

CORPORATE SOCIAL RESPONSIBILITY IN NORSKE SKOG

Norske Skog's vision is to be a leading player in the global paper industry. This is an ambitious vision, and it requires that we produce and sell paper in better ways and more sustainably than our competitors. In order to ensure a leading position in the market place, we measure our performance in a number of areas.

Our three core values openness, honesty and cooperation guide our behaviour, decisions and daily work. In order to promote responsible decisions and activities, we practice open communication with various stakeholders. One important communication initiative is the publication of annual reports. In 2010 we reviewed our Steering Documents, laying out principles for our decisions and activities in the areas health and safety, environment, people, financial management and reporting, as well as corporate conduct. Corporate Standards support the application of the Steering Documents. Furthermore, we have procedures, routines, best practice documents, etc. to ensure that we provide clear and practical expectations to all employees. These documents are binding throughout Norske Skog. See the illustration on the next page, and find our Steering Documents at www.norskeskog.com.

ORGANISATION OF CSR WORK IN NORSKE SKOG

Norske Skog's Chief Executive Officer has the overall responsibility for the company's CSR performance. In order to achieve consistent and well-integrated efforts and results, Norske Skog coordinates activities and goals in the areas of corporate conduct, health and safety, people, environment and compliance, in a corporate coordination team.

TARGETS FOR CORPORATE SOCIAL RESPONSIBILITY

Norske Skog measures a number of CSR elements, both short and long term. Below are some results for 2010. Some of the targets are long term targets. The results will be further discussed in the following pages.

Subject	Target	Result	Comments
	2010	2010	
Health and Safety			
- H1 ¹⁾	0	0.7	Improved from 1.9 in 2009
- H2 ²⁾	22.2	12	Improved from 35 in 2009
- Absence due to sickness ³⁾	3	3.7	Improved from 4.0 in 2009
Environment			
- Certified fibre, %	100	76	Improved from 71 in 2009
- Environmental index	1.09	1.14	Improved from 1.15 in 2009
- Greenhouse gas reduction, %	25 (2020)	9.5	9.5% reduction compared to base year 2006, (6% increase in 2010 due to increased production)
People			
- Corporate Conduct ⁴⁾			
- Steering Documents	Update	Updated	Updated documents approved by the Board
- CSR survey	Carry out	Carried out	

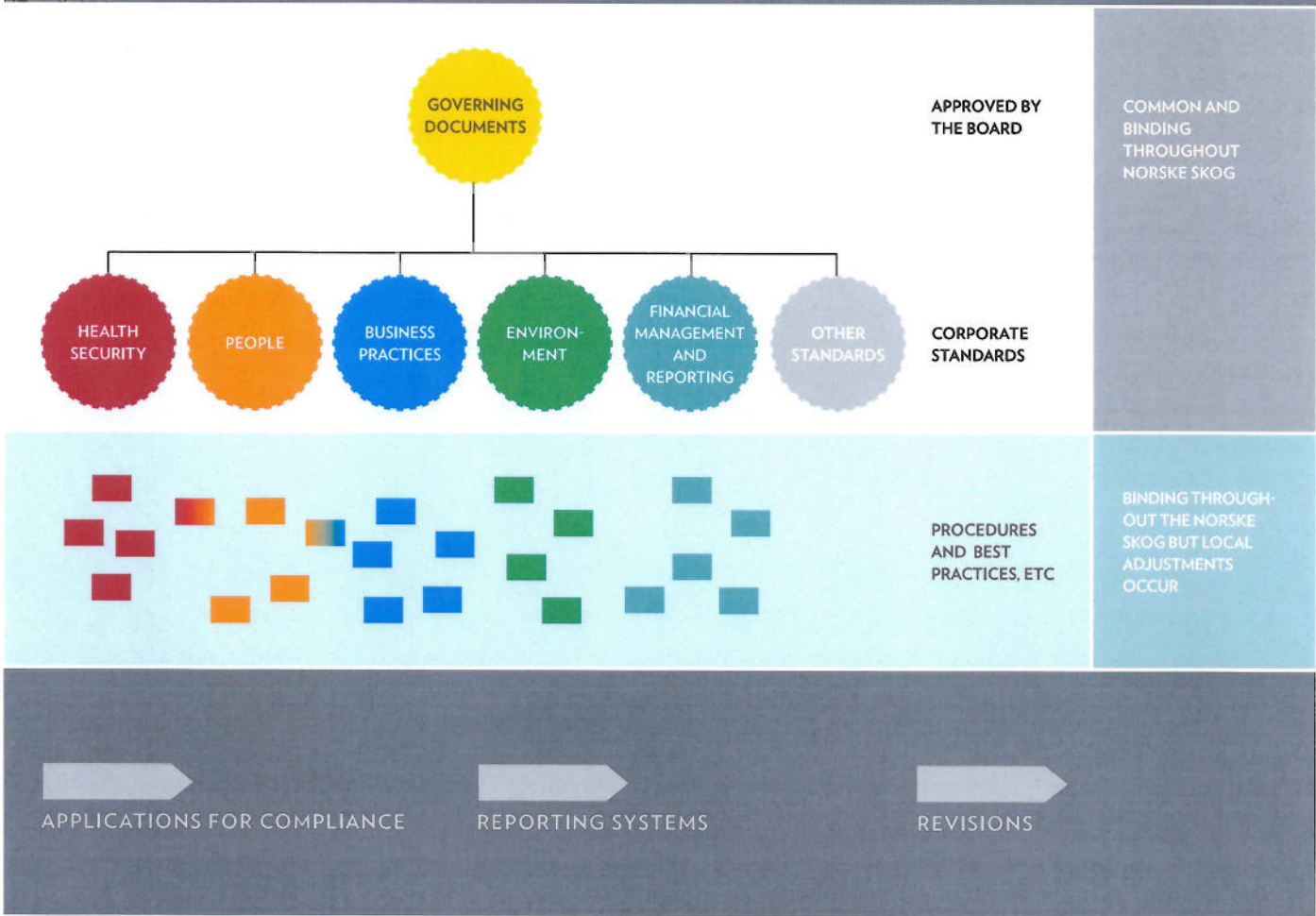
¹⁾ Lost time injuries per million working hours

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

³⁾ The target is for no business unit to have a higher absence due to sickness than 3%

⁴⁾ Based on the roll-out and implementation of revised Steering Documents, further targets for Corporate Conduct will be established in co-ordination with local business units.

DOCUMENT STRUCTURE NORSKE SKOG



LOCALLY

Most of Norske Skog's CSR-related activities take place locally. Each business unit manager has the responsibility for meeting the relevant CSR targets. All business units have dedicated people to facilitate and follow up CSR efforts and results. These supervisors report directly to the business unit manager, and maintain close contact with the relevant colleague at corporate level. Sales offices and other units are similarly bound by Norske Skog's requirements for responsible conduct and included in the corporate coordination.

CENTRALLY

Important tasks for the corporate CSR coordination team include:

- developing and maintaining corporate standards
- specifying and following up strategic corporate targets
- ensuring that the business units and other functional units set their own targets in line with the strategic corporate targets
- providing support and assistance to business units in order to enhance their performance

COMPLIANCE

To strengthen the continuous work towards compliance with relevant regulations, Norske Skog appointed a full-time Compliance Officer in March 2010. The Compliance Officer reports regularly to the corporate management and the board.

The risk of non-compliance has many aspects, including legal risk, financial risk, risk of unethical conduct and various consequences of reputational damage. The compliance work entails coordinated application of organisational instruments, such as documents, systems, training and management development, in order to reduce these risks.

Norske Skog updated its Steering Documents in 2010. Deployment and implementation will take place from early 2011. In its work to promote compliance, Norske Skog emphasises the responsibility of the line organisation. Compliance must take place where the risk lies, primarily in the production and commercial operations and their associated activities. The responsibility of the staff is to facilitate and follow up compliance through the company's managers.

The compliance work is based on Norske Skog's common standards for conduct for all business units and all employees. This strengthens the quality of our operations and promotes our predictability and credibility with customers, suppliers and other partners. In this manner, the compliance work strengthens the company's commercial position.

The Steering Documents underline that Norske Skog will not tolerate breaches of neither public nor internal regulations. As part of this, we emphasise that individual cases will be followed up. We encourage employees to raise issues that worry them or advise of practices that they believe are questionable. To strengthen the compliance work, Norske Skog has further developed its whistle-blowing system. The general rule is that all issues should be raised with the immediate superior. In cases where this is difficult, the employee can use our whistle-blowing channel, which will provide a thorough and safe process that takes into account the various interests in the issue. One way to blow the whistle is to send an email to compliance@norskeskog.com.

NORSKE SKOG AND LOCAL COMMUNITIES

Our activities affect employees, suppliers, customers and partners in many countries, regions, towns and villages. In sum, our decisions and activities, production and sales have an impact on a multitude of individuals, groups and companies, both financially and otherwise. We recognise our impact and take this into consideration when decisions are made.

AGREEMENT WITH THE MAORI

Early in the year a Memorandum of Understanding was signed between Norske Skog, Carter Holt Harvey and three local Maori tribes in New Zealand. This was done to create a formal body outside the Resource Management Act process (permit process) to address the effects of mill activities on the surrounding environment.

Distribution of 2010 sales revenues in Norske Skog:

- Purchase of goods and services: NOK 14.7 billion
- Capital expenditures NOK 0.4 billion
- Salaries NOK 1.5 billion
- Taxes and public fees NOK 1.2 billion
- Financial costs and working capital NOK 1.1 billion

The table above shows that Norske Skog is important for many parts of society. Further down the value chain, our paper is the source of income for newspapers and magazines, with all their journalists and other contributors, and a natural source of ideas for business people and other readers throughout the world. This network of businesses, communities and individuals generate significant value in the public and private sectors, as well as stability and other benefits to all affected individuals.

To maintain and improve our role in society, and to maintain our capability as an important employer, we encourage our units to be pro-active and open in their communication with their local stakeholders. Examples include reports for neighbours and other local stakeholders, open days for the public to inform about paper production, engagement in nature protection and endangered species studies, support to local museums and archaeological sites, involvement in sports and cultural initiatives, support to charity organisations and institution for disabled children, as well as integration of immigrants and disabled persons through job training. Most business units co-operate with educational institutions at different levels. This co-operation includes visits from schools, colleges, high schools and universities, scholarships for students, trainees and apprentices working at our mills or engaged in project work.

HEALTH AND SAFETY

Health and Safety has the highest priority for Norske Skog, twenty four hours a day, seven days a week. This mindset yielded good results in 2010, results that would not have been possible without the contribution of all our employees. Good results will be further developed into new activities, which will improve the working environment. Norske Skog's health and safety program, called "Take Care 24 hours", is under continuous development at the business unit level to ensure adaptation to local requirements and needs.

The Take Care 24 hours program will of course have to be adapted to our different cultures, 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 must engage in improving their own, their colleagues', visitors' and sub-contractors' working environment. Internal cooperation with transfer of experience and sharing of best practice enables us to adapt preventive activities to all our mills.

Through the activities in Take Care 24 hours, the company stimulates and encourages the same attitudes and behaviour at work and during our spare time, for our own employees and their families. This was one of the experiences after the earthquake on 27 February 2010 at our Bio Bio mill in Chile. The attitudes and the go-ahead spirit of our employees enabled us to restart the mill after the destruction according to schedule and without personal injuries. The employees stood together during a difficult time and ensured the proper repair of the destruction caused by the earthquake.

Norske Skog had an absence rate due to illness of 3.7% in 2010, compared with 4% in 2009.

We had fewer lost-time injuries in 2010 than ever before, and achieved an H1-level (lost-time injuries per million working hours) of 0.7, compared with 1.9 in 2009. In total, this means we had seven lost-time injuries in 2010. This result creates a good basis for further efforts to reduce risk and manage residual risk. Ten of the Group's 13 mills had no lost-time injuries in 2010, compared to six in 2009.

The H2-rate, all injuries with and without lost time per million working hours, was 12 in 2010. The result in 2009 was 35.

Several years of work to shift the focus from reactive indicators to pro-active initiatives have yielded good results to which all employees have contributed. We will continue the work to implement new activities and have new initiatives ready for the coming years. Next in line is our revised behavioural-based observation (BBO) program, for all employees.

PEOPLE

Norske Skog has highly qualified and dedicated employees at all levels and in all units. Due to challenging developments in the paper industry, downsizing and restructuring have been an inevitable and regrettable consequence of cost-cutting over recent years. However, Norske Skog employees have managed to maintain their spirit and level of expertise. Our goal to develop an organisation with business-oriented, international and highly competent people still applies. Due to the company's situation, employees are given challenging tasks and significant responsibilities. Structured on the job training and rewarding achievements provide excellent career development opportunities and the best results for the company. This ensures mutual attractiveness for our employees and for Norske Skog as employer.

Norske Skog recognises the value of having a work force based on diversity, and any discrimination on the basis of gender, nationality, colour or ethnicity, religious or political beliefs, sexual orientation, physical disabilities or similar factors violate our legal obligations of equality and threaten the company's interests and objectives. Our leaders have a special responsibility for developing and coaching their sub-ordinates and, through visible leadership, demonstrate what is expected from Norske Skog's employees and leaders. Our employee representatives are contributing in strategic and major decisions in accordance with our values of openness, honesty and cooperation.

YOUNG READER

The cooperation between the World Association of Newspapers (WAN) and Norske Skog reached its eighth year in 2010, and the program has achieved noteworthy results. The number of participating students, teachers, schools and nations is rising steadily, as is the interest and commitment from newspaper publishers all over the world. Young Reader activities have been initiated in several new countries in 2010.

AMONG THE INITIATIVES WERE:

-In Kenya, young refugees in a Somali refugee camp created a newspaper. While the aim of the project is to teach them basic journalism, ethics, freedom of expression and democracy, the newspaper is also an important source of information on the camp conditions

- At the 4th Arab Free Press Conference in Beirut, a group of teachers from Jordan and Lebanon spoke in front of publishers, editors, journalists and press freedom advocates from 25 countries to explain the importance of newspapers in education

- Brazilian school children have created a special newspaper about press freedom. This newspaper has been distributed to school mates, and won first prize in WAN-IFRA's World School Paper Prize for Press Freedom

To read more about the Young Reader and Newspaper in Education initiatives, please go to <http://www.wan-press.org/nie/home.php>.

SOCIAL OBJECTIVES

- Encourage children to become good citizens, improve their reading skills and stimulate their interest in newspaper reading
- Contribute to promote freedom of expression and the development of new democracies
- Strengthen the educational role of newspapers

COMMERCIAL GOALS

- Further sales activities through increased goodwill and building relations
- Strengthen the reputation of the company
- Contribute to ensure that the newspapers have a customer base in the new generations
- Build pride and commitment internally

KEY FIGURES - EMPLOYEES 2010



Mill - Unit	Number of employees end of December 2010			Average age of ord. employees	Average seniority of ord. employees	Female in % of ord. employees
	Ordinary employees	Other employees	Total	End 2010	End 2010	End 2010
Albury	197	19	216	44.7	13.7	5.1
Boyer	271	46	317	46.0	21.0	7.0
Tasman	295	30	325	48.3	18.8	9.8
Australia, non mills	23	5	27	43.7	13.8	26.0
Singapore	7	-	7	42.4	8.5	86.0
Australasia total	793	100	892	46.4	18.0	8.8
Bio Bio	228	17	245	44.0	16.3	8.5
Pisa (incl Curitiba and Florestal)	275	67	342	39.0	19.0	10.0
South America total	503	84	587	41.3	17.8	9.3
Follum	336	28	364	45.6	21.2	10.5
Saugbrugs	544	78	622	46.0	23.0	8.0
Skogn	444	33	477	48.2	23.0	4.0
Corp.functions	88	39	127	45.7	11.3	29.8
Norway total	1 412	178	1 590	46.6	21.8	8.7
Bruck	427	57	484	39.8	15.2	9.6
Parec	21	-	21	48.7	22.5	-
Golbey	409	26	435	44.0	15.0	13.3
Pareco	247	11	258	47.0	21.0	5.0
Walsum	471	43	514	47.0	23.0	7.6
Sales offices Europe and USA	115	2	117	42.7	8.8	63.9
Antwerp	28	5	33	40.0	5.6	69.0
Europe total	1 718	144	1 861	44.1	17.6	13.7
Reparco	68	15	83	42.5	10.8	21.1
Europe and Reparco total	1 786	159	1 944	44.1	17.4	14.0
Thailand	244	-	244	42.0	14.0	27.1
Asia total	244	-	244	42.0	14.0	27.1
Total	4 738	520	5 257	44.8	18.7	11.7



EARTHQUAKE IN CHILE

In the morning of February 27, 2010, the inhabitants of several cities in Chile were abruptly awakened by one of the most powerful earthquakes ever registered in the world, measuring 8.8 on the Richter scale. This was followed by a tsunami. The epicentre of the earthquake was only a few kilometers away from the Norske Skog Bio Bio plant, south of the Bio Bio River, in the town of San Pedro de la Paz. The bridges over this river were severely damaged and just one bridge remained partially operational.

The mill employees rapidly established a team to respond to this emergency. The response team gathered information about every employee and their family's situation, and we were all very relieved when it was confirmed that none of the workers or their families had lost their lives.

Further, the response team assessed the damage to the plant facilities, a difficult task due to the many

afterquakes. The main damage caused by the earthquake was to buildings, and repairs were hindered by the lack of construction materials and skilled manpower. Still, thanks to high ambitions and a strong effort, the repairs and cleaning activities could start on Monday, March 8. All workers participated with great enthusiasm and commitment, and progress was visible daily. It was with great pride that the goal was fulfilled and production resumed on April 30.

While the reconstruction and repair works were underway, no newspaper stopped circulation due to lack of paper. We kept in close contact with every customer to supply them with reasonable quantities of undamaged paper from the warehouses, as well as imports from other Norske Skog plants and third parties.

Norske Skog workers around the world collected

money to help their partners in Norske Skog Bio Bio. These funds have been used to repair damage to the houses of workers and contractors and to help the local communities affected by the earthquake.

GLORIA PEREIRA LUARTE

Gloria Pereira Duarte, pictured above, is one of many who received help after the earthquake. For 15 years, she has held craft workshops for the wives of Norske Skog Bio Bio employees. She lives very close to the ocean and was surprised by the tsunami following the earthquake. She saved her life by clinging to a tree, but the first floor of her house, including her tools and craft materials, was destroyed. Norske Skog was happy to replace the sewing and embroidering machines and other destroyed items, and the craft workshop training has been resumed.



RESTORATION OF ATLANTIC RAINFOREST

ON NORSKE SKOG'S LAND, THE SERRA NATIVA PROJECT

The Atlantic Forest on the Brazilian coast, is a majestic repository of biodiversity and also important for supplies of fresh water, clean air and climate stability for millions of Brazilians. The Atlantic Forest has lost almost 93 % of its original area during the last 200 years due to economic and social development. Forest restoration is a key strategy to reverse the present forest fragmentation and promote the long term conservation of biodiversity. The restoration of an area covering 1,300 hectares in the State of Paraná, Southern Brazil is a major environmental initiative carried out by Norske Skog Pisa.

The restoration area at the heart of the Atlantic Forest is located approximately 300 kilometers from the city of Jaguariaíva, where the Norske Skog Pisa mill is located. The 10,000 hectare property was bought by Norske Skog in 2001 as part of Pisa's assets. The area is not suitable for re-establishment to plantation, given its irregular terrain and rich

hydrographic features as well as its environmental significance. Federal forestry programs in the 1960s led to pine tree planting in the midst of the native forest. Without proper harvesting management and without the introduction of more restrictive environmental regulations, the non-native species grew out of control over the native vegetation, endangering the rich biodiversity of this very sensible biome.

The plans for the Serra Nativa Project was initiated in 2005 but was officially commenced in December 2009 following negotiations with environmental agencies and authorities securing the required permits. In the first phase of the project, expected to be completed by the end of 2011, all pine trees are to be removed from the area. According to the age and location of the trees, the most suitable harvest method is employed so as to cause the least damage possible to the native woods that remain or that have regenerated. The large amount of rainfall

in the Atlantic Rainforest is the major challenge for this phase since it may cause delays in the schedule. In 2010 20 % of the pine trees were removed. In the second phase of the project, the pine-free area will be monitored for six years to make sure the species considered non-native and invasive have been completely eliminated.

The high logistic costs and the pine trees' advanced level of development prevent the viable use of this forest for paper manufacturing by Norske Skog Pisa. Pine lumber extracted from the Atlantic Forest is therefore sold to carefully selected clients that use it in sawmills and local furniture factories. The project team is looking into alternative use of the regenerated forest area after its recovery. The Serra Nativa Project is supported by agencies from the Brazilian government and the State of Paraná.



EVALUATION OF OUR ENVIRONMENTAL PERFORMANCE

We believe it is important to understand and continuously improve our environmental performance in all areas along our value chain and to report openly on our results.

In the pulp and paper industry environmental topics that we focus on are fibre supply, energy source and use, greenhouse gas emissions, the efficiency of mill production processes, and the fate of our products at the end of its life cycle. The importance and the emphasis placed on these topics vary at local, regional and national levels.

Norske Skog only sources wood from sustainably managed forests and we do not source raw materials from high risk regions or controversial areas. In Europe the forest areas are increasing in every country where we source wood. In South America and Australasia only plantation forests are used to supply fresh fibre. In Asia only recovered paper is used as raw material.

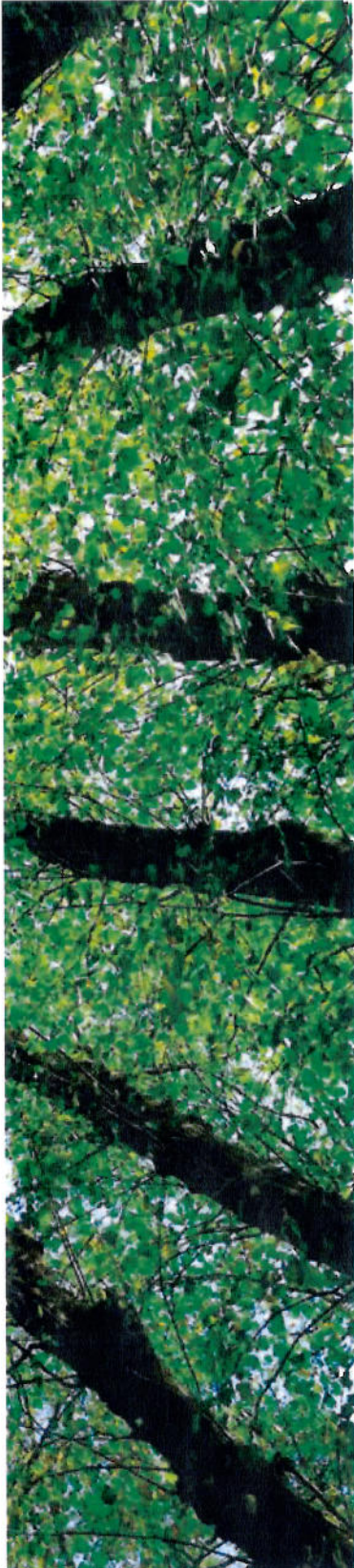
All our mills have Chain of Custody certification for their wood supply. All our suppliers comply with local rules and regulations and where possible we source wood locally to minimise transport emissions. We also give preference to certified suppliers and our goal is to have a 100% certified wood supply. Norske Skog uses a combination of fresh fibre and recovered paper as a source of raw material depending on local conditions. Both sources are needed to make sustainable use of the global fibre resource.

In a world where increasing demands are being placed upon finite natural resources and the ecosystems which supply them, it is important that our production processes are efficient and continuously improving. In addition to environmental

management systems, Norske Skog has developed an internal environmental index to set targets and review our work to improve our resource use efficiency and reduce our emissions on a continuous basis. Our long term goal is for all our mills to operate within what defines as best available technology. We have also implemented a water production profile tool to benchmark, optimise and reduce our water consumption.

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. Greenhouse gas emission rates differ considerably between our mills. The main reason for this lies in the different energy sources used both for externally purchased energy and for energy produced on-site. Purchased energy is mainly electrical energy used for fibre processing and to operate machinery. On-site produced energy is mainly used to dry paper on the production line. In many cases we use energy several times through heat recovery systems. The main strategies available to reduce greenhouse gas emissions involve reducing the consumption of energy and/or changing the source of the energy we use.

The forest-based industry has a unique position when it comes to the environment. The raw material is renewable, the products are highly recyclable and both raw materials and products store carbon. Sustainably managed forests will absorb the carbon dioxide from the combustion of forest-based material. At the end of their life cycle the products can be used to produce bioenergy, which is neutral with regard to climate change.



SUSTAINABLE RAW MATERIALS



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 several 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 certification systems in place. In 2010 average share of certified fresh fibre was 76 %. This represents an increase of 5 % from 2009.

FRESH FIBRE

In 2010, Norske Skog consumed 2.2 million tons of fresh fibre. Our goal is to have 100% certified fibre in our products. The main global challenges related to the management of forests are deforestation in developing countries (which is presently responsible for 20% of the world's greenhouse gas emissions) and forest biodiversity degradation through the logging of high conservation areas.

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.

Today only a relatively small portion of the global forest area is certified. The two main global certification systems are the Forest Stewardship Council (FSC), and the Programme for the Endorsement of Forest Certification (PEFC). Today PEFC is the dominant global certification system, with a certified forest area twice as large as FSC. Norske Skog regards the two systems as equally valuable tools to demonstrate responsible management and stewardship of the forest resources that our company and customers rely upon. Both systems are based

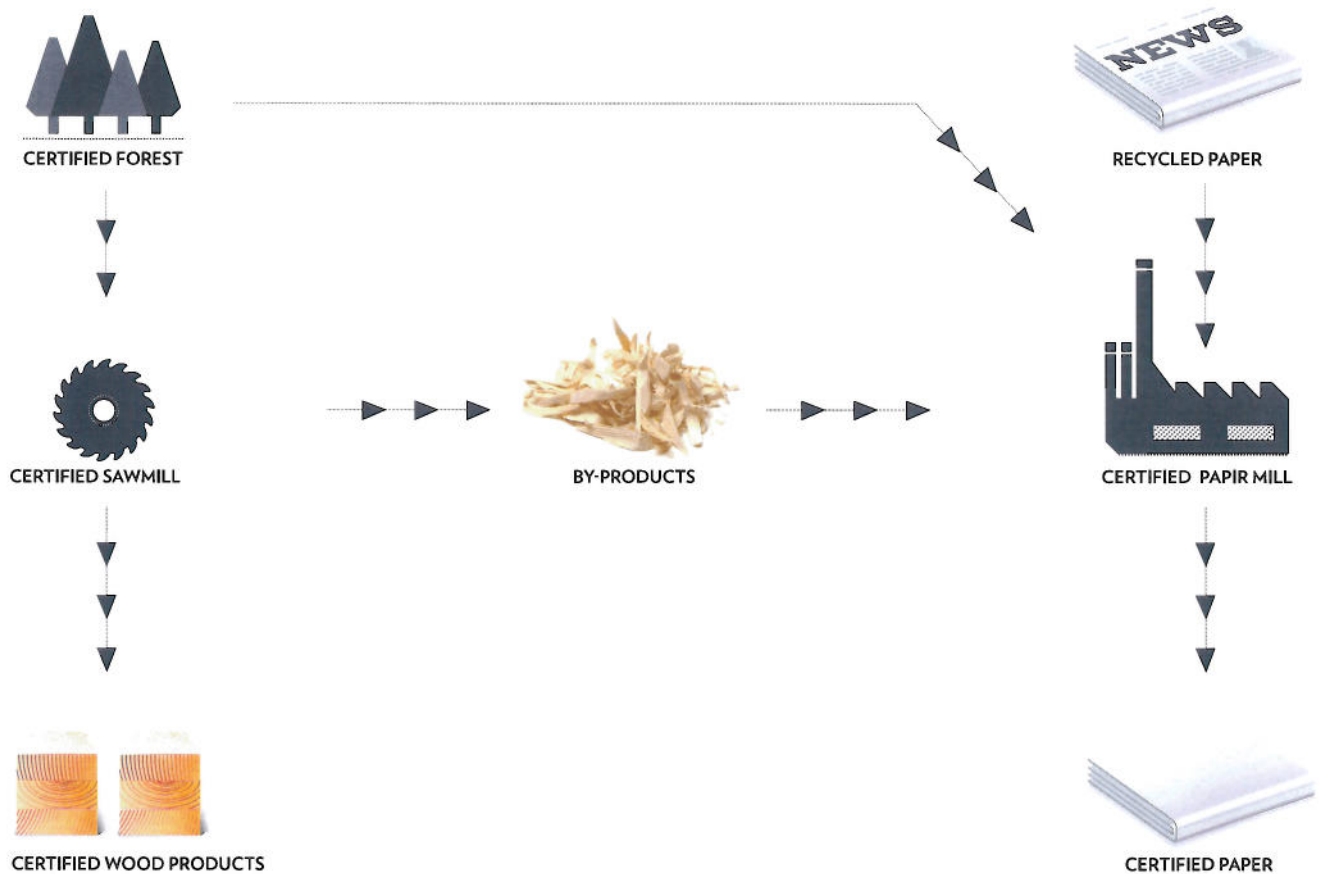
on inspections and auditing by independent third parties.

We recognise our responsibility as a wood purchaser through our global wood purchasing policy, which states that all wood used in our paper shall originate from sustainably managed forests. Such forests are defined as:

- Certified forests – we recognise the FSC and the PEFC systems
- Forests covered by a written declaration that they are managed according to national laws and regulations.

Norske Skog is not a significant forest owner. A very small proportion of the wood we consume originates from our own forests in Australia and Brazil. The ability to achieve increased certified wood percentages on an ongoing basis therefore depends to a large degree upon the decisions that forest owners make. The most environmentally friendly wood sourcing is supplied from locally certified wood sources. In the European countries where we operate, the certified amount of the forest areas is 64%, PEFC 62% and FSC 1.8%. Many customers want paper based only on FSC certified wood. In our opinion it is most important that the wood is certified.

All Norske Skog mills utilising fresh fibre have third party verified chain of custody certification systems in place. The choice of certification system (FSC, PEFC or both) is a local decision made by the mill based on a number of factors including the certification system used on the forests or plantations from which it purchases wood.



CERTIFICATION OF FRESH FIBRE THROUGH THE VALUE CHAIN

Forest managers have systems for sustainable forest management (SFM). Forest product traders rely on chain of custody (CoC) certification. Traceability is important in responsible purchasing and in efforts to halt illegal logging. CoC tools make it possible to control and report the share of certified raw materials through the value chain from forest to finished product. CoC systems also require responsible purchasing of non-certified wood.

Sawmill chips, a by-product from the sawmill industry, made up 31% of our total fresh fibre consumption in 2010. The roundwood component of our fresh fibre came from both forests (56%) and plantations (44%). In all countries where Norske Skog sources wood, except Brazil, the area of land under forest is increasing. In Brazil Norske Skog's wood supply comes only from plantations.

Norske Skog encourages both SFM and CoC certification from our suppliers. These certificates demonstrate our responsible purchase of wood fibre.

RECYCLED FIBRE

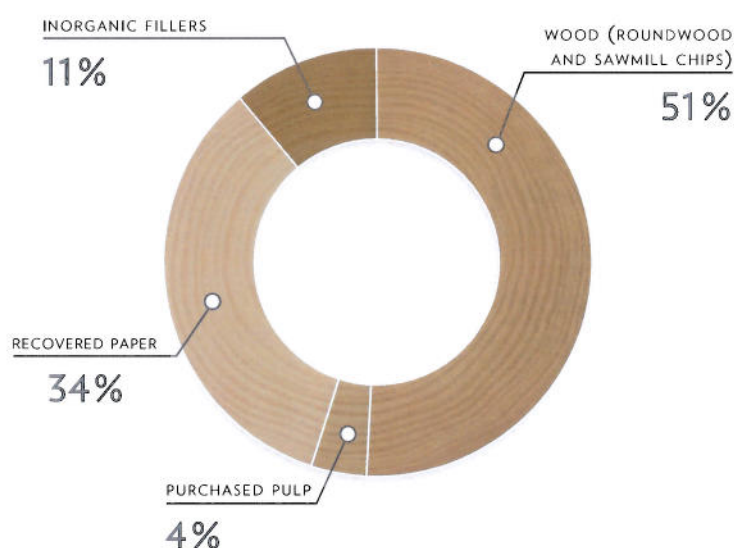
Recovered paper is an important fibre source for Norske Skog. In 2010 recovered fibre made up 34% of the raw materials in our products. Mills utilising recovered paper consumed 1.5 million tonnes in 2010.

Some customers want paper based entirely on recovered paper. However, a value chain based only on recovered paper is not sustainable. Up to one third of the paper may get 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 cellulose 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. In Europe the recycling rate came to 70% in 2010, the target was 66%. To make the recovered paper value chain sustainable, fresh fibre from forests, plantations or sawmill by-products must be added.

On a tonnage basis, our largest consumption of recovered paper takes place in continental Europe and Asia. Our mills in Thailand and the Netherlands use recovered paper as its sole raw material. Type of fibre source used at the different Norske Skog mills depends upon the availability of raw materials as well as economic considerations. The minimisation of transport distances and costs are increasingly important economic and environmental consideration.

CONSUMPTION OF RAW MATERIALS, 2010

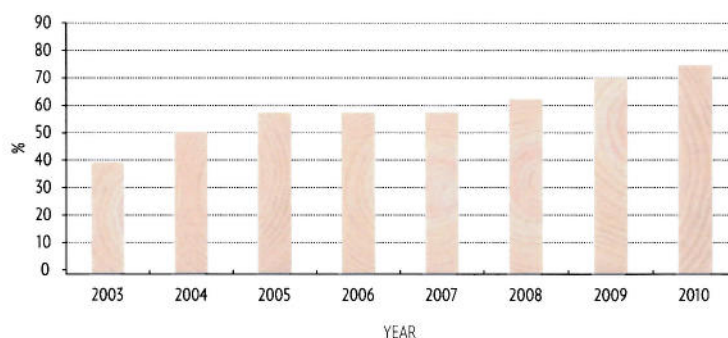
TOTAL OF 4.4 MILLION TONNES



RECOVERED PAPER IN NEWSPRINT PRODUCTION, 2010

Norske Skog Albury, Australia	33%
Norske Skog Bruck, Austria	92%
Norske Skog Golbey, France	62%
Norske Skog Parenco, Netherlands	100%
Norske Skog Skogn, Norway	33%
Norske Skog Singburi, Thailand	100%

CERTIFIED PROPORTION OF FRESH FIBRES 2003-2010 (%)



ENERGY CONSUMPTION

Norske Skog has a number of programmes in place to continuously reduce our energy consumption and to make our energy consumption more environmentally friendly. We are a large producer of bioenergy.

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).

The major use of electrical energy in mills which process fresh fibre is the process which converts woodchips into fibre mechanically. This process is called the thermo-mechanical pulping process (TMP). Paper production based on recycled paper consumes less energy than production from fresh fibre because the fibres from recycled paper are more easily separated than those within wood. The company average energy use per tonne of paper in 2010 is similar to that of 2009. Seven mills had lower or similar energy use per tonne of paper in 2010 compared to 2009.

Approximately half of the total energy consumed by the company is electricity. In 2010, the remaining energy sources were fossil fuel (16%), biofuel (14%), heat recovery from TMP (9%) and other sources such as geothermal energy and heat (steam) purchased from third parties (7%).

The majority of electricity used in our mills (92% in 2010) is purchased from the grid. Some mills have the capacity to generate a proportion of their own

electricity requirements from biofuel, hydroelectric, natural gas or geothermal sources.

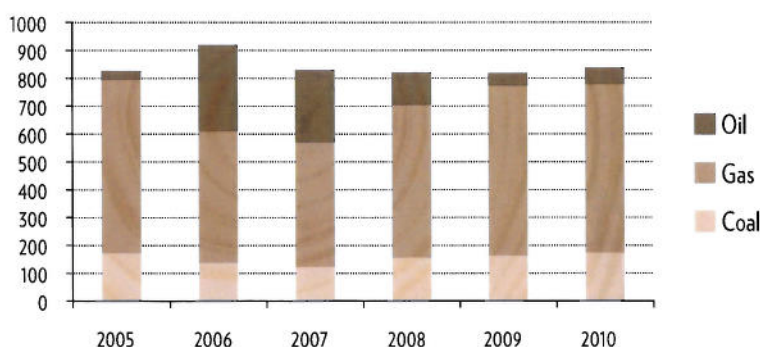
Norske Skog is a large producer of bioenergy. Organic waste from the production processes is used as biofuel where possible. Some mills also purchase biofuel from external suppliers.

The fossil fuel share of the total energy used in 2010 was at a similar level to 2009. Natural gas is still the most commonly used fossil fuel, with a share of 72%. Coal constitutes 21% of fossil fuel consumption while oil makes up 7%.

Thermal energy is used for 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 third parties located externally to the mill or in the form of geothermal energy.

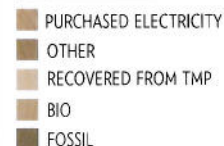
The share of purchased energy is approximately equal in all geographic regions. There is however significant variation in thermal energy sources used between different geographic regions. South American mills use bioenergy and very little fossil fuel. The Thai mill uses only fossil fuel. Australasian mills mainly use fossil and geothermal energy. In Europe the mills use similar amounts of biofuel, fossil fuel and heat recovered from the production of thermo-mechanical pulp from fresh fibre.

FOSSIL FUEL (kWh/TONNE OF PAPER) 2005-2010

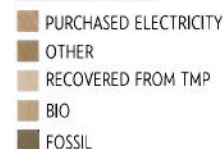


NORSKE SKOG ENERGY CONSUMPTION BY SOURCE Total 15400 GWh; 3,85 MWh/tonne of paper

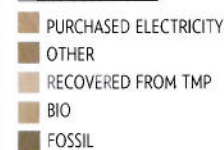
NORSKE SKOG



EUROPE



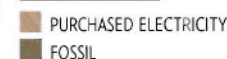
AUSTRALASIA



SOUTH AMERICA



ASIA



NORSKE SKOG

GREENHOUSE GAS EMISSIONS

According to the UN Panel on Climate Change there is a need for substantial and effective reductions in greenhouse gas emissions in order to avoid significant detrimental effects to nature and mankind. As a large industry player Norske Skog recognises its responsibility to reduce the greenhouse gas emissions in its value chain. Our goal is to reduce our greenhouse gas emissions by 25% by 2020 compared with emissions in 2006. As of 2010 our emissions were 9.5% below our 2006 base year.

The capacity to deal effectively with climate change has been identified as one of the greatest challenges facing nations, governments, businesses and citizens now and in future decades. In order to achieve reduction in greenhouse gas emissions there is a need for a global agreement. To negotiate a global agreement acceptable to both the developed and the developing countries has proven difficult. While waiting for political consensus on how to combat climate change, Norske Skog believes that industry must recognise its responsibility and play a leading role to reduce emissions. Norske Skog has integrated reduction of greenhouse gas emissions as a key part of our business strategy. Our decision to reduce company greenhouse gas emissions by 25% by 2020 was made in 2007. Our main reduction strategies are to reduce the consumption of energy, change the source of energy and to optimise the use of process chemicals and transport.

In our work to reduce our greenhouse gas emissions we report on a greenhouse gas reduction target and our carbon footprint. The reduction target is based on the WRI/WBCSD Greenhouse Gas Protocol. The carbon footprint is built on the Confederation of the European Paper Industries' (CEPI) tool developed in 2007.

The CEPI carbon footprint is related to the products we make and covers the whole value chain, whilst the Norske Skog reduction target is focused on the paper production process and covers only Scopes 1 and 2 as shown in the figure. Both the Norske Skog emission reduction target and the carbon footprint are based on greenhouse gas emission data from our 13 wholly owned mills.

In 2010, Norske Skog was named best Norwegian company by the Carbon Disclosure Project's (CDP) 2010 Nordic report which ranked companies based on their climate change strategy and reporting of greenhouse gas emissions. 2010 was the third year that Norske Skog participated in the Carbon Disclosure Project and was featured in the Carbon Disclosure Leadership Index.

OUR REDUCTION TARGET

Norske Skog's greenhouse gas reduction target covers:

- Direct emissions (referred to as 'Scope 1' in the Greenhouse Gas Protocol) from the combustion of fossil fuels in boilers, combined heat and power plants, infrared drying equipment, mobile machinery and other mill site based equipment, and
- Indirect emissions ('Scope 2') from the purchase of electricity and heat from external sources.

Based on the above scope and emission estimation processes, Norske Skog operations emitted 2.52 million tonnes of fossil fuel derived CO₂-equivalents (including CO₂, CH₄ and N₂O) in 2010. The greenhouse gas emissions per tonne of paper was reduced by 1%, but the total emissions from our mills increased by 6% in 2010 compared to emissions in 2009 due to increased paper production.

Approximately 70% of our greenhouse gas emissions came from externally purchased energy. The total emission reduction achieved to date compared to our revised 2006 base year emission is 9.5%.

The greenhouse gas emissions arising from the combustion of biofuels/organic residues are deemed to be 'carbon neutral'. Direct emissions of biologically sequestered CO₂ from the combustion of organic residues such as wood and bark are estimated to be 834 000 tonnes.

OUR CARBON FOOTPRINT

The carbon footprint covers the following sources:

- pulp and paper production
- purchased electricity and heat
- producing other raw materials and fuels
- forest and recycling operations
- 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

The average global carbon footprint for paper produced by the Norske Skog mills is 796 kg/tonne fossil CO₂ equivalents. This represents a reduction of 2.3% compared to 2009. 1 233 kg/tonne biogenic CO₂ is estimated to be contained in the product.

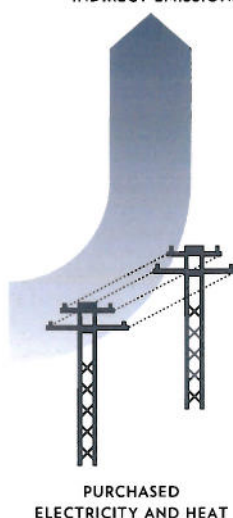
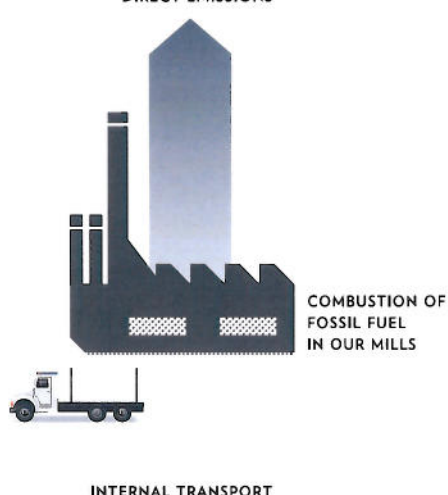
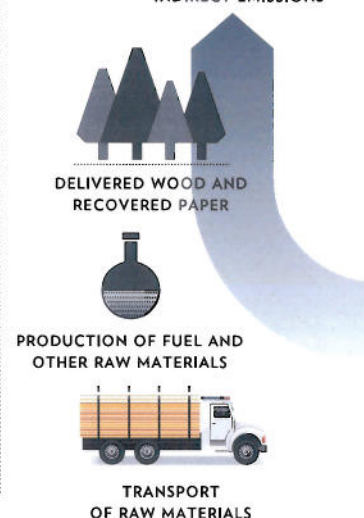
The carbon footprint varies considerably between the mills and regions depending on the source of electricity and the type of fuel used to produce process heat. The emissions per tonne of paper ranged between 557 kg CO₂-e/tonne of paper in Europe to 1 616 kg CO₂-e/tonne in Australasia.

NORSKE SKOG GREENHOUSE GAS EMISSIONS, 2010

Direct (Scope 1) emissions	CO ₂ 1 000 tons	CH ₄ 1 000 tons	N ₂ O 1 000 tons	CO ₂ -ekviv. 1 000 tons
Direct emissions from production	762	26	4	764
Direct emissions internal transport	10	0	1	10
Total direct emissions	772	26	5	774
Indirect (Scope 2) emissions	CO ₂ 1 000 tons	CH ₄ 1 000 tons	N ₂ O 1 000 tons	CO ₂ -ekviv. 1 000 tons
Indirect emissions from purchased electricity and heat	1 747	0	0	1 747
Total fossil-based sources (direct & indirect)	2 519	26	5	2 521
CO ₂ emissions from combustion of biomass *	834			

* wood and bark waste

GREENHOUSE GAS EMISSIONS

CO₂ CH₄ N₂OSCOPE 2
INDIRECT EMISSIONSSCOPE 1
DIRECT EMISSIONSSCOPE 3
INDIRECT EMISSIONS

OUR REDUCTION TARGET

OUR CARBON FOOTPRINT

EMISSIONS ASSOCIATED WITH TRANSPORT OF PAPER PRODUCTS ARE CALCULATED FOR EACH CUSTOMER

PAPER, E-MEDIA AND THE ENVIRONMENT

There is a current trend to move away from using paper to electronic media to “save the environment”. But are electronic media really greener than paper? Any true comparison of these information carriers must be based on the facts for the entire value chain for both paper and electronic media.

The most important raw material for paper is wood obtained from renewable forests. All wood utilised by Norske Skog is sourced from sustainably managed forests and plantations. The wood fibre used to make paper can be recovered and reused many times. The paper recovery rate in Europe is 70%. When fibres can no longer be used for paper production, they can be used as bioenergy and replace fossil fuels. Local wood sourcing is important to reduce environmental impacts of transport.

The raw materials for electronic equipment are not renewable. Metal components come from mining activities and metal production. Plastic parts come from oil. The recovery rate of electronic equipment is low, and many components cannot be reused. We replace our electronic gizmos often. The low

recovery and recycling rate associated with this technology is causing a major waste problem. In the US, somewhere between 30 and 40 million PCs are scrapped annually.

One common argument for using less paper is deforestation. However in Western Europe, forest volumes have increased by 30% since 1950 and the trend continues. Forest owners in Europe continue to plant trees because there are customers for the timber. Without the pulp and paper and the wood processing industries we would not have the forest areas we have today. Outside of Europe, Norske Skog uses timber from plantations or recovered paper as raw materials. We therefore make no contribution to deforestation.

Greenhouse gas emissions are also used as an argument in favour of using electronic media. Greenhouse gas emissions from the life cycle of paper come mainly from energy use in the paper production process. The emissions of greenhouse gases from electronic media come mainly from use, i.e. the production of electricity to run electronic

equipment. A Swedish survey¹⁾ compared the greenhouse gas emissions from daily reading of a printed newspaper with reading of an electronic version of the same newspaper. It concluded that the emission levels of greenhouse gases were of similar magnitude. The difference depended on how long you spent reading online. A survey from Harvard University²⁾ in the US found that the greenhouse gas emissions associated with about 15 internet searches equalled the emissions from the production of one newspaper.

Electronic media have several advantages. We believe in a future for both electronic media and paper and there is a need for a better balance in the dialogue between representatives for the media. The main motivation for those making statements on these issues is often financial rather than environmental. Facile environmental arguments not based on a balanced or comprehensive analysis of the facts do nothing to improve this dialogue.

¹⁾ Moberg et al 2007

²⁾ Dr. Alex Wissner-Gross, Harvard University

CONTINUOUSLY IMPROVING OUR PRODUCTION PROCESSES

Norske Skog's environmental policy commits us to continuous improvement in the environmental performance of our business units.

The desire to measure this continuous improvement in our mills and as a company over short and long term led us to implement an environment index (E-index) several years ago. The E-index forms part of the regular reporting by the mills to corporate management and the board. In addition to being a performance reporting tool it allows us to:

- establish and review mill specific targets
- identify target areas for additional investment
- demonstrate the environmental improvements following process changes or investments.

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 which can be attained with BAT or best practice. The BAT levels of performance are mill specific and is a function of age, technology, investment history and operational performance.

The environmental index for the whole company is calculated as an average of each mill's index score weighted by production volumes.

The table below shows the targets for 2010 and 2011 for the various parameters included in the E-index, as well as the results achieved the last three years for our present mill portfolio. These figures represent production-weighted averages for all mills. In 2010 seven mills reached their E-index targets and the company E-index target was improved compared to 2009. The company's ambitious target was however not reached. Changes in production levels and process changes within mills will impact the individual mill and company E-Index scores.

ENVIRONMENTAL INDEX

	Achieved 2008	Achieved 2009	Achieved 2010	Target 2010	Target 2011
Discharged process water (m ³ /tonne)	17.2	19.3	18.7	18.0	17.7
COD (kg/tonne)	5.90	5.37	4.79	4.56	4.53
Suspended solids (kg/tonne)	0.66	0.62	0.56	0.52	0.50
Nitrogen oxides (g/GJ)	93	93	106	98	106
Waste to landfill (kg/tonne)	22.2	20.4	21.4	19.3	19.5
Total energy consumption (GJ/tonne)	12.41	12.5	12.56	12.6	12.57
Environmental Index	1.12	1.15	1.14	1.09	1.08

KEY FIGURES FOR NORSKE SKOG WHOLLY- OWNED MILLS IN 2010

Consumption of raw materials

Roundwood	3 812 000m ³
Sawmill chips	1 728 000m ³
Recovered paper	1 482 000 tonne
Purchased pulp	168 000 tonne
Inorganic fillers	517 000 tonne

Energy

Electricity	8 850 GWh
Heat	6 500 GWh

Discharges to water

Discharged process water	75 mill m ³
Organic material (COD)	19 200 tonne
Suspended solids (TSS)	2 230 tonne
Phosphorus (Tot-P)	42 tonne

Emissions to air

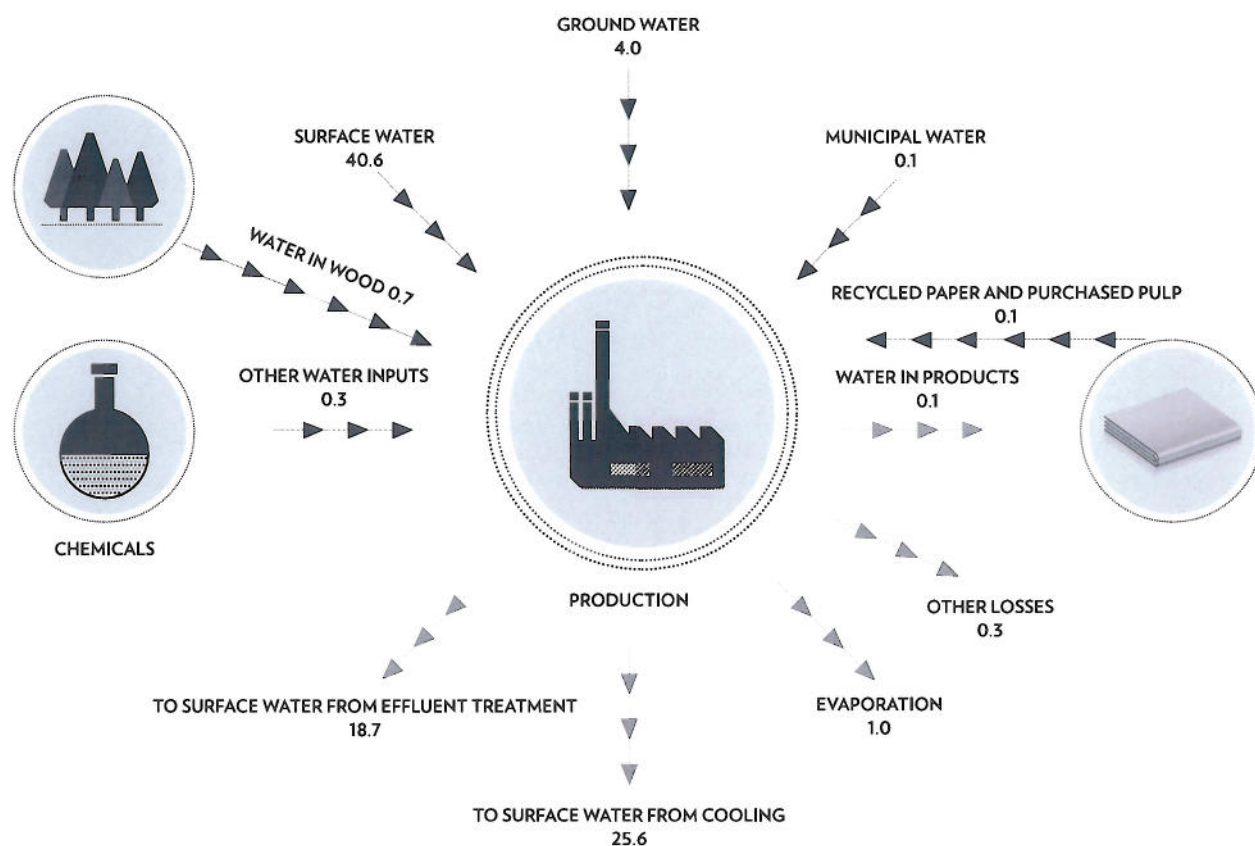
CO ₂ equivalents (direct)	774 000 tonne
SO ₂	492 tonne
NOx	1467 tonne

Production waste

Sludge (dry)	478 000 tonne
Bark	151 000 tonne
Other	40 000 tonne

Production

Newsprint grades	2 640 000 tonne
Magazine paper	1 358 000 tonne



THE NORSKE SKOG WATER PROFILE

GLOBAL AVERAGE WATER USE m³ / TONNE OF PAPER

In 2010, the total water use per tonne of paper was reduced by 5.7% compared to 2009. 96% of the water entering our mills is returned to rivers and lakes after treatment.

Water scarcity is not an issue in any of the forest areas supplying Norske Skog or in any area where our mills are located. Drought has previously been a problem in the Albury region in Australia.

The figure presents the 2010 water profile for Norske Skog. The profile has been developed by examining the major inputs and outputs of water in the manufacturing process. The data presented is a combination of all 13 wholly owned mills and represents a 'company average'.

WATER SUPPLY

The majority of fresh water which enters Norske Skog mills (88.5%) originates from surface water sources. A further 8.8% is supplied from ground

water supplies and a relatively small amount 0.2% comes from municipal water supplies.

Water also enters the manufacturing process through the raw materials which are purchased. Fibre based raw materials (wood, woodchips, recycled fibre and purchased pulp) constitute approximately 1.5% of water input. Non-fibre raw materials (such as chemicals and steam) make up the balance.

WATER USE

The majority of water which enters our mills (56%) is "non-contact". It is used to cool machinery and equipment performing electricity or steam generation and/or pulp and paper manufacturing activities. Cooling water does not require effluent treatment.

Depending on the mill, non-contact cooling water may be

- reused as process water

- combined with process effluents prior to effluent treatment and discharged with process effluent as a combined outfall
- combined with process effluent after effluent treatment and discharged as a combined outfall
- discharged as a separate non-contact cooling water discharge.

Water which enters the pulp and papermaking processes ("process" water) makes up approximately 41% of the total volume taken into our manufacturing sites.

Most mill effluents are discharged to river and lake systems after treatment. No effluent is discharged to ground water aquifers.

Not all of the process water used in papermaking is returned to rivers and lake systems. Approximately 4% is either returned to the atmosphere as water vapour, retained in the products or used for irrigation of forest plantations or agricultural areas.

EMISSIONS TO AIR AND DISCHARGES TO WATER

Manufacturing pulp and paper requires raw materials and energy. Norske Skog's environmental policy requires us to make efficient use of these resources and to continuously reduce our emissions and discharges.

SOLID RESIDUES AND EMISSIONS TO AIR

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.

In 2010 the emission of sulphur dioxide per tonne of paper was reduced by 19% compared to 2009 through reduced use of fossil fuel. The emissions of NO_x per tonne of paper were reduced by 7%.

The total quantity of production waste generated by the company in 2010 was 669 000 dry tonnes. This is an increase of about 87 000 tonnes compared to 2009. The increase is mainly related to increased production of sludge in the effluent treatment plants due to increased paper production levels in 2010. 186 000 tonnes of ash from combustion was generated in 2010, an increase of 4 200 tonne compared to 2009.

The residues from the production processes are reused or disposed of in a number of ways as shown

in the figure. Where possible, process residues are used to generate energy for the pulp and paper manufacturing process. In 2010 72% of the waste was used as biofuel. Other residues, for example ash, are used in concrete or brick making, or road construction. Agricultural reuse is also an option for some ash and organic materials. Part of the production residues are deposited in landfills. Many of our mills participate in projects to find alternative or additional methods of reusing the by-products from the production processes.

Our aim is to continuously reduce the amount of hazardous waste from our production processes. Hazardous waste made up 675 tonnes in 2010, a reduction of 14% compared to 2009. About 56% of the hazardous waste is waste oil. Hazardous waste is disposed of or recycled in accordance with national regulations, generally via government authorised collection systems.

WATER DISCHARGES

Water is generally used and recovered multiple times through the pulp and paper-making 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 return to the natural environment.

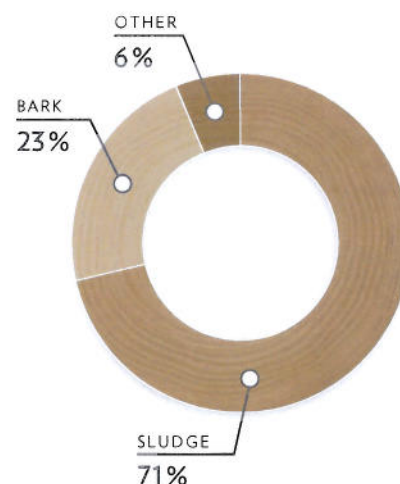
In 2010 the water use in the production process per tonne of paper was 3.2% lower than in 2009. The discharge of dissolved organic material, suspended matter and phosphorus per tonne of paper were reduced by 15%, 10% and 14% respectively compared to 2009. The discharge of nitrogen increased by 7.4% compared to 2009. The difference in results from one year to the next is the result of many factors. Process improvements, utilisation of equipment,

production issues and product changes influence the results.

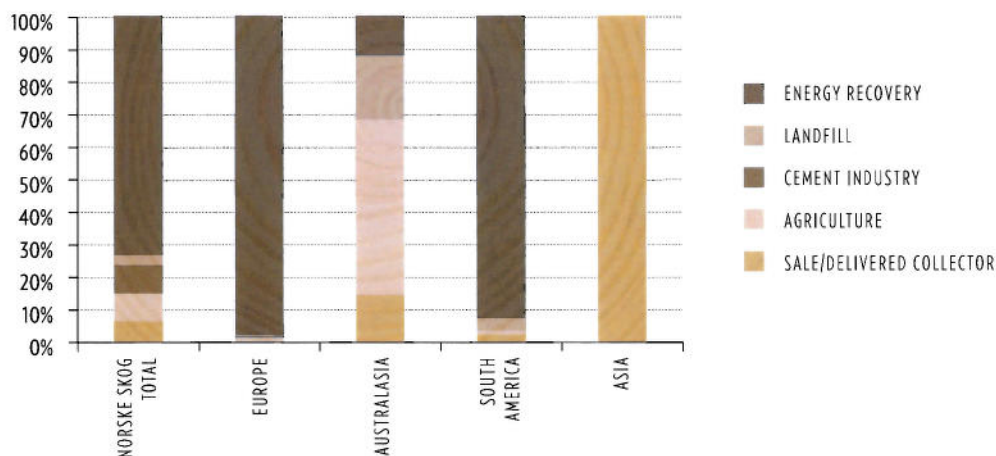
Norske Skog does not use bleaching chemicals containing chlorine in any of our mills. Chlorinated organic compounds are therefore not created and AOX is not included in our emission reporting.

During 2010 permit limit exceedences relating to discharged water quality were reported to the authorities by the Pisa and Albury mills.

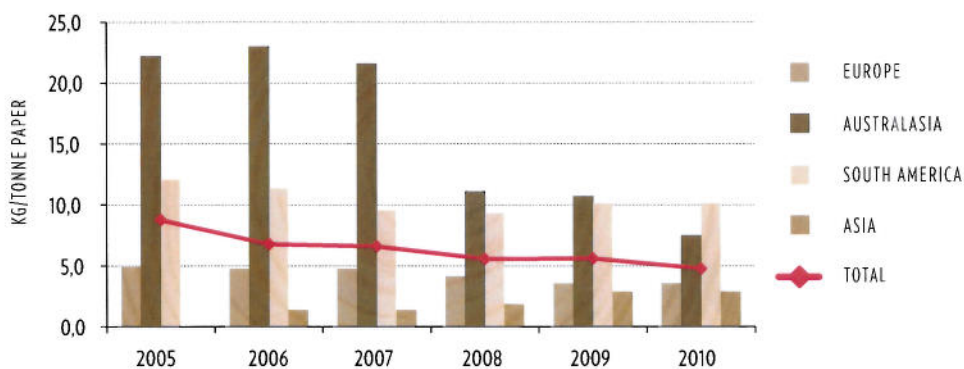
PRODUCTION WASTE 2010



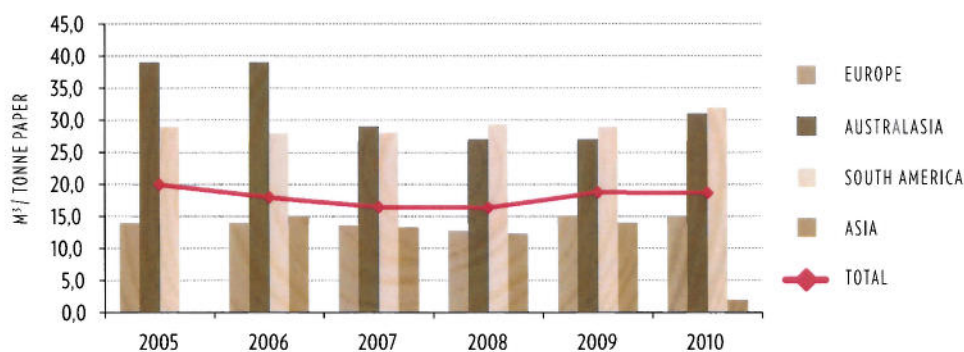
DISPOSAL OF MILL WASTE IN 2010



TRENDS IN DISCHARGES OF ORGANIC SUBSTANCES (COD) PER TONNE OF PAPER FOR THE PERIOD 2005-2010



TRENDS IN DISCHARGES OF WASTEWATER PER TONNE OF PAPER FOR PERIOD 2005-2010



ENVIRONMENT-RELATED INVESTMENTS, OPERATING COSTS AND TRANSPORT

ENVIRONMENT-RELATED INVESTMENTS

Environmental investments of NOK 59 million were made at our mills in 2010. This represents a decrease of 74 % compared to investments in 2009. The decrease is due to the present difficult economic situation.

Most of the investments made in 2010 regarded energy saving and reduction of emissions to the receiving water. Most mills implemented a number of smaller environmental related initiatives as part of their continuous improvement programs.

The presentation of environment related investments often only covers the expenditure side of the equation. While some investments are made to meet changes in regulations, a large proportion of investments are also made to provide financial or other business benefits. For example investments in new equipment or technology which reduce water use will also reduce energy use through reductions in the volumes of water pumped, heated or treated. Investments in solid waste handling systems are often done to improve the suitability of the waste for combustion and heat recovery. Improvements in chemical handling often have an improved health and safety dimension.

ENVIRONMENT-RELATED OPERATING COSTS

Approximately NOK 294 million of environment-related operating costs were incurred in 2010, equivalent to approximately NOK 74 per tonne of paper produced. The cost per tonne of paper decreased by 7 % compared to 2009. The cost of chemicals in treatment plants and sludge dewatering accounted for 31 % of the environment-related costs, while payroll costs and maintenance were responsible for 17 % and 12 % respectively. Government taxes and various other charges relating to operating and monitoring treatment plants and waste management accounted for the remainder.

TRANSPORT

Norske Skog continually strives to have efficient logistics systems for the materials it purchases and for its products. Efficient systems contribute to reduction of transport-related greenhouse gas emissions. The ongoing optimisation of our logistics arrangements is done in co-operation with our transport providers.

Transport of raw materials

The most environmentally friendly form of wood sourcing is to be supplied by local and certified

wood sources to minimise transport distances.

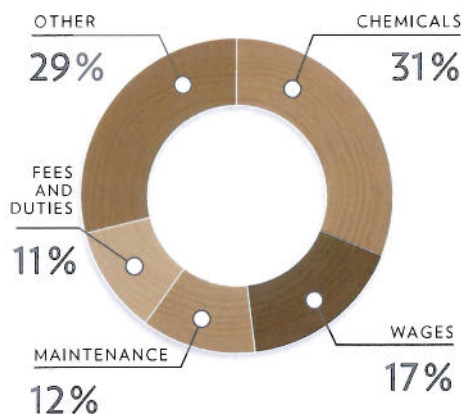
Recycled fibre is a globally traded commodity, but the environmental considerations apply when we are purchasing this material. Trucks dominate our raw material transport methods, accounting for more than 83 % of inwards transport in 2010 (same as in 2009). Ship and train deliveries accounted for 7 % and 10 % respectively.

Transport of products

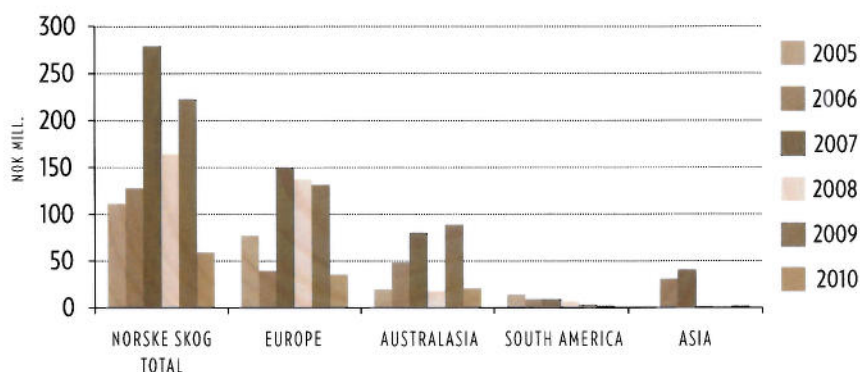
In 2010 we transported 4.0 million tonnes of paper to our customers. The distribution methods used to transport our finished products differs from the transport of supplied raw materials, since much of the paper is exported.

At a company level there was little change in transport methods compared to 2009. Truck transport continues to be the dominant distribution method. In 2010, 50 % of our finished product was transported by truck (45 % in 2009). Rail and ship transportation, (20 % and 30 % respectively), are the two other important methods used by Norske Skog to move our products to the customer.

ENVIRONMENT-RELATED OPERATING COSTS, BY TYPE OF COST, 2010



ENVIRONMENT-RELATED INVESTMENTS 2005-2010





MILL FIGURES 2010

		Bruck	Follum	Golbey	Parenco	Saugbrugs
Production						
Paper	tonnes	371 738	258 115	592 831	242 428	462 384
Consumption						
Roundwood	1 000 m ³	199	547	234	0	611
Sawmill chips	1 000 m ³	0	65	316	0	66
Recovered paper	1 000 tonnes	214	0	487	314	0
Purchased pulp	1 000 tonnes	23	4	0	0	50
Pigments and fillers	1 000 tonnes	94	42	19	11	155
Electric power	MWh/tonne	1.17	2.78	1.65	1.16	2.82
Electric power	GWh	436	718	978	280	1 302
Thermal energy ¹⁾	GJ/tonne	4.80	7.24	4.85	5.64	5.54
Thermal energy	TJ	1 782	1 869	2 875	1 367	2 562
Discharge to water						
Water consumption	m ³ /tonne	13.3	19.2	9.4	15.2	18.0
Water consumption	1 000 m ³	4 954	4 549	5 569	3 682	8 307
Organic material (COD)	kg/tonne	2.7	7.7	1.6	2.7	4.0
Organic material (COD)	tonnes	1 004	1 982	949	655	1 859
Suspended solids (SS)	kg/tonne	0.2	0.5	0.1	0.1	0.3
Suspended solids (SS)	tonnes	83	135	71	14	129
Phosphorus (tot-P)	g/tonne	4.1	6.5	11.5	12.2	10.4
Phosphorus (tot-P)	tonnes	1.5	2.0	7.0	3.0	5
Air emissions						
CO ₂ -e (fossil) (direct)	tonne/tonne	0.55	0.01	0.04	0.72	0.02
CO ₂ -e (fossil) (indirect)	tonne/tonne	0.05	0.02	0.12	0.07	0.02
CO ₂ -e (fossil) (total)	1 000 tonnes	222	7	98	192	19
Waste ²⁾						
Waste to landfill	kg/tonne	0.0	12.0	0.7	0.1	19.4
Waste to landfill	tonnes	0	3 010	399	26	8 974
Management systems						
Environmental MS ³⁾	Certificate	ISO/EMAS	ISO	ISO	ISO	ISO
CoC-systems	Certificate	PEFC/FSC	PEFC/FSC	PEFC/FSC	PEFC	PEFC/FSC
Forestry certification ⁴⁾						
Certified (PEFC or FSC)	%	86	85	67	0 ⁵⁾	88

¹⁾ Includes heat recovered from the production process

²⁾ Production waste (organic and inorganic)

³⁾ ISO = ISO 14001, EMAS = EU Eco management and audit scheme

⁴⁾ Of the quantity roundwood + sawmill chips + purchased pulp

⁵⁾ 100 % Recovered fibre, PEFC certified

⁶⁾ 100 % Recovered fibre

Skogn	Walsum	Albury	Boyer	Tasman	Bio Bio	Pisa	Singburi
472 046	411 091	267 656	258 308	294 385	95 320	153 088	118 325
537	0	366	569	181	217	352	0
194	458	30	48	497	0	54	0
197	0	112	0	0	0	0	146
3	64	0	4	2	7	10	0
23	159	0	5	10	1	0	0
2.34	1.93	2.64	2.98	3.31	2.34	2.96	0.88
1 103	794	706	769	974	223	453	104
5.33	6.22	7.06	7.45	6.87	4.57	7.86	5.09
2 516	2 557	1 890	1 924	2 022	436	1 203	602
17.6	14.6	9.1	31.4	50.1	35	30.7	17
8 307	6 003	2 438	8 118	14 748	3 335	4 694	2 016
4.0	4.4	2.9	11.8	7.9	14	7.8	2.9
1 888	1 813	782	3 048	2 334	1 333	1 194	341
0.6	0.2	0.2	2.2	2.3	1.4	0.04	0.2
264	83	41	568	683	137	6	18
14.8	7.6	2.1	18.1		68	11	8.7
7	3.0	0.5	5.0		6.5	1.7	1.0
0.02	0.06	0.25	0.82	0.00	0.13	0.01	0.37
0.02	1.29	2.35	0.36	0.67	0.93	0.15	0.50
17	553	696	304	197	90	24	102
32.8	0.0	8.6	78.9	47.5	27.3	5.1	223
15 450	2	2 303	20 383	13,983	2 603	779	26 382
ISO PEFC/FSC	ISO/EMAS PEFC/FSC	ISO PEFC	ISO PEFC	ISO FSC	ISO PEFC	ISO FSC	ISO
79	89	56	87	53	49	88	0 ⁶⁾

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT OF NORSKE SKOG

We have reviewed the environmental information presented in Norske Skog's 2010 Annual Report, pages 20 – 39 ("the Report"). The Report is the responsibility of and has been approved by the management of the Company. Our responsibility is to draw a conclusion based on our review.

We have based our work on the international standard ISAE 3000 "Assurance Engagements other than Audits and Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. The objective and scope of the engagement were agreed with the management of the Company and included those subject matters on which we have concluded below.

Based on an assessment of materiality and risks, our work included analytical procedures and interviews as well as a review on a sample basis of evidence supporting the subject matters. We believe that our

work provides an appropriate basis for us to conclude with a limited level of assurance on the subject matters. In such an engagement, less assurance is obtained than would be the case had an audit-level engagement been performed.

CONCLUSIONS

In conclusion, in all material respects, nothing has come to our attention that causes us not to believe that:

- The environmental aspects presented in the Report comprise the most significant ones at corporate level.
- Norske Skog has applied procedures, as summarised on page 39, for the purpose of collecting, compiling and validating environmental data from its reporting units for inclusion in the Report.
- The aggregated information accumulated as a result of the procedures noted above is consistent with the data reported from reporting units and appropriately reflected in the Report.

- The environmental information for 2010 reported from a sample of two reporting units visited (Norske Skog Skogn and Norske Skog Golbey) 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 environmental reporting aligned with the GRI reporting principles. The GRI Index referred to on page 39 in the Report appropriately reflects where relevant information on each of the elements and performance indicators of the GRI Sustainability Reporting Guidelines is to be found within the Norske Skog Annual Report 2010. The UN Global Compact table referred to on page 39, appropriately reflects where relevant information is presented in the Norske Skog Annual Report 2010.

Oslo, 2 March, 2011
Deloitte
Statsautoriseret Revisionsaktieselskab



Preben J. Sørensen
State Authorised Public Accountant
Corporate Responsibility Services



ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY REPORTING

The environment report contains information which Norske Skog believes covers the material environmental aspects of the value chain of the company's activities. Environmental data for 2010 includes wholly owned paper mills which were part of the group as of 31 December 2010. 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. The monthly reporting includes production, consumption of raw materials, energy consumption, emissions and discharges and waste. 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. Basis and methodology for the reporting on greenhouse gas emissions and the Environmental Index is described on pages 28 and 30. The figures in the environmental report are collated and processed with a view towards an as uniform and practical presentation of data as possible.

Although great emphasis is being placed on ensuring completeness and correctness, there are uncertainties in relation to some of the figures.

In order to maintain open communication on environmental matters, we want our environmental report to be as correct as possible and hold the highest quality possible. The environmental report has therefore, over a number of years, been audited by the accountancy firm Deloitte. It is our belief that such an audit raises the credibility of the report. In addition, the audit gives us, internally in Norske Skog, greater surety that the data and statements in the environmental report are based on information which has been collected and processed systematically, and that the necessary documentation is available.

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) guidelines 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 reporting routines. On our website, (www.norskeskog.com/gri.aspx), there is a GRI table containing references to where in the annual report relevant information about the various elements and key indicators in GRI can be found. In our opinion, our reporting for 2010 meets with the Level B requirements in accordance with the guidelines.

Norske Skog is committed to contribute to sustainable development. We have signed the UN Global Compact, are members of Global Compact Nordic Network (GCNN), where participants from Denmark, Finland, Norway and Sweden discuss common challenges and the implementation of the ten principles in the UN Global Compact. There is a UN Global Compact table, with reference to where in the annual report relevant information about the ten principles can be found, on our website (www.norskeskog.com/global-compact.aspx).