



ORKLA ENVIRONMENTAL REPORT

'04

This document is a summary of Orkla's environmental reports for 2004.
For more information on environmental activities, visit the website at
www.orkla.com/environment

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THE ORKLA GROUP IN 2004 Orkla's Branded Consumer Goods companies again focused on issues relating to the production and use of biological raw materials in 2004. Customers and consumers continued to demonstrate a great deal of interest in the safety and origin of raw materials. Activities in the Chemicals area were concentrated on energy and various measures to create a safe working environment. All Orkla companies focused on reducing the amount of waste, and on reducing discharges and emissions to water and air of substances that impact on the environment.

Orkla Foods

- The occupational injury rate at Orkla Foods is high, but it dropped from 20 injuries per million working hours in 2003 to 15 in 2004.
- Orkla Foods' restrictive policy on GMO-based raw materials was maintained through systematic, thorough, coordinated work by the purchasing, quality assurance and product development departments.
- All the Orkla Foods factories collect and sort used packaging, which is then sent for recycling. In the period 2001–2004, the amount of used packaging collected increased by more than 15% per year.

Orkla Brands

- Measures to reduce the quantity of organic substances in process water that is discharged to the public sewage system from Lilleborg's factory at Ski continue to produce very good results.
- Lilleborg is continuing its efforts to have a good selection of products with the Swan ecolabel in its portfolio. At year-end the company launched a new range of 22 Swan-labelled industrial cleansers.

Orkla Media

- All the printing plants are working to reduce the quantity of waste paper. Newspapers Norway and Orkla Press Poland have managed to do so, but the quantity of waste paper at Det Berlingske Officin increased somewhat due to the start-up of a new printing plant in 2004.
- Presspublica's printing plant in Koninko, Poland, was certified according to the ISO 9001 and ISO 14001 standards in 2004.

Chemicals

- The Borregaard factories in Sarpsborg (Borregaard Fabrikker) are currently Orkla's biggest consumers of energy, and consequently energy-saving is one of the company's highest environmental priorities. In 2003 and 2004 a number of measures were implemented that reduced the demand for energy by approximately 75 GWh, equivalent to 7,500 tonnes of oil.
- A new plant fuelled by residues from cellulose and vanillin production came online at Borregaard Fabrikker in 2004. It is calculated that the plant will produce about 130 GWh of bioenergy per year.

Goals for the Orkla Group in 2005

Everyone must feel confident when they buy Orkla products, both in terms of their origin and quality and in terms of their impact on people and the environment.

- All Orkla's business areas must draw up written objectives and action plans for their environmental activities. The boards of directors of the business areas must be informed each year about the current status and the achievement of objectives.
- All Orkla's business areas should engage in effective, preventive HSE activities.
- Orkla companies in the Nordic region must base their operations on the ISO 14000 system.
- Energy, in the form of thermal energy and electric power, is an important resource. For both environmental and financial reasons, Orkla wishes to implement measures to reduce energy consumption in its business areas. The potential for investing in new energy-saving systems and more environmentally friendly technology will be assessed.
- High priority will be given to efforts to reduce the quantity of waste and emissions and discharges to air and water.

Health, safety and environment (HSE)

Orkla is engaged in systematic environmental efforts that are characterised by a coherent, long-term approach and a desire to contribute to sustainable development. Orkla's environmental policy, which was revised in 2004, summarises the Group's attitude to environmental activities. The details of environmental programmes are formulated by the individual business areas.

A good, safe working environment is a basic prerequisite for sustainable value creation. There is therefore focus on preventive HSE activities. Orkla's "zero injury approach" entails preventing all accidents and ensuring that no work-related injuries, illnesses or accidents are ignored.

No serious personal injuries or major damage to buildings or production equipment were reported in 2004.

The injury rate (H value) dropped from 11.9 personal injuries per million working hours in 2003 to 9.9 in 2004. The number of occupational injuries is higher at Orkla Foods than the average for Orkla as a whole, but the trend was positive in 2004. Further measures have been implemented to reduce the injury rate.

Sickness absence in Orkla's Norwegian companies was 7.4% in 2004, a slight increase in comparison with previous figures. Efforts to reduce sickness absence, including the agreement on "an inclusive working life" in cooperation with the National Insurance Office, continue.

Continuous improvement is the 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 conformed to. Orkla imposes strict requirements on its suppliers with respect to product safety and environmental standards.

There were no incidents that resulted in serious damage to the external environment in 2004. Drills are held regularly to train staff to deal with various types of emergency situations.

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

No single activity at Orkla generates greater environmental improvements than long-term efforts to improve productivity. Efficient utilisation of energy and raw materials and steadily improving control of processes result in fewer emissions and improved overall utilisation of resources. All Orkla's production plants work systematically on saving and investment projects to reduce energy and water 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 emissions of greenhouse gases.

The distribution of consumer products, such as food and detergents, has a significant impact on the environment. Orkla is therefore focusing on adapting and reducing the weight of all packaging and rationalising transport. High priority is also given to using 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.

KEY HSE STATISTICS 2001–2004

Orkla records a number of key HSE statistics that are common to the entire Group

	2004	2003	2002	2001
Environment				
Energy consumption (GWh)	4 791	4 578	3 655	3 653
Carbon dioxide emissions (1000 tonnes)	400	434	398	425
Sulphur dioxide emissions (tonnes)	1 254	1 327	1 277	1 554
Health and Safety¹				
Occupational injuries at Orkla ² (H value ³)	9.9	11.9	9.4	9.5
Sickness absence in Norwegian companies (%)	7.4	7.1	7.5	6.9

¹ 2001–2003 incl Orkla Beverages which divested in 2004

² Figures for the period 2001–2002 apply only to activities in Norway, while figures for 2003–2004 apply to the entire Group.

³ H value = number of injuries per million working hours

Results – the external environment

Orkla is a major energy consumer and used approximately 4.8 TWh in 2004. Total energy consumption in the four business areas increased by about 30% from 2001 to 2004, primarily due to increased production. However, the proportion of electricity declined by approximately 20%.

Orkla has chosen to use several different energy systems for financial reasons. Consequently there are annual variations in greenhouse gas emissions. Sulphur dioxide emissions were lower in 2004 than in 2001 despite an increase of approximately 30% in energy consumption.

Energy consumption in the Orkla Group

Changes in the size, composition and factory structure of the business areas during the period 2001–2004 have had a significant impact on energy consumption.

Total consumption of energy in the four business areas has increased by about 30% during the period 2001–2004, mainly due to increased production and acquisitions of new companies. However, the percentage of electricity consumed has decreased by about 20%, partly because the percentage of factories outside Norway has increased.

This affects energy figures because in other countries steam is almost always produced by burning fossil fuel, while in Norway electric energy is also used to produce steam during periods when electricity is favourably priced.

ORKLA ENERGY CONSUMPTION				
	Electric energy GWh	Energy from burning various fuels at factories (incl district heating) GWh	Total energy con- sumption GWh	Percent- age electric energy %
Orkla Foods				
2004	303	336	639	47
2003	266	375	641	41
2002	276	323	599	46
2001	276	308	584	47
Orkla Brands				
2004	46	40	86	53
2003	46	40	86	53
2002	48	40	88	55
2001	43	40	83	52
Orkla Media				
2004	57	29	86	67
2003	57	32	89	64
2002	58	12	70	83
2001	61	17	78	78
Chemicals				
2004 *(1)	1 182	2 798	3 980	30
2003 *(1)	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				
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) Borregaard Schweiz is included in the report on Chemicals from 2003.

Carbon dioxide and sulphur dioxide emissions

Changes in the size, composition and factory structure of the business areas during the period 2001–2004 have had a significant impact on energy consumption and carbon dioxide and sulphur dioxide emissions.

Sulphur dioxide emissions were lower in 2004 than in 2001 despite a 30% rise in energy consumption. There are several reasons for this: Orkla Exolon was divested after four months of operation in 2004, many companies are now using natural gas instead of oil, and Borregaard Fabrikker in Sarpsborg has reduced its burning of oil by using biofuel.

Carbon dioxide emissions from burning biofuel at Borregaard totalled approximately 241,000 tonnes in 2004.

CARBON DIOXIDE AND SULPHUR DIOXIDE EMISSIONS				
	Energy from burning various fuels at factories (incl district heating) GWh	Emissions from burning fossil fuels carbon dioxide 1000 tonnes	sulphur dioxide tonnes	Sulphur dioxide per quantity of energy from burning various fuels at factories (incl district heating) tonnes/GWh
Orkla Foods				
2004	336	76	61	0.18
2003	375	85	61	0.16
2002	323	73	59	0.18
2001	308	70	55	0.18
Orkla Brands				
2004	40	8	1	0.03
2003	40	8	1	0.02
2002	40	8	1	0.03
2001	40	8	1	0.03
Orkla Media				
2004	29	5	0	0.01
2003	32	3	0	0.01
2002	12	3	0	0.01
2001	17	4	1	0.06
Chemicals				
2004 *(1) *(2)	2 798	302	1 055	0.38
2003 *(1)	2 610	315	982	0.38
2002	1 749	276	796	0.45
2001	1 770	306	1 048	0.59
Chemicals, Special *(3)				
2004 *(4)		9	137	
2003		23	283	
2002		38	421	
2001		37	449	
Orkla, total				
2004	3 203	400	1 254	0.35 *(5)
2003	3 057	434	1 327	0.34 *(5)
2002	2 124	398	1 277	0.40 *(5)
2001	2 135	425	1 554	0.52 *(5)

*(1) Borregaard Switzerland is included in the report on Chemicals from 2003.

*(2) Orkla Hellefoss and Orkla Vafoss were sold in December 2004.

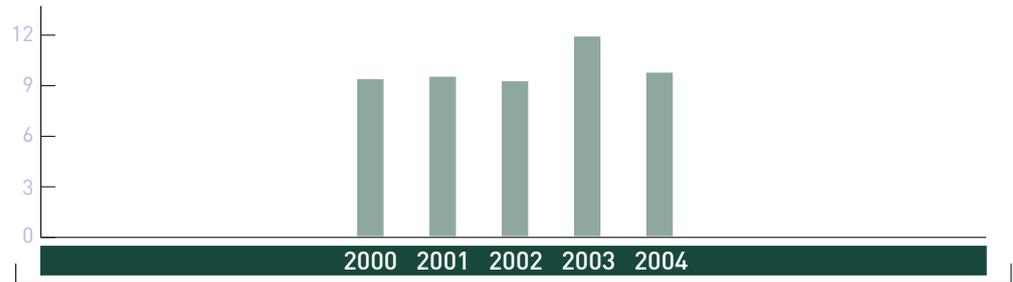
*(3) Chemicals, Special, includes carbon dioxide and sulphur dioxide emissions from burning petroleum coke at Exolon and sulphur dioxide emissions from burning iron pyrite at Borregaard in Sarpsborg.

*(4) Orkla Exolon was sold in May 2004.

*(5) Sulphur dioxide emissions from burning iron pyrite (Borregaard Sarpsborg) and petroleum coke (Exolon) are not included.

Results – working environment

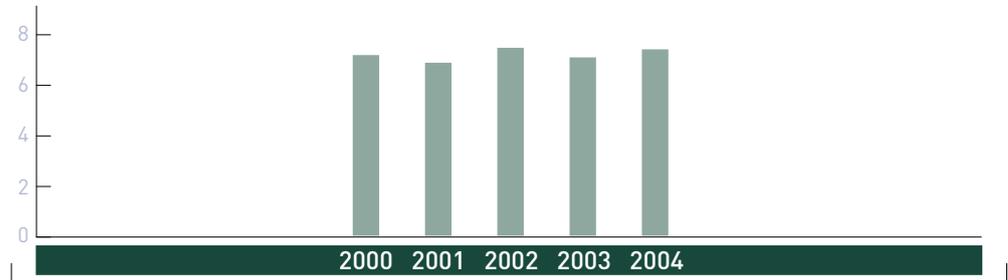
Trends in H values¹ at Orkla²



¹ Number of injuries per million working hours

² H values for 2000–2002 apply only to operations in Norway, while values for 2003–2004 apply to the entire Group

Trends in sickness absence in Norway*



* 2000–2003 incl Orkla Beverages which was divested in 2004

ORKLA FOODS Orkla Foods is a leading developer, manufacturer and supplier of food products in the Nordic region. Operations are concentrated around the company's own strong brands and concepts. Orkla Foods aims to maintain its solid positions in the Nordic region and to strengthen its position in Eastern Europe and Russia.

Orkla Foods is divided into four main areas: Orkla Foods Nordic, Orkla Foods International, Orkla Food Ingredients and Bakers.

Orkla Foods has two international product categories: Tasty Meals (pizzas, pies and small hot meals) and Tasty Brands (ketchup, mustard, dressings, mayonnaise, other sauces, Risifrutti rice desserts and Fun Light cordials). The company also has a number of brands that are well established on national markets. Most of its products hold number one or number two positions on their markets.

At the end of 2004, Orkla Foods had 63 production plants in 13 countries and employed a workforce equivalent to 7,066 man-years.

This report does not contain environmental information or data on Bakers.

Orkla Foods in 2004

Health, safety and environment (HSE)

The number of occupational injuries is higher at Orkla Foods than the average for Orkla as a whole. However, the situation has improved in the past year. The injury rate (H value) declined from 20 injuries per million working hours in 2003 to 15 in 2004. The injury rate varies significantly from one division to another. Three out of ten divisions reported a rate of under 10 in 2004. Measures have been initiated to further reduce the injury rate.

Emissions and waste

"In the period 2001–2004 carbon dioxide emissions remained virtually unchanged at an average of around 70,000 tonnes per year. However, 2003 was an exception and emissions totalled 78,000 tonnes. This was due to reduced use of electricity and increased consumption of oil in the production of thermal energy in the Norwegian factories, a decision that was due to the high price of electric power.

Factory emissions of sulphur dioxide were reduced by more than 60% in the period 1998–2000 as a result of the transition to natural gas, propane and light oil with low sulphur content. From 2001 to 2004, emissions remained almost unchanged at around 57 tonnes per year. However, a slight reduction was recorded in 2004.

In 2004, Orkla Foods factories produced approximately 75,000 tonnes of waste. The bulk of the waste was organic residuals that were used to manufacture animal feed (about 18,000 tonnes) and produce bioenergy (about 28,000 tonnes). In the period 2001–2004, the total volume of waste (per tonne finished product) was reduced by about 3% per year. The volume of waste deposited at landfills was reduced by more

than 20% per year in the same period (from 13,700 tonnes in 2001 to 5,900 tonnes in 2004). All the factories have systems for collecting and sorting used packaging, which is then recycled. During the period, the volume of packaging collected increased by more than 15% per year (from 4,700 tonnes in 2001 to 7,600 tonnes in 2004).

Raw materials and packaging

In 2004 Orkla Foods was able to maintain its restrictive policy to refrain from using raw materials from genetically modified organisms (GMO) in the manufacture of food products. In 2004 the EU introduced new legislation on GMOs, which covers both food products and animal feed. It is based on the principle that all products based on GMO must be labelled accordingly and be traceable.

According to Orkla Foods' internal guidelines, Orkla Foods companies must choose packaging materials and solutions that have as little impact on the environment as possible. In the period 2001–2004, the proportion of light plastic packaging increased significantly, but the total quantity of packaging material used per unit finished product remained more or less unchanged. This is primarily due to the fact that the quantity of product per package was reduced for marketing reasons.

Energy

Orkla Foods aimed to reduce energy consumption per unit finished product by 10% in the period 1998–2002. Several of the factories achieved this goal, while others reported a slight increase. The fact that not all the factories met the target is mainly due to the increase in the percentage of highly processed products that require more energy to manufacture. The energy saving programme continued during the period 2003–2004, and energy consumption per unit finished product was reduced by 9% for Orkla Foods as a whole during the period 1998–2004.

Challenges

HSE

Efforts to reduce the number of occupational injuries and sickness absence at Orkla Foods will be intensified in 2005. The goal is to reduce the number of injuries per million working-hours by 15% and the sickness absence rate by 10%.

Emissions and waste

For both financial and environmental reasons, the volume of waste from production must be further reduced in the years ahead. This is partly due to the substantial rise in the cost of depositing waste at landfills in most countries. In Sweden, for instance, depositing organic waste at landfills is prohibited as from 2005. At Orkla Foods, the volume of organic waste sent to landfills was reduced by about 25% in the period 2001–2004. Several factories have invested in special waste management centres to rationalise the sorting of various types of waste. Efforts to reduce and sort waste will continue in 2005.

Production processes at some of the Orkla Foods factories (such as Procordia Food in Eslöv, Beauvais in Svinninge and Idun Industries' yeast factory in Oslo) were at times the cause of annoying, but harmless odours. These odours have given rise to complaints from the local community, a problem that those responsible take seriously. The factories have worked intensively to reduce these problems, and Orkla Foods decided to concentrate its yeast production at Jästbolaget's factory in Sollentuna.

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 a 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 achievement of objectives

Orkla Foods gives high priority to reducing the number of occupational injuries and sickness absence. As regards the external environment, efforts are focused on the choice of raw materials, energy and water consumption, packaging, emissions and waste.

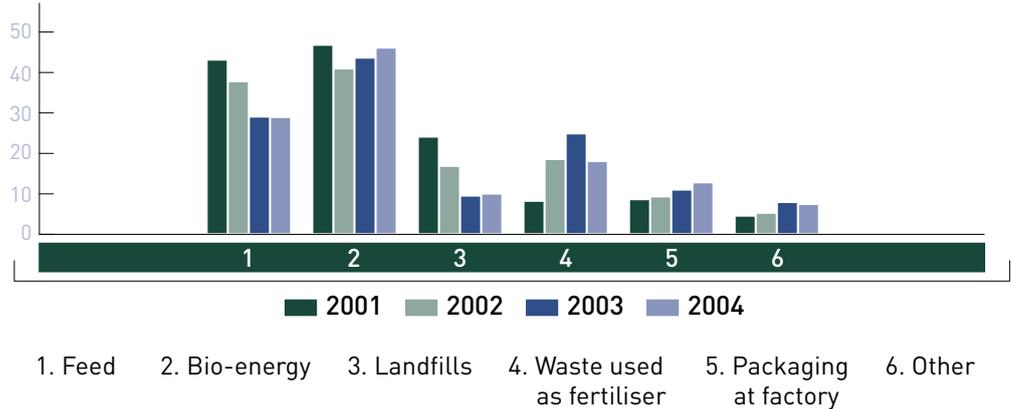
AREA	OBJECTIVES	ACHIEVEMENT OF OBJECTIVES
Working environment	Prevent occupational injuries and sickness absence by implementing a range of measures	The number of injuries per million working hours was reduced from 20 in 2003 to 15 in 2004. Several measures have been initiated to further reduce the injury rate.
Emissions and waste	Reduce factory emissions of greenhouse gases and acidifying gases	Carbon dioxide emissions in the period 2001–2004 remained virtually constant at 70,000 tonnes per year, except in 2003 when the level of emissions was higher due to the increased use of fossil fuel to produce thermal energy at several Norwegian factories. Sulphur dioxide emissions were almost unchanged at approx. 57 tonnes per year in the period 2001–2004.
	Recycle materials and reduce waste costs by sorting packaging and waste	The total volume of waste from Orkla Foods factories was reduced from about 134 kg waste per tonne of finished product in 2001 to 122 kg waste in 2004. All factories sort waste at source. In the period 2001–2004 packaging collection increased by 60% (from about 4,700 tonnes in 2001 to about 7,600 tonnes in 2004). The volume of organic waste sent to landfills was reduced by about 25% in the period 2001–2004.
Raw materials	Avoid the use of genetically modified raw materials and ingredients in the manufacture of food products	Orkla Foods maintained its restrictive policy on the use of modern gene technology in the manufacture of food products through systematic, painstaking efforts 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	Despite several savings programmes, the total volume of packaging used per unit finished product remained close to unchanged in the period 2001–2004. This is primarily due to a reduction in the amount of product per package for marketing reasons.
Energy	Reduce energy consumption and choose forms of energy that have as little impact as possible on the environment.	A number of projects have been carried out that have helped to make production more cost effective and environmentally friendly in recent years. Several factories have succeeded in reducing energy consumption per unit finished product by more than 5% in the period 2001–2004. For Orkla Foods as a whole, energy consumption was reduced by 3% in the period. From 1998 to 2004, energy consumption per unit finished product at Orkla Foods was reduced by 9%.

Results

Waste from factories

Each year Orkla Foods factories generate approximately 60,000 tonnes of organic residuals and approximately 15,000 tonnes of other waste. Most of the organic waste is used to produce feed and bio-energy. For both environmental and financial reasons, different programmes are used to reduce the quantity of waste, and several factories have invested in special waste management centres. In the period 2001–2004 the volume of waste (per unit finished product) was reduced by about 3% per year. The amount of waste must be further reduced in the years ahead, partly because of the sharp rise in the cost of sending waste to landfills in most countries.

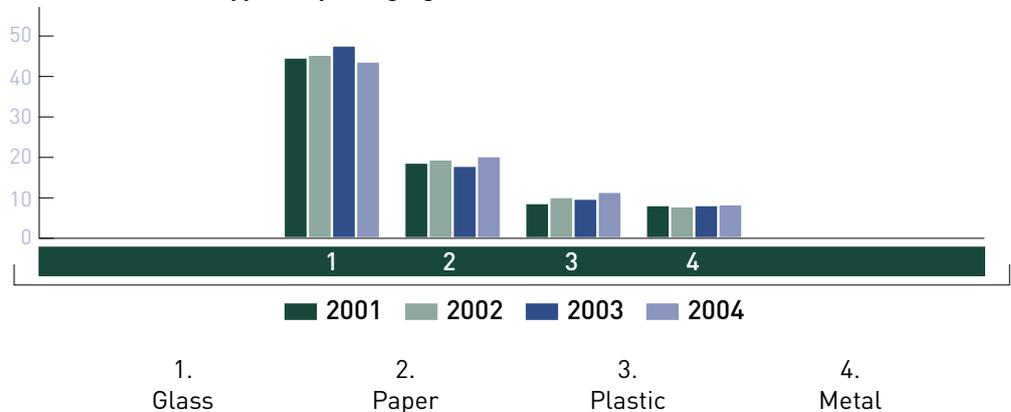
Waste from factories (kg waste per tonne finished product)



Use of different types of packaging material

Orkla Foods’ internal guidelines prescribe that companies must choose packaging materials and solutions that have as little impact on the environment as possible. The diagram shows the various types of packaging materials used for Orkla Foods products. Glass and paper (including cardboard and corrugated cardboards) are the heaviest materials. The use of plastic materials increased by more than 30% in the period 2001–2004. On average, around 135 kg of packaging material is used for each tonne of finished product, but this figure varies considerably from one type of product to another. Despite several programmes aimed at reducing the quantity of packaging material, the total amount of packaging used per unit finished product remained virtually unchanged during the period. This is primarily because the quantity of product per package was reduced for marketing reasons.

Use of different types of packaging (1000 tonnes)



ORKLA BRANDS Orkla Brands comprises companies that manufacture and market detergents, personal care/hygiene products, confectionery, biscuits, household textiles and cod liver oil. The Snacks business in Orkla Brands is part of Chips Scandinavian Company, 40% of which is controlled by Orkla and 60% by Chips Abp. Orkla has made an offer to purchase all of the shares in Chips Abp. The information on these pages does not cover the Snacks business.

Orkla Brands operates primarily in Norway and Sweden, and employs around 2,125 persons. The business comprises branded consumer goods companies that supply some of the market's strongest brands. These companies benefit from significant collaborative advantages in several important areas, such as health, safety and environment. Orkla Brands has six production plants in the Nordic region. Its factories for cod liver oil, detergents and personal hygiene products are subject to licensing requirements.

Orkla Brands in 2004

Health, safety and environment (HSE)

All the factories have carried out safety audits and established systems for personal safety interviews. Göteborgs Kex has also carried out a three-day training programme for factory management staff on risk analysis and assessment.

All the Norwegian companies in Orkla Brands signed an agreement with the national insurance authorities in 2003 to promote a more inclusive workplace. This is a joint project between the authorities and employers' and employees' organisations aimed at reducing sickness absence. In 2004, Orkla Brands has focused particularly on training management staff to follow up employees on long-term sick leave. This work has proved effective and sickness absence in the Norwegian companies decreased by about 5% compared with the previous year.

Emissions and discharges

Work on reducing organic substances in the processing water that is discharged to the public sewage system from Lilleborg's factory in Ski is still bringing very good results. Last year, the volume of oxygen consuming organic materials (measured in COD) was reduced by 25%, from 154 tonnes to 113 tonnes. Important measures have included reducing and increasingly recycling wastewater, an improvement achieved through the development of new product formulas, investments and changes in operating procedures. The factory's goal in the coming year is to further improve on its current low level of emissions.

Other matters

Lilleborg was the first manufacturer of home and personal products to have a product certified for the Swan ecolabel in 1993. The percentage of its home and personal care products that bear the Swan label has remained stable at around 47% in the past few years. Lilleborg launched a new series of 22 Swan-labelled industrial cleansers at the

end of 2004. The percentage of Lilleborg products specially adapted for persons with allergies increased from 2% in 1995 to around 10% in 2003. This percentage fell to 9% in 2004 due to lower demand for one type of product.

Challenges

Waste

During the period 2001–2003, the total amount of waste per tonne finished product at Orkla Brands was reduced by about 9%. In 2004, however, this percentage increased due to the fact that the Lilleborg factory in Ski, which creates little waste and usually has large production volumes, experienced a significant decline in volume in 2004. This led to a slight increase in the amount of waste per tonne finished product for Orkla Brands as a whole. The ongoing efforts to reduce waste will be intensified in 2005. Reducing product waste and production spoilage poses a particular challenge for Nidar and Göteborgs Kex, and improvement measures will be strengthened in 2005.

Raw materials and packaging

After a steady decline in the amount of packaging used for detergents during most of the 1990s, packaging volumes increased slightly in the early 2000s. However, consumption decreased again in 2004, due to the transition to a larger proportion of liquid detergents and non-reusable packaging that is easier to handle. 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.

Other matters

Several of the factories have introduced the Total Productivity Maintenance (TPM) management system, which entails upgrading the skills of employees so as to make them more independent. In 2004, this work progressed more slowly than planned, but will be stepped up in 2005.

Lilleborg will carry out a complementary environmental survey of a site in Oslo in 2005.

Information on Orkla Brands' quality assurance efforts and views on legislation and rules may be found on its web site.

Objectives and achievement of objectives

Orka Brands focuses on choosing optimal chemical formulas and reducing waste. It also gives high priority to reducing energy consumption and discharges and emissions to water and air. In the past few years, substantial resources have been invested in environmental, quality and safety certification, and all the factories have been certified in accordance with one or more ISO standards.

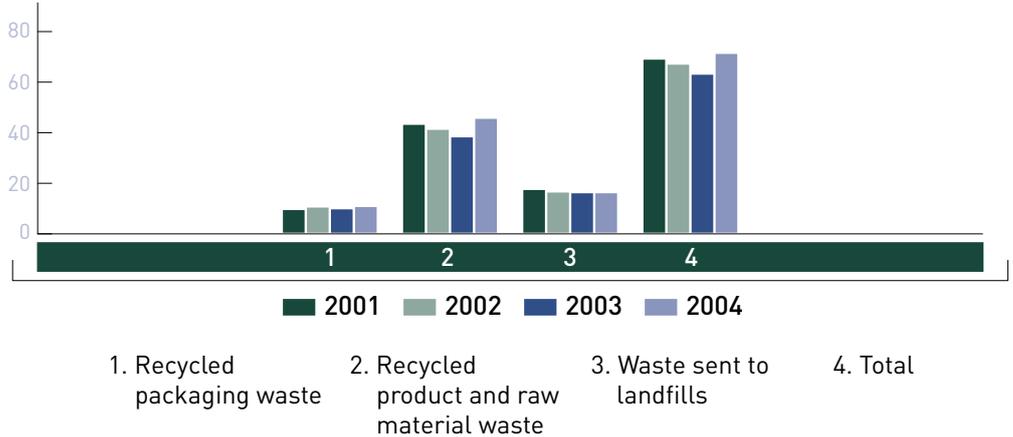
AREA	OBJECTIVES	ACHIEVEMENT OF OBJECTIVES
Waste and emissions	Reduce the amount of waste and emissions/discharges from factories	<p>The total amount of waste per tonne finished product rose slightly in 2004 due to a significant decline in volume at Lilleborg, which usually produces large volumes and creates little waste.</p> <p>Göteborgs Kex succeeded in reducing the amount of waste per tonne finished product slightly in 2004. The company aims to continue this work in 2005.</p> <p>In 2004 the Lilleborg factory in Ski reduced emissions of oxygen consuming organic materials (measured in COD) from 154 tonnes to 113 tonnes.</p>
Consumption of chemicals	Reduce overall consumption of chemicals and choose optimal formulas in terms of efficiency, quality and environmental impacts	<p>Since 1996 the amount of chemicals per clothes wash has been reduced from 52.1 gram to 47.3 gram in 2004. In 2004 the amount was reduced by about 1.5%.</p> <p>The quantity of not readily degradable chemicals per wash has been reduced from 1.7 gram in 1996 to 0.8 gram in 2004. The amount of not readily degradable chemicals increased slightly from 2003 to 2004.</p>
Use of packaging	Reduce packaging consumption	<p>After a steady decline in the amount of packaging used at Lilleborg in the 1990s, it increased slightly in the 2000s. In 2004, however, packaging was reduced by about 4% as a result of the continued transition from standard powders to micropowders.</p>
Energy and water	Continuously seek to reduce consumption of energy and water	<p>By implementing a range of energy efficiency measures, Peter Möller reduced electricity consumption by 5.8% and water consumption by 12.4% in 2004.</p> <p>In 2004 energy consumption at Göteborgs Kex rose 3%, instead of being reduced by 1% as targeted.</p>
Official requirements	Quickly adapt to changes in legislation	<p>Lilleborg has focused on adapting to new labelling regulations for cosmetics and detergents.</p> <p>Work has begun on preparing for the implementation of REACH, the comprehensive new EU chemicals legislation that will enter into force in 2007.</p> <p>Fixtures containing PCBs have been replaced.</p>
Information and communication	Maintain a good dialogue on environmental issues with public authorities and external groups	<p>Lilleborg has continuous contact with the environmental authorities. The company has met with the Norwegian Society for the Conservation of Nature and Green Living to discuss various environmental challenges.</p>

Results

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”. In the period 2001–2003, the total amount of waste was reduced by about 9%. In 2004, however, there was a slight increase due to a substantial fall in production volumes at Lilleborg, which usually has large production volumes and little waste. Ongoing efforts will be intensified in 2005.

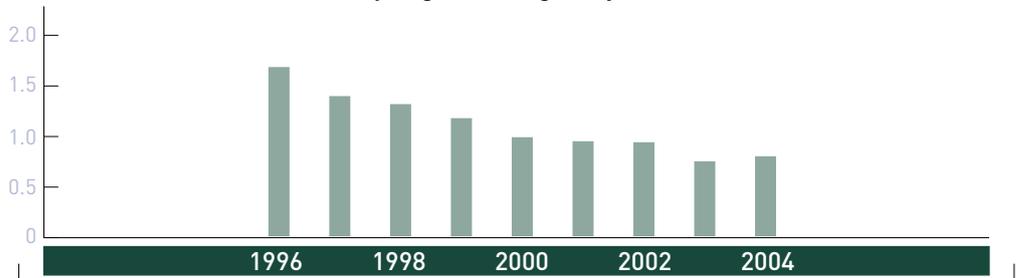
Waste from factories (kg waste per tonne finished product)



Chemicals that are not readily degradable

Lilleborg continues its targeted efforts to ensure that its detergents are environmentally friendly. The amount of not readily degradable chemicals per wash was reduced by 53% in the period 1996–2004.

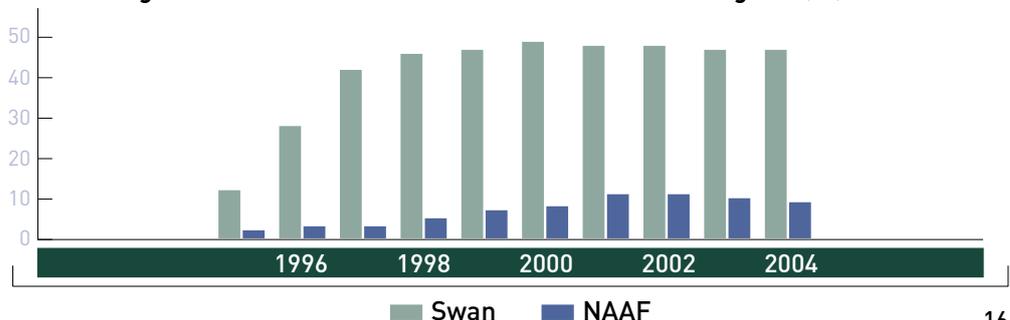
Chemicals that are not readily degradable (gram per wash)



The percentage of Swan-labelled and NAAF-recommended detergents

Lilleborg has focused on offering consumers detergents that are labelled as environmentally friendly and safe for persons with allergies. The percentage of Lilleborg household detergents that bear the Swan ecolabel has remained stable at around 47% in the last five years. A new range of Swan-labelled industrial cleansers was launched at the end of the year. Around 9% of Lilleborg household detergents are recommended by the Norwegian Association for Asthma and Allergy (NAAF). The purpose of the NAAF recommendation is to help persons who have allergies or are oversensitive to find products that minimise any adverse effects.

Percentage of Swan-labelled and NAAF-recommended detergents (%)



ABOUT ORKLA MEDIA Orkla Media is the fifth largest media company in the Nordic region. Its core businesses are daily newspapers, magazines and direct marketing. The Group has subsidiaries in Norway, Sweden, Denmark, Poland, the Baltic States and Ukraine. Orkla Media was established in 1983 and had approximately 8,500 employees in 2004.

Orkla Media owns Det Berlingske Officin, the largest newspaper group in Denmark, whose main activities are in the printed media and electronic publishing sectors. The total daily circulation of newspapers in the Berlingske Group on weekdays is 507,000. The Group also publishes regional newspapers with a weekly circulation of 1,590,000 and the national free sheet Urban, which has a daily circulation of 220,000 copies.

Orkla Media is the largest media company in Poland, with shares in 13 daily newspapers which have a daily circulation of 558,000. The newspaper business also includes one weekly newspaper in Poland, one regional newspaper in Lithuania and one in Ukraine.

In Norway, the newspaper business comprises 31 regional and local newspapers with a total circulation of approximately 377,000 on weekdays, and one regional newspaper in Sweden.

Orkla Media also owns 50% of Hjemmet Mortensen Forlag, which is the biggest publisher of family and special interest magazines in Norway.

Orkla Media is also a significant player in the field of direct advertising and dialogue marketing and has companies in Norway and Sweden.

Orkla Media in 2004

Raw materials and packaging

Paper consumption at Orkla Media's printing plants increased in 2004 as a result of higher circulations and external contracts. All the printing plants are working to reduce the quantity of waste paper. Newspapers Norway and Orkla Press Poland have been successful, but the quantity of waste paper at Det Berlingske Officin increased due to the start-up of a new printing plant in 2004. As a result of Berlingske's size, the total quantity of waste paper for Orkla Media as a whole therefore remained unchanged.

Water

Orkla Media's water consumption declined from 0.59 m³ per tonne paper consumption in 2003 to 0.46 m³ per tonne in 2004. As a result of various water-saving programmes, Newspapers Norway, Orkla Press Poland and Det Berlingske Officin reduced their water consumption in 2004, while it was more or less unchanged at the Hjemmet Mortensen printing plant. Many of the printing plants have installed instruments to measure the consumption of various types of process water.

Energy

Orkla Media companies are focusing on reducing energy consumption, especially electricity. Electricity consumption at the printing plants was continuously reduced in all four sectors in the period 2002–2004. In the past year, consumption was reduced from 0.30 to 0.28 MWh per tonne paper consumption. There will continue to be strong focus on energy-saving in the years ahead for both financial and environmental reasons.

Other matters

The Presspublica printing plant in Koninko, Poland, was certified according to ISO 9001 and ISO 14000 in 2004. The implementation of the ISO standards is an element of the company's 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.

The Hjemmet Mortensen printing plant has removed old oil pollution in the ground on its site. The Norwegian environmental authorities have approved the clean-up.

Challenges

Health, safety and environment (HSE)

The printing plants face the greatest environmental challenges due to the type of production they are engaged in and the packing of newspapers and magazines. Many of them also have night shifts. In recent years, substantial investments have been made in production facilities and machinery to ensure a good working environment.

Efforts to reduce sickness absence and preventive measures in this area will continue in 2005. In Norway, activities in recent years have been linked to the Inclusive Workplace Agreement, which most of the Orkla Media companies in Norway have now signed.

Raw materials and packaging

Orkla Media's printing plants had set specific targets for reducing the quantity of waste paper in 2004. It nevertheless remained unchanged for Orkla Media as a whole. The targets will be the same in 2005.

Energy

Orkla Media companies focus continuously on reducing water and energy consumption. In 2004 energy consumption per tonne paper consumption was reduced by about 7% at the printing plants, while water consumption per tonne paper consumption was reduced by more than 20%. The focus on water and energy-saving will continue in 2005.

Other matters

At Orkla Media, environmental expertise is located in the large printing companies, while there is none at the central level. In 2005, a number of forums involving representatives of the various companies and sectors will be working to develop good standards, routines and tools for all the companies in the Orkla Media Group.

The Polish companies will continue to work on adapting their operations to EU environmental requirements and standards in 2005.

Newspapers Norway has decided to replace the printing plants in Molde and Ålesund with a new plant for the north-western region, which will result in a more environmentally friendly process.

The amalgamation of Orkla Media's printing activities in the Oslo Fjord region was completed in 2003. Orkla Media's newspapers in south-eastern Norway are now printed in Stokke, Vestfold County. As a result of this change, the newspapers are now printed at a modern, environmentally efficient plant and the technical experts

are all in one place. However, this has a certain negative environmental impact as a result of increased transportation of newspapers. Efforts to make transport systems as efficient as possible will continue in 2005.

Objectives and achievement of objectives

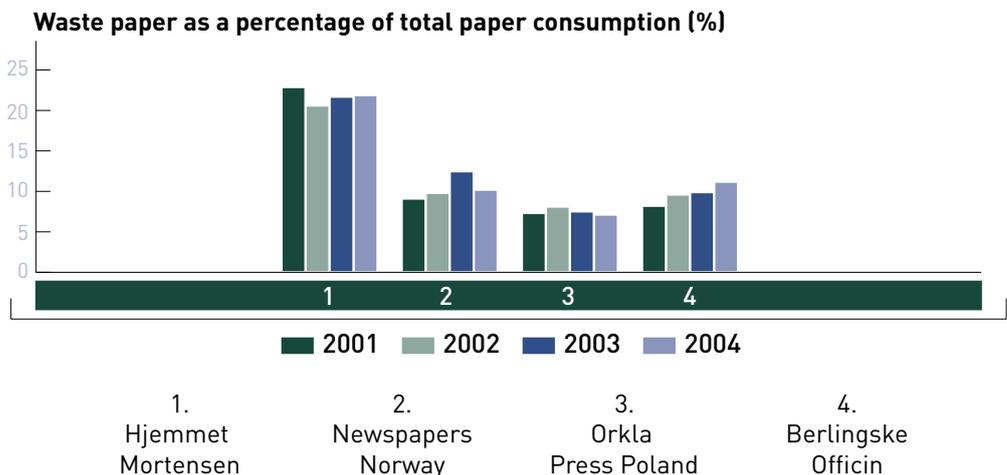
Orkla Media focuses on reducing waste paper, energy consumption and emissions and improving the working environment

AREA	OBJECTIVES	ACHIEVEMENT OF OBJECTIVES
Working environment	By means of various measures, prevent repetitive stress disorders and sickness absence and improve the psycho-social working environment	Bergske Avistryk aims to reduce noise levels to less than 80 dB. In 2004 the level was 82 dB. This is equivalent to 95% of the targeted reduction. The objective will remain the same in 2005.
Emissions	Reduce emissions of carbon monoxide (CO) and total hydrocarbons (THC) from the presses at the Hjemmet Mortensen printing plant.	These emissions are well below the levels permitted in the licence.
Waste paper	Reduce the quantity of waste paper at all printing plants	All the printing plants focused on reducing waste paper. Despite this, the percentage of waste paper (about 11%) did not decline in 2004 for Orkla Media as a whole. This was due to the start-up of a new printing plant for Det Berlingske Officin. However, from 2003 to 2004 the quantity of waste paper was reduced from 12.3% to 10.0% at Newspapers Norway and from 7.3% to 6.9% at Orkla Press Poland.
Energy and water	Reduce consumption of electricity, oil, gas and water.	Electricity consumption at the printing plants declined continuously in the period 2002–2004. In 2004 electricity consumption was reduced from 0.30 MWh to 0.28 MWh per tonne paper consumption. The trend is similar in all four sectors. The printing plants have reduced their energy consumption by installing thermostats, low-energy equipment, energy-saving light bulbs, etc. The consumption of water at Orkla Media declined by more than 20%, from 0.59 m ³ per tonne paper consumption in 2003 to 0.46 m ³ in 2004.

Results

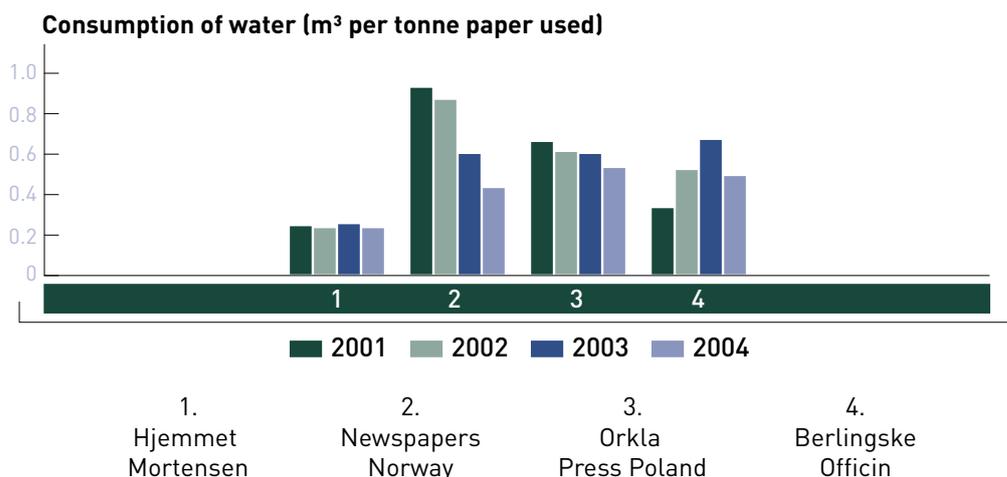
Waste paper as a percentage of total paper consumption

Orkla Media's printing plants increased their paper consumption in 2004 as a result of bigger circulations or external contracts. The quantity of waste paper declined at Newspapers Norway and Orkla Press Poland in 2004, while it increased at Det Berlingske Officin due to the phasing in of a new printing plant. From 2003, waste paper from the packing department at Orkla Trykk Stokke was included in the quantities reported for Newspapers Norway. 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 stricter quality requirements.



Water consumption

The graph shows the consumption of water per tonne paper consumption. However water consumption per unit product is relatively low at Orkla Media compared with Orkla's other businesses. As a result of various water-saving programmes, Orkla Newspapers and Orkla Press Poland have steadily reduced their water consumption in recent years. Det Berlingske Officin reduced its water consumption significantly in 2004, while consumption at the Hjemmet Mortensen printing plant was more or less constant.



ABOUT CHEMICALS Borregaard, which is Orkla's Chemicals division, is an international chemicals company that develops, manufactures and markets speciality products for industry. Borregaard's core businesses comprise speciality chemicals, fine chemicals and ingredients. Borregaard has 2,000 employees at production plants and sales offices in Europe, the USA, Asia and Africa.

Borregaard ChemCell is a leading supplier of highly processed speciality cellulose that is used as a raw material in consumer products and for various chemical-technical applications. The company also produces bio-ethanol, yeast and yeast extracts as an integral part of its wood chemicals concept.

Borregaard LignoTech is the world's leading supplier of lignin-based dispersing and binding agents.

Borregaard Synthesis produces advanced fine chemicals for the pharmaceutical industry, the food industry and other selected markets.

Borregaard Energy produces and trades in electric power.

Chemicals in 2004

Health, safety and environment (HSE)

The number of injuries per million working hours (H value) in Orkla's Chemicals division declined from 10.8 in 2003 to 9.9 in 2004. However, there were major variations between the individual units. The most positive long-term trend has been at the Sarpsborg plants, where the H value in 2004 was 4.4.

Sickness absence at the Norwegian factories declined from 9.1% in 2003 to 6.9% in 2004. Work on the Inclusive Workplace Agreement has brought very good results, especially at the Borregaard factories in Sarpsborg (Borregaard Fabrikker).

Risk assessments were carried out in all departments at Borregaard Fabrikker in order to evaluate the risk of injuries and accidents. The weaknesses that were discovered have been remedied by making technical adjustments to equipment and changing work routines, and by carrying out organisational changes. The current focus is also on dangerous behaviour.

Raw materials and packaging

The timber used by Borregaard comes from Scandinavia and the Baltic States. It is transported by road (about 41%), railway (about 25%) and sea (about 34%).

A new waterworks will become fully operational at Borregaard Fabrikker in early 2005.

Energy

Borregaard is Orkla's biggest energy consumer. Consequently, energy saving is one of the company's highest environmental priorities. In recent years, Borregaard has made substantial investments in energy-saving and has worked systematically to improve the utilisation of various thermal energy streams, generate energy from sorted waste and improve monitoring and control systems.

In 2003 and 2004 a number of measures were implemented at Borregaard Fabrikker which reduced the total energy requirement by approximately 75 GWh, equivalent to 7,500 tonnes of oil. A new plant fuelled by liquid residues from cellulose and vanillin production started up in 2004. The plant is calculated to generate about 130 GWh of bioenergy annually. The proportion of energy that comes from biofuel has increased as a result of this.

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. The larger factories are also certified according to the ISO 14001 environmental standard.

Challenges

Emissions, discharges and waste

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

Energy

Most of Borregaard's energy consumption takes place at the main factories in Sarpsborg. While most cellulose manufacturers burn parts of the biomass in timber to generate necessary thermal energy, Borregaard uses almost the entire log to make commercial products. Thermal energy must therefore be procured in other ways.

Total energy consumption in 2004 was 1.6 TWh. Extensive efforts are being made to reduce consumption, and Borregaard is also working to ensure that the plants have new, environmentally friendly energy sources. In spring 2005, the sulphuric acid factory, which has so far covered 40% of the company's thermal energy needs, will be closed down. To replace this energy, the company aims to use a large proportion of renewable energy sources, such as waste and biofuel, and to increase its utilisation of thermal energy from the company's own residuals.

The new sulphur dioxide production plant also generates thermal energy, which is being utilised. The plant will be fully operational in 2005 and will have positive environmental and financial effects.

Other matters

Borregaard has evaluated the environmental impacts of different chemicals. The company is now working to replace certain chemicals with alternatives that have better HSE qualities.

Borregaard Fabrikker in Sarpsborg is preparing for stricter environmental requirements in connection with the renewal of its licence from 2008. Several projects have been initiated. Investments in the order of NOK 280 million up to the end of 2007 will also reduce emissions and save energy. In the period up to the end of 2007, the company will also implement measures to ensure that all waste water that contains AOX is treated in biological treatment plants.

Objectives and achievement of objectives

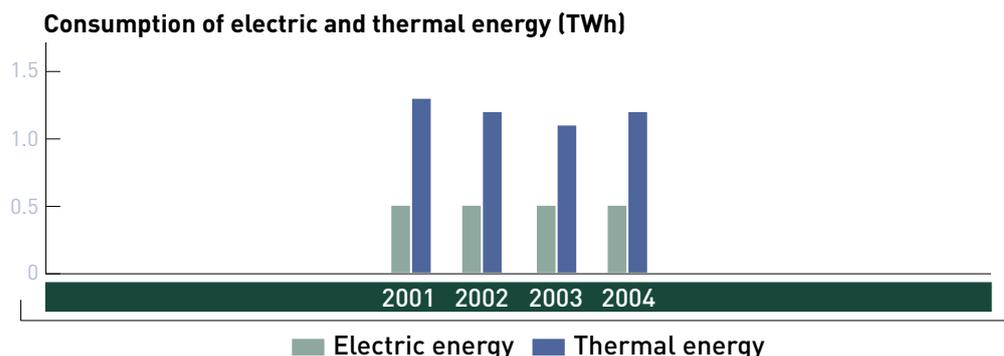
Borregaard focuses on energy, emissions and input factors. The company is also implementing a number of measures to reduce problems that affect the local community in the neighbourhood of its biggest plants in Norway and Switzerland.

AREA	OBJECTIVES	ACHIEVEMENT OF OBJECTIVES
Working environment and sickness absence	By means of various measures, prevent occupational injuries and sickness absence.	Sickness absence at the Norwegian plants declined from 9.1% in 2003 to 6.9% in 2004. The injury rate (H value) for the Chemicals division declined from 10.8 in 2003 to 9.9 in 2004.
Emissions	Reduce emissions to air and water. Reduce noise and undesirable odours in the local environment.	The new plants that recycle energy from liquid residues and from sulphur dioxide production are also reducing emissions from Borregaard Fabrikker. A project to reduce discharges and emissions to water and air has been initiated at Borregaard Schweiz. These investments, which will total NOK 40 million, will also improve the local environment.
Raw materials	Environmentally-friendly timber.	Most of Borregaard's timber comes from forests that are managed on sustainable principles.
Energy	Reduce energy consumption through targeted energy-saving measures.	A series of energy-saving measures in 2003 and 2004 have reduced thermal energy consumption by approximately 75 GWh per year at Borregaard Fabrikker in Sarpsborg. When it is fully operational, the new plant that is fuelled by liquid residues from cellulose and vanillin production will generate about 130 GWh per year. The new sulphur dioxide factory started up in autumn 2004 and will be fully operational in 2005.
Official requirements	Renew licences	Borregaard Fabrikker in Sarpsborg have initiated a project to adapt operations to new licence requirements from 2008.

Results

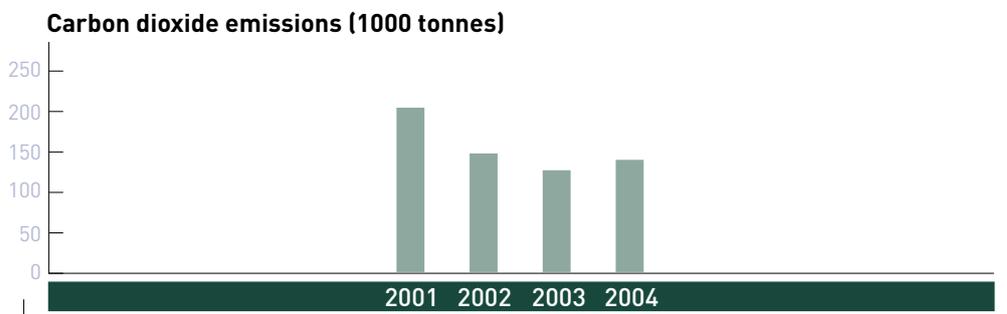
Electric power and thermal energy consumption at Borregaard Fabrikker in Sarpsborg

Borregaard Fabrikker, which is Orkla's biggest consumer of energy, is engaged in several projects to ensure future supplies of thermal energy that will have little environmental impact. Work is also in progress on a number of energy-saving projects to reduce energy requirements. In 2003 and 2004, Borregaard in Sarpsborg reduced its thermal energy requirement by a total of approximately 75 GWh. In 2004, Borregaard started up a plant that uses residues from cellulose and vanillin production as biofuel.



Carbon dioxide emissions

The graph shows emissions of carbon dioxide from burning fossil fuels at Borregaard Fabrikker in Sarpsborg. The reduction in emissions in the period 2001–2004 was partly a result of new energy plants coming on line, and of using electricity instead of oil for some thermal energy production in 2002 and 2003. Emissions of carbon dioxide from burning biofuel amounted to approximately 33 thousand tonnes in 2004.



Sulphur dioxide emissions

The graph shows sulphur dioxide emissions from burning fossil fuels at Borregaard Fabrikker in Sarpsborg. The reduction in emissions in the period 2001–2004 was partly the result of increased use of electricity instead of oil for the production of thermal energy in 2002 and 2003. The changeover to oil with slightly lower sulphur content also affected emissions. Emissions of sulphur dioxide from burning iron pyrite totalled approximately 15 tonnes in 2004.

