

Sustainability Facts

STORA ENSO'S FACT SHEET FOR STAKEHOLDERS

November 2005

Stora Enso combats illegal logging

One of the main goals of Stora Enso's sustainability work is to ensure the legality of wood and fibre. This fact sheet describes Stora Enso's position on illegal logging and lists the measures taken by the Group in accordance with the position. It also provides some background information and lists commonly used definitions of illegal logging.

- Stora Enso actively combats illegal logging and other illegal activities in wood supply
- Traceability systems are one of Stora Enso's most important tools to fight illegal logging.
- Stora Enso's traceability systems cover all the fibre used within the Group.

Stora Enso's position and actions

- Stora Enso actively works to combat illegal logging wherever the Group operates.
- Stora Enso also acts to prevent any other illegal activities related to its wood supply.
- Where Stora Enso cannot directly prevent such illegal incidents, the Group co-operates with the authorities and other stakeholders in order to improve the working environment.

Action

Measures taken by Stora Enso to combat illegal logging include the following:

- Recognise and analyse risks related to illegal activities in the Group's operating environment.
- Ensure that suitable systems are in place to verify that all fibre comes from legal sources by applying Stora Enso's principles and traceability guidelines related to the origin of wood and fibre.

- Institute appropriate corrective actions, including the cessation of purchases as soon as any irregularities are noted.
- Implement environmental management systems.
- Promote forest certification, as outlined in the Stora Enso Position Paper on Forest Certification.
- Implement chain-of-custody systems to verify wood flows from certified forests.
- Strengthen the Group's local presence in wood procurement areas.
- Establish long-term partnerships with selected suppliers.
- Keep supply chains as short as possible.
- Train the Group's own personnel and suppliers.
- Maintain active stakeholder dialogue.
- Co-operate with the authorities, industrial associations and academia to promote the Group's position.
- Have traceability systems in place to verify the origin of wood and enhance the third party verification of the traceability systems.

Forestry benefits from strong law enforcement

- The forest industry needs a stable business environment to secure long-term investments and supply of raw material.
- Illegal logging undermines long-term sustainability, distorts competition and damages the public image of the entire industry.
- It is important to support law enforcement also in areas such as taxation, working conditions and transportation.
- Stora Enso is engaged in several different ecological, social and economic forums to advance law enforcement.

- The EU's initiative on Forest Law Enforcement, Governance and Trade (FLEGT) stresses the need to document the origin of fibre.
- Stora Enso supports the verification of the origin of wood and sees traceability systems verified by ISO, EMAS or chain-of-custody certification as the main tool for these purposes.
- There is no commonly agreed definition on illegal logging, which can confuse communication and estimates concerning the amounts of illegally harvested wood. Stora Enso contributes different processes which aim at improving related definitions and terminology.

Questions and Answers

Does Stora Enso buy wood that has been illegally logged?

No. Stora Enso's traceability systems are in place to verify the origin of wood and give assurance of their legality. Purchasing wood logged without the permission of the landowner or in violation of national or state laws would be against the Group's wood procurement principles. Documentation of the origin of wood and long-term partnerships with contractors are powerful tools to prevent illegal wood entering our system. In all countries we look for the best practices and promote them. We co-operate with the authorities to prevent illegal wood from entering our system.

What tools does Stora Enso use against illegal actors?

We are constantly searching for the best and most sustainable practices in our own operations and we insist that our partners also follow the same principles.

We are co-operating with and assisting the authorities in the development of tools enabling better control over the forest resources use and wood market. It is positive to see that authorities are taking actions to prevent and punish illegal actions.

How does Stora Enso verify the legality of wood?

Traceability systems are the most important tools to fight illegal logging. Knowing where wood comes from, how it is harvested, and who has the land use or tenure rights are all key elements of traceability systems. Supplier and field audits also check the conservation status of the forest and compliance with national legislation. Third party verification gives traceability systems additional credibility, and also helps Stora Enso to find ways to make improvements.

Definitions of illegal logging

Stora Enso – Illegal logging is wood harvesting in violation of national laws or state laws.

Confederation of European Paper Industries (CEPI) – When timber is harvested in violation of national laws.

CBD, the Convention on Biological Diversity – Unauthorised harvesting

WWF – When forest products are bought or sold in violation or circumvention of national or sub-national laws relating to harvesting, transportation or processing. ("Illegal logging and forest crime" includes large and small-scale timber theft, transfer pricing, breaching of tax rules, illegal aspects of timber sourcing and circumvention of concession agreements through bribery or deception.)

FERN – When timber is harvested, transported, bought or sold in violation of national laws

FAO, Advisory Committee on Paper and Wood Products – Illegal logging takes place when timber is harvested, transported, bought or sold in violation of national laws.

EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT) – Timber products harvested in violation of (relevant) national laws

Sustainable Forestry Initiative (SFI) of the U.S. Forest and Paper Association – Theft of timber or logs, cutting in parks, reserves or other similar areas where otherwise precluded by law

Read more

- www.storaenso.com/sustainability > Publications > Position papers > Illegal wood supply activities
- www.storaenso.com/sustainability > Publications > Booklets > Wood & fibre
- www.storaenso.com/sustainability > Publications > Sustainability report
- www.storaenso.com/wood
- www.storaenso.com/2004/sustainability > Environment > Wood procurement

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