

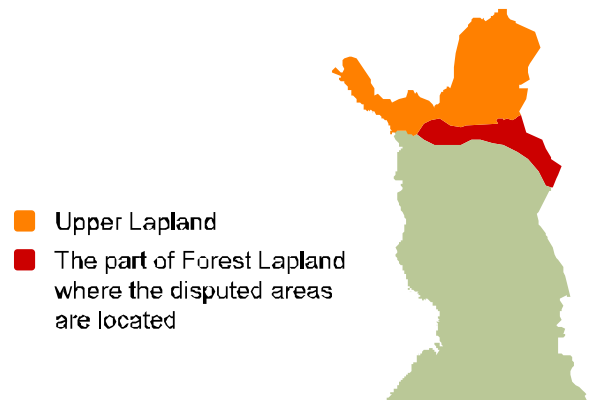
Sustainability Facts

STORA ENSO'S FACT SHEET FOR STAKEHOLDERS

17 October 2007

Stora Enso and Forest Lapland

The harvesting operations of Stora Enso's supplier Metsähallitus in Finnish Forest Lapland are of interest to many of Stora Enso's stakeholders. This fact sheet describes the background and Stora Enso's position.



Stora Enso's position

- Stora Enso does not purchase wood or fibre from protected areas or areas in the official process of designation for protection, old-growth forests, or high conservation value forests defined in national stakeholder processes, unless purchases are clearly in line with national conservation regulations.

In Forest Lapland, Stora Enso

- shares the opinion of the Finnish Ministry of the Environment that ecological values have been safeguarded through the region's exceptionally high level of conservation: 43% of the region's forests are strictly protected, and in these areas no logging is permitted.

- thinks that conservation issues should continue to be resolved through democratic processes with the co-operation of stakeholders.
- sees that the forest industry has a significant positive impact on regional social and economic conditions.
- recognises that Metsähallitus has certified its forests according to PEFC certification system, and their deliveries to Stora Enso meet the requirements of FSC Controlled Wood audits.
- considers that Metsähallitus's operations are in line with Stora Enso's principles, and will continue purchases from areas within Forest Lapland where commercial loggings are allowed and where Stora Enso's own auditing criteria are fulfilled.

Background

- In 1996, an extensive Old-Growth Forest (OGF) Protection Programme was implemented in Northern Finland. As a result of a multi-stakeholder process, 293 000 ha of forests were strictly protected. Forest Lapland was excluded from this process as already more than 40% of the region's forests were already protected.
- In 2003, Metsähallitus, WWF and the Finnish Association for Nature Conservation (FANC) started a dialogue process to evaluate the need for conservation in an additional area of 360 000 ha in Northern Finland left outside the OGF Protection Programme. Other stakeholders, such as private forest owners, reindeer herders and forest industry representatives, were also consulted. The southern part of Forest Lapland was included in this dialogue process.
 - In February 2006, WWF and Metsähallitus reached an agreement by which Metsähallitus protected a further 120 000 ha, of which 55 000 ha is productive forest land.
 - Metsähallitus has thus also increased conservation in Forest Lapland. It was further agreed that Metsähallitus would review the sufficiency of the conservation network and any shortcomings before carrying out site-specific operational planning in Forest Lapland.
- In spring 2006, Greenpeace and FANC requested that an additional 103 000 hectares of forests and peat lands be protected in Forest Lapland.
- In November 2006, Metsähallitus started logging in one of the areas defined by Greenpeace and FANC in spring 2006.
- In December 2006, Metsähallitus published a report assessing the current situation and the representativeness of the region's protected areas. The report states that
 - 43% or close to half a million hectares of all forests in Forest Lapland are strictly protected.
 - the region's overall conservation status is sufficient from an ecological perspective.
 - out of Finland's four vegetation zones, Forest Lapland has the highest level of conservation.
- In February 2007, a group of Finnish researchers petitioned the Ministry of Agriculture and Forestry to stop logging in Forest Lapland. The Finnish Forest Research Institute conducted a study in response to the petition, concluding that:
 - biodiversity is exceptionally well protected in Northern Finland and Finnish Lapland due to the region's extensive network of protected forests.
 - the best and most extensive forest conservation network is in Forest Lapland, where 43% of forests are strictly protected and hence completely and permanently excluded from all forestry activities.

Nature conservation

- The EU Commission confirmed that by finalising its national Natura 2000 programme, Finland has achieved an adequate level of protection for its boreal forests.
- The Finnish Ministry of the Environment stated on 17 January 2007 that ecological values have been safeguarded through the country's exceptional network of protected areas and wilderness areas, which exceeds international requirements. The Ministry also stresses that conservation issues in Finland are resolved through democratic processes with the co-operation of stakeholders.
- 43% or close to a half a million hectares of productive forest land in Forest Lapland is protected, and no harvesting is carried out in these areas. This is sufficient to safeguard the region's ecological values.
- Metsähallitus's harvesting operations will not have any effects on the survival of the Finnish populations of any threatened mammal, bird or plant species. The occurrences of bracket fungi recently identified by environmental NGOs are taken into account by Metsähallitus, under the guidance of conservation biologists, whenever logging operations are planned.
- The Finnish Ministry of the Environment considers that the occurrences of threatened species in the region's commercially managed forests are not critical for the survival of those species, since there are plenty of suitable habitats for threatened species in nearby protected areas.

FSC Controlled Wood Audit

- The FSC Controlled Wood audit was carried out by the Soil Association.
- Metsähallitus was evaluated against FSC-STD-30-010 FSC Controlled Wood Standard for Forest Management Enterprises, modified to take account of the Finnish FSC standard with respect to the definition of high conservation value forests (HCVFs).
- Disputed areas in the Inari region of Upper Lapland were excluded from the scope of the assessment as Stora Enso does not receive wood from those areas unless there is a written agreement between Metsähallitus and the affected local reindeer herding association.
- Metsähallitus's deliveries to Stora Enso meet the requirements of FSC Controlled Wood audits.
- Checks were made to ensure that delivered wood can be traced back to its origins, and the procedures were found to be in compliance with FSC chain-of-custody requirements.
- When it comes to protecting HCVFs, Metsähallitus presented evidence of their inventory and planning process, which results in detailed GIS maps showing the locations of HCVFs and a management system that takes HCVFs into account in order to ensure their long-term survival.
- The auditors advised Stora Enso to more clearly address risk areas through intensified auditing and other controls.
- Stora Enso has taken the auditors' recommendations into account and implemented measures for improvement.

Glossary and more information

- **FANC** – Finnish Association for Nature Conservation
- **Forests under strict legal protection** – Forests that have been officially protected, where no logging is allowed.
- **Hectare, ha** – an area of 100x100 m
- **High conservation value forests (HCVFs)** – Forests of outstanding or critical importance due to their high environmental, cultural, biodiversity or landscape values. HCVFs comprise the crucial forest areas and values that need to be maintained or enhanced in a landscape. This definition is from the international FSC standard.
- **Metsähallitus** – A Finnish State enterprise responsible for managing State-owned lands and waters.
- **NGO** – Non-governmental organisation
- **Old-growth forests (OGF)** – Forests of exceptionally high conservation value due to their combination of very old trees, very large trees, natural forest structure, extensive woody debris and species composition. Old growth is an ecosite-specific condition, which must be identified using locally valid biological criteria.
- **VATT** – Finnish Government Institute for Economic Research
- www.storaenso.com/sustainability
- www.storaenso.com/factsheets including a fact sheet explaining Stora Enso's position on Upper Lapland
- www.forest.fi website of the Finnish Forest Association
- www.metsa.fi Metsähallitus's website
- www.vatt.fi website of the Finnish Government Institute for Economic Research (VATT)
- www.soilassociation.org/forestry website of the Soil Association

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