on our homepages:

[https://www.norskeskog.com/Responsibility/Corporate-social-responsibility-\(CSR\)/Global-Reporting-Initiative-\(GRI\)/GRI-table](https://www.norskeskog.com/Responsibility/Corporate-social-responsibility-(CSR)/Global-Reporting-Initiative-(GRI)/GRI-table)



NORSKE SKOG AND THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Norske Skog supports all 17 SDGs, but realize that some are more relevant to our business than others.

The UN Sustainable Development Goals (SDGs), adopted by world leaders in September 2015, are a call for action for all countries and businesses to promote prosperity while protecting the planet. The 17 SDGs address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The SDGs interconnect and it is important that the world achieves each of the SDGs and its targets set for 2030.

Norske Skog supports all 17 SDGs, but realize that some are more relevant to our business than others. During 2019, we have assessed which of these 17 goals that we consider are the most relevant for Norske Skog, and those where we believe we can make a difference and contribute positively.

WE HAVE ASKED OURSELVES THESE QUESTIONS:

- To what extent do the SDGs affect our operations and business strategies?
- To what extent may we influence and contribute to the achievement of the specific goal?

Our assessment included input from a workshop with representatives from all our mills focusing on which of the SDGs that are the most relevant ones for our operations. We believe that we can make the greatest difference and contribute positively through the prioritized SDGs highlighted in the illustration.

We have summarized what the prioritized SDGs mean to us in one sentence: Norske Skog shall create value for people and society in a responsible way, while maintaining a sustainable environment and use of natural resources.

To be a profitable business is fundamental for creating jobs and value for society through our operations and products. Profit must be created in a sustainable and responsible way. This means that, besides being a financially profitable business, we must have a strong governance practice, the way we operate must be safe for our employees, and we need to continuously improve through innovation.

Our operations must be based on sustainable sourcing, e.g. using certified wood and chips documented through Chain of Custody. We must be resource and energy effective in all our operations. Environmental impacts from our supply chain and our mills must be minimized.

For each of the prioritized SDGs we summarize in this report how we relate to the goals, e.g. our ambitions and relevant targets and actions initiated or planned. We will in 2020 work on developing our own goals and measure our performance. For the SDGs considered less relevant to Norske Skog, we provide a brief description of ambitions and performance.

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



Norske Skog shall create value for people and society in a responsible way, while maintaining a sustainable environment and use of natural resources.

Photo: Enzo Zadra

Strategic priorities

Our attitude and ability to be entrepreneurial, empower each other and behave consistently, define our results in changing and challenging markets. Through reliable, responsible and sustainable conduct, we will win the trust and confidence of our stakeholders, both within and outside of Norske Skog. We monitor activities in order to achieve sustainable products and processes throughout the entire value chain. We continuously strive to maintain our status as the most attractive industry partner for suppliers and customers.

Norske Skog's long-term strategy remains:

- Core business: improve and optimise cash flow
- Conversion: convert certain of the groups paper machines
- Diversification: diversify within bioenergy, fibre and biochemicals

Our strategic business priorities, retaining a successful and responsible core business, while developing opportunities for growth in bio-sourced products and the bio-economy, gives us a well-defined foundation for our work related to the prioritized SDGs.

Compliance

Non-compliant and unethical conduct can have severe consequences, and entails both substantial economic losses and reputational damage. Norske Skog's aim is to be a "best in class" industry partner for our suppliers, customers and other business relations, and an attractive investment for our shareholders.

Norske Skog has common standards for all business units and employees to ensure compliance (the Steering Guidelines), and a code of conduct which all of our business partners shall adhere to. This strengthens the quality of our operations and promotes our predictability and credibility with customers, suppliers and other partners, and consequently Norske Skog's commercial position. Norske Skog has established a system where a compliance officer for the group ensures that the Steering Guidelines are up to date and ensures that adequate internal control systems exist globally and locally. However, the responsibility to comply with the Steering Guidelines on a day-to-day basis lies with the line organisation at each of our business units as compliance must take place where the risk lies, primarily

in the production and commercial operations and their associated activities.

Norske Skog has for a number of years maintained a whistle-blowing channel, where an employee can report irregular conditions or matters he/she finds difficult to report directly to immediate superiors. Norske Skog considers it important that each employee is ensured confidential and serious treatment of reported issues. Non-compliant and unethical conduct can be reported to compliance@norskeskog.com

About the sustainability report

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

Norske Skog also supports the work to develop a global standard for reporting of sustainable development. We therefore use the Global Reporting Initiative's (GRI) Standards for reporting relating to sustainability as a tool in our work to report environmental and corporate responsibility. Our reporting practice is, in our view, for all practical purposes in line with the GRI Standards reporting principles.

The sustainability information which Norske Skog believes covers the material sustainability aspects. For the environmental data it covers the value chain of the company's activities. Sustainability data for 2019 includes all owned mills at 31 December 2019.

Environmental data has been collected from the mills using established reporting routines. These include monthly standardised reporting for the key environmental data as well as a standardised collection of supplementary information on an annual basis. Data from this reporting is collated by the environment manager on the group level in standardised monthly reports to the corporate management and to the board quarterly. Similarly, people data and health and safety data are collected from the mills and reported to corporate management monthly and to the board quarterly.

PRIORITISED SDGs

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

Business themes that Norske Skog focuses on:

- Occupational health and safety
- Reduce premature mortality through prevention and treatment
- Promote mental health and well-being

Ambition:

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

All employees in Norske Skog shall take responsibility for improving the working environment for themselves, their colleagues, visitors and sub-contractors. Internal cooperation, involving sharing of experience and best practice, enables us to adapt preventive activities to all our business units. Through the activities in Take Care 24 hours, the group stimulates and encourages the same attitudes and behaviour at work and during our spare time, for our own employees and their families. At Norske Skog, we believe that issues relating to health, safety and the environment must be fully integrated into all our activities at every level and not managed as a separate and distinct function. That is why everyone working in Norske Skog – whether an employee or contractor – is accountable for the company's health, environmental and safety performance.

The Process for Safety Excellence (PSE) is an ongoing, structured process integrated into the day-to-day business of the company. Its aim is to achieve the highest level of health, safety and environmental performance. It applies to every organisation within Norske Skog and every

activity carried out by its employees and contractors. PSE focuses on three management components, people, assets and systems. Each component includes nine elements (standards), which provide the framework for health, safety and loss prevention efforts.

Our identified nine key elements (standards) are:

- Leadership commitment
- Employee participation and safe behaviour
- Training and competence
- Hazard and risk management
- Management systems, reviews, audits, inspections
- Performance measurement and reporting
- Emergency preparation and response
- Health
- Contractors

These standards are applicable to all operations, throughout Norske Skog, which have the potential to adversely affect the health and safety of people, including employees, contractors, visitors and the public.

The objectives of these standards are as follows:

- To define the minimum requirements for the Health and Safety Systems at all levels of operation
- To provide a framework for Health and Safety Systems measurement
- To encourage a consistent approach to Health and Safety Systems
- To assist with the identification and sharing of current best practice between business units
- To provide the business units the opportunity to assess themselves against the Standards and continually improve their systems
- To enable inter-mill/unit reviews to provide an external perspective and recommendations for improvement

Where Norske Skog has no operational responsibility, but has an equity stake, or where significant Norske Skog assets are involved in a subcontracting site, arrangements shall



be made to ensure that comparable standards of safety are maintained. We strongly believe in Behavioural Based Safety Observations and Audits. These are observations of people's workplace behaviour that enables positive feedback for safe behaviour, recognition and correction of unsafe acts.

Our Norwegian business units have signed a letter of intent regarding a more inclusive workplace (IA Agreement with supplementary agreements). Although the IA Agreement is a distinctly Norwegian concept, it is fair to say that our other business units operate under similar conditions with the aim of reducing sickness absence rates and increasing focus on job attendance for all employees. The IA Agreement builds on a tripartite cooperation between the national authorities, the trade unions and the company. This cooperation ensures the participation of all parties involved.

The IA Agreement and Norske Skog's operational objective is to develop targets for our work to prevent sickness and absence and to establish verifiable activity targets to achieve a professional attitude to both preventive and reactive health care in the company.

All our business units also have local health, safety and environmental (HSE) forums where the company and trade unions have regular meetings

to address local HSE issues. At these meetings, there should be an equal number of representatives from the company and the employees, with as many different groups as possible from within the organisation represented. If the organisation has Occupational Health Services, it should also be represented on the committee. Occupational Health Services should be an advisory and independent body, and represent the interests of both the employer and the employees.

Norske Skog has used Synergi Life for many years. Synergi Life is an operational risk management tool from DNV GL. We have a monthly Management Focus Report (MFR), which is distributed to all business units for internal distribution and includes type of injury and rates of injury, occupational disease rate, lost work days accidents, absenteeism, total number of work-related personal injuries and fatalities, by region and business unit. All business units report this information in the Synergi Life data base system (Synergi), which is also a source for the transfer of experience and sharing of best practices. Reports from Synergi are analysed and form the basis for our internal HSE audits conducted by our HSE staff at the group level.

Norske Skog is committed to provide a safe working environment for our employees, contractors and visitors. Health and safety

considerations are integrated into the day-to-day business of Norske Skog and apply to every organisation within Norske Skog and every activity carried out by its employees and contractors.

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

Performance:

Norske Skog had an absence rate due to sickness of 3.7 per cent in 2019. This is at the same level as last years. We achieved an all-time low result in H1 level, lost time injuries per million working hours, of 0.47.

The IA Agreement has been renewed and continues the operational objectives for the cooperation:

- Reduce sick leave
- Reduce employment dropout rates
- Increase employment of people with functional impairments
- Increase the retirement age

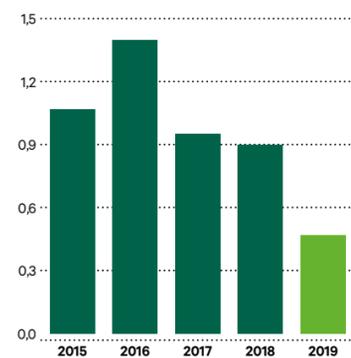
Our work with the IA Agreement has been extended to apply to all of Norske Skog's business units and is intended to be an integral part of our targeted health, safety and environmental (HSE) work.

HEALTH & SAFETY AMBITIONS	RESULT 2019	STRETCH TARGET 2019 and 2020	COMMENTS
H1 ¹⁾	0.47	0	Best result ever in Norske Skog
H2 ²⁾	9.8	0	
Absence due to illness	3.7	NA	

¹⁾ Lost time injuries per million working hours

²⁾ Total number of injuries with and without lost time per million working hours

H1 DEVELOPMENT



Ensure availability and sustainable management of water and sanitation for all

Business themes that Norske Skog focuses on:

- Improved water quality through effluent treatment
- Improved water efficiency through reduction, reusing, recovering, recycling and replenishing of water.

Ambition:

Norske Skog is committed to maintain a sustainable environment and responsible use of natural resources. We are committed to foster innovation and implement continuous improvement activities in order to have no or only minimal adverse impact on the environment.

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

Norske Skog Environmental Index (E-index) forms part of the regular reporting by the mills to corporate management and the board.

Mill performance is measured in the index against a standard, which should be attainable with the use of Best Available Technology (BAT) or best practice, as described in the European Union IPPC reference document. An index value of 1.0 or less indicates that the mill has an environmental standard, which satisfies the ambitious

levels that can be attained with BAT or best practice. The environmental index for the whole group is calculated as an average of each mill's index score weighted by production volumes.

Performance:

The water usage in 2019 is shown in the illustration on page 24. 98% of the water taken into the mills is returned to the waterways after treatment to fulfil the local quality requirements for water discharges.

Permit breaches are reported and managed according to standard procedures. Any permit breaches will be continuously monitored and discussed with supervisory authorities.

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

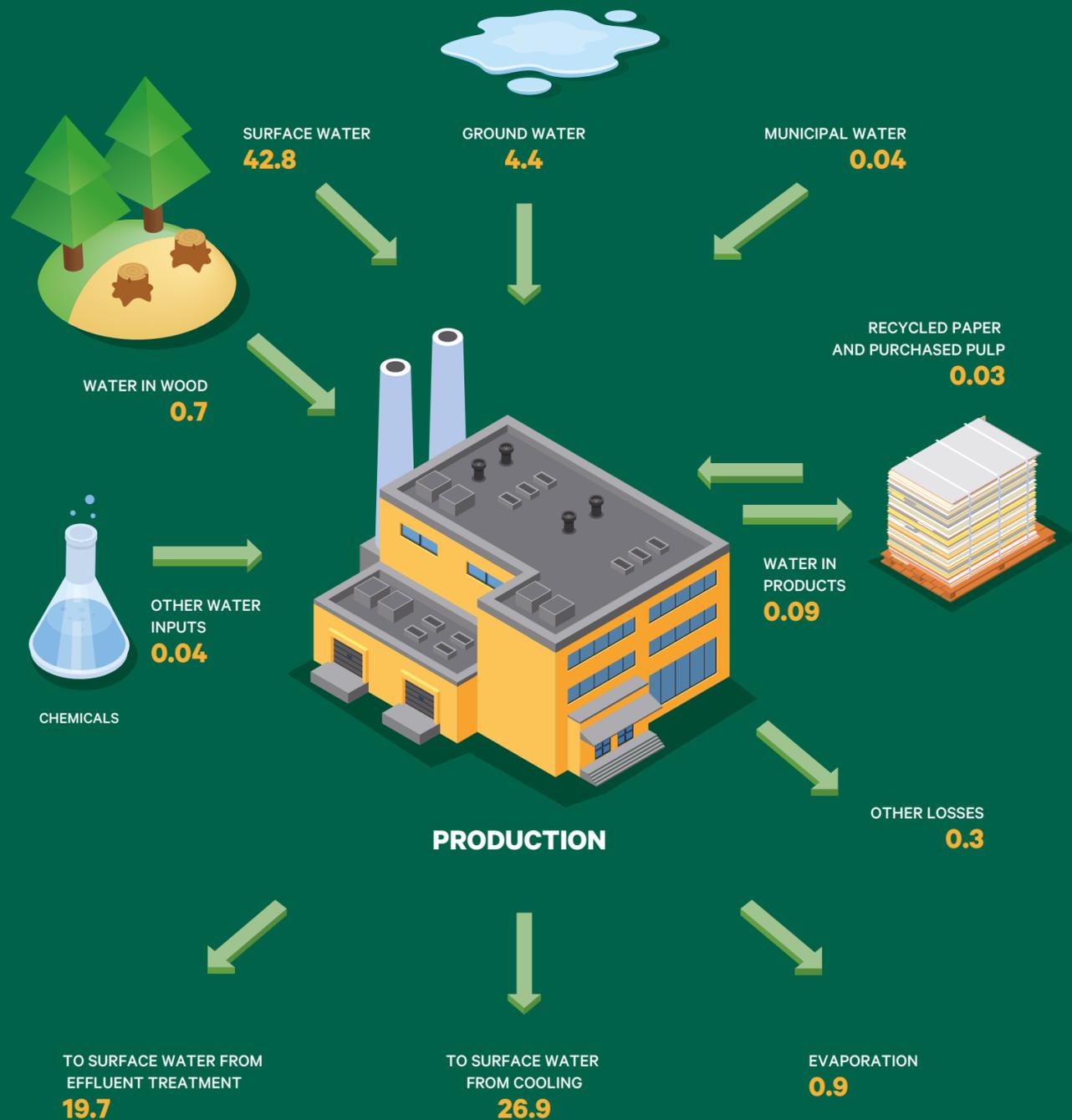
The table below shows the targets for 2019 and 2020 for the parameters included in the E-index, as well as the results achieved during the last five years. The EU Commission finalized the BAT conclusions under the Industrial Emissions Directive 2010/75EU in September 2014. Norske Skog has since 2015 used revised BAT-levels in the environmental index.

Please refer to SDG 14 to read more about discharges of water into the natural environment.



ENVIRONMENTAL INDEX		Achieved 2015	Achieved 2016	Achieved 2017	Achieved 2018	Achieved 2019	Target 2019	Target 2020
Discharged process water	m ³ /tonne	16.9	16.8	17.2	17.7	19.6	16.5	17.3
COD	kg/tonne	4.2	4.9	5.1	4.3	4.0	4.0	4.1
Suspended solids	kg/tonne	0.51	0.69	0.89	0.61	0.58	0.47	0.49
Nitrogen oxides	g/GJ	89.8	87.0	93.2	89.2	93.3	101	101
Waste to landfill	kg/tonne	19.4	17.0	22.7	25.5	23.4	21.4	21.6
Total energy consumption	GJ/tonne	12.3	12.4	12.4	12.0	12.8	12.2	11.9
Environmental index		1.13	1.16	1.29	1.18	1.18	1.10	1.12

GLOBAL AVERAGE WATER USE AND DISCHARGE m3/tonne of paper



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



Business themes that Norske Skog focuses on:

- Energy efficiency
- Renewable energy
- Increased production of bioenergy

Norske Skog has comprehensive programs in place to continuously reduce energy consumption and to become more environmentally friendly by changing the sources of energy.

Ambition:

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

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

Norske Skog is utilising the mill effluent to produce biogas with its own biogas plants at Saugbrugs and Golbey. Effluent from Skogn is delivered to an external biogas plant adjacent to the mill. Norske Skog will continue to explore projects within bioenergy that support and develop the business. At Bruck in Austria, the group is investing in a new 50MW wide range energy boiler, utilizing refuse derived fuels and paper production residuals.

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

In France, the Minister of Ecological Transition selected the project submitted by Green Valley Energie (GVE) as part of the CRE5.3 call for tenders. This project, supported by a partnership between Norske Skog Golbey (NSG) and Véolia Industries Global Solutions (Véolia), involves the design and construction of a new biomass cogeneration plant, which will produce 200 GWh of electricity and more than 500 GWh of steam.

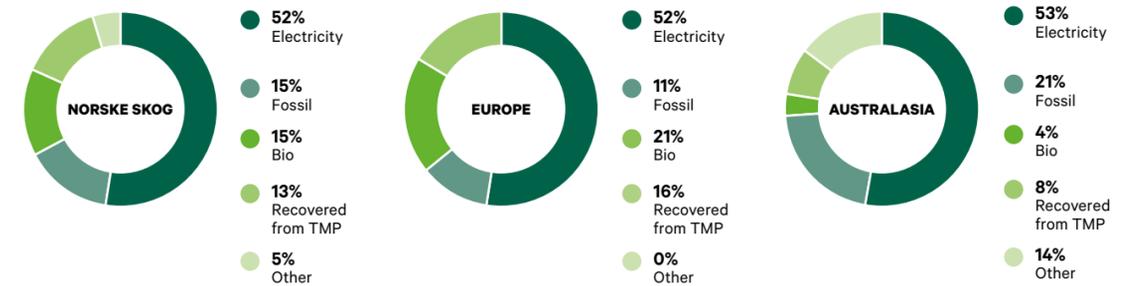
Thermal energy is used for the heating and drying of paper. In contrast with electrical energy, thermal energy is mostly generated within the mill. The sources of this energy include recovered heat from the thermo mechanical pulping or effluent treatment processes, combustion of mill residues, purchased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

Performance:

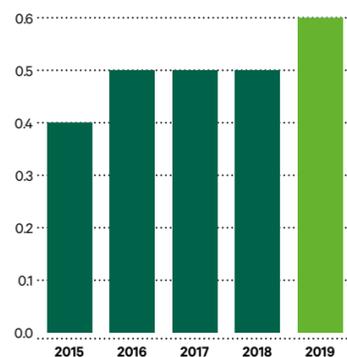
Thermal energy, mostly heat recovery from the thermo mechanical pulping (TMP) or effluent treatment processes or from combustion of mill residues (biofuel), is used for the heating and drying of paper. This accounts for in total about 29%, whereas electricity covers about 52% and fossil 14% of the total energy consumption in 2019.

NORSKE SKOG ENERGY CONSUMPTION (TOTAL AND BY REGION)

Total 9 518 GWh, 4.12 MWh/tonne of paper



CONSUMPTION OF RECOVERED HEAT FROM TERMO-MECHANICAL PRODUCTION
MWh/tonne



80% of the production related waste generated at the site is used to generate thermal energy.

Biogas facilities have been constructed at the Golbey and Saugbrugs paper mills, providing energy for the mills operations and opportunity for energy sales to external customers. The biogas plants employ biowaste from paper production as fuel, contributing to a reduced carbon footprint and an improved environmental profile for the group.

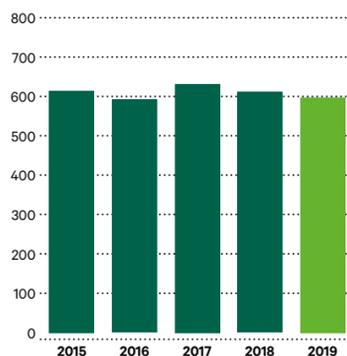
The bio-pellets plant in New Zealand has an annual capacity of approximately 85 000 tonnes. The group upgraded the facility in 2019 approximately doubling its capacity from 40 000 tonnes to 85 000 tonnes annual production capacity. The additional production capacity is aimed at producing industrial grade pellet fuels for both the domestic New Zealand commercial and industrial market, as well as for the rapidly growing Japanese and Korean green energy generation markets.

A final investment decision on a EUR 72 million investment in a waste-to-energy facility at the Bruck paper mill was taken in June 2019. The facility is estimated to provide new revenue from waste handling as well as cost savings in the publication paper production. Bruck delivers enough heat to the local district heating system to supply 1 500 households (30 GWh).

Minimization of transport distances and costs make up important economic and environmental considerations.

Please refer to SDG 12 to read more about waste handling.

CONSUMPTION OF FOSSIL FUEL PER TONNE PAPER
KWh/tonne



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Business themes that Norske Skog focuses on:

- Encourage innovation by research and development
- New and/or improved products with better performance

Ambition:

Norske Skog's research and development work is performed at the individual business units and in 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 evolution of paper products and new innovative green alternatives to existing resources.

Norske Skog continuously engages in low-cost R&D activities to explore new revenue sources. The efforts include both near-term and long-term projects across a wide range of initiatives. The initiatives are at various stages of the development cycle, from early-stage research to final stages of implementation, and range from bioenergy production to development of biochemical and fibre products.

Investments into projects for alternative use of fibre and development of biochemicals are being done in the form of pilot plants that, if successful, can contribute to growth when commercialised.

The group's six paper mills are material industrial sites that offers up possible attractive brown field investment opportunities for investments such as packaging grades productions, since a material part of the infrastructure at a publication paper mill can be re-used for packaging grades production such as containerboard. In addition, the logistics flow of inbound raw materials and outbound finished goods materials are very similar and offers synergies compared to a green field investment alternative. Finally, an existing publication paper mill will normally have all required permits and licenses in place for such a large-scale industrial production and the modification of exiting permits to a different type of production may offer a less comprehensive and a quicker process compared to a green field investment alternative.

Norske Skog has set a strategic target that up to a quarter of their EBITDA shall come from new revenue streams outside the core publication paper business within the next three to four years.

Performance:

In addition to the traditional publication paper business, new growth initiatives related to renewable energy, biochemical products and fibre products have been launched.

Norske Skog employs dedicated R&D staff at all the paper mills, engaging in both the development of new publication paper products and researching opportunities within biochemical and fibre products than can replace petrochemical products. In addition to the R&D staff, the group employs personnel involved in developing and executing on opportunities for biogas, waste-to-energy facilities and alternative or additional methods of reusing the by-products from the production processes. The business units are all continuously working on improving existing publication paper products.

Norske Skog engages in several early-phase research projects into biochemical and fibre products. This includes Cyrene, which could represent the first biochemical solvent for use in the pharmaceutical industry to replace petrochemical products. The group is also engaged in developing nanofibrils for use in among others paper products, paint, glue, 3D composites and additives in nutritional products. The group engages in development of fibre-based construction boards, the first of its kind, with high strength, low weight and without the use of glue and chemicals. The boards can be used in all types of building construction, interior products and more.

The group has performed high-level feasibility studies on certain conversion options on the paper machines at the group's six paper mills. Attractive conversion options have been identified from a technical perspective and the group will continue to develop these options and the commercial side of a conversion project. There is no imminent, material investment plans in the group for a conversion project.

We are a producer of bioenergy. Please read more about existing and up-coming bioenergy initiatives in SDG 7.



Photo: Carsten Dybevig



Ensure sustainable consumption and production patterns

Business themes that Norske Skog focuses on:

- Sustainable sourcing
- Resource efficiency of products and services
- Materials recycling
- Product and service information and labelling

Ambition:

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

Pulp production based on recovered paper consumes less energy than production from fresh fibre because the fibres in recovered paper are more easily separated than those within wood. In the paper machine, the pulp passes along a web, firstly through a wet section, then a press section and finally through a drying section. The paper is finally rolled up on reels, and then cut to the sizes ordered by the customer. During this process, more than 90% of

the wood fibres in trees are converted to paper products. The residues from the production processes are reused or disposed of in a number of ways; Energy recover, landfill, agriculture or sale/delivered. Where possible, process residues are used to generate energy for the pulp and paper manufacturing process.

Some customers want paper based entirely on recovered paper. However, a value chain based only on recovered paper is not sustainable. About one third of the paper is lost in the recovered paper cycle. Factors such as consumer awareness, waste disposal and collection systems and alternative uses for used paper influence its collection rate. The structure and strength of the fibres of paper degrade with successive use. Recovered paper fibres that are no longer suitable for papermaking are rejected in our mill pulping processes and are generally used as a source of renewable energy. To make the recovered paper value chain sustainable, fresh fibre from forests, plantations or sawmill by-products must be added.

We will only use raw materials from sustainably managed sources. Our goal is to have 100% certified wood in our products.

Key objectives in all our business units are efficient production processes with high yield on raw material and energy utilisation. Norske Skog expects all of our business partners to comply with the applicable laws, regulations and principles set out in Norske Skog's Code of Conduct.

Norske Skog shall have an environmental performance that supports our customers in reaching their environmental objectives.

Performance:

Norske Skog has systems and processes to make sure that all wood used in Norske Skog's products comes from sustainably managed forests. All Norske Skog mills utilising fresh fibre have third-party verified Chain of Custody (CoC) certification systems in place. The average share of certified fresh fibre in 2019 was 88%, the same as last year.

In 2019, Norske Skog consumed 3.68 million m³ of fresh fibre and 0.78 million tonnes of recovered paper. On a tonnage basis, our largest consumption of recovered paper takes place in continental Europe. The fibre source used at the different Norske Skog mills depends upon availability and economic considerations. The minimization of

transport distances and costs is an increasingly important economic and environmental consideration.

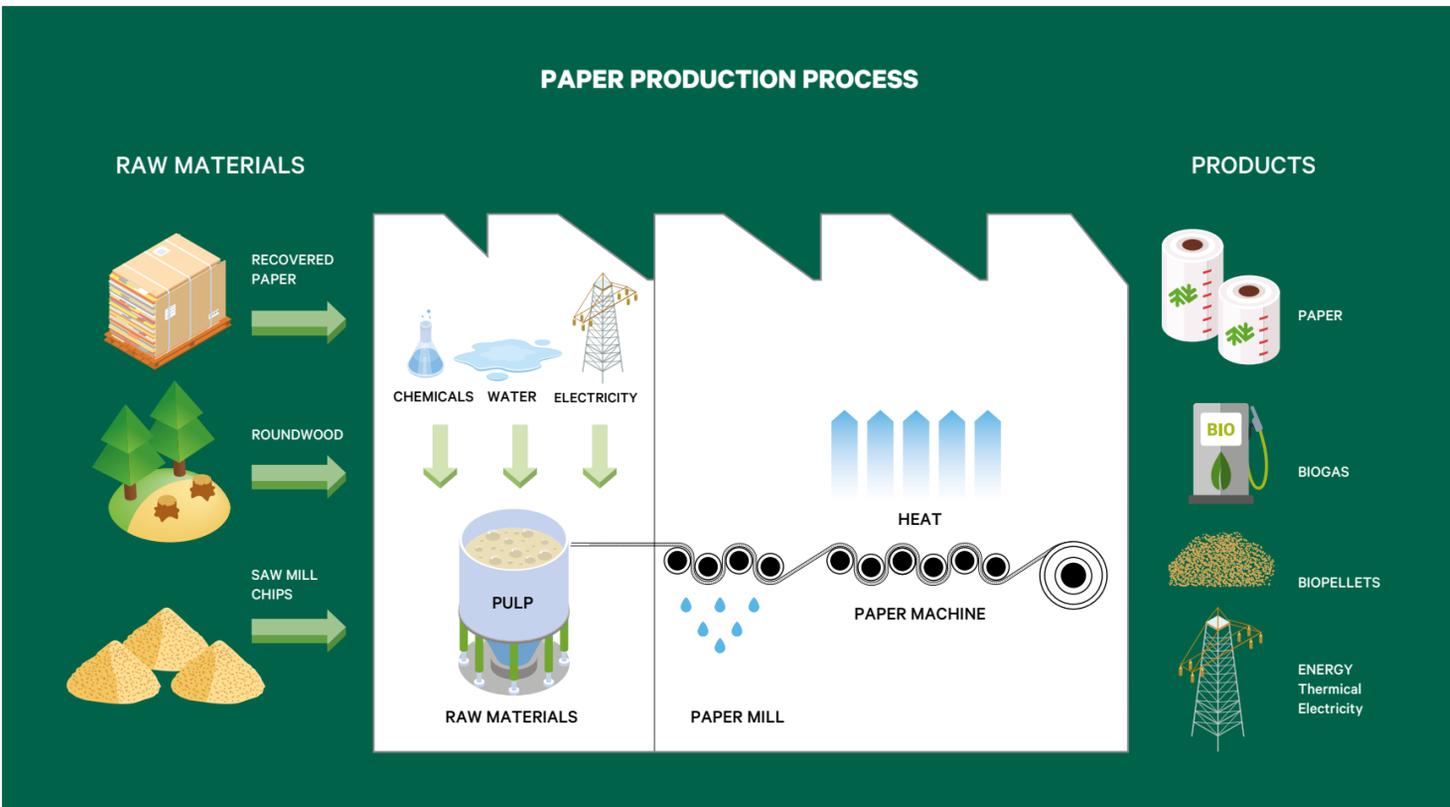
The total quantity of production waste generated by the group in 2019 was 398 300 dry tonnes. 141 500 tonnes of ash were generated from combustion. In 2019, 80% of the waste was used as biofuel. Other residues, for example ash, are used in concrete or brick making, or in road construction. Agricultural re-use is also an option for some ash and organic materials. Part of the production residues are deposited in landfills. Hazardous waste amounted to 430 tonnes in 2019. Hazardous waste is disposed through authorized collection systems in accordance with national regulations.

Many of our mills participate in projects to find alternative or additional methods of reusing the by-products from the production processes.

Our products come with an environmental product declaration for paper (Paper Profile) which guide the paper buyer according to environmental performance on standardized environmental parameters. All of Norske Skog's business units are certified in accordance with ISO 9001 and 14001.

Please refer to SDG 15 to read more about sustainably managed forest and Norske Skog fibre sourcing and to SDG 7 to read about energy utilisation.

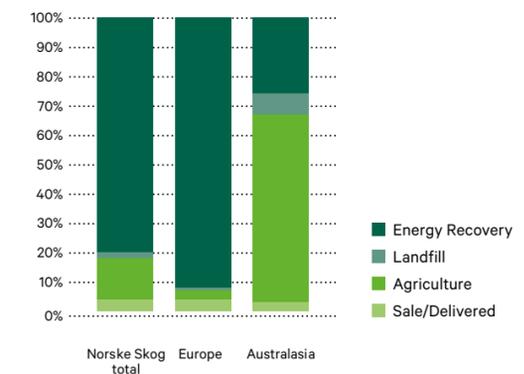
PAPER PRODUCTION PROCESS



PRODUCTION WASTE
Total 397 695 tonnes



DISPOSAL OF MILL PRODUCTION WASTE





Take urgent action to combat climate change and its impacts

Business themes that Norske Skog focuses on:

- Energy efficiency
- Greenhouse gas emissions
- Climate risk

Ambition:

Emissions to air occur primarily from energy generation processes, and the majority of solid wastes occur from the processing of fibre inputs (wood or recovered paper) and from the treatment of effluent (fibre and biological solids). Most of our mills have their own boilers or incinerators for producing thermal energy from these solid residues. Fossil fuels in the form of natural gas, oil and coal may also be used. The main emissions associated with these activities include carbon dioxide, particulates, sulphur dioxide and nitrogen oxides. A number of technologies are used to reduce and control these discharges. Ash residues result from combustion processes involving solid fuels.

Norske Skog has integrated reduction of greenhouse gas emissions as a key part of our business strategy. The goal is to reduce energy consumption, change the sources of energy and to optimize the use of process chemicals and transport. We will actively participate in the work to combat climate change.

Climate change is the environmental issue receiving the greatest attention today. In 2007, Norske Skog established a greenhouse gas reduction target of 25% in total emissions by 2020.

The European Union and related national governments have set forth new ambitious goals to reach carbon neutral societies by 2045. Norske Skog together with other European and Norwegian industries, have adopted these ambitious goals and through our industrial organizations presented a proposed industrial road map

to reach this ambition by 2045. The EU together with member state governments have introduced a comprehensive energy plan including various common and state programs within technology development, energy efficiency and energy consumption to fulfill this ambitious goal.

Performance:

Our carbon footprint, based on the CEPI carbon footprint tool, covers emissions from several elements of our value chain:

- Pulp and paper production
- Forest and recycling operations
- Producing other raw materials and fuels
- Purchased electricity and heat
- Transport: excluding transport to final customer which is calculated on a case by case basis

Carbon stored in forest products (biogenic carbon) is reported separately. We are working hard to reduce our carbon footprint and in 2019 we reached a level of 625 kg CO₂/tonne of paper – a reduction of 1.1% from 2018. Our greenhouse gas emissions were reduced by 6.1% from 2018. By 2019, we have achieved a reduction of 36% since 2007, which is 11% point above the target.

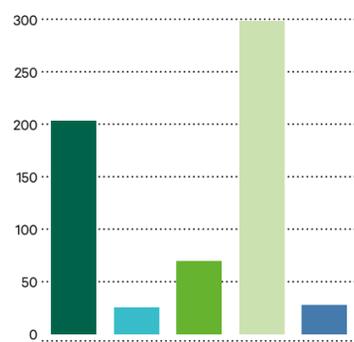
Some of our mills are located in areas where drought/access to water and/or flooding might become a risk with changed climate. In 2020, Norske Skog will perform a more thorough review of the climate risks related to our mills.

Please refer to SDG 7 to read more about energy consumption and production.

CARBON FOOTPRINT IN 2019 PER TYPE OF GREENHOUSE GAS EMISSIONS

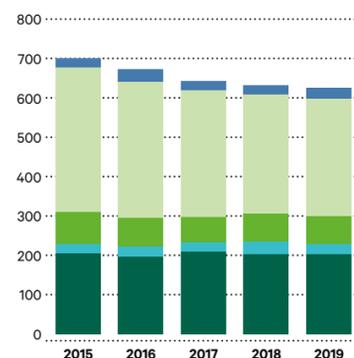
Kg CO₂/tonne of paper

- Pulp and paper production
- Forest and recycling operations
- Producing other raw materials and fuels
- Purchased electricity and heat
- Transport excluding transport to final customer



CARBON FOOTPRINT DEVELOPMENT

Kg CO₂/tonne of paper

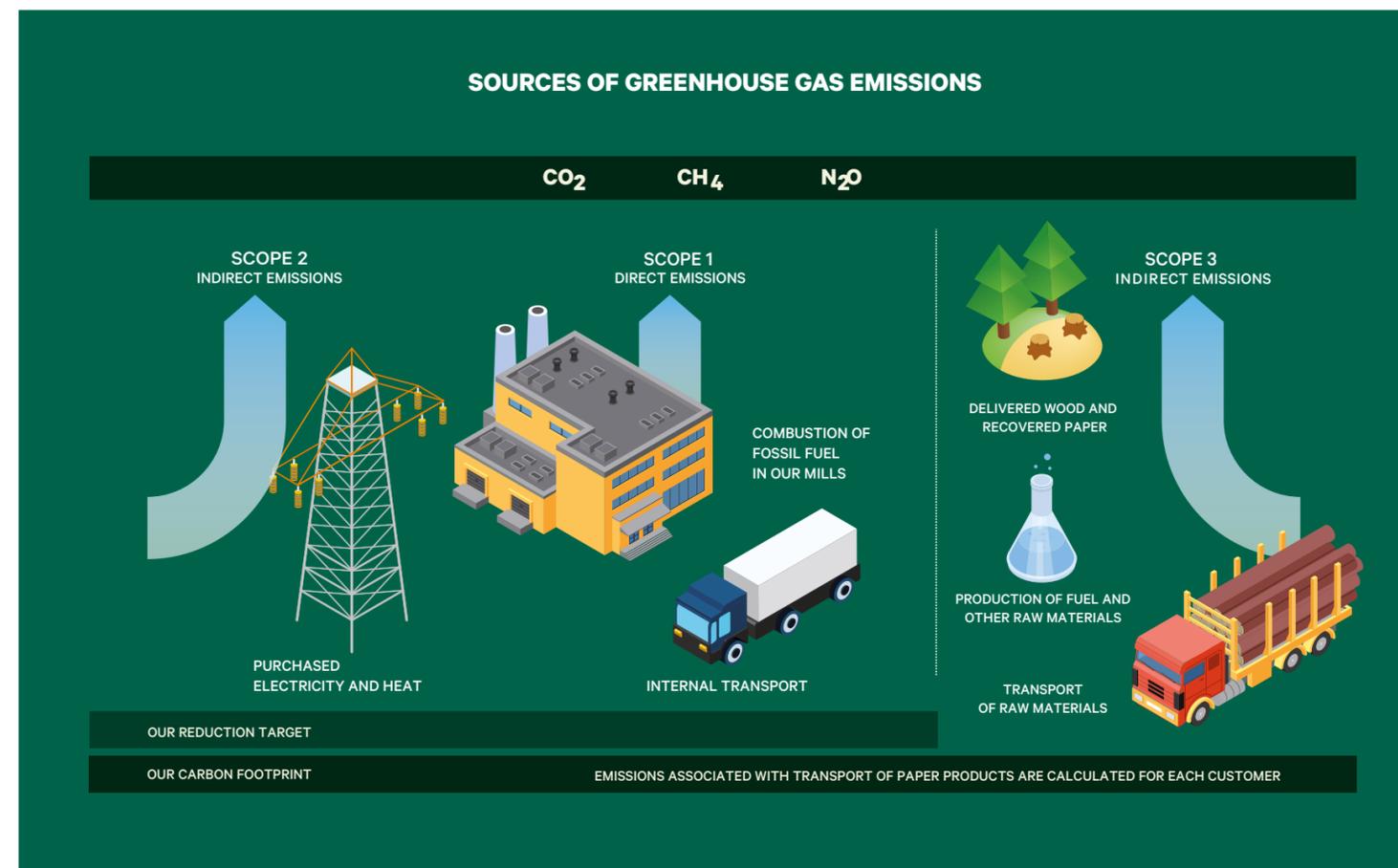


NORSKE SKOG GREENHOUSE GAS EMISSIONS

	CO ₂	CH ₄	N ₂ O	CO ₂ -equiv 1000
Direct (Scope 1) Emissions	1000 tonnes	tonnes	tonnes	tonnes
Direct emissions from stationary fuel combustion	459	18	3	460
Direct emissions from transportation and mobile sources	5	0	1	5
Total direct emissions	464	19	3	466
Indirect (Scope 2) Emissions				
Indirect emissions from steam and power imports	689	0	0	689
Total Fossil Fuel Based Emissions (Direct & Indirect)				
Direct & Indirect	1 153	19	3	1 155
CO ₂ emissions from combustion of biomass *	599	0	0	0

* Wood and bark residues only

SOURCES OF GREENHOUSE GAS EMISSIONS





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

Business themes that Norske Skog focuses on:

- Improved water quality through effluent treatment

Ambition:

Water discharges from production processes are treated in a number of stages to remove solid particles and dissolved organic material. Nutrients such as nitrogen and phosphorus are added during this effluent treatment. The addition of nutrients should be at a minimum.

Norske Skog objective is to prevent and reduce pollution of all kinds. We are committed to follow the EU Water Framework Directive and the ambitious water permit goals given by the local authorities. Our objective is to minimize our effect on the surrounding ecosystems.

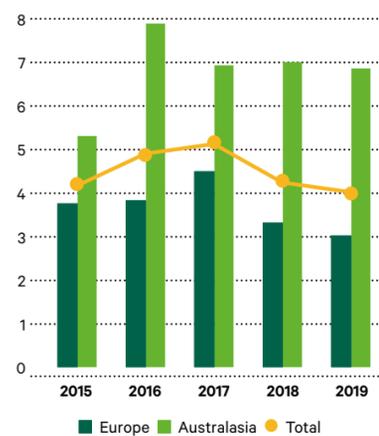
Performance:

Four mills (Albury, Golbey, Saugbrugs and Skogn) reported minor non-compliance issues to the respective local authorities in 2019. None of the instances have resulted in any further actions from the authorities.

The discharges of dissolved organic material and suspended matters per tonne of paper were both down by 6% compared to 2018. The discharge of nitrogen increased by 17% and discharge of phosphorus decreased by 27% compared to 2018. The difference in results from one year to the next is the result of many factors, including process improvements, utilization of equipment, production issues and product changes.

Please refer to SDG 6 about water usage, treatment of water discharge and Norske Skog E-index.

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



TRENDS IN DISCHARGES OF SUSPENDED SOLIDS (SS) PER TONNE OF PAPER
Kg per tonne of paper

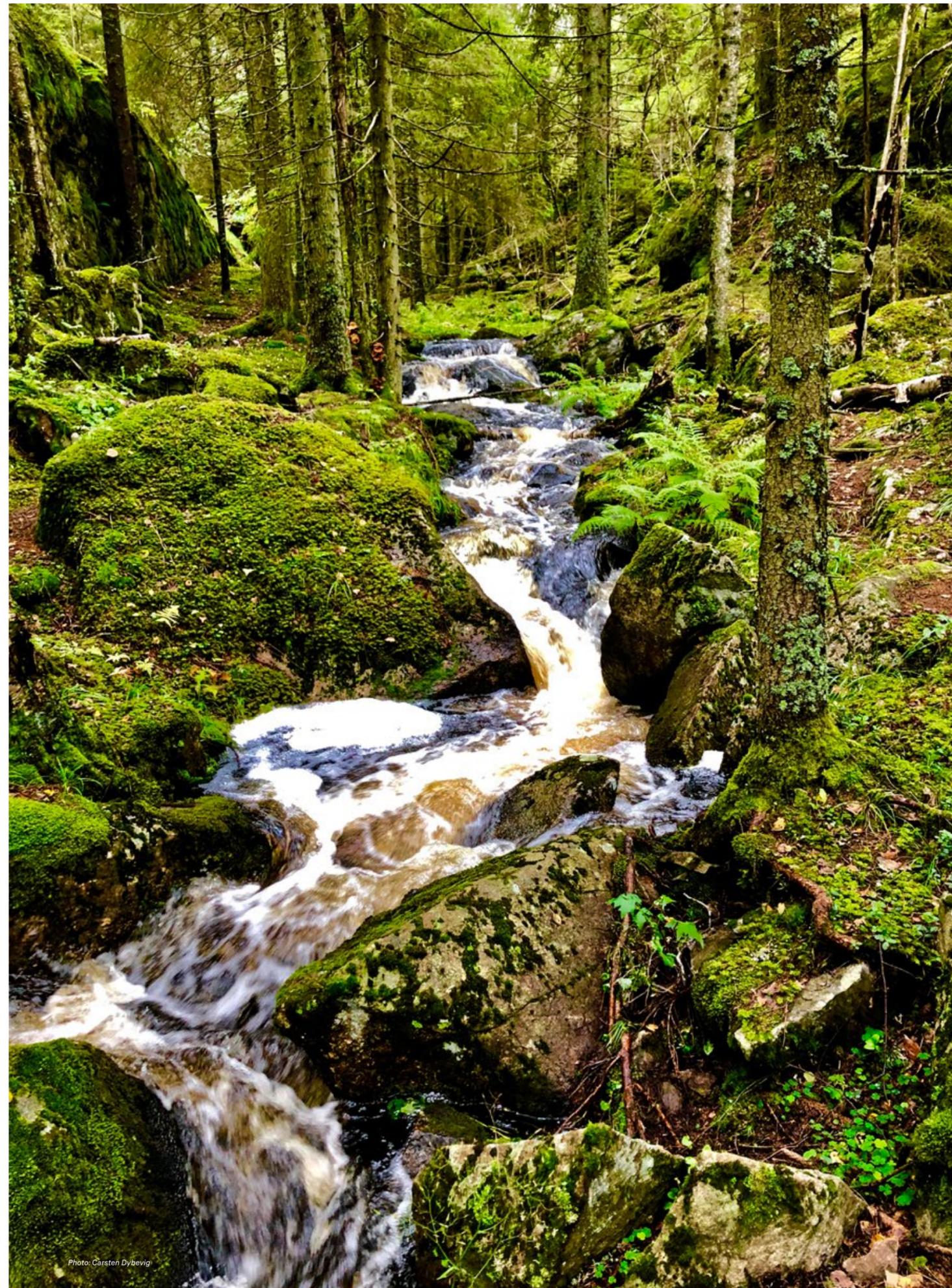
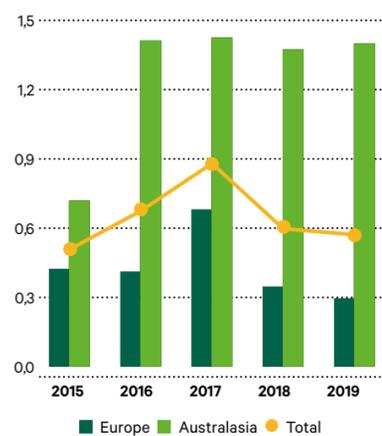


Photo: Carsten Dybevig



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

Business themes that Norske Skog focuses on:

- Deforestation and forest degradation
- Landscapes forest management and fibre sourcing

Ambition:

Forestry and use of forest products play an important role in the combat of climate change. For the forest value chain to be a part of the climate change solution, the forests must be managed sustainably. Norske Skog has systems and processes to make sure that all wood used in Norske Skog's products comes from sustainably managed forests. All Norske Skog mills utilising fresh fibre have third-party verified Chain of Custody (CoC) certification systems in place. Our goal is to have 100% certified wood in our products.

The main global forest challenges are related to deforestation in developing countries and forest biodiversity degradation through the logging of high-conservation areas in many parts of the world. In order to meet these challenges, we need to ensure that more of the world's forest areas are managed on a sustainable basis. Forest certification is an important tool in this context.

Performance:

Norske Skog is not a forest owner. The ability to increase the share of certified wood therefore depends largely on decisions made by forest owners.

The roundwood component of our fresh fibre came from both forests (67%) and plantations (33%). In all countries where Norske Skog sources wood, forest areas are increasing.

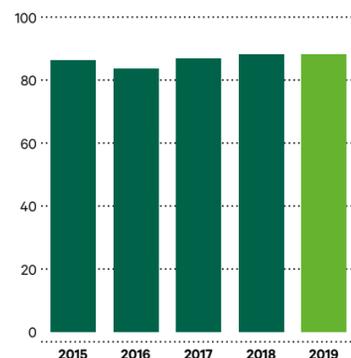
The average share of certified fresh fibre in 2019 was 88%, the same as in 2018.

In 2019, Norske Skog consumed 3.68 million m³ of fresh fibre and 0.78 million tonnes of recovered paper.

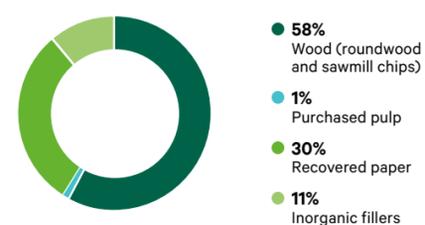
Roundwood accounted for 70% of our consumption of fresh fibres in 2019. Sawmill chips, a by-product from the sawmill industry, accounted for the remaining 30%.

Please refer to SDG 12 to read about sustainable sourcing and recycling of paper.

CERTIFIED PROPORTION OF FRESH FIBRE (%)
Roundwood and chips



CONSUMPTION OF RAW MATERIAL IN 2019

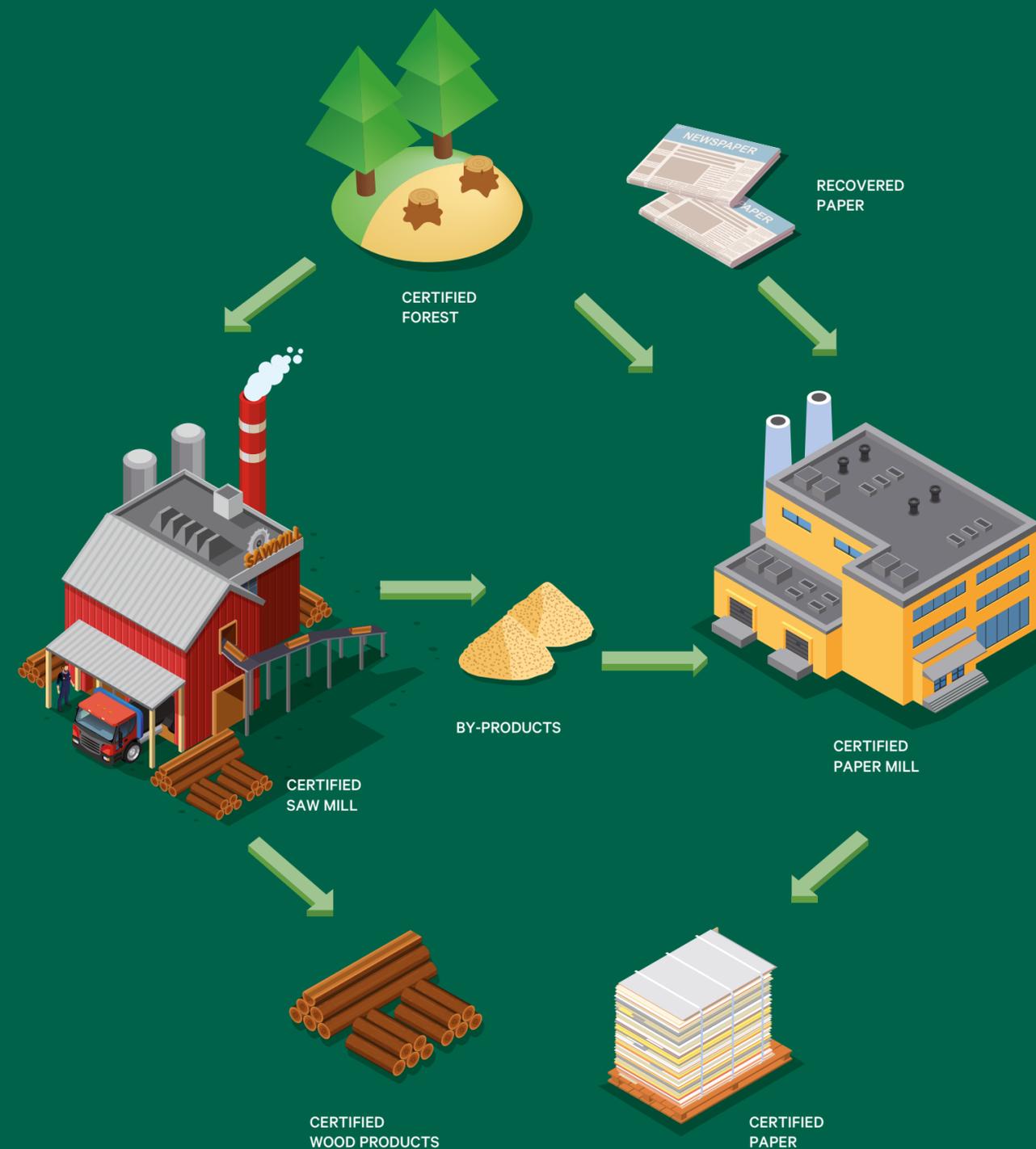


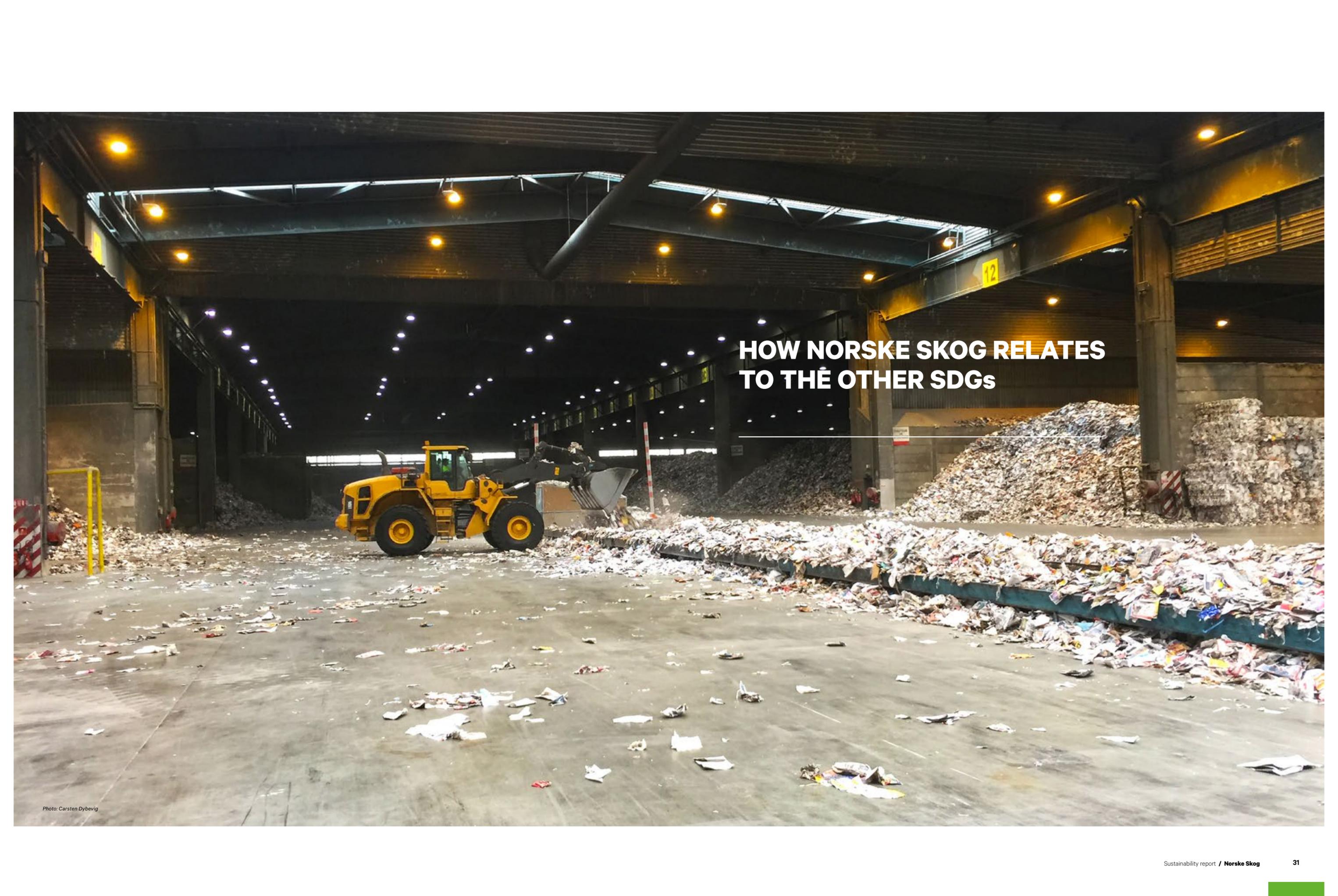
RECOVERED PAPER IN NEWSPRINT PRODUCTION

Norske Skog Albury, Australia ¹⁾	27%
Norske Skog Bruck, Austria	77%
Norske Skog Golbey, France	60%
Norske Skog Skogn, Norway	16%

¹⁾ Albury ceased production December 5, 2019.

FLOW OF SUSTAINABLE RAW MATERIALS



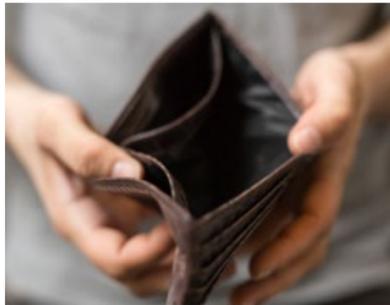


HOW NORSKE SKOG RELATES TO THE OTHER SDGs



End poverty in all its forms everywhere

Earnings, wages and benefits



Ambition:

We aim to maximize the group's value through reliable, responsible and sustainable conduct throughout our operations

Performance:

We achieved a great increase in profits since last year and safeguarded employment for our workers. Our mills are producing profitably at full capacity.

Our business units are often cornerstones of local communities. These facilities work closely with the local communities through open dialogue



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

Ambition:

Norske Skog and our business should not have a negative impact on sustainable agriculture.

Performance:

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.



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

Ambition:

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

Our goal is to have a broad access to qualified personnel in a short and long time perspective.

Performance:

Our employees are our most important resource.

Most business units cooperate with educational institutions at different levels, such as visits from schools, colleges, high schools and universities, scholarships for students, trainees and apprentices working at our mills or engaged in project work.

Our business units employ and educate a large number of apprentices and trainees, which constitutes the single most important competence and work-force resource. Some business units manage apprentices in numbers beyond their own recruitment needs.



Achieve gender equality and empower all women and girls

Diversity and equal opportunity

Ambition:

Norske Skog shall promote diversity and inclusion by providing equal employment and career opportunities and treat all employees fairly and with respect. Competence is the key for both the company and the individual.

Performance:

The paper industry has traditionally attracted few female employees. At Norske Skog the share of female employee has been around 10% for many years; in 2019, the female share of the total workforce was 12%. We have succeeded in increasing the female share in top management positions to 15%, which encourages us to continue look for female talents for a wider range of roles in our company.

PROPORTION OF FEMALE DEVELOPMENT

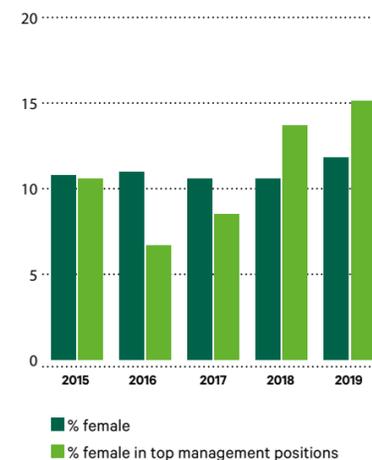
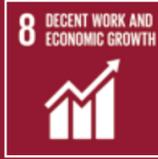


Photo: Jens Borge



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

Business themes that Norske Skog focuses on:

- Employment
- Non-discrimination
- Elimination of forced or compulsory labour

Ambition:

Norske Skog is committed to promoting diversity and inclusion by providing equal employment opportunities and treating all employees fairly and with respect.

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

Norske Skog fully complies with all laws regulating collective bargaining and recognises freedom of association. Our commitment to respect the freedom of association is embodied in the Global Framework Agreement on the Development of Good Working Relations, concluded by Norske Skog and the IndustriALL Global Union.

Norske Skog respects and supports the human rights of all individuals potentially affected by our operations and subscribes to the United Nations Global Compact principles.

In January 2020 Norske Skog Australia signed the first Modern Slavery and Trafficking

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

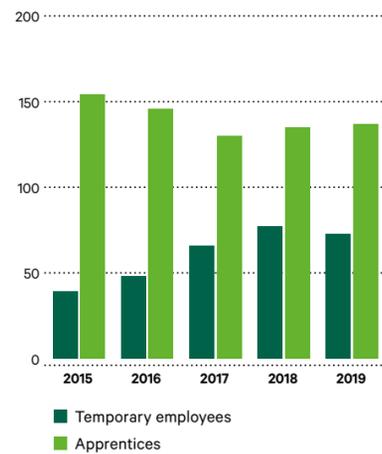
Performance:

As of 31 December 2019, Norske Skog employed 2 359 people in Europe and Australasia. This is a reduction of eighty-five employees from one year ago. The turnover of people, including retirement, was close to 9%. Our employment levels are not subject to seasonal variations, and the share of temporary employment is around 3% of the total.

In 2019, unions represented 83.3% of our employees for collective bargaining purposes.

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

DEVELOPMENT OF APPRENTICES AND TEMPORARY EMPLOYEES



Reduce inequality within and among countries

Diversity and equal opportunity

Ambition:

Norske Skog is 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 is working to encourage 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 colour, language, religion and faith.

Performance:

Our Norwegian business units are part of a nationwide agreement to reduce absence due to sickness and to promote an inclusive workplace ("IA Agreement"). Although the IA Agreement is a distinctly Norwegian concept, it is fair to say that our other business units operate under similar conditions with the aim of reducing sickness absence rates and increasing focus on job attendance for all employees. The IA Agreement builds on a tripartite cooperation between the national authorities, the trade unions and The Confederation of Norwegian Enterprise (NHO). This cooperation ensures the participation of all parties involved.



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

Ambition:

Several business units are located in immediate proximity to a local town. Norske Skog aims to be a strong and solid contributor for these towns. This is achieved by working with the community in various ways, both with authorities and private partners.

Our activities affect employees, suppliers, customers and partners in many countries, regions, towns and villages. Our decisions and activities, production and sales have an impact on a multitude of individuals, groups and companies, both financially and otherwise. We recognize our impact and consider this when making decisions.

Performance:

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



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 focuses on:

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

Ambition:

Norske Skog's goal is to create competitive shareholder values within our strategic goals. Important instruments for achieving this objective include good principles for corporate governance and a clearly defined division of responsibilities and roles between Norske Skog's governing bodies. Norske Skog adheres to the Norwegian Code of Practice for Corporate Governance (the "Code", see www.nues.no).

All employees and others acting on behalf of Norske Skog must act in compliance with applicable laws and regulations and ethical guidelines at all times. Norske Skog has a zero tolerance-policy for non-compliant behaviour 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 internally developed Steering Guidelines, Power of Attorney structures and Operating Models. These provide the basic framework for our mandates and activities.

Norske Skog's business units have a high degree of independence and accountability. Local managers are responsible and accountable for decisions and results within their unit. Norske Skog has common standards of conduct for all business units and employees through our Steering Guidelines. We apply a uniform basis for our operations across countries and cultures with regard to 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 Norske Skog and our stakeholders.

Norske Skog 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 behaviour, and be assured confidential and serious treatment of their reports. Any confirmed non-compliance will be followed-up with fair consequences.



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

Business themes that Norske Skog focuses on:

- Supporting UN Global Compact

Ambition:

Norske Skog aims to contribute to a sustainable development. This should be done in close cooperation with our main stakeholders.

Performance:

We were the first international paper manufacturer to sign an agreement with the IndustriAll Global Union (former: 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.

Our group has been a pioneer in setting a global standard for social responsibility and worker-management relations. We were also an early adopter of the 10 principles in the UN Global Compact.

Norske Skog's research and development work is performed at the individual business units and in 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 evolution of paper products and new innovative green alternatives to existing resources.



KEY FIGURES

KEY FIGURES – EMPLOYEES

Business Unit	Number of employees (FTE) 31 December 2019				% Female	Female share in%		% of employees covered by trade union collective agreements
	Ordinary	Temporary	Apprentices	Total		Top mngt positions	Other mngt positions	
					End 2019	End 2019	End 2019	End 2019
Norske Skog Albury ¹⁾	40	0	0	40	5.0	0	0	0
Norske Skog Boyer	246	7	15	268	4.5	16.7	11.5	76.1
Norske Skog Tasman (NZ)	156	8	5	169	11.0	40.0	0	71.0
Natures Flame	13	1	0	14	21.4	0	0	0
Australasia Shared Services	48	1	0	49	42.0	20.0	12.0	0
Australasia total	503	17	20	540	10.6	17.4	6.3	59.2
Norske Skog Saugbrugs	464	12	41	517	8.0	0	12.0	92.0
Norske Skog Skogn	348	23	28	399	8.5	11.1	5.8	90.0
Corporate Headquarter	34	0	0	34	26.5	0	22.2	8.8
Norway total	846	35	69	950	8.9	4.5	9.8	87.8
Norske Skog Bruck	375	19	28	422	9.0	0	31.0	100.0
Norske Skog Papier Recycling	34	0	0	34	11.8	0	0	100.0
Norske Skog Golbey	334	2	20	356	16.0	17.0	11.3	100.0
Sales offices in Europe	57	0	0	57	60.4	44.0	8.7	11.4
Europe total	800	21	48	869	15.7	23.7	14.1	93.7
Norske Skog group total	2 149	73	137	2 359	11.8	15.1	10.2	83.3

¹⁾ Norske Skog Albury ceased production December 2019

PRODUCTION CAPACITY

Business Unit	Newsprint (including improved NP)	Capacity, tonnes/year		Total capacity
		SC (magazine paper)	LWC (magazine paper)	
Skogn	500 000	-	-	500 000
Saugbrugs	-	455 000	-	455 000
Golbey	565 000	-	-	565 000
Bruck	125 000	-	260 000	385 000
Total Europe	1 190 000	455 000	260 000	1 905 000
Tasman	150 000	-	-	150 000
Boyer	150 000	-	135 000	285 000
Total Australasia	300 000	-	135 000	435 000
Total Norske Skog group	1 490 000	455 000	395 000	2 340 000

KEY FIGURE OPERATIONS

		2015	2016	2017	2018	2019
Health & Safety						
H1 ¹⁾		1.1	1.4	1.0	0.9	0.5
H2 ²⁾		9.7	8.0	7.3	7.4	9.8
Absence due to illness	%	3.8	3.8	3.5	3.8	3.7
People						
Total employees	FTE	2 557	2 462	2 414	2 444	2 359
Temporary employees	FTE	39	48	66	77	73
Apprentices	FTE	154	146	130	135	137
Average age of employees	FTE	46.6	46.8	47.0	47.3	47.1
Female employees	%	10.8	11.0	10.6	10.6	11.8
Female in top management position	%	10.6	6.7	8.5	13.7	15.1
Female in management position	%	10.0	11.5	8.5	10.1	10.2
Employees w/ collective agreements	%	82.6	84.6	84.3	84.1	83.3

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

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

		2015	2016	2017	2018	2019
Production						
Paper	tonnes	2 366 000	2 506 000	2 494 000	2 492 000	2 310 000
Consumption of raw materials						
Roundwood	m ³	2 452 000	2 868 000	2 810 000	2 785 000	2 586 000
Sawmill chips	m ³	934 000	968 000	1 018 000	1 031 000	1 093 000
Recovered paper	tonnes	844 000	834 000	814 000	871 000	777 000
Purchased pulp	tonnes	70 000	55 000	50 000	43 000	31 000
Inorganic fillers	tonnes	320 000	324 000	320 000	308 000	282 000
Energy consumption						
Electricity	GWh	5 138	5 596	5 571	5 526	5 316
Heat	GWh	4 000	4 240	4 325	4 161	4 202
Discharges to water						
Discharged process water	mill m ³	43	44	46	48	46
Organic material (COD)	tonnes	9 886	12 286	12 831	10 623	9 226
Suspended Solid (SS)	tonnes	1 212	1 723	2 227	1 529	1 329
Phosphorus (Tot-P)	tonnes	35	41	41	31	37
Nitrogen (Tot-N)	tonnes	261	314	302	280	303
Emission to air						
CO2-equivalents (direct)	tonnes	475 000	485 000	514 000	500 000	466 000
SO2	tonnes	265	217	198	175	162
NOX	tonnes	780	763	908	772	786
Production waste						
Sludge (dry)	tonnes	258 000	254 000	246 000	249 000	246 000
Bark	tonnes	104 000	114 000	98 000	128 000	133 000
Other	tonnes	18 000	23 000	14 000	25 500	18 000



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To the Management of Norske Skog ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON NORSKE SKOG'S SUSTAINABILITY REPORT FOR 2019

We have been engaged by the Management of Norske Skog ASA to provide limited assurance in respect of the information presented in the Norske Skog – Sustainability Report 2019 ("the Report"). Our responsibility is to provide a limited level of assurance on the subject matters concluded on below.

Management's Responsibilities

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

Auditor's responsibilities

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

Deloitte AS is subject to International Standard on Quality Control 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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

Considering the risk of material misstatement, our work included analytical procedures and interviews with management and individual resources responsible for the preparation of the Report and for sustainability management at corporate level, as well as a review on a sample basis of evidence supporting the information in the Report.

We believe that our work provides an appropriate basis for us to provide a conclusion with a limited level of assurance on the subject matters.



Conclusions

Based on our work, nothing has come to our attention causing us not to believe that:

- Norske Skog has applied procedures to identify, collect, compile and validate sustainability information for 2019 to be included in the Report, as described in the Report.
- Sustainability information presented for 2019 is consistent with data accumulated as a result of these procedures and appropriately presented in the Report.
- The environmental information for 2019 reported from a sample of two reporting units (Norske Skog Saugbrugs and Norske Skog Boyer) was reported according to the procedures noted above and was consistent with the source documentation presented to us.
- Norske Skog applies a reporting practice for its sustainability reporting aligned with the Global Reporting Initiative (GRI) Standards reporting principles and the reporting fulfils in accordance level Core according to the GRI Standards. Norske Skog's GRI index referred to from the Report appropriately reflects where information on each of the disclosures of the GRI Standards is presented.

Oslo, March 13, 2020
Deloitte AS


Eivind Skaug
State Authorised Public Accountant


Frank Dahl
Deloitte Sustainability



Photo: Carsten Dybevig



Norske Skog

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