



ENVIRONMENTAL REPORT 2005

ORKLA

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This document is a summary of Orkla's environmental report for 2005. For more information on environmental activities, visit the website at www.orkla.com/environment.

ORKLA'S ENVIRONMENTAL POLICY

Orkla is committed to sound, long-term, sustainable operations in which its responsibility for its employees, society at large and the environment is a key element. Everyone must feel confident about the origin and quality of Orkla products and their effect on people and the environment.

We therefore make active efforts to:

- Continuously improve our ability to reduce our consumption of raw materials, water and energy as well as prevent the occurrence of environmental damage.
- Identify and evaluate the negative environmental impacts for which we are responsible, and reduce them by providing long-term, effective solutions.
- Create safe, healthy, attractive jobs and minimise the disadvantages of our operations for the local community.
- Ensure that the environmental aspects are taken into account when developing new products and choosing our suppliers.
- Provide information about our environmental activities in an open, trustworthy manner and engage in active dialogue with interested parties on various environmental issues.

Each company must set its own environmental goals and establish activity plans, systems and control procedures, as well as implement and report on its environmental activities. At a minimum, national legislation and local regulations must be complied with. Employees must be aware of their environmental responsibility and involved in environmental efforts at their workplace.

This Environmental Policy was adopted by the Orkla Group Management Team on 26 April 2004.

ABOUT ORKLA

Orkla is one of the largest listed groups in Norway. Its core businesses are Branded Consumer Goods, Speciality Materials and Financial Investments.

The Branded Consumer Goods division, which accounts for 51% of the Group's operating revenues, comprises Orkla Foods, Orkla Brands and Orkla Media. Orkla is a leading supplier of branded consumer goods to the Nordic grocery trade, and holds many strong positions in Central and Eastern Europe and Russia. Orkla Media has extensive operations in Norway, Denmark and Poland.

The Speciality Materials division accounts for 47% of Orkla's operating revenues and consists of Elkem, Sapa and Borregaard. Elkem is one of Norway's largest industrial companies and one of the world's leading manufacturers of metals and materials. Sapa is one of the foremost manufacturers of aluminium profiles and heat transfer strip in the world. Borregaard holds leading positions in the global wood-based chemicals industry.

The Financial Investments division comprises the Group's investment portfolio, its real estate business, Orkla Finans and Borregaard Skoger. Drawing on the expertise of its strong team of analysts, Orkla is a long-term investor in stocks and shares.

The Group has around 35,000 employees.

Environmental highlights in 2005

Various measures aimed at creating a safe working environment played an important role in all Orkla's companies in 2005. Attention continued to be focused in 2005 on issues related to the origin and safety of raw materials and products in the Branded Consumer Goods companies. In the Speciality Materials business, environmental activities were dominated by the energy issue and a range of measures to reduce emissions to air and water of substances that have an impact on the environment. In their environmental efforts, all Orkla companies have concentrated on increasing productivity and reducing waste.

Listed below are some of the environmental highlights for the various business areas in 2005.

Orkla Foods

- In 2005, for the first time, the sickness absence rate at Orkla Foods (excluding SladCo) was under 6%.
- Orkla Foods was able to maintain its restrictive policy as regards the use of raw materials from genetically modified organisms (GMO) in the manufacture of food products.
- Orkla Food factories continued their systematic efforts to sort waste. In the period 2001–2005, the packaging collected increased by 50%, and the waste sent to landfills was reduced by 60%.

Orkla Brands

- For the first time, the H-value at Orkla Brands (excluding the snacks companies) was under 10.
- A new range of 22 Swan-labelled cleaning products was launched on the professional market.
- Nidar switched from oil to gas burning in order to reduce its emissions of carbon dioxide and sulphur dioxide.
- Due to the installation of a new casepacker on the snacks production line at Chips, each carton can now be filled with more bags, thereby reducing the overall transport requirement by 4–5% and thus also the environmental impact.

Orkla Media

- The Norwegian printing plants participate in the Inclusive Working Life (IWL) scheme. In November 2005 the Hjemmet Mortensen printing plant was named IWL Company of the Month in Akershus/Oslo County.
- By switching to a new photographic and printing technology, it has been possible to reduce consumption of photochemicals per tonne of paper used by over 30% in the period 2002–2005.
- Orkla Media printing plants continued to increase their consumption of paper in 2005, largely due to external contracts. All the printing plants are working to reduce spoilage by minimising production errors and start-up spoilage.

Elkem

- Seven out of a total of 19 production units at Elkem achieved the target of zero injuries leading to absence in 2005. Elkem had a H-value of 3.4, compared with 2.7 in 2004.
- Elkem's total emissions of greenhouse gases in 2005 were equivalent to 2.3 million tonnes of carbon dioxide. This is about 250,000 tonnes less than in 2004. The reduction can primarily be ascribed to a decrease in production volume.
- Elkem recovered approximately 145 GWh energy as electric power from flue gases at its Bjølvefossen and Thamshavn plants.

Sapa

- Sapa has drawn up a list of 15 requirements to increase the effectiveness of HSE work.
- Each year Sapa calculates a climate index based on emissions of carbon dioxide in relation to the company's turnover. The climate index improved by around 10% in 2003–2004.

Borregaard

- The H-value was reduced from 10.1 (2004) to 9.1 (2005).
- Borregaard in Sarpsborg invested in various energy-efficiency measures that will reduce its annual consumption of thermal energy by around 65 GWh.
- Borregaard in Sarpsborg will invest NOK 280 million in order to meet the new environmental requirements in a more stringent discharge licence that will become effective from 31 October 2007.
- Borregaard Schweiz in Switzerland has begun its transition from truck to rail transport of wood chips from sawmills to the factory. This will reduce the negative environmental impacts of the transport.

Health, safety and environment

Report of the Board of Directors in Orkla Annual Report 2005

Orkla's environmental efforts are characterised by a coherent, long-term approach and a desire to contribute to sustainable development. Orkla's environmental policy summarises the Group's attitude to environmental activities. The details of environmental programmes are formulated by the individual business areas. Work on incorporating the HSE activities of Elkem and Sapa is in progress.

A good, safe working environment is a basic prerequisite for sustainable value creation. There is therefore focus on preventive HSE activities. All accidents must be prevented and no work-related injuries, illnesses or accidents must be neglected.

In June 2005 a scrubber at Borregaard's factory in Sarpsborg was identified as the probable source of infection for an epidemic of Legionnaire's Disease that resulted in the deaths of 12 persons and the illness of more than 50 other persons in the area. It was not previously known that facilities of this type could cause the spread of legionella, and when the plant was inspected the health authorities judged the routines to be good. Those affected have received financial compensation. In cooperation with the authorities, extensive monitoring and operating programmes have been implemented to prevent similar situations.

Orkla carries out continuous risk identification and risk analyses of the working environment, work equipment, manual work operations, the danger of pollution, industrial protection and fire and explosion prevention in accordance with the Norwegian HSE regulations. Orkla has also identified and carried out risk analyses of processes and equipment that may cause the spread of legionella. Action plans have been drawn up which are implemented and followed up by senior management.

The injury rate (H-value) was 10.7 personal injuries with absence per million working hours in 2005, compared with 9.9 in 2004. Work is in progress throughout the Group on measures to reduce the injury rate.

Sickness absence in Orkla's Norwegian companies was 7.1% in 2005, compared with 7.4% in 2004. Orkla is continuing its efforts to reduce sickness absence by means of the Inclusive Working Life project and other measures.

Continuous improvement is a guiding principle of Orkla's HSE activities. Orkla therefore strives to limit the negative environmental consequences that may occur throughout the value chain and is sensitive to the views and demands of customers, consumers and employees. All the environmental requirements laid down by the authorities and the local community must be complied with. Orkla imposes strict requirements on its suppliers with respect to product safety and environmental standards. Drills are held regularly to train staff to deal with various types of emergency situations. Apart from the legionella accident, there were no events that resulted in serious damage to the external environment in 2005.

Orkla strongly emphasises the importance of generating trust and confidence. The Group's products must therefore be based on safe raw materials and be manufactured using methods that are accepted by customers and consumers. The Group has adopted a wait-and-see attitude to the use of modern gene technology in the production of food products.

No single activity at Orkla generates greater environmental improvements than long-term efforts to improve productivity and use more environmentally sound production methods. Elkem, Sapa and Borregaard consume large quantities of energy and therefore work continuously on saving and investment projects to reduce energy consumption and increase the use of renewable fuel. For financial reasons, Orkla has chosen to use several different energy systems, which means that there are annual variations in carbon dioxide emissions. Elkem's emission of greenhouse gases is mainly linked to the formation of carbon dioxide from carbothermal production of metals and alloys, and to emissions of fluorcarbon compounds from electrolytic production of aluminium.

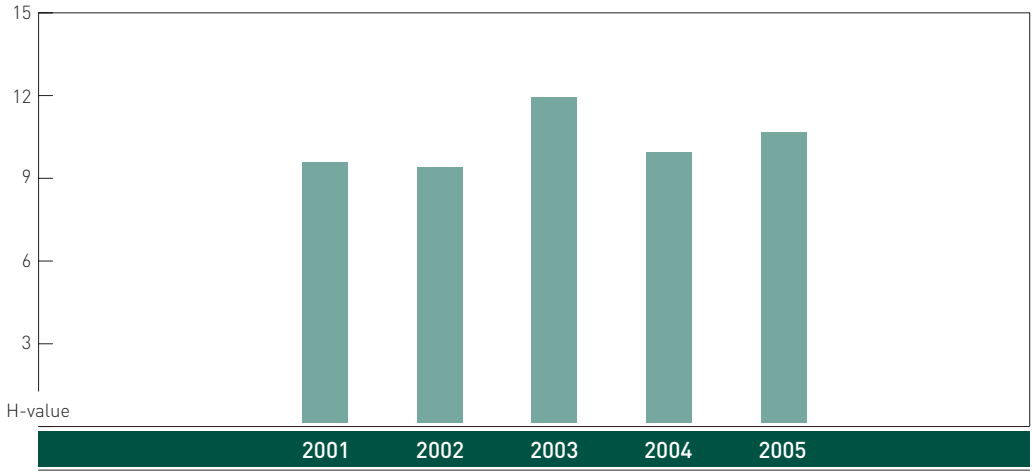
The distribution of various raw materials and products has a significant impact on the environment. Orkla is therefore focusing on rationalising transport and using packaging materials that can be re-used or recycled in an appropriate manner. Orkla companies are active members of several organisations in the Nordic region that have been established to collect and recycle packaging.

More detailed information about Orkla's environmental efforts and the current status in the various business areas may be found at www.orkla.com/environment.

Results 2001–2005

Safety and health

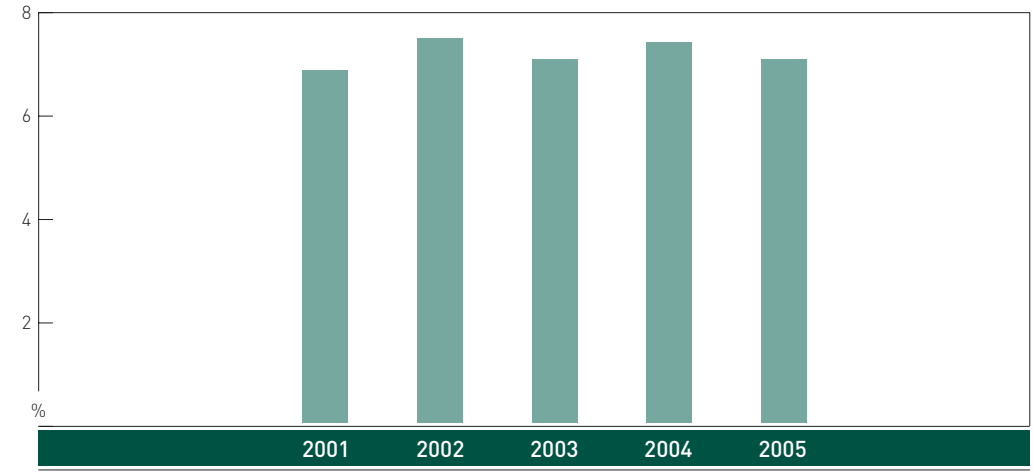
NUMBER OF WORK-RELATED INJURIES (H-VALUE[1]) AT ORKLA[2] [3], BY YEAR



[1] Number of injuries leading to absence per million working hours
[2] Values for 2001–2002 apply only to the business in Norway, while values for 2003–2005 apply to the entire Group
[3] Values for 2001–2003 include Orkla Beverages, which was sold in 2004

A good, safe working environment is a fundamental prerequisite for sustainable value creation at Orkla. The Group therefore focuses on preventive activities to promote safety and protect health. All accidents must be prevented, and no work-related injuries, illnesses or accidents must be neglected. In the past few years, Orkla's total H-value (number of injuries leading to absence per million working hours) has been around 10, with relatively significant variations from one company to another. This is not satisfactory, and efforts will therefore be intensified in 2006 to further reduce the number of work-related injuries.

SICKNESS ABSENCE AT ORKLA IN NORWAY[1], BY YEAR



[1] Rates for 2001–2003 included Orkla Beverages, which was sold in 2004

The sickness absence rate at Orkla's Norwegian companies was 7.1% in 2005, down from 7.4% in 2004. Efforts to reduce sickness absence will continue, partly through the Inclusive Working Life project.

Consumption of electric energy and thermal energy

ENERGY CONSUMPTION	Elektric energy GWh	Thermal energy incl. district heating GWh	Total energy consumption GWh	Electric energy %
BRANDED CONSUMER GOODS				
Orkla Foods				
2005 *(1)	341	553	894	38
2004	303	336	639	47
2003	266	375	641	41
2002	276	323	599	46
2001	276	308	584	47
Orkla Brands				
2005 *(2)	97	127	224	43
2004	46	40	86	53
2003	46	40	86	53
2002	48	40	88	55
2001	43	40	83	52
Orkla Media				
2005	51	19	70	73
2004	57	29	86	67
2003	57	32	89	64
2002	58	12	70	83
2001	61	17	78	78
SPECIALITY MATERIALS				
Elkem				
2005 *(3) *(4) *(5)	7 950	150	8 100	98
Sapa				
2005 *(3) *(6)	500	426	926	54
Borregaard				
2005 *(7)	947	2 169	3 116	30
2004 *(8)	1 182	2 798	3 980	30
2003 *(9)	1 152	2 610	3 762	31
2002	1 149	1 749	2 898	40
2001	1 138	1 770	2 908	39
ORKLA, TOTAL				
2005	9 886	3 444	13 330	74
2004	1 588	3 203	4 791	33
2003	1 521	3 057	4 578	33
2002	1 531	2 124	3 655	42
2001	1 518	2 135	3 653	42

*(1) SladCo is included in Orkla Foods' energy consumption in 2005
*(2) The Snacks business is included in Orkla Brands' energy consumption in 2005
*(3) Elkem and Sapa are included in figures for 2005
*(4) Electricity (approx. 145 GWh) and thermal energy (approx. 100 GWh) are recovered from the electrochemical smelting process
*(5) Sales of electricity produced (hydropower) (approx. 880 GWh) and heat (approx.100 GWh) are not included in the above table
*(6) Sapa's values for 2005 are preliminary and based on values for 2004
*(7) The sulphuric acid factory at Borregaard Sarpsborg was closed in April 2005
*(8) Borregaard Hellefos, Borregaard Vafos and Orkla Exolon were sold in 2004
*(9) Borregaard Schweiz is included in Borregaard's energy consumption from 2003

Orkla uses large amounts of energy. Total energy consumption – 13.3 TWh in 2005 – rose by more than 200% after Elkem and Sapa became part of the Group. For financial reasons Orkla has chosen to use several different energy systems, which means that in each business area emissions of various gases that have an impact on the environment vary from one year to the next.

Changes in the size, composition and factory structure of Orkla and its business areas in the period 2001–2005 have had a very substantial impact on energy consumption. In 2005, the companies in the Speciality Materials area (Elkem, Sapa and Borregaard) accounted for 91% of Orkla's total energy consumption.

Elkem's high consumption of electricity for the electrochemical production of metal dominated the Group's energy consumption. Most of the electricity is produced near the location where it is used, which minimises energy loss in transport and reduces the need for a transmission network.

Elkem is an industry leader in terms of producing metal with low specific energy consumption and recovering energy from large smelting furnaces. In 2005, for instance, Elkem recovered about 145 GWh as electric power generated from flue gases from its Bjølvefossen and Thamshavn plants. Furthermore, over 100 GWh was recovered in the form of hot water which is used to produce steam in plants and externally to heat greenhouses, indoor swimming pools and smolt production facilities.

Emissions of greenhouse gases from fossil substances

EMISSIONS OF CARBON DIOXIDE AND SULPHUR DIOXIDE

	Emissions from burning of fossil fuel for production of thermal energy at factories		Emissions from oxidation of fossil carbon in electro- chemical manufacture of metal at Elkem and Orkla Exolon and from production of sulphuric acid in burning of iron pyrite at Borregaard	
	carbon dioxide 1000 tonnes	sulphur dioxide tonnes	carbon dioxide equiv. 1000 tonnes	sulphur dioxide tonnes
BRANDED CONSUMER GOODS				
Orkla Foods				
2005 *(1)	115	56		
2004	76	56		
2003	85	61		
2002	73	59		
2001	70	55		
Orkla Brands				
2005 *(2)	30	6		
2004	8	1		
2003	8	1		
2002	8	1		
2001	8	1		
Orkla Media				
2005	3	0		
2004	5	0		
2003	3	0		
2002	3	0		
2001	4	1		
SPECIALITY MATERIALS				
Elkem				
2005 *(3)	45	80	2 250	7 500
Sapa				
2005 *(3) *(4)	99	45		
Borregaard				
2005 *(5)	302	653		
2004 *(6)	302	1 055	9	137
2003 *(7)	315	982	23	283
2002	276	796	38	421
2001	306	1 048	37	449
ORKLA, TOTAL				
2005	594	840	2 250	7 500
2004	391	1 112	9	137
2003	411	1 044	23	283
2002	360	856	38	421
2001	388	1 105	37	449

*(1) SladCo is included in the figures for Orkla Foods for 2005
*(2) The Snacks business is included in the figures for Orkla Brands for 2005
*(3) Elkem and Sapa are included in the figures for 2005
*(4) Sapa's values for 2005 are preliminary and based on values for 2004
*(5) The sulphuric acid factory at Borregaard Sarpsborg was closed in April 2005
*(6) Borregaard Hellefos, Borregaard Vafos and Orkla Exolon were sold in 2004
*(7) Borregaard Schweiz is included in the figures for Borregaard from 2003

Changes in the size, composition and factory structure of Orkla and its business areas in 2001–2005 also had a very significant impact on the Group's emissions of carbon dioxide and sulphur dioxide. The companies in the Speciality Materials area accounted for around 95% of greenhouse gas emissions (expressed as carbon dioxide equivalents) and around 99% of sulphur dioxide emissions from the use of fossil fuels and fossil carbon.

Elkem's emissions of greenhouse gases are largely related to production of carbon dioxide in the electrochemical manufacture of metals and of fluorocarbon compounds in the manufacture of aluminium. In 2005, greenhouse gas emissions were about 250,000 tonnes lower than in 2004, largely as a result of lower production volumes.

Elkem in Norway and the other players in the Norwegian process industry have established the Process Industry's Environmental Fund. Through an agreement with the Norwegian authorities, the industry has pledged to reduce emissions of sulphur dioxide by 5,000 tonnes per year by 2010. Since 1999, Elkem in Norway has succeeded in reducing sulphur dioxide emissions by around 880 tonnes through a combination of reduced production of emission-intensive products and focus on the use of coal with low sulphur content.

Emissions of gases from biological materials

Elkem and Borregaard use biological carbon and biofuels in their production processes. The carbon dioxide created in these processes enters the natural cycle of carbon and is therefore not considered to be a cause of undesirable environmental effects.

Emissions of carbon dioxide from the burning of biofuel to produce thermal energy at Borregaard totalled about 286,000 tonnes in 2005, up around 20% from 2004.

Emissions of carbon dioxide and sulphur dioxide from the oxidation of biological carbon (charcoal and wood chips) in the electrochemical production of ferrosilicon and silicon metal at Elkem totalled around 520,000 tonnes and 150 tonnes respectively in 2005.

ABOUT ORKLA FOODS

Orkla Foods is a leading developer, manufacturer and supplier of food products in the Nordic region, Central and Eastern Europe and Russia. Operations are concentrated around the company's own strong brands and concepts. Orkla Foods is divided into three main areas: Orkla Foods Nordic, Orkla Foods International and Orkla Food Ingredients.

Orkla Foods produces pizzas and pies, sauces, between-meal snacks, ready meals, fruit- and berry-based products, pre-served vegetables, seafood, processed potatoes, baking ingredients, bakery products, margarine and chocolate.

In 2005 Orkla Foods purchased the Russian company SladCo, and Bakers was fully integrated into the business area. This report covers the operations of both these companies. At the end of 2005, Orkla Foods had 67 production plants in 14 countries and employed a workforce equivalent to 10,324 man-years.

Environmental highlights in 2005

The working environment

The sickness absence rate at Orkla Foods (excluding SladCo) was 5.9% in 2005, the lowest ever in the company's history.

The H-value (number of injuries leading to absence per million working hours) dropped from 20 in 2002 to 14 in 2005 (excluding SladCo). Measures have been initiated to further reduce the injury frequency rate, particularly in the companies with the highest H-value. SladCo, which became part of Orkla Foods in 2005, had an H-value of 2.2 in the fourth quarter, making it the Orkla Foods company with the lowest H-value.

Raw materials and packaging

In 2005 Orkla Foods was again able to maintain its restrictive policy as regards the use of raw materials from genetically modified organisms (GMO) in the manufacture of food products.

Orkla Foods companies continued their efforts to choose optimal packaging solutions for both existing and new products. The companies' objective is to strike the right balance between cost, production efficiency and environmental considerations. One example is Stabburet, which reduced the thickness of its Stabbur-Makrell (mackerel) tin, thereby lowering its aluminium consumption by 66 tonnes.

Packaging consumption per tonne of finished product at Orkla Foods rose 14% in 2005 (excluding Bakers and SladCo). Despite several ongoing projects aimed at optimising packaging, consumption has increased because the quantity of product per package has been reduced for market-related reasons.

Energy

The expansion of Orkla Foods in 2005 has led to a substantial increase in total energy consumption. All in all, consumption rose from 639 GWh in 2004 (including Bakers) to 894 GWh in 2005, which is an increase of 40%.

2005 saw a break in the trend towards a slight decline in energy consumption per quantity of finished product. Energy consumption rose from 0.89 MWh per tonne of finished product in 2004 to 1.02 MWh per tonne of finished product in 2005. This increase is essentially due to the fact that SladCo's consumption has now been included in the statistics. Excluding SladCo, energy consumption per quantity of finished product in 2005 was on a par with 2004. Procordia Food, Stabburet and Felix Fenno-Baltic reduced their energy consumption per quantity of finished product, while other businesses were unable to lower their consumption level. An example of a factory that has economised on energy consumption is Stabburet's pizza factory at Stranda, where a comprehensive energy-efficiency programme was initiated in 2004. Activities in 2004 resulted in energy savings of around 750 MWh, equivalent to a decrease of around 3%.

Waste and emissions

Most Orkla Foods factories have been issued licences by the authorities for emissions, waste and noise. Some factories were granted new licence agreements in 2005. Several factories succeeded in reducing their emissions to water in the course of the year. One example is Procordia Food's factory in Eslöv, which reduced its emissions of Biological Oxygen Demand (BOD) (quantity of organic substances that are broken down biologically) from 1,772 tonnes in 2004 to 1,306 tonnes in 2005. This reduction is due to lower production volume, but also to technical improvements in the production process and greater focus on BOD on the part of production workers.

Orkla Foods' emissions of carbon dioxide increased from 71,000 tonnes in 2004 to 115,000 tonnes in 2005. The increase can largely be ascribed to the inclusion of Bakers and SladCo in the statistics. Sulphur dioxide emissions totalled around 56 tonnes, which is on a par with previous levels.

Factories continued their systematic efforts to sort waste in 2005. In continuing business, the amount of waste deposited in landfills was reduced by 10% compared with 2004.

Challenges

The working environment

The H-value (number of injuries leading to absence per million working hours) varies to a relatively large extent from one Orkla Foods company to another. Several measures have been initiated to reduce the injury frequency rate, and since 2002 the H-value has fallen from 20 in 2002 to 14 in 2005 (excluding SladCo). Efforts will be intensified in 2006, particularly in the companies with the highest injury frequency rates. It is a long-term goal that all companies achieve an H-value of under 10, and the goal for 2006 is to reduce the H-value to 9 (including SladCo).

Active efforts are also being made to further reduce sickness absence. The goal for 2006 is to reduce the sickness absence rate from 5.9% to 5.4%.

Energy and water consumption

For both financial and environmental reasons, energy and water consumption per quantity of finished product must be reduced. Energy and water prices are steadily rising, and many production processes require increasing amounts of energy, with smaller consumer packages and shorter production series. From 2001 to 2005, energy and water consumption per tonne of finished product in Orkla Foods remained virtually

constant (excluding SladCo, which was included in the statistics in 2005). A number of measures will be implemented in 2006 to reduce energy and water consumption.

Waste and emissions

The amount of waste generated in production processes will be further reduced in the coming years. Several factories have invested in special waste centres in order to rationalise the sorting of different types of waste. Efforts to reduce and sort waste will continue in 2006.

The amount of emissions to water is closely linked to the yield from the production processes. It is therefore extremely important, for both financial and environmental reasons, to promote good process management based on the lowest possible consumption of raw materials. Current efforts will continue in 2006.

Other matters

Substantial amounts of ammonia are used as a refrigerant in the factories' big refrigeration and freezer plants. If an accident occurs, there is a risk that ammonia gas will leak out and cause injury to persons. The factories are therefore designed in such as way as to minimise the risk of this type of accident. To maintain strong focus on safety, emergency drills are held regularly at factories where there are large quantities of ammonia.

Objectives and performance

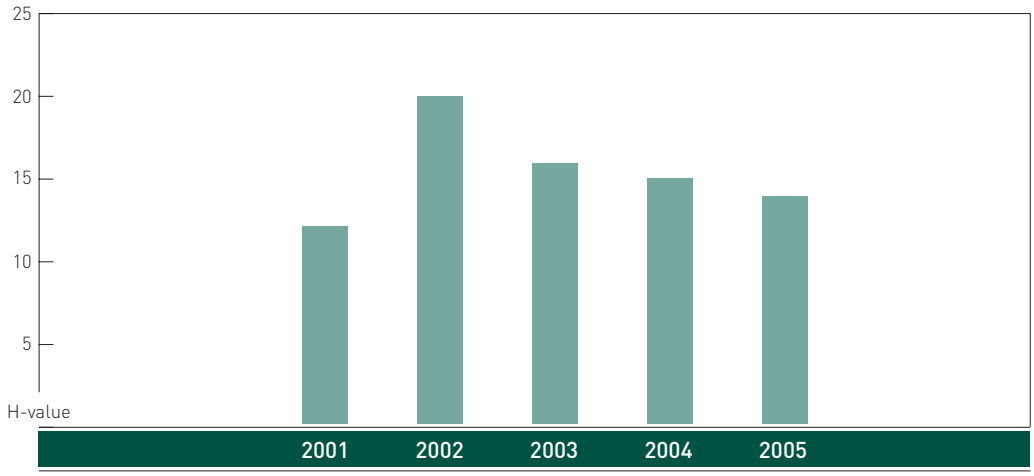
Orkla Foods gives high priority to reducing the number of work-related injuries and sickness absence. Efforts relating to the external environment are focused on the choice of raw materials, packaging, energy and water consumption, waste and emissions.

Area	Objective	Results
Working environment	Prevent work-related injuries and sickness absence through various measures	The H-value was reduced from 20 in 2002 to 14 in 2005 (excluding SladCo and Panda). Several measures have been initiated to further reduce injuries. For the first time Orkla Foods had a sickness absence rate of less than 6%. The sickness absence rate in 2005 was 5.9%, down from 6.3% in 2004.
Raw materials	Avoid the use of genetically modified raw materials and ingredients in the manufacture of food products	In 2005 Orkla Foods maintained its restrictive policy on the use of modern gene technology in the manufacture of food products through a systematic, laborious process involving close cooperation between the purchasing, quality assurance and product development departments.
Packaging	Replace and reduce the quantity of packaging and increase the possibility of recycling materials	Packaging consumption at Orkla Foods (excluding Bakers and SladCo) rose 14% in 2005 from 129 to 147 kg per tonne of finished product.
Energy	Reduce energy consumption and choose forms of energy that have as little impact as possible on the environment	In 2001–2004 Orkla Foods reduced its energy consumption per tonne of finished product by 3%. From 2004 to 2005 energy consumption rose 14%, from 0.9 to 1.0 MWh per tonne of finished product. This increase is due to the inclusion of SladCo, which has significantly higher energy consumption per quantity of finished product than the rest of Orkla Foods.
Waste and emissions	Reduce factory emissions of greenhouse gases and acidifying gases by choosing different forms of energy	In 2001–2004 emissions of carbon dioxide remained virtually unchanged, at an average level of 70,000 tonnes per year. In 2005 emissions increased to 115,000 tonnes due to the inclusion of Bakers and SladCo in the statistics. Sulphur dioxide emissions have been virtually constant in the period 2001–2005, at an average level of 57 tonnes per year.
	Recover materials and reduce waste costs by sorting packaging and waste.	All Orkla Foods factories sort waste. From 2001 to 2005 the packaging collected increased by 50%, from 4,700 tonnes in 2001 to 7,100 tonnes in 2005. The amount of waste sent to landfills was reduced by 62% in the same period.

Results 2001–2005

The working environment

NUMBER OF WORK-RELATED INJURIES (H-VALUE[1]) AT ORKLA FOODS[2] [3], BY YEAR



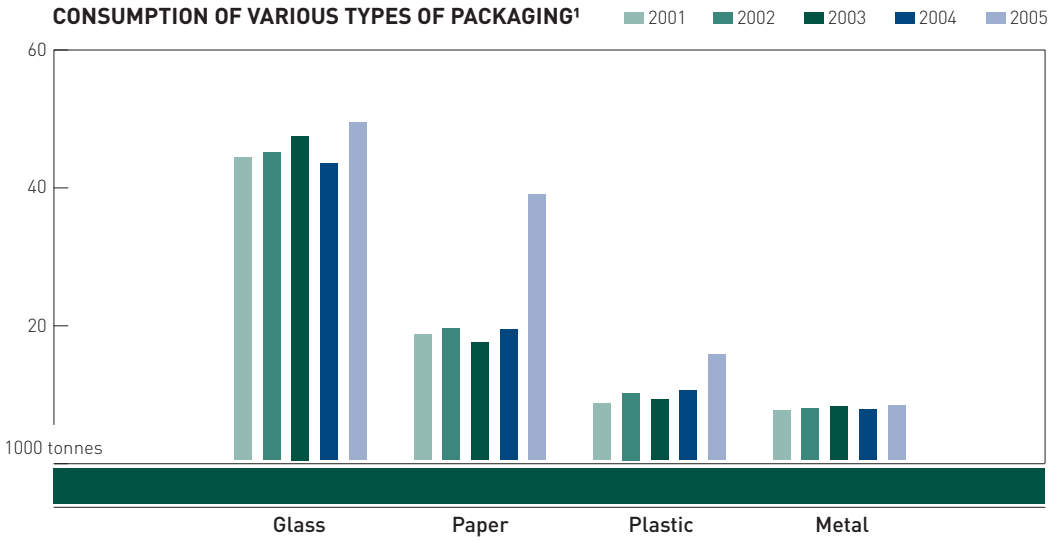
[1] Number of injuries leading to absence per million working hours
[2] From Orkla Foods International only Felix Austria is included in 2001
[3] SladCo is not included in 2005

Orkla Foods has an average H-value (number of injuries leading to absence per million working hours) that is higher than the average for Orkla as a whole. The injury frequency rate for the various companies varies considerably. The H-value at Orkla Foods is too high, and since 2003 several measures have been initiated to reduce the number of work-related injuries. The H-value has dropped from 20 in 2002 to 14 in 2005.

SladCo was not included in Orkla Foods' working environment statistics until the fourth quarter of 2005, and is therefore not included in the average figure for 2005. In the fourth quarter of 2005, SladCo had a H-value of 2.2, which is the lowest in Orkla Foods. Orkla Foods' long-term objective is for all its companies to achieve an H-value of less than 10.

Use of packaging

CONSUMPTION OF VARIOUS TYPES OF PACKAGING[1]



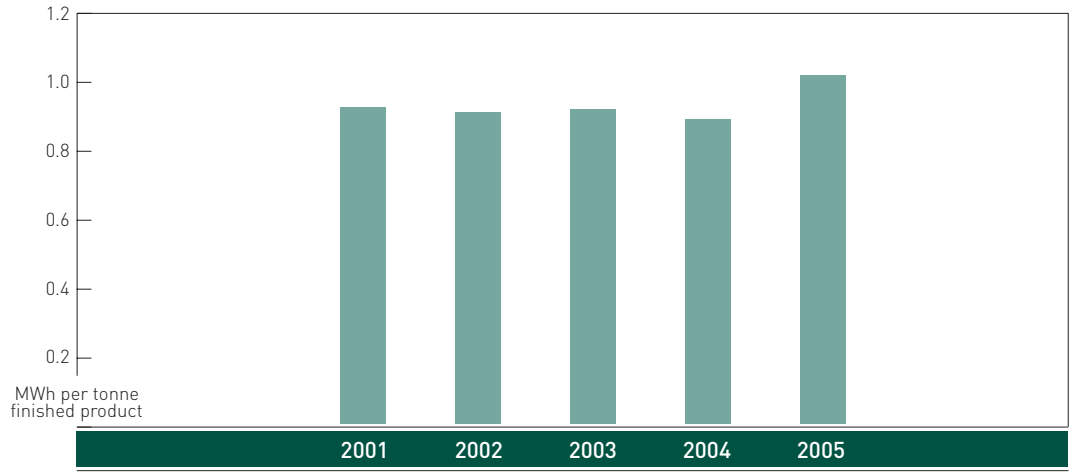
[1] Bakers and SladCo included from 2005

The diagram shows the various types of packaging materials used for Orkla Foods products. On average, approximately 129 kg of packaging material is used per tonne of finished product, but packaging use varies greatly from one type of product to another. Glass and paper (including cardboard and corrugated cardboard) are the heaviest

materials. The amount of glass used rose in 2005 due to increased manufacture of products packaged in glass, primarily in Denmark and the Baltic States. The increase in the use of plastic and paper is primarily due to the inclusion of new companies (Bakers and SladCo) in the statistics.

Energy

ENERGY CONSUMPTION[1]



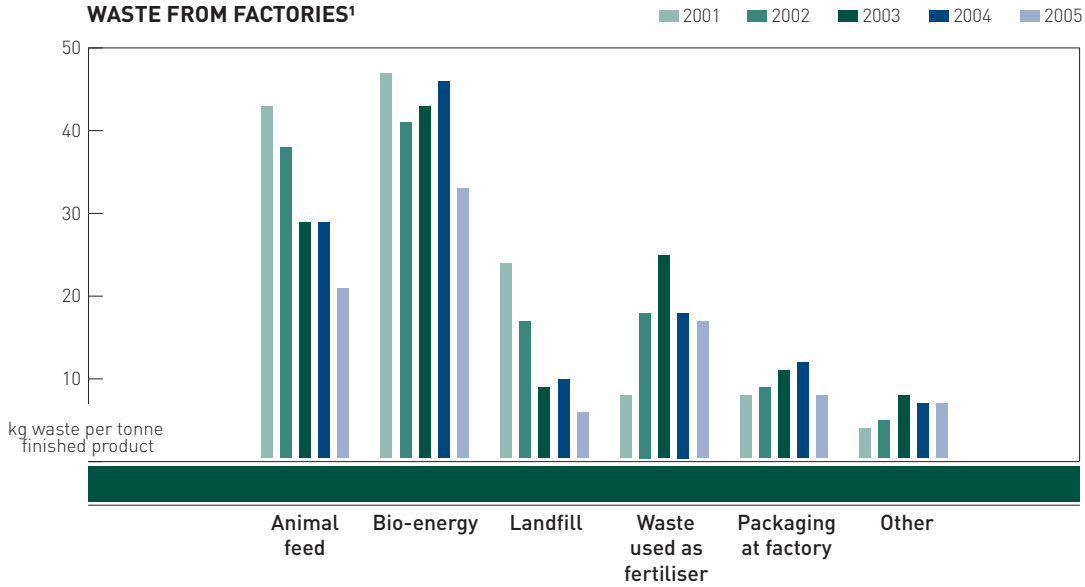
[1] Bakers and SladCo included from 2005

From 2001 to 2004, there was a slight decline in energy consumption per tonne of finished product. In 2005, this trend was broken, and energy consumption rose from 0.89 (in 2004) to 1.02 MWh per tonne of finished product. The increase can largely be ascribed to SladCo. For continuing business, energy consumption in 2005 was at the same level as in 2004: 0.89 MWh per tonne of finished product. The fact that energy consumption was not reduced for continuing business is due to increased production of highly processed products, and to the fact that the quantity of product per package has been reduced for market-related reasons.

Energy consumption in 2005 totalled 894 GWh, compared with 639 GWh in 2004. For continuing business, energy consumption totalled 666 GWh in 2005.

Waste

WASTE FROM FACTORIES[1]

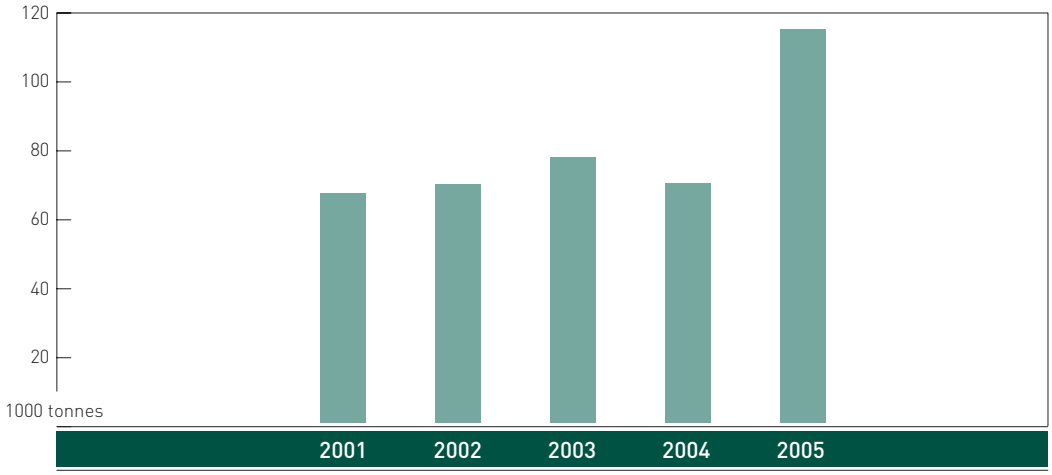


[1] Bakers and SladCo included from 2005

In 2005 Orkla Foods factories generated around 80,000 tonnes of waste (equivalent to 91 kg per tonne of finished product). Most of the waste consisted of organic residuals that were used in the production of bio-energy (about 29,000 tonnes), animal feed (about 18,000 tonnes) and fertiliser (about 15,000 tonnes). The amount of waste sent to landfills was reduced by 15% per year as an average in the period 2001–2005 (from 13,700 tonnes in 2001 to 5,300 tonnes in 2005). All the factories ensure that used packaging is collected and sorted before being sent to recycling plants. From 2001 to 2005 the packaging collected increased by 12% per year as an average (from 4,700 tonnes in 2001 to 7,100 tonnes in 2005).

Emissions of carbon dioxide and sulphur dioxide

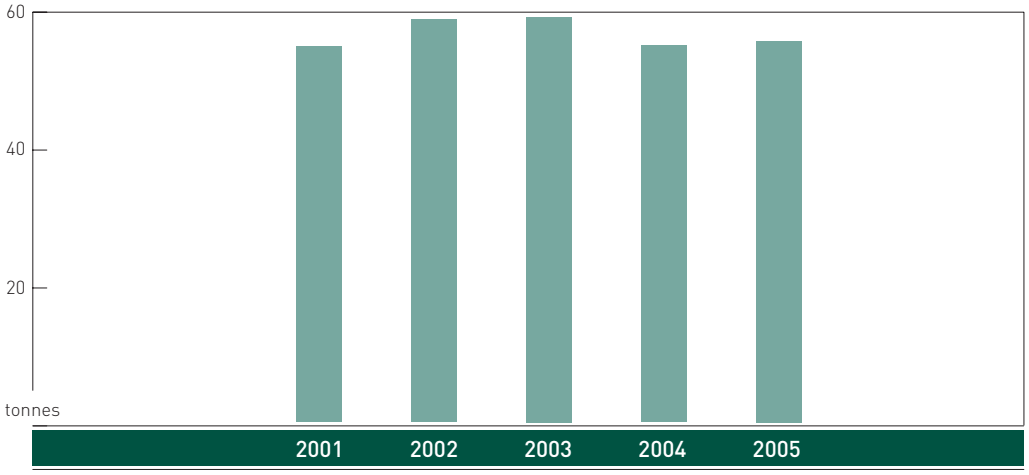
EMISSIONS OF CARBON DIOXIDE[1]



[1] Bakers and SladCo included from 2005

Orkla Foods' emissions of carbon dioxide are generated by the burning of oil, natural gas and propane. In the period 2001–2004, emissions remained virtually constant, at an average of 70,000 tonnes per year. 2003 was an exception, when emissions totalled 78,000 tonnes due to the increased use of oil in the production of thermal energy in the Norwegian factories, because of high electricity prices. In 2005 emissions rose sharply to 115,000 tonnes. This increase was due in part to the inclusion of newly acquired companies in the statistics, in part to the inclusion of Bakers in statistics as from 2005.

EMISSIONS OF SULPHUR DIOXIDE[1]



[1] Bakers and SladCo included from 2005

Emissions of sulphur dioxide are generated when oil is burned. In the period 2001–2005 emissions were highest in 2002 and 2003, when they totalled 59 tonnes, primarily due to increased consumption of heavy oil by Põltsamaa-Felix. The increase from 55 tonnes in 2004 to 56 tonnes in 2005 is due to the inclusion of Bakers in the statistics as from 2005.

ABOUT ORKLA BRANDS

Orkla Brands comprises companies operating in the detergents, personal care products, snacks, confectionery, biscuits, household textiles, dietary supplements and health products segments. Based on solid, long-standing traditions, the companies develop, manufacture and market leading branded consumer goods that have a strong identity and position, both in terms of consumer loyalty and among retailers. Orkla Brands products are the products to which Orkla devotes the most resources for advertising and marketing.

Orkla Brands operates primarily in the Nordic region and has approximately 3,100 employees. The business area has a total of 14 factories in five countries. In 2005 Chips and Collett Pharma were incorporated into Orkla Brands, and both companies are covered by this report.

Eight Orkla Brands factories are certified in accordance with one or more ISO systems. Factories also complied with national statutory safety requirements in the field of health, the working environment and the external environment.

Environmental highlights in 2005

The working environment

In 2005 Orkla Brands focused on strengthening the working environment at its factories by carrying out risk assessments, monitoring and auditing management systems, setting targets, conducting safety interviews and safety inspections at regular intervals, and carrying out external audits. Efforts to ensure that accidents, injuries and near-accidents are registered in the factories' non-conformance systems were intensified. Active use was made of the non-conformance systems to implement corrective measures.

All the Orkla Brands companies (except for the snacks businesses) were audited in 2004 in accordance with Det Norske Veritas (DNV)'s International Safety Rating System (ISRS). The plans of action drawn up on the basis of these audits were implemented in 2005. This was one of the main reasons for the substantial reduction in injuries at the audited Orkla Brands' factories. In 2005, for the first time, the injury frequency rate (H-value) was under 10.

The recently acquired snacks business has a considerably higher injury frequency rate and Orkla Brands will consider conducting ISRS audits of the company.

No injuries leading to death or serious invalidity were reported in 2005.

The sickness absence rate at Orkla Brands dropped from 9.4% in 2004 to 7.3% in 2005. This improvement can mainly be attributed to Göteborgs Kex, where the intensive follow-up of employees on sick leave and pressure from the public authorities seem to be having an effect. La Mote, Sætre and Peter Möller have also reported a reduction in their sickness absence rate. At Lilleborg and Nidar, there was little change in sickness absence from 2004 to 2005. All Orkla Brands companies in Norway participate in the Inclusive Working Life scheme.

Emissions

The long-term efforts to reduce organic substances in the process water that is discharged to the public sewage system from Lilleborg's factory in Ski are still bringing very good results. The licence limit is 3.5 tonnes of oxygen consuming organic materials (measured in COD) per week, while factory discharges totalled 1.8 tonnes COD per week in 2005. Important measures have included reducing and increasingly recycling washwater, an improvement achieved through the development of new product formulas, investments and changes in operating procedures. In 2006 the factory aims to further improve on its current low level of discharges.

After use, Lilleborg's detergents and personal care products end up in the municipal sewage network. Lilleborg therefore makes active attempts to choose raw materials that are most easily degradable in water and that have the least possible adverse effect of water organisms.

Eight of Orkla Brands' 14 factories operate under a licence. On a number of occasions in 2005, KiMs in Denmark exceeded the limit authorised by its wastewater emissions licence. The Danish authorities are aware of these occurrences, and a new licence with a higher emissions limit has been granted by the municipality.

Other matters

In 1993, Lilleborg was the first Norwegian manufacturer of grocery products to obtain Swan eco-label certification for a product, the liquid detergent Omo Colour. The percentage of its grocery products that bear the Swan label has remained stable at over 47% in the past few years. In 2005 Lilleborg launched a new range of 22 Swan-labelled industrial cleansers for the professional market. The percentage of Lilleborg products especially adapted for persons with allergies (recommended by the Norwegian Asthma and Allergy Association (NAAF)) increased from 2% in 1995 to over 10% in 2005, when two new NAAF-recommended products were launched.

Lilleborg completed the demanding process of changing product composition and labelling well before the new EU rules for detergents and cleansers came into force in October 2005. Lilleborg has published HSE data sheets and component data sheets on its website.

Göteborg Kex offers KRAV eco-labelled products and Topp and Chips also produce a number of environmentally labelled products. In 2005 Nidar, La Mote and Lilleborg joined the Initiative for Ethical Trade.

Several of the Norwegian companies use the Green Dot label to indicate their participation in a scheme for financing various recycling companies.

Challenges

Emissions and waste

In the period 2001–2005 the total amount of waste generated by Orkla Brands (excluding the snacks companies) varied between 63 and 71 kg of waste per tonne of finished product. The variation is primarily due to the lack of consistent routines for waste sorting and variations in production quantities. In 2005 waste sorting routines were improved, and the percentage of waste sent to landfills was significantly reduced. At Nidar, Göteborgs Kex and the snacks companies, reducing product waste and production spoilage poses a particular challenge. Efforts to increase production yield, thereby reducing waste, are being intensified in 2006.

Several of the factories are focusing on reducing noise, odour and dust problems in their local neighbourhood.

Energy consumption
Many of the Norwegian factories have both electric and oil boilers. The factories monitor electric power and oil prices on a day-to-day basis, and their policy is to use electric boilers as long as the price of electricity is lower than or equal to the price of oil. In 2005 very little use was made of oil boilers. The factories are not expected to reduce their use of electric boilers to produce energy in 2006.

In 2005 Nidar switched from oil-fired to gas-fired heating furnaces, thereby simplifying their energy production and reducing emissions of carbon dioxide and sulphur dioxide. Nidar also aims to reduce its energy consumption by 5 GWh by 2009. This objective will be achieved in cooperation with Enova SF (a public enterprise owned by the Ministry of Petroleum and Energy).

Raw materials and packaging
Orkla Brands is working on packaging development in several areas; for instance, the business area is represented in Emballasjedugnaden NOK, a cooperative project in which grocery suppliers, packaging producers and retailers have joined forces to motivate the players in the packaging chain to introduce their own control procedures to ensure packaging optimisation.

Lilleborg works systematically to reduce the quantity of packaging used for its detergents. The transition to refill solutions and concentrated products has helped to make packaging reduction possible. After a steady decline in the quantity of packaging per wash during most of the 1990s, packaging quantities have increased slightly since the early 2000s due to the switch to a larger proportion of liquid detergents and non-reusable packaging that is easier to handle. Efforts to reduce packaging consumption will continue in 2006.

Other matters
The introduction of the Japanese quality model, the Total Productivity Maintenance (TPM) management system, has played an important role in improving productivity and reducing undesirable environmental impacts at several of the factories. TPM entails upgrading the skills of employees to enable them to work more independently. In 2005, this work progressed more slowly than planned, but efforts will be intensified in 2006.

All Orkla companies carry out a comprehensive survey of the work situation of every employee every third year. Another survey will be conducted at Orkla Brands in 2006.

All the companies require their suppliers of various raw materials and chemicals to meet certain environmental criteria. Göteborgs Kex requires freight carriers to have an active programme of environmental work, and OLW requires that they achieve environmental certification by 2007. At present five of the nine freight carriers used by OLW are certified.

Objectives and performance
Orka Brands focuses primarily on improving the working environment, choosing optimal chemical formulas for its detergents and reducing waste. Further reducing energy consumption and discharges and emissions to water and air also has high priority.

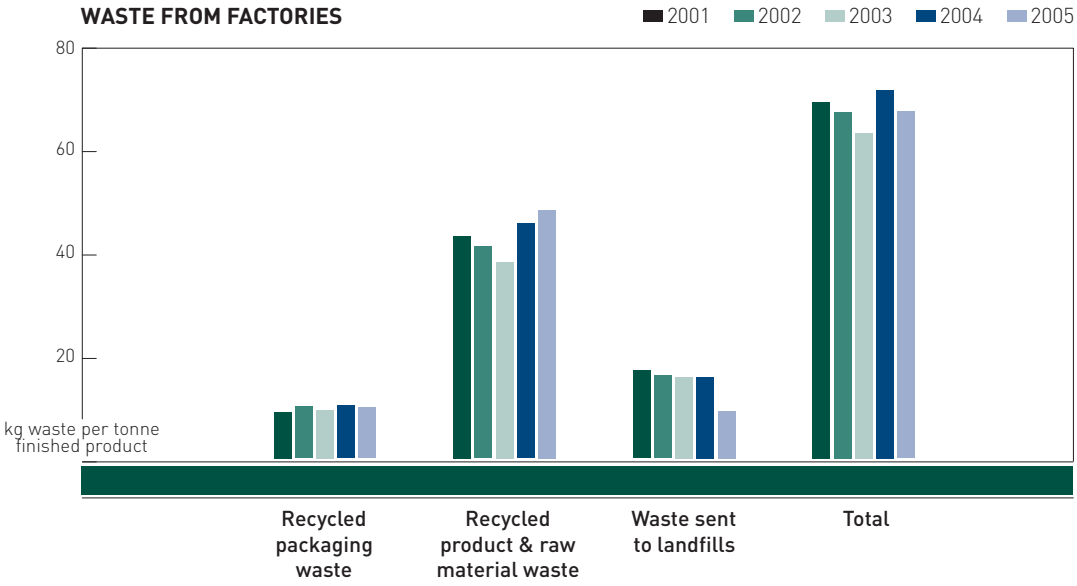
In the past few years, substantial resources have been invested in environmental, quality and safety certification, and eight of its 14 factories have been certified in accordance with one or more ISO standards.

Area	Objective	Results
Working environment	Prevent work-related injuries and sickness absence through a variety of measures	The injury frequency rate (H-value) at Orkla Brands (except for the snacks businesses) was reduced from 15.9 in 2004 to 9.8 in 2005. The goal is to further reduce the rate. The newly acquired snacks companies will be incorporated into a common reporting system for the whole of Orkla Brands as from 2006. There was focus in 2005 on eliminating work operations that can cause injury. To avoid heavy lifts and impractical work positions: • Nidar has switched to flow-packed products and invested in an automatic cartoner • Peter Möller will invest in an automatic packing machine • KiMs in Denmark has converted a multi-packaging unit. Investments in new analysis equipment at several laboratories have resulted in reduced use of chemicals that are harmful to health and the environment.
Waste and emissions	Reduce waste and emissions from factories	Göteborgs Kex aims to increase production yield from 80.4% in 2005 to 80.8% in 2006 and reduce the amount of unsorted waste from 13.6 (2005) to 10.5 kg per tonne finished product (2006). In 2005 Nidar switched from oil to gas burning in order to reduce emissions of carbon dioxide and sulphur dioxide.
Consumption of chemicals	Reduce total consumption of detergent chemicals by choosing optimal formulas in terms of efficiency, quality and environmental impact	The quantity of chemicals per wash, which was reduced from 52.1 g to 47.3 g in the period 1996–2004, increased slightly in 2005. This is due to the increased use of liquid laundry detergent. The quantity of not readily degradable chemicals per wash was reduced from 1.7 g in 1996 to 0.8 g in 2005.
Use of packaging	Reduce packaging consumption	When developing new products there is focus on optimising packaging. The fact that several products recently launched by Göteborgs Kex and other companies require larger amounts of packaging than traditional products poses a challenge. The installation of a new casepacker on Chips' snacks production line has increased the number of bags per carton. This has increased the weight per pallet place by 25% and reduced the number of freight transports by 4–5%, thereby reducing the impact on the environment.

Energy and water	Continuously seek to reduce consumption of energy and water	Nidar's target is to reduce energy consumption by 5 GWh by 2009 in cooperation with Enova. Nidar has reduced its water consumption by 45% since 2002, primarily by switching from the use of mains water to a closed system for cooling. Chips reduced its consumption of electricity per quantity of finished product by more than 4% in the period 2002–2005. Chips is also considering the possibility of replacing fossil fuel with biogas produced by its own plants. In 2006 several of the factories will consider new investments to reduce energy and water consumption, such as: • Utilising heat from three air compressors at KiMs in Norway • Recovering boiling water from the chips line at KiMs in Denmark • Using waste heat to heat premises in Topp. Peter Möller mainly uses biofuel from its own production to produce heat.
The local community	Reduce noise, odour and dust problems in the local community	Due to extensive construction in its vicinity, Peter Möller will focus strongly on its impacts on the external environment in 2006. KiMs Norway and KiMs in Denmark are working to reduce emissions of unpleasant odours from their production lines.
Official requirements	Renew licences Comply with regulations	A new discharge licence for Peter Möller is currently being considered by the municipality of Oslo. In 2005 Nidar removed old building materials that contained asbestos.
Information and communication	Maintain a good dialogue on environmental issues with public authorities and external groups.	In 2005 Lilleborg met with the Norwegian Society for the Conservation of Nature and the organisation Green Living to discuss various environmental challenges related to "everyday chemicals".

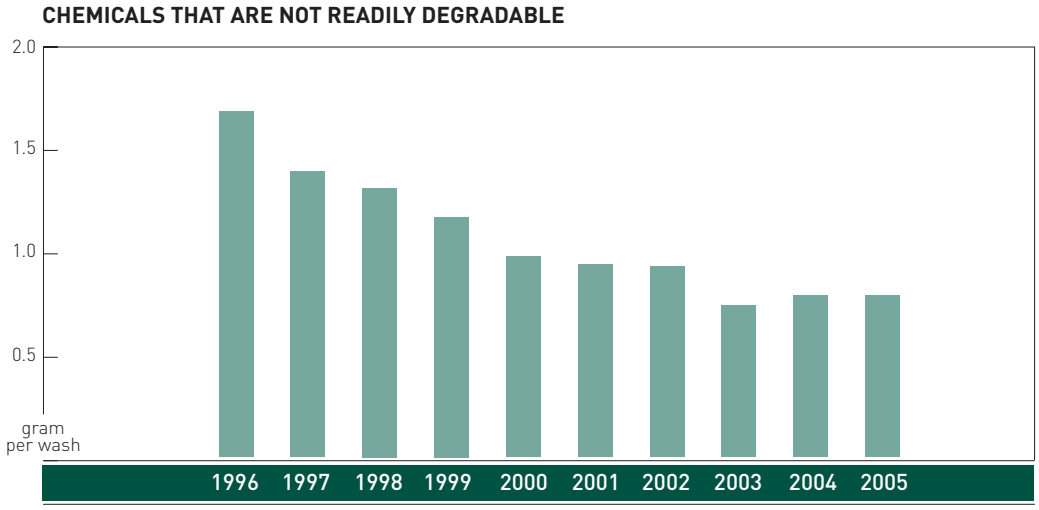
Results 2001–2005

Waste from factories



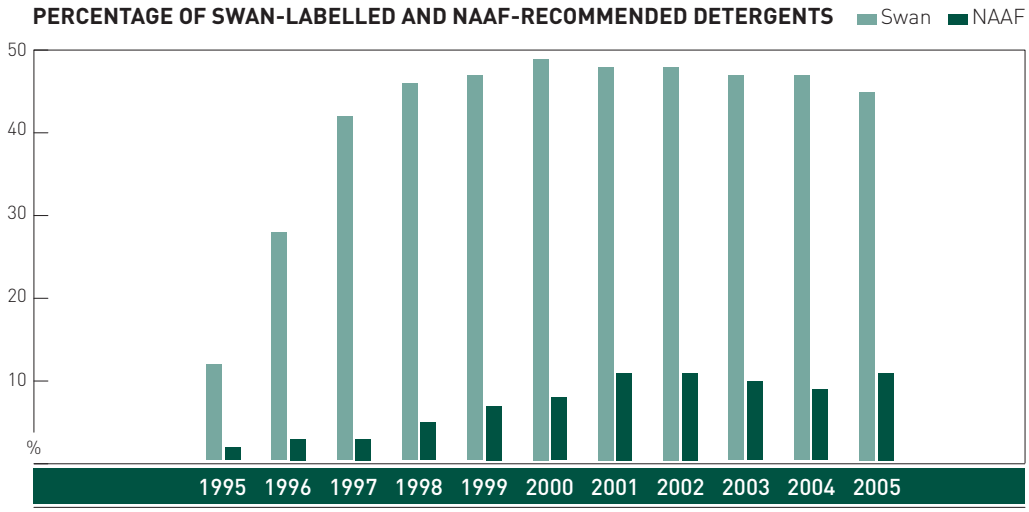
Orkla Brands focuses on reducing the amount of waste and residuals from factories. The diagram shows the amount of waste per quantity finished product, broken down into the categories "recycled packaging waste", "recycled product and raw material waste" and "waste sent to landfills", as a sum total for Lilleborg, Göteborgs Kex, Nidar and Peter Möller. In the period 2001–2005, the total amount of waste in these companies varied between 63.3 and 71.3 kg per tonne of finished product. This was primarily due to the lack of consistent routines for waste sorting and variations in production amounts. In 2005, waste sorting routines were improved, and the percentage of waste sent to landfills was therefore substantially reduced.

Not readily degradable chemicals



Lilleborg has continued its efforts to ensure that its detergents are environmentally friendly. The amount of not readily degradable chemicals per wash has been reduced by more than 50% in the last decade.

Percentage of Swan-labelled and NAAF-recommended detergents



Lilleborg offers consumers Swan eco-labelled and NAAF-recommended detergents. Over 45% of its detergents carry the Swan eco-label, but this percentage has declined slightly in the past year. In 2005 the company launched a new range of 22 Swan-labelled cleaning products for the professional market.

More than 10% of Lilleborg's consumer detergents are recommended by the Norwegian Asthma and Allergy Association (NAAF). The purpose of the recommendation is to help persons with allergies and hypersensitive persons to find products that reduce the risk of allergic reactions.

ABOUT ORKLA MEDIA

Orkla Media is the fifth largest media company in the Nordic region, operating in the core business areas of newspapers, magazines, direct marketing and digital media. The group has subsidiaries in Norway, Sweden, Denmark, Finland, Poland, Germany, Lithuania and Ukraine. Orkla Media was established in 1983 and had approximately 7,500 employees in eight countries in 2005.

The newspaper business in Norway and Sweden consists of local newspapers that hold number one market positions and have a total circulation of over 400,000. Berlingske is the biggest player on the Danish newspaper market, in addition to holding a strong position in the Internet business in Denmark.

Orkla Media is one of the biggest players on the Polish newspaper market, with ownership interests in 13 newspapers and a total circulation of over 560,000. The company has also invested in a regional newspaper in Ukraine and one in Lithuania.

Through its 50% interest in Hjemmet Mortensen, Orkla Media is market leader on the Norwegian magazine market and the fourth largest magazine publisher on the Swedish consumer market. Orkla Media is a prominent player in the dialogue marketing sector, with companies in Norway and Sweden.

Orkla Media also owns shareholdings in several Internet companies in the three Scandinavia countries and Poland. In Germany, Orkla Media owns the Internet newspaper Netzeitung and associated Internet companies.

Environmental highlights in 2005

The working environment

Orkla Media is very concerned to ensure that working environment issues, routines and standards in all its companies are compliant with official guidelines, legislation and HSE regulations. Orkla Media focuses on improving the working environment at printing plants and editorial offices by carrying out risk assessments and safety inspections, conducting safety interviews and providing continuous training for its employees. The companies therefore continuously survey working environment conditions to identify health and job satisfaction problems in order to be able to prevent illness, injuries and stress among employees.

The injury frequency rate (H-value) at Orkla Media is only recorded by the Norwegian companies. In 2005 the Hjemmet Mortensen and Orkla Trykk Stokke printing plants reported H-values of 14.7 and 3.9 respectively. Both values have increased slightly since 2004.

The Norwegian printing plants participate in the Inclusive Working Life (IWL) scheme. In November 2005 Hjemmet Mortensen was named IWL Company of the Month in Akershus/Oslo County. The printing plant received this award for its success in establishing strong support for the IWL scheme in the company. They have also achieved good cooperation between the local union and the management, in addition to significantly reducing the sickness absence rate in the period 2003–2005.

All the Danish companies carry out workplace assessments and draw up plans of action on the basis of the assessment at least once every three years.

None of the companies have had accidents leading to death or serious invalidity in 2005.

Paper waste

Paper consumption at Orkla Media's printing plants increased again in 2005, largely as a result of external contracts. All the printing plants are working to reduce the quantity of waste paper by reducing production errors and start-up spoilage. All in all, however, the percentage of waste paper increased somewhat at Orkla Media in 2005. Orkla Press Poland has succeeded in reducing its waste percentage, while Det Berlingske Officin reported a slight increase. The percentage of waste paper at Presspublica is lower than for the other printing plants because they print relatively long series of a small number of titles. Hjemmet Mortensen has a relatively high proportion of waste, due to the fact that magazines require more colour printing and more complicated processes are therefore necessary to obtain the desired quality.

Energy and water

Orkla Media's companies aim to reduce their energy consumption, particularly consumption of electricity. However, electricity consumption at the printing plants remained constant (0.24 MWh per tonne of paper used) from 2004 to 2005. Orkla Media will continue to focus strongly on economising on energy in the next few years for both financial and environmental reasons.

Water consumption at Orkla Media was reduced from 0.41 to 0.38 m^3 per tonne of paper used in the period 2004–2005. Newspapers Norway, Orkla Press Poland and the Hjemmet Mortensen printing plant have reduced their consumption of water, while consumption has remained virtually unchanged at Det Berlingske Officin and Presspublica.

Other matters

The implementation of ISO standards at Polish printing plants has facilitated adaptation to new environmental standards in connection with Poland's entry into the EU in 2004. Orkla Press Poland has also established joint agreements on return systems and increased coordination of purchasing.

In 2005, Orkla Trykk Norge introduced a HSE system that includes overviews of legislation, steering documents and documentation routines at all four of its printing plants.

Challenges

The working environment

The printing plants face the greatest environmental challenges at Orkla Media due to the type of production they are engaged in and the packing of newspapers and magazines. Many companies also have night shifts. Stress-related complaints have

become a growing problem for both journalists and printing plant employees in the media group. Orkla Media is working on a range of measures, such as workshops and on-the-job training, to be able to better prevent and counteract this type of problem.

Efforts related to various preventive measures aimed at reducing sickness absence will continue in 2006. All the companies in Norway participate in the Inclusive Working Life scheme. One of the most important aspects of this scheme is to bring more employees on long-term sick leave and disability pensioners back to working life. Diversity in the workplace and adaptation of work are important key words in this connection. Orkla Media considers active follow-up by the employer to be one of the most important factors in efforts to reduce sickness absence.

In 2002 and 2004 Orkla Media carried out employee surveys in all its Nordic companies, which showed a weak positive trend in results over time. A new survey is planned in 2006.

The Orkla Trykk (Norway) printing plant has carried out risk analyses every other year. The analysis in 2004 culminated in 90 different matters which were dealt with and implemented in 2005. A new risk analysis based on the model developed by the Norwegian Industrial Safety and Security Organisation (NSO) will be carried out in autumn 2006.

Paper waste
The Orkla Media printing plants had set specific targets for their efforts to reduce the amount of waste paper in 2005. Nevertheless, the waste percentage increased for Orkla Media as a whole. The targets will remain the same for 2006.

Energy and water
Orkla Media's companies focus continuously on reducing energy and water consumption. In 2005, the printing plants' consumption of electricity per tonne of paper used was unchanged compared with 2004, while the consumption of water per tonne of paper used decreased by 7%. Efforts to economise on energy and water will continue in 2006.

Emission rights
In 2006 Bergske Avistryk in Denmark and Wydawnictwo Prasa Podlaska and Orkla Media Magazines (PL) in Poland must renew their permits for emissions and the use of groundwater.

Other matters
At Orkla Media, environmental expertise is located in the large printing plants, while there is none at the central level. Efforts to develop good standards, routines and tools for all the companies in the Orkla Media group will continue in various cooperative forums in 2006.

Newspapers Norway is currently replacing the printing plants in Molde and Ålesund with a new plant in North-West Norway in order to ensure a more environmentally friendly process.

Objectives and performance

Orkla Media focuses on improving the working environment and reducing paper waste. It also gives high priority to further reducing its consumption of energy and emissions to air and water.

Substantial resources have been invested in environmental, quality and safety certification, and four out of 18 printing plants have now been certified in accordance with one or more ISO standards.

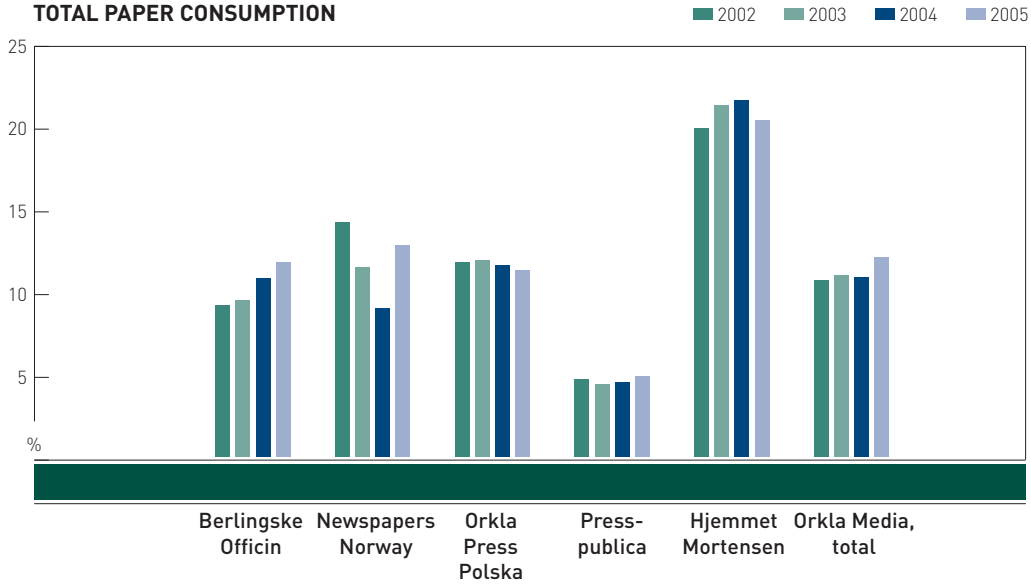
Area	Objective	Results
Working environment	Prevent stress-related complaints and sickness absence through a variety of measures and improve the psychosocial working environment	All the printing plants run projects and implement various measures to improve the working environment. The Norwegian printing plants participate in the Inclusive Working Life (IWL) scheme. In November 2005, the Hjemmet Mortensen printing plant was named the IWL Company of the Month in Akershus/Oslo County. In 2005 an official survey was conducted among all Danish media companies regarding their plans of action to improve the working environment. All the printing plants are working actively to reduce noise levels. The Berlingske Avistryk and Sjællandske Avistryk newspaper printing plants expect to achieve DS/OHSAS 18001 working environment certification in 2006.
Paper waste	Reduce waste from factories	All of the printing plants focused on reducing paper waste in 2005. Nevertheless, the percentage of waste increased 10%. Det Berlingske Officin had the greatest increase, while Orkla Press Polska reported a small reduction in its waste percentage. Bergske Avistryk has been approved for use of the Swan eco-label. The printing plant met its target of sending 98.5% of all waste to recycling in 2005. This target has been increased to 99% in 2006. Orkla Trykk Nordvest has invested in a plant that effectively packs paper waste for return to and recycling by Norsk Gjenvinning.
Emissions	Reduce emissions of substances that have adverse effects on health and the environment	The Hjemmet Mortensen printing plant seeks to further reduce emissions of carbon monoxide (CO) and total hydrocarbons (THC) from its presses. The printing plant operates well within the limits of its emissions licence. Orkla Media Magazines (PL) has made active efforts to reduce emissions of isopropyl alcohol in process water in 2005. Its goal is to avoid use of this chemical in the future. Several printing plants use different types of cooling units. Work is continuing on replacing cooling media, such as CFCs, that have an environmental impact.

Use of chemicals	Reduce total consumption of photochemicals	By switching to new photo and printing technologies, it has been possible to reduce consumption of photochemicals per tonne of paper used by over 30% in the period 2002–2005. The Hjemmet Mortensen printing plant carried out a project in 2005 to reduce ink consumption and improve picture quality. The effects of this project will probably be seen in 2006.
Energy and water	Continuously seek to reduce consumption of energy and water	Electricity consumption in relation to the level of production at the printing plants was reduced in the period 2002–2005. Better thermostats and the use of low-energy equipment had a positive effect. The Orkla Trykk Stokke printing plant reduced its consumption of electricity in relation to production level by investing in extensive energy-efficiency measures. This work will continue in 2006. Water consumption at Orkla Media was reduced by 15%, from 0.44 to 0.38 m^3 per tonne paper used in the period 2002–2005. The Orkla Trykk Haugesund printing plant is considering investing in a new spray dampening system for the printing press in 2006.
The local community	Reduce dust and odour problems in the local community	Most of the printing plants are located in industrial zones far from residential areas. A few plants have received complaints about annoying odours or noise at night that exceed the maximum limit of 40 dB at the site boundary. Orkla Media Magazines (PL) will improve its systems for treating air from presses in 2006 in order to comply with demands from neighbours regarding annoying odours.

Results 2001–2005

Waste paper as a percentage of total paper consumption

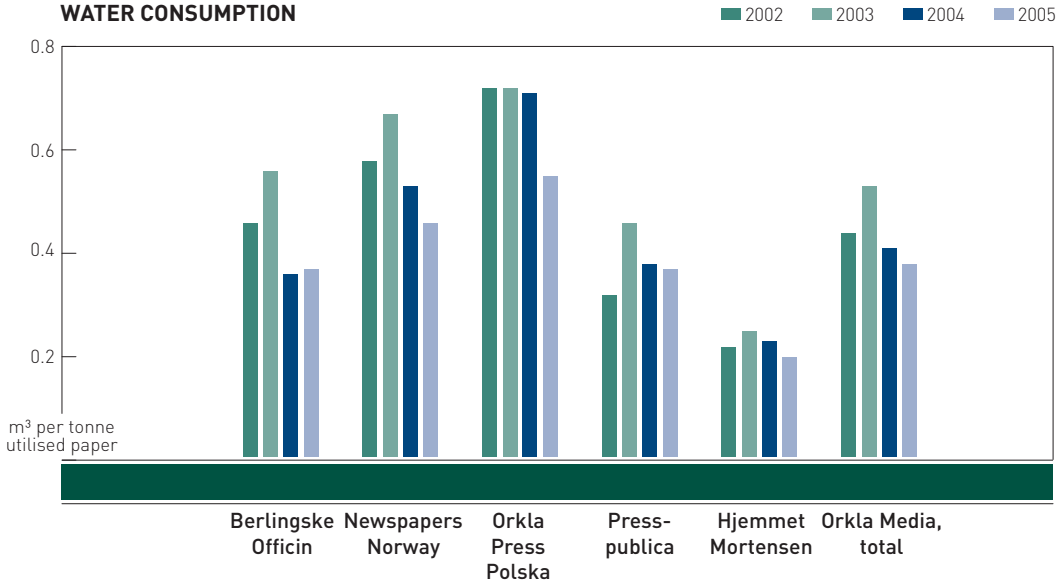
WASTE PAPER AS A PERCENTAGE OF TOTAL PAPER CONSUMPTION



Orkla Media's printing plants increased their paper consumption by 37% in the period 2002–2005, largely as a result of external contracts. The overall wastage percentage has also increased somewhat. During the period the proportion of waste paper rose by 25% at Berlingske Officin, while it declined slightly at Newspapers Norway and Orkla Press Poland. The percentage of waste paper at Hjemmet Mortensen is not comparable with that of the newspaper printing plants because magazines use more colour and have higher quality standards.

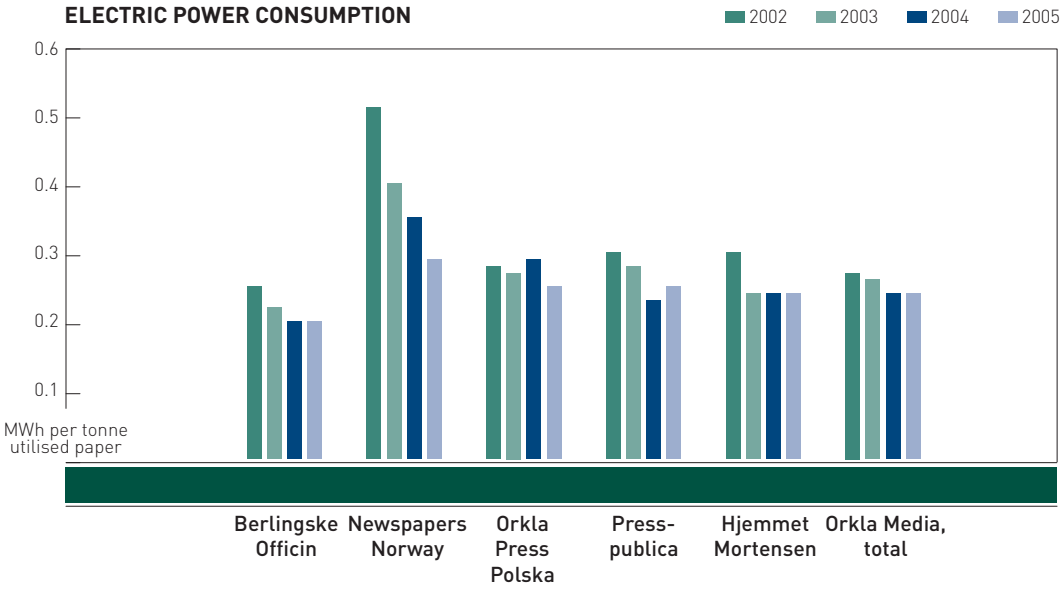
Water consumption

WATER CONSUMPTION



As a result of various water-saving programmes implemented at Orkla Media, consumption of water at the printing plants increased by only 19% in the period 2002–2005, despite a 37% increase in paper consumption. Water consumption is relatively low compared with consumption at Orkla's other companies.

Electricity consumption



Consumption of electricity at Orkla Media's printing plants increased by only 20% in the period 2002–2005, despite a 37% increase in paper consumption. At Newspapers Norway, electricity consumption has declined by as much as 40% during the period, from 0.5 to 0.3 MWh per tonne of paper used. There are relatively minor differences in the electricity consumption of the various companies.

ABOUT ELKEM

Elkem is one of the world's leading producers of metals, alloys and materials based on naturally found minerals and ores. Energy and carbon are the main input factors in its production processes.

Elkem has 3,200 employees and 17 production plants in Europe, North America, South America and Asia, in addition to several hydropower production plants, and an extensive network of sales offices and agencies.

The Elkem Business System (EBS) defines each operator's role and responsibilities in work flows at Elkem. HSE activities are based on EBS principles and are an integral part of the company's overall operations. Elkem carries out regular HSE audits at all its plants, and the Group has systematically registered injuries and serious incidents for many years. Although the number of injuries leading to absence has declined significantly in the past few years (the H value was 3.4 in 2005), there are still too many minor injuries.

Consumption of large quantities of renewable energy (hydropower) and production of gases that can affect the environment are an inevitable consequence of the company's production processes. Elkem leads the industry in metal production with low specific energy consumption and in recovering energy from large smelting furnaces.

No single activity at Elkem brings about greater environmental improvements than the long-term efforts to increase productivity. Effective utilisation of energy and various raw materials and steadily improved control of production processes result in lower emissions and better overall utilisation of resources. Elkem can show continuous improvement as regards most environmental parameters.

Elkem's HSE report can be found at www.elkem.no.

ABOUT SAPA

Sapa develops, manufactures and markets value-added profiles and heat transfer strip in aluminium. Its business concept is based on close cooperation with customers, who are largely located in Europe, North America and Asia. Sapa has 8,200 employees.

Health, safety and environmental (HSE) activities are an integral part of Sapa's overall operations. A selection of key statistics have been defined to make it possible to monitor and assess the company's HSE work. These statistics are given the same attention and importance as key financial figures.

In the past few years, HSE activities have focused on increasing the safety of employees. Sapa has developed a list of requirements comprising 15 items to highlight and rationalise efforts to protect health and safety. While the trend as regards work-related accidents has been positive, there is still a need to improve preventive health and safety work. In view of the commitment of the management and employees and increased coordination of efforts and involvement, all Sapa companies are expected to have fewer than ten accidents resulting in employee absence per million working hours by the end of 2008.

An important tool in Sapa's environmental efforts is the Environmental Platform, which is a description of each company's processes and programmes of measures and official requirements. Every year, Sapa calculates the emissions of greenhouse gases, primarily carbon dioxide, generated by its factories. Carbon dioxide emissions in relation to the companies' turnover are indicated as a climate index, which is followed up on a yearly basis. The climate index for Sapa as a whole improved by approximately 10% in 2003–2004.

Read more about Sapa's HSE at www.sapa.com.

ABOUT BORREGAARD

Borregaard is the world's leading company in the field of wood-based speciality chemicals, in addition to holding strong positions in the ingredients, fine chemicals and energy industries. The company has developed unique expertise over more than a century of operations and offers a range of increasingly specialised, added-value products. Borregaard is an international company and has production plants and sales offices in the main industrial markets.

Borregaard's unique competence and long-term focus on wood-based chemicals has positioned the company as the world's largest player in the field of lignin-based binding and dispersing agents and a global leader in selected segments of the speciality cellulose market. The manufacture of vanillin, yeast products and bio-ethanol ensures high utilisation of raw materials and provides a platform for a broader product portfolio, including ingredients for food products. Borregaard also hold attractive positions on the electric power market and as a supplier of fine chemicals for the pharmaceutical industry.

The company has 11 production plants in 11 countries and its own sales offices in most of the main industrial markets in Europe, Asia, America and Africa. Borregaard has 1,700 employees.

Environmental highlights in 2005

Health and safety

In June an air treatment plant (scrubber) at Borregaard in Sarpsborg was identified as the probable source of contamination for an epidemic of Legionnaire's Disease, as a result of which 12 persons died and more than 50 became ill in the area. It was not previously known that this type of plant could cause the spread of Legionella bacteria, and in inspections the health authorities considered the routines followed at the plant to be good. Those affected have received financial compensation. In cooperation with the authorities a comprehensive monitoring and operational programme has been put in place to prevent the occurrence of similar situations.

For Borregaard as a whole, the trend as regards the number of work-related injuries in 2005 was positive. The H-value, the number of injuries leading to absence per million working hours, was reduced from 10.1 (2004) to 9.1 (2005). At as many as six plants, there were no injuries leading to absence, while three plants reported injury frequency rates of over 10. At the Sarpsborg plant, where half of Borregaard's employ-

ees work, there were nine injuries leading to absence in 2005, which is equivalent to an H-value of 5.2.

No accidents resulting in death or serious invalidity among employees were reported in 2005.

The sickness absence rate at Borregaard in Sarpsborg was 6.7% in 2005, which is a slight decline compared with previous years. Efforts in connection with the Inclusive Working Life (IWL) scheme have helped to reduce sickness absence in recent years. The sickness absence rate at Borregaard Schweiz in Switzerland was 3.7%, the same level as in 2004.

Emissions

Borregaard works continuously on various projects aimed at reducing emissions to air and water of substances that have an impact on the environment. The main action taken at Borregaard in Sarpsborg to reduce emissions of organic substances (COD) to water was the start-up of the incineration plant for production sidestreams in 2004. The incineration plant has also considerably reduced the strain on the treatment plant.

Borregaard in Sarpsborg and Borregaard Schweiz have had six and four incidents respectively of minor non-conformances with the conditions of their emissions licences. All the incidents were duly reported to the authorities.

Timber and water

Borregaard's operations are based primarily on the use of natural, renewable raw materials such as wood, and on making optimal use of these materials in the processing operations. The raw material, in the form of logs and wood chips from sawmills, is delivered to Borregaard's production plants from forests that are managed in accordance with internationally endorsed principles for sustainable forestry in Scandinavia, Germany and the Baltic States.

A new waterworks was started up at Borregaard in Sarpsborg in 2005. The waterworks supplies three grades of water: filtered water for cooling plants, chemically treated water for processing purposes and fully treated water for drinking and sanitation. The waterworks has a capacity of 11,500 m^3 raw water per hour, making it one of the largest in Norway.

Energy

Borregaard is a major consumer of energy, and total consumption amounted to approximately 3.1 TWh in 2005. Consumption of thermal energy, which accounts for around 70% of the company's total energy use, is based on fossil fuels, the utilisation of process and waste heat from Borregaard's own plants and other operations in the vicinity and biofuel. Energy saving is therefore one of the company's highest environmental priorities, and energy management is part of Borregaard's HSE activities.

The operations in Sarpsborg account for about 50% of Borregaard's total energy consumption. Measures were carried out in 2005 that reduced energy needs by a total of 15 GWh. In 2005 the sulphuric acid factory that previously met 40% of the company's thermal energy need was closed down. Consequently, Borregaard will be unable to reduce its oil consumption despite the implementation of substantial energy-efficiency measures. The energy loss has been replaced in part by means of a comprehensive energy-saving programme and in part by the incineration of fossil fuels (heavy oil, light oil and propane). In 2005 Borregaard in Sarpsborg invested in various energy-saving measures that will reduce thermal energy consumption by around 65 GWh per year in the next few years.

A plant fuelled by liquid residuals from cellulose and vanillin production was started up in 2004, and generates around 130 GWh of bioenergy per year. The percentage of Borregaard's energy that comes from biofuel has thereby increased.

Other matters

Borregaard is committed to the voluntary, international Responsible Care environmental programme. Most of Borregaard's plants are certified according to the ISO 9001

and ISO 9002 quality standards. Several of the larger factories, such as Borregaard in Sarpsborg and Borregaard Schweiz, are also certified according to the ISO 14001 environmental standard.

In April 2005 Borregaard in Sarpsborg distributed an information newspaper to more than 50,000 households in the Lower Glomma area. This publication has increased the local population's knowledge of the company's environmental activities.

Challenges

Emissions and waste

AOX is a measure of emissions of chloro-organic compounds to water. These compounds can have a negative impact on ecosystems. Borregaard in Sarpsborg will intensify its efforts to reduce AOX emissions in the years to come. Until 2007 all wastewater containing AOX will be treated in biological treatment plants.

Borregaard Schweiz is currently making environmental investments totalling around NOK 40 million to reduce emissions to water and minimise undesirable odours in the local community.

Energy

Most of Borregaard's energy consumption takes place at its main factories in Sarpsborg, where energy consumption totalled 1.6 TWh in 2005. Significant efforts are being made to reduce consumption and replace the energy from the sulphuric acid factory that was closed down with energy generated by a variety of biofuels. The combined effect of planned energy-efficiency measures will reduce the company's need for thermal energy by around 140 GWh.

Transport

Borregaard Schweiz uses more than 400,000 cubic metres of wood chips every year. Up to now, they have been delivered by truck. The company has initiated efforts to use rail transport instead of trucks, thereby reducing the environmental impacts of these deliveries. The goal is to halve the number of truckloads by 2010. After one year, 5% of the transport is now being carried out by rail, with two trainloads of woodchips per week being delivered to the factory in Switzerland.

New licence

Borregaard in Sarpsborg will be investing NOK 280 million to meet more stringent environmental requirements in a new emissions licence that will come into effect from 31 October 2007. Under the new requirements, emissions of organic substances and fibre to water will have to be reduced by 40%, and more copper will have to be recovered from vanillin production. Recovered organic material now serves as valuable raw material for the production of ethanol and lignin, or is used as fuel for the new bio-incineration plant that began operating in autumn 2004. Besides reducing emissions to the Glomma River, these measures will lower Borregaard's total energy consumption and increase the amount of available biofuel. In terms of emissions to air, the main effect of the new measures will be to reduce the amount of dust. Borregaard in Sarpsborg will also draw up a plan of action for reducing odours and noise from its factories.

Other matters

Borregaard and three other companies have entered into an agreement of intent to explore the possibility of building a production plant for biodiesel in Fredrikstad. Biodiesel is manufactured from vegetable and animal oils. Both the Norwegian and the EU authorities encourage increased use of biodiesel as a means of reducing greenhouse gas emissions generated by the use of fossil fuels.

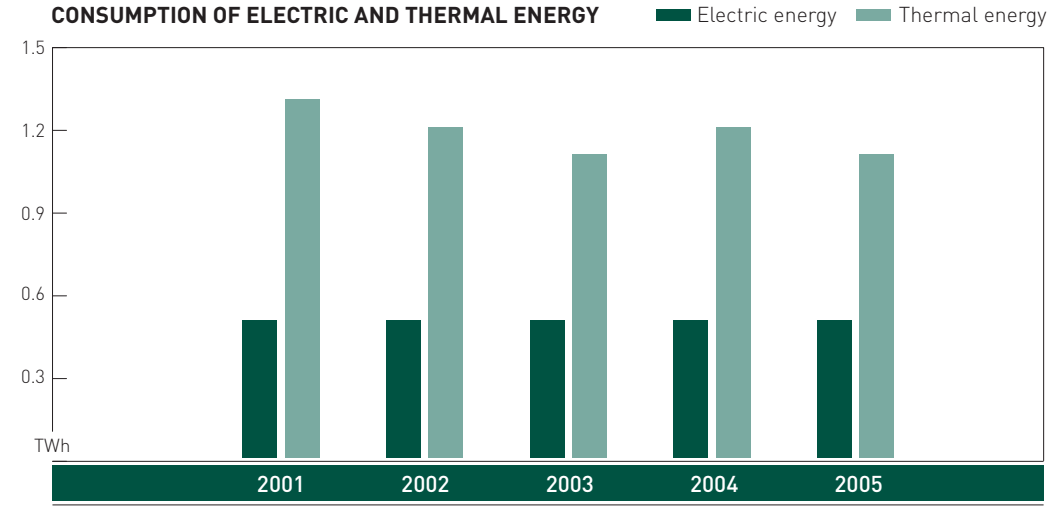
Objectives and performance

Borregaard focuses on energy, emissions and input factors. The company is also implementing a number of measures to reduce problems that affect the local community in the vicinity of its factories.

Area	Objective	Results
Working environment	Prevent work-related injuries and sickness absence by implementing a variety of measures	The H-value (number of injuries leading to absence per million working hours) at Borregaard was reduced from 10.1 in 2004 to 9.1 in 2005. Efforts to reduce the injury frequency rate will continue in 2006. The sickness absence rate at Borregaard in Sarpsborg was 6.7% in 2005, which is slightly lower than in 2004.
Emissions	Reduce emissions to air and water	New plants for recovering energy from liquid residuals and for manufacturing sulphur dioxide are facilitating efforts to reduce emissions from Borregaard in Sarpsborg. Borregaard Schweiz made a number of environmental investments, including a better system for the management and utilisation of all its sewage and water flows. The system will help reduce emissions to the Aare River.
Raw materials	Environmentally friendly timber	Most of the timber used by Borregaard comes from forests managed in accordance with sustainable development principles.
Energy	Reduce energy consumption through targeted energy-efficiency measures	Borregaard in Sarpsborg is working on making production in the cellulose digester plant a closed process. This is expected to reduce energy consumption by about 50 GWh per year.
The local community	Reduce noise, odour and dust problems in the local community	In 2005 Borregaard in Sarpsborg continued its efforts to identify odour sources and reduce the occurrence of annoying odours from lignin spray dryers, the biological treatment plant and other facilities. In consultation with the Swiss authorities, Borregaard Schweiz is implementing various measures to reduce the risk in the local community of annoying odours from the treatment plant.
Official requirements	Renew licences	Borregaard in Sarpsborg is working systematically to adapt its operations to the new licence requirements that will become effective as from 31 October 2007.

Results 2001–2005

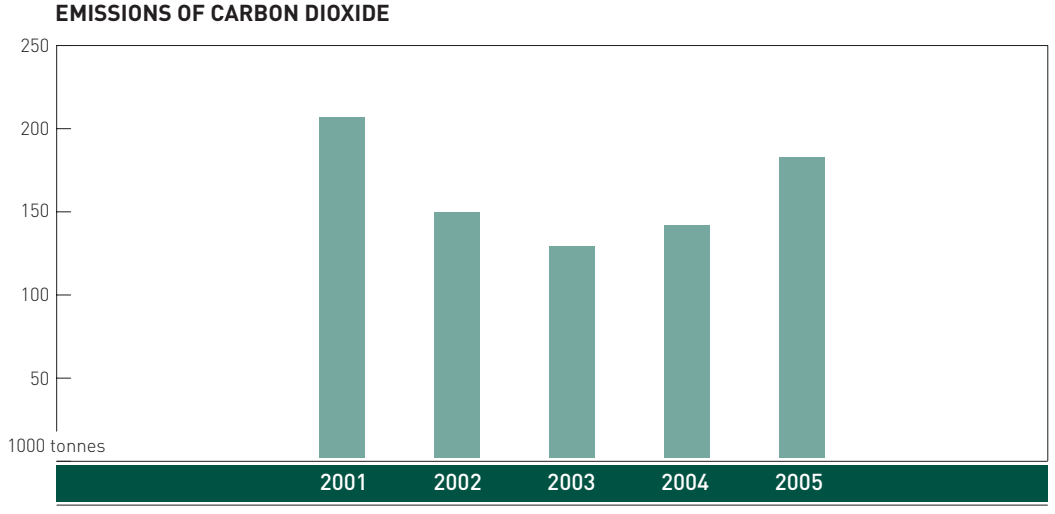
Consumption of electric and thermal energy at Borregaard in Sarpsborg



Borregaard Sarpsborg is engaged in several projects aimed at ensuring future supplies of thermal energy that has a minimal impact on the environment. Continuous efforts are also made through various energy-saving projects to reduce energy consumption. In the period 2003–2005 Borregaard in Sarpsborg reduced its thermal energy requirement by a total of around 90 GWh per year.

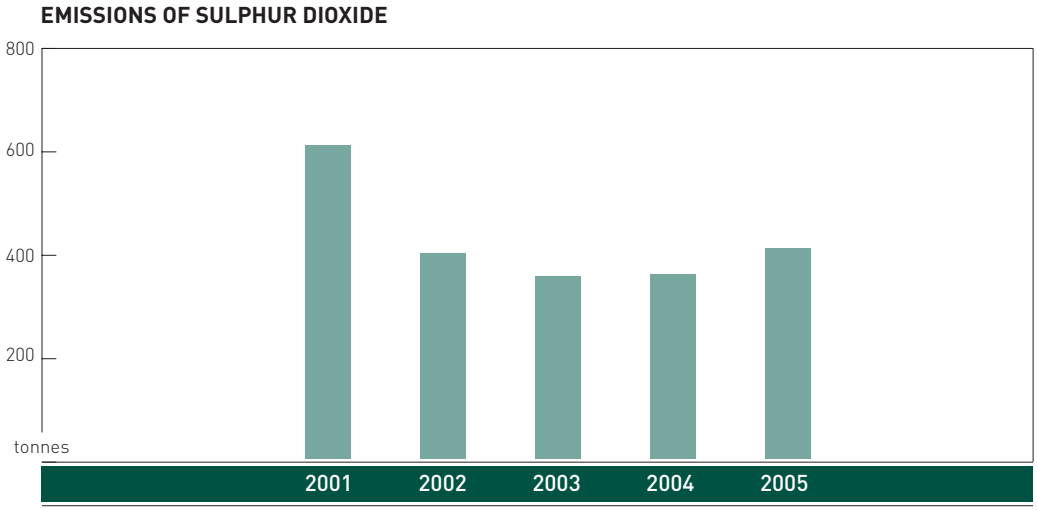
In 2005 Borregaard closed the sulphuric acid factory that had previously met 40% of the company's thermal energy needs. This means that it is not possible for Borregaard to reduce its oil consumption in the immediate future even though it will be implementing major energy-saving measures.

Emissions of carbon dioxide at Borregaard in Sarpsborg



The diagram shows emissions of carbon dioxide from the burning of fossil fuels at Borregaard in Sarpsborg. The reduction in emissions in the period 2001-2003 is due to the start-up of new energy plants, and to the fact that electricity was used instead of oil to produce some of the thermal energy in 2002 and 2003. The high level of carbon dioxide emissions in 2005 is mainly ascribable to a greater need to use heavy oil, light oil and propane to compensate for the loss of thermal energy from the sulphuric acid factory that was closed down. Carbon dioxide emissions from the burning of biofuel at Borregaard in Sarpsborg totalled about 79,000 tonnes in 2005.

Emissions of sulphur dioxide at Borregaard in Sarpsborg



The diagram shows emissions of sulphur dioxide from the burning of fossil fuel at Borregaard in Sarpsborg. The reduction in emissions in the period 2001–2003 is due in part to increased use of electricity instead of oil in the production of thermal energy in 2002 and 2003. In 2005 emissions increased slightly due to higher consumption of heavy oil. However, this increase was minimised by using a heavy oil with a slightly lower sulphur content than the oil used in 2004.