

Sustainability Facts

STORA ENSO'S FACT SHEET FOR STAKEHOLDERS

July 2007

Stora Enso and forest certification

This fact sheet describes the Group's position on forest certification. It also includes explanations of commonly used terms in this context.

- Stora Enso operates globally.
- Annual wood use is 45 million m³.
- Stora Enso has traceability systems in place for the origin of all wood fibre and pulp.
- 90% of Stora Enso's traceability systems are third-party certified.
- 55% of the wood fibre used by the Group comes from certified forests (with or without chain-of-custody certification).
- 8% of the world's forests are certified.

Stora Enso's forest certification principles and practices

Stora Enso position on forest certification

- Stora Enso promotes forest certification and aims globally to increase the volumes of wood originating from third-party certified forests.
- Due to different conditions, Stora Enso sees a need for more than one forest certification system in various regions. Relevant systems today for Stora Enso are PEFC, FSC, SFI, CSA, ATFS and CERFLOR.

Principles for the development of forest certification

- Forest certification must be developed according to the prerequisites of each country and region, such as forest ownership, legislation, ecological and social conditions.
- Stora Enso encourages harmonisation of national standards and mutual recognition between forest certification systems e.g. through double certifications.

- Other existing measures, such as the ISO 14001 environmental management system, must be further developed, especially in areas where no immediate possibilities for forest certification exist.

Prerequisites of a credible system

- Criteria for forest certification are created in open processes.
- Criteria include social, economic and environmental aspects.
- National and regional characteristics to be taken into account to ensure that systems are widely applicable.
- Continuous improvement promoted through similar procedures as those used in environmental management systems.
- Systems are audited by independent third parties.

Forest management certification

- Applies to forest management only.
- Certification by an accredited, independent auditor that a forest area has been managed according to a defined set of performance standards in line with the principles of sustainable forest management.
- Globally there are many forest management certification systems with slightly different requirements. All, however, include criteria on economic, environmental and social aspects of sustainability.

Common features of the systems

- Third-party certification in order to guarantee credibility and compliance with the criteria.
- Aim to promote environmentally, economically and socially sustainable forest management practices.
- Aim to achieve higher performance levels than those required by existing national legislation.
- All systems are voluntary.
- PEFC and FSC are international in scope with internationally agreed principles.
- Within PEFC and FSC, national and regional standards are developed based on the internationally agreed principles.
- The highest governing bodies of the systems endorse national standards.

Chain-of-Custody, Controlled Wood and Stora Enso traceability systems

Chain-of-Custody (CoC) certification

- Linked to forest management certification.
- Third-party certified system used in the supply chain to record and report the amounts of wood coming from forests that have forest management certification.
- Different forest management certification systems have their own CoC systems and rules, e.g. FSC and PEFC.
- If CoC certification is implemented throughout the supply chain and enough certified wood material is used, some systems offer a possibility for product labelling i.e. FSC or PEFC logo.

Controlled Wood

- A separate FSC standard developed for tracking wood fibre coming from forests that do not have FSC forest management certification.
- Required in order to meet the FSC CoC requirements when mixing FSC-certified wood with non-FSC-certified wood.
- Verification that companies prevent wood from non-desirable sources, such as illegally harvested wood, from mixing with FSC-certified wood.
- In November 2006, PEFC launched a mandatory guide for wood fibre without forest management certification to ensure controversial wood is avoided such as illegally harvested wood.

Stora Enso's own traceability systems

- Tool for tracking the origin of wood and verifying compliance with corporate policies and national legislation.
- Cover all wood and pulp used by Stora Enso, originating from both uncertified and certified sources.
- Document the origin of wood, tracking it from the forest until the wood first enters Stora Enso's possession.
- Over 90% of the traceability systems are third-party certified through CoC, Controlled Wood, ISO 9001, ISO 14001 and/or EMAS certification.

Differences between Chain-of-Custody and Stora Enso traceability systems

- CoC covers only wood coming from certified forests – Stora Enso's traceability systems cover all wood used by the Group.
- CoC is audited by a third party in line with the relevant CoC standard – Stora Enso's traceability systems are audited internally and externally in line with CoC, Controlled Wood, ISO or EMAS.
- CoC can be implemented throughout the supply chain to the product level – Stora Enso's traceability systems end when wood enters the first Stora Enso reception point.
- CoC enables product labelling if implemented through the supply chain and if other requirements are met – Stora Enso's traceability systems don't enable product labelling.

Glossary

- **Forest management certification** – The management of a forest area is audited by an independent certifier to meet a defined set of performance standards in line with principles for sustainable forest management.
- **Chain-of-custody (CoC) certification** – Linked to forest management certification. A certified system to track wood coming from certified forests. If brought to mill and product level, some systems offer a possibility for product labelling.
- **Controlled Wood** - FSC standard developed for wood without FSC forest management certification to ensure that wood in FSC certified products do not mix with wood from undesirable sources. Sources excluded are: forests where traditional or civil rights are violated, forests with threatened High Conservation Values, genetically modified (GM) trees, illegally harvested forest areas, and natural forests converted for plantation or other use.
- **Stora Enso traceability system** – Stora Enso's internal system to document the origin of all wood fibre used by the Group. These systems can be third-party certified through CoC, Controlled Wood, ISO 9001, ISO 14001 and/or EMAS.
- **ATFS** – The American Tree Farm System www.treefarmssystem.org
- **CERFLOR** – The Brazilian Forest Certification Program, Certificação Florestal www.inmetro.gov.br
- **CSA Z809** – The Canadian Standards Association's Programme for Sustainable Forest Management www.csa.ca
- **FSC** – The Forest Stewardship Council www.fsc.org
- **PEFC** – The Programme for the Endorsement of Forest Certification Schemes www.pefc.org
- **SFI** – The Sustainable Forestry Initiative www.sfiprogram.org
- For more information visit: www.storaenso.com/wood

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