

THE DANISH  
INSTITUTE FOR  
HUMAN RIGHTS



storaenso

STORA ENSO  
HUMAN RIGHTS ASSESSMENT  
REVIEW AND CONSOLIDATION REPORT



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The Danish Institute for Human Rights is Denmark's National Human Rights Institution. As part of its legal mandate DIHR can engage directly with private actors. The purpose of this engagement is to address the positive and negative human rights impacts of business operations around the world. DIHR strives to publicly disseminate knowledge based on experiences gained in corporate engagement projects in order to advance human rights in the wider corporate sector. Being an impartial, independent National Human Rights Institution DIHR does not offer public endorsements of specific corporate actors.

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## FOREWORD

### **DANISH INSTITUTE FOR HUMAN RIGHTS**

The Danish Institute for Human Rights has a vision of a society in which business contributes to the protection of people and planet. Business respect for human rights is a necessary part of this vision.

Unanimously endorsed by the UN Human Rights Council in 2011, the UN Guiding Principles on Business and Human Rights remain the only responsible business standard that has been globally agreed by states. A key part of this standard is the responsibility of companies to understand how they might cause or contribute to adverse impacts on human rights. Having this knowledge is a prerequisite for being a sustainable company.

With this report, Stora Enso demonstrates the kind of corporate leadership needed to realize that journey. It provides the findings of human rights impact assessments of the company's activities in 22 countries worldwide. Very few companies have undertaken human rights due diligence on this scale.

Many human rights challenges faced by companies cannot be solved by business alone. As a National Human Rights Institution we insist on the primary duty of government to protect and fulfil human rights. When companies talk openly about human rights challenges, this can help governments address these problems through effective policies.

Anyone familiar with forestry knows that it takes many years from the seedling is planted until the tree can be harvested. This report adds to a growing body of experience that will help set future standards for how companies can deal with - and talk about human rights.

Allan Lerberg Jorgensen  
Director for Human Rights and Development

## **STORA ENSO**

### **Human Rights Assessments 2014 – Accountability through Transparency**

This report contains the consolidated results of a unique project. In 2014, we carried out Human Rights Assessments covering all Stora Enso production units and forestry operations across the world: 93 units in 22 countries. Understanding our human rights impacts is an important part of our human rights approach and ongoing due diligence. This was a new endeavor for us and we have our partners - especially the Danish Institute for Human Rights (DIHR) – to thank for guiding us.

Businesses have human rights impacts whether or not they recognize them. For us it is a top priority to know and understand them to be able to prevent, mitigate and remedy them. We carried out the assessments globally, as human rights issues are relevant for all countries and they cover issues you would not initially maybe think of. We have had significant human rights related challenges in some countries such as Pakistan and China, and that is why during this project we carried out more in-depth human rights assessments in those areas, facilitated by external specialists.

This report gives us the baseline for future actions. Going forward, we will engage with investors, NGOs and other stakeholders in reviewing the results and planning actions. Launching the human rights action plans in 2015 will be a top priority. We will make sufficient resources available for this and agree on ambitious but realistic milestones based on detailed analysis of what needs to be done to make a real change. Transparency, the way I see it, increases accountability.

Throughout the assessment process, our collaboration with DIHR was pivotal. We developed the assessment tools and methods together, and DIHR took a critical look at the whole process and its results. We also have other organisations to thank for, including BSR (Business for Social Responsibility) that cooperated with us in Laos, and FWC (Fair Working Conditions) that performed external site visits at our units. Prior to the assessment process, more than 80 employees from all over Stora Enso were trained on the United Nations Guiding Principles for Business and Human Rights by external human rights specialists.

Making these assessments was a common effort at Stora Enso, and I am very proud of all the colleagues around the world who were open to learn new things and look at their daily operations through human rights lenses. This was a new topic to many of us, and although we realized that the interpretation of human right varies in different cultures and contexts, this project brought business and human rights to the forefront of discussions at Stora Enso. This is a clear change we now get to see in the company. Going forward, we aim to further integrate a human rights perspective in our business operations and decision making.

Karl-Henrik Sundström  
CEO  
Stora Enso

# ABBREVIATIONS

## ABBREVIATIONS

DIHR – Danish Institute for Human Rights

BSR – Business for Social Responsibility

FWC – Fair Working Conditions

UNGPs – UN Guiding Principles on Business and Human Rights

## EXECUTIVE SUMMARY

Human rights make a key part of Stora Enso's Global Responsibility strategy and the company has been seeking for continuous development and improvement of its human rights due diligence. Stora Enso's human rights approach consists of:

1. Policy commitment on human rights through a public human rights statement and code of conduct;
2. Global, regional and pre-investment human rights assessments;
3. Preventive and remediation actions on assessment findings;
4. Track implementation of actions through Group wide and other specific performance indicators;
5. Accountability through transparent communications;
6. Effective access to grievance and remediation mechanisms.

In 2014 Stora Enso conducted a company-wide human rights assessment with the aim of identifying current performance and gaps in its human rights performance. The assessment consisted of 51 unit-level assessments, 16 facilitated site visits, covering 93 operational units across 22 countries. This report summarizes the methodology and findings of the 2014 assessment and provides recommendations from the Danish Institute for Human Rights (DIHR) on follow-up actions.

The recommendations of this report are aimed at informing the prospect development of action plans to improve Stora Enso's human rights performance and should not be interpreted as an analysis of the company's overall sustainability management. The recommendations complement Stora Enso's ongoing actions on human rights as part of its wider Global Responsibility agenda.



The following table summarizes key findings and recommendations from the Human Rights Assessment:

KEY AREAS FOR IMPROVEMENT	DIHR RECOMMENDATIONS
<b>EMPLOYMENT PRACTICES</b>	
Gaps in oversight on the employment conditions of third-party in-premise staff.	<ul style="list-style-type: none"> <li>- Each unit should continue to implement Stora Enso’s supplier code of conduct.</li> <li>- Each unit should ensure that, as a part of the segmentation process, site-level assessments are performed on the use of third-party staff within Stora Enso sites, including how they are managed and the information available on their working conditions. If information on the working conditions is currently unavailable to Stora Enso, this information should be requested.</li> </ul>
There is a need for action to address specific areas of concern for third-party staff.	<ul style="list-style-type: none"> <li>- Each unit should assess status and engage with contractors on key areas of concern:               <ul style="list-style-type: none"> <li>• Employment status: whether third-party employees have a written statement on their employment status and conditions</li> <li>• Working hours, wages and leave: whether third-party staff have adequate working hours, wages and are not deducted in their leave in case of sickness, etc.</li> <li>• Workplace health and safety: Stora Enso units should continue their work to promote the use of personal protective equipment, training and address key issues such as working temperature, ventilation, etc.</li> <li>• Other issues to consider include: diversity management and migrant workers</li> </ul> </li> <li>- Ensure access of third-party staff to employee grievance mechanisms. This mechanism is often not available to third-party staff.</li> </ul>
There are some gaps in policies and procedures on diversity management for own employees.	<ul style="list-style-type: none"> <li>- Stora Enso should develop a company-wide position to the issue of diversity management, establishing firm goals and targets in this area.</li> </ul>
Some units highlighted that for own staff there are sometimes excessive working hours, employees not being paid a wage at the entry-level sufficient to sustain an adequate standard of living and that annual leave is sometimes used to cover sick-leave due to bonus structures.	<ul style="list-style-type: none"> <li>- Each unit should put in place activities to reduce overtime with support from head office. Cost reduction schemes should not lead to excessive overtime and worker fatigue.</li> <li>- Each identified unit should develop a wage calculation, particularly, for entry-level jobs, to ensure that wage levels are indeed sufficient to sustain an adequate standard of living for the employees and their dependents. Remuneration structures should be revised based on results from these wage calculations. It is recommended that the unit also use these results for reference in assessing employment practices of third party business partners.</li> <li>- Each unit should closely monitor any practices of filing annual leave to cover for sick-days.</li> </ul>

KEY AREAS FOR IMPROVEMENT	DIHR RECOMMENDATIONS
There are no firm procedures and guidance on employee privacy for own staff.	<ul style="list-style-type: none"> <li>- Stora Enso should develop a company-wide procedure and guidance on employee privacy to be implemented by all units.</li> </ul>
Issues were raised concerning freedom of association of own employees in some countries.	<ul style="list-style-type: none"> <li>- Stora Enso head office should engage with the units in China, Latvia, and Lithuania on how to continuously address local challenges in the area of freedom of association. Where freedom of association is restricted either by law or in practice, Stora Enso should proactively engage to facilitate development of alternative means of worker representation.</li> </ul>
In some units, occupational health and safety conditions of own employees was mentioned as an area of concern, especially regarding un-healthy working conditions and the use of personal protective equipment.	<ul style="list-style-type: none"> <li>- Each unit should continue to systematically implement Stora Enso's occupational health and safety toolkit. This includes ensuring adequate use of personal protective equipment, emergency procedures and lights, and addressing issues such as working temperature etc.</li> </ul>
There is a need to improve the mechanisms for raising workplace related concerns or grievances of both own employees and third-party in-premise staff.	<ul style="list-style-type: none"> <li>- The units should ensure that workers feel that the mechanisms available to them are safe and accessible. Supporting the engagement of workers representatives in the process could strengthen this.</li> </ul>
<b>COMMUNITY IMPACTS</b>	
In some units, there is a need for better structures and procedures on environmental and social impact assessments	<ul style="list-style-type: none"> <li>- Stora Enso should strengthen company procedures on environmental and social impact assessments to be rolled out in the units.</li> <li>- The procedures should also cover how to engage with neighbouring communities and other stakeholders on the results.</li> </ul>
There seems to be limited and unstructured procedures and mechanisms for community engagement and on receiving and managing community grievances	<ul style="list-style-type: none"> <li>- Stora Enso should develop clear procedures outlining the need for community engagement and for mechanisms to manage and address community grievances for all units. The 8 effectiveness criteria for operational-level grievance mechanisms provided in the UNGPs should be a key point of reference.</li> </ul>
The assessment showed some gaps related to policies and procedures on security management	<ul style="list-style-type: none"> <li>- Stora Enso should develop clear procedures on security management focussing on how to identify, assess and address human rights impacts.</li> </ul> <p>Stora Enso should:</p> <ul style="list-style-type: none"> <li>- Ensure that all relevant security actors have been trained in the implementation of the relevant human rights standards, including offering to facilitate such training where necessary.</li> <li>- Require all security actors to conduct background checks on their personnel, and prohibit anyone who has been credibly linked to past human rights abuses from attending at Stora Enso operations.</li> <li>- Actively monitor its security arrangements, and ensure that any</li> </ul>

KEY AREAS FOR IMPROVEMENT	DIHR RECOMMENDATIONS
	<p>security-related incidents, and in particular those involving use of force, are reported, investigated and appropriately acted upon, including taking necessary disciplinary or remedial measures.</p> <ul style="list-style-type: none"> <li>- Develop and communicate its policy regarding the treatment of suspects apprehended in security incidents involving Stora Enso operations in police custody.</li> </ul>
<b>SUPPLIERS AND OTHER BUSINESS PARTNERS</b>	
<p>There is a need to implement mechanisms to monitor, assess and address human rights issues in the supply chain at some units.</p>	<ul style="list-style-type: none"> <li>- All Stora Enso units should continue to systematically implement the revised supplier Code of Conduct and responsible sourcing programme launched in 2014.</li> </ul>
<p>There is a need to ensure that all potential impacts are addressed.</p>	<ul style="list-style-type: none"> <li>- Perform a gap analysis to assess whether current policies and procedures as outlined in the sustainable supply chain process and supplier code of conduct reflect all issues adequately, this includes: employee privacy, migrant workers, workers with family responsibilities, land management, security and product stewardship</li> </ul>
<p>There is a need to ensure that Stora Enso measures capture all potential suppliers and impacts.</p>	<ul style="list-style-type: none"> <li>- Ensure that not only biggest spend suppliers are considered, but that smaller spend suppliers are also considered from a human rights perspective at the country level.</li> </ul>

## 1 ASSESSMENT PROCESS & METHODOLOGY

### 1.1 BACKGROUND

In 2012, Stora Enso launched a public human rights statement consolidating the alignment of Stora Enso's human rights commitments with the UN Guiding Principles on Business and Human Rights (UNGPs). It pledges commitment to respect the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant Economic, Social and Cultural Rights as well as the ILO core conventions, the OECD Guidelines for Multinational Enterprises, and the Children's Rights and Business Principles, among other universally accepted international and regional human rights instruments.

In December 2013, Stora Enso's Global Responsibility Council decided to complete, by the end of 2014, an assessment process aimed at identifying and assessing actual and potential human rights risks and impacts of all Stora Enso's production units, wood supply operations, their supply chain management and relations with local communities. This followed human rights assessments conducted in 2010 at China, Russia, Brazil, Uruguay and Laos using the DIHR's Human Rights Compliance Assessment Quick Check tool.

### 1.2 PREPARATION AND TRAINING

In 2014 Enact Sustainable Strategies, Sweden - a consultancy specialising in corporate responsibility and sustainable business development - was commissioned by Stora Enso to assist with the planning, development and delivery of human rights training to selected Stora Enso personnel.

The objective of the training was to increase the participants' knowledge of human rights and due diligence, and capacitate them to carry out human rights impact assessments in their respective country units. In total, over 80 managers from various functions and country divisions throughout Stora Enso participated in either of three training workshops (each ran for 1.5 days) arranged in Helsinki, Shanghai and Düsseldorf.

The training sessions were led by a sustainable business strategy advisor and an international human rights expert. The participants were introduced to international human rights and the practical implementation of the corporate responsibility to respect human rights according to the UN Guiding Principles on Business and Human Rights. To prepare the participants for the forthcoming company-wide human rights impact assessment and subsequent due diligence, the training curriculum was built on diligent process facilitation, knowledge transfer, skills and capacity building, role playing games, reflection exercises, group discussions, real company experience of human rights challenges and practically solving particular company dilemmas. Participants were also introduced to the specific tools and methods that were utilised during Stora Enso's group-wide human rights due diligence.

### **1.3 ASSESSMENT PROCESS**

#### **1.3.1 UNIT-LEVEL ASSESSMENTS BY STORA ENSO**

In March 2014, Stora Enso invited the DIHR to support in the development of a Human Rights Assessment Tool and guidance materials tailored to support Stora Enso in undertaking the assessment process (see Annex 2 for further details on the tool and the guidance materials).

Following the human rights trainings described earlier, Stora Enso's unit-level coordinators initiated the assessment process in their respective units during the second half of 2014. Unit-level management teams, factory workers and other key personnel were typically actively engaged. Local stakeholders were also mapped, and certain external stakeholders such as trade union representatives, government authorities, community representatives, local NGOs and other business partners were consulted in the assessment process. A total of 51 assessments were developed by units across 22 countries covering 93 entities (a full list of countries and units covered can be seen in Annex 1).

Stora Enso engaged with the DIHR to support in the quality assurance and consolidation of responses compiled in the assessment. This included reviewing each of the self-assessment and developing summary reports for each unit. These reports have been subsequently reviewed by unit-level or divisional coordinators representing the units and the consolidated results are highlighted in this report.

All unit level assessments, including the ones in Brazil, Uruguay and India were carried out with active support by Stora Enso's Group and Divisional Global Responsibility personnel. In addition, an independent external human rights expert supported the assessment at Stora Enso's joint venture operations in Pakistan together with the joint venture's own Global Responsibility personnel.

### **1.3.2 FWC ASSESSMENTS**

As part of the human rights assessment process, Stora Enso partnered with Fair Working Conditions (FWC) to perform on-site visits in line with the Stora Enso DIHR human rights assessment tool. FWC is an independent non-profit organization based in Ireland specializing, globally, in supply chain employment practices, audit and assessment.

During September and October 2014, FWC visited thirteen Stora Enso sites in China, Russia, Poland, Latvia, and Estonia. In addition to on-site visits, the FWC assessments at each site included verification of documentation, policies and confidential employee interviews related to employment practices, community impacts and supply chain management. A total of 850 employees, including a number of temporary agency personnel, were interviewed individually or as a group. Local stakeholders from surrounding communities were also invited to contribute during FWC's on-site visits and their insights regarding environmental and social impact proved valuable. FWC makes people central to its undertakings and is unique in its field in conducting a confidential employee vote on whether or not the site where they work merits FWC's approval.

FWC commends the spirit of collaboration from Stora Enso's site level management teams, the high level of worker engagement, and the voluntary cooperation of members of local communities. FWC findings and recommendations have been incorporated in the consolidation process of the human rights assessments for these units. FWC recommends that Stora Enso systematically continue to work to remedy findings from its human rights assessments and FWC visits.

### **1.3.3 BSR ASSESSMENT IN LAOS**

In Stora Enso's Trial Plantations project in Laos, a customised human rights assessment was performed by the non-profit organisation Business for Social Responsibility (BSR).

### ***Overview of BSR Partnership***

BSR partnered with Stora Enso Laos in 2014 to conduct a field-level Human Rights Impact Assessment (HRIA) of Stora Enso's unique agroforestry operations in Laos. The HRIA began in July 2014 and concluded in December 2014, with a 10-day site-level field trip in October 2014. The results of the HRIA were presented to Stora Enso at the end of 2014.

### ***Scope of the HRIA***

The assessment identified all existing and potential human rights impacts (both negative and positive), covering six categories of human rights: Labour; Security; Land and Property Acquisition; Environment and Community Health & Safety; Economic, Social, Cultural and Civil Rights; Indigenous Peoples. The HRIA considered all relevant human rights in the Universal Declaration of Human Rights and related human rights conventions.

### ***HRIA methodology***

The human rights impact assessment was carried out through a mix of desktop research and interviews with key stakeholders, government actors, rights-holders, and with Stora Enso Laos personnel. BSR interviewed 16 external stakeholders, some based in Vientiane, Laos, and others based internationally. BSR conducted site-level interviews with community members and workers in five villages where Stora Enso has existing operations. BSR also met with local government officials from six offices, and with key members of the Stora Enso Laos leadership team, including the Chief Operating Officer and Chief Financial Officer.

### ***Human rights impacts and opportunities***

The five existing impacts include:

1. Lack of formalized contracts for the informal pool of workers from neighbouring villages who work in the fields.
2. Informal selection of workers to participate in daily work in the fields by Stora Enso's contractors at the village level (increasing the risk of discriminatory hiring).
3. Evidence that not all community members understand the experimental agroforestry model, undermining the Free, Prior, and Informed Consent standard
4. Underutilization of safety equipment and lack of a robust safety culture.

5. Children over the age of 12 are legally permitted to work in Laos, and permissive cultural norms around child labour make it difficult to enforce. Stora Enso Laos is actively working to prevent child labour in the fields, and BSR provided specific guidance to help reduce the risk.

These impacts are augmented by several positive opportunities to advance human rights directly related to the project. These include Stora Enso's robust village development program; employment opportunities for local people; "shared value" through the promotion of food security and forestry operations; protection of traditional indigenous practices around land use; and clear evidence that Stora Enso Laos has obtained the social license to operate.

BSR looks forward to continuing its partnership with Stora Enso and welcomes the opportunity to continue supporting the Laos operations on human rights.

#### **1.3.4 DIHR ASSESSMENT IN GUANGXI, CHINA**

##### ***Overview of partnership and methodology***

In Guangxi, China, DIHR conducted a separate human rights impact mapping process in partnership with Stora Enso Guangxi Integrated Project and Operations (GIPO). The project was initiated in March 2014 and concluded in December 2014. The human rights impact mapping was based on desk-top review of internal documents, as well as reports prepared by external stakeholders addressing relevant aspects of the operational context and stakeholders. Furthermore, DIHR conducted a series of telephone interviews with Stora Enso GIPO management staff, as well as a 9-day field visit to Stora Enso GIPO and a brief field visit to Skoghall Mill, Sweden.

##### ***Objectives and outcomes***

The overall objective of the project was to develop guidance for Stora Enso GIPO to design and implement a comprehensive human rights impact assessment. The scoping was based on specified analysis of relevant aspects of the three overall types of operation pertaining to Stora Enso GIPO; 1. Forestry (ongoing); 2. Paperboard mill construction (ongoing); and 3. Mill production and maintenance (to be initiated in 2016).



Key outcomes of the project included:

- Human rights impact assessment framework cross-referencing the identified human rights issue areas covering the three types of operation (forestry, mill construction, production and maintenance of the future mill).
- Tailored human rights based stakeholder catalogue.
- A dedicated assessment of the operational-level community grievance mechanism from a human rights perspective as set out in the UN Guiding Principles on Business and Human Rights (UNGPs).
- A workbook on observations and recommendations for action in the three types of operation.

### ***Recommendations for management action***

Pending the implementation of the comprehensive human rights impact assessment, the preliminary identification of priority human rights issues for management action included: 1. Security arrangements in all three types of operation; 2. Log loading and transport; 3. Influx management and goods/services procurement pertaining to mill construction; 4. Migrant workers in all three types of operation; 5. Workers camp living conditions, pertaining to forestry and mill construction; 6. Corruption and bribery.

On the whole, Stora Enso GIPO demonstrates dedication to assess and address impacts of the operations. Crucially, to mitigate impacts related to management of the land used for the forestry operations a comprehensive contract correction programme is ongoing. Moreover, Stora Enso GIPO has launched a number of initiatives to improve stakeholder relations, including a hotline and a Stakeholder Engagement Plan.

### **1.3.5 HUMAN RIGHTS ASSESSMENT IN PAKISTAN**

In Pakistan, Stora Enso has a 35% minority shareholding in Bulleh Shah Packaging Private Limited (BSP), together with the Pakistani company Packages Limited. This joint venture was formed in 2013 and was included in Stora Enso's Group Human Rights Assessments 2014.

### ***Overview of the assessment and external support***

BSP's Global Responsibility and Human Resources personnel performed the assessment using the Stora Enso – DIHR assessment tool. BSP's management were also involved before finalizing the assessment and findings. The assessment

at BSP was supported by Stora Enso Head office and an external independent human rights expert (Frank Seier, of Right2Respect [www.right2respect.com](http://www.right2respect.com), and former Senior Advisor at DIHR) who also visited the operations and engaged with different stakeholders there. The external expert provided Stora Enso Group Global Responsibility with an independent assessment of human rights risks, which was integrated into the overall BSP assessment report.

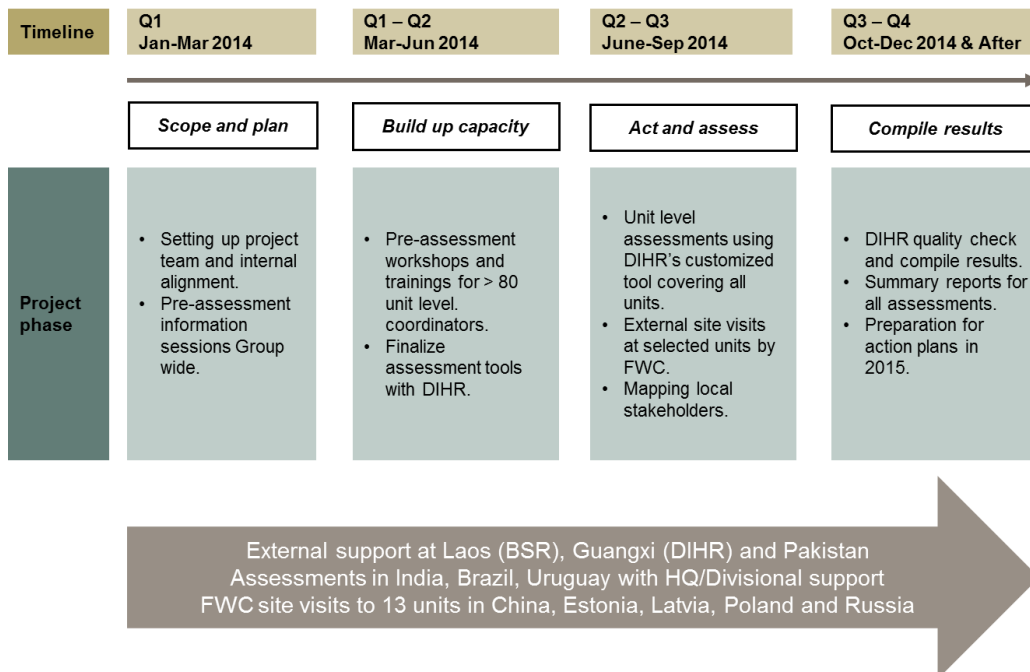
***Key findings and development actions***

Child labour in the lower tiers of BSP's agricultural and waste paper supply networks has been widely discussed during 2014. In addition, the assessment also presents proposals for development actions. The key recommendations include employee training and awareness-raising regarding human rights; human rights-specific training of security service providers; further improvement of occupational health and safety practices and working conditions among the contracted workforce; improved implementation of employees' and community grievance mechanisms; continued awareness-raising and training regarding prevention of workplace discrimination and harassment; improved monitoring and prevention of excessive overtime, especially among the contracted workforce; continued implementation of BSP's supplier code of conduct, audit program and capacity building measures to secure human rights compliance by suppliers.

Bulleh Shah Packaging will create an action plan based on these findings during 2015. The action plan will be linked to the ongoing sustainability efforts of Bulleh Shah Packaging.

Additional observations covered issues including potential bonded labour relationships in agricultural biomass supplier networks where families have worked for the same farm owners for long periods of time; the need to ensure collective bargaining rights among the contracted workforce; and a review of the wages and working conditions of contracted employees.

### 1.3.6 PROCESS OUTLINE AND TIMELINE



### 1.4 SCOPE OF THE ASSESSMENT

The UN Guiding Principles on Business and Human Rights state that business, in order to understand their human rights performance, should identify and assess any actual or potential human rights impacts with which they may be involved either through their own activities or as a result of their business relationships. Further, in order to prevent and mitigate adverse human rights impacts, business enterprises should integrate the findings from their impact assessments across relevant internal functions and processes, and take appropriate action.<sup>1</sup>

In line with the business commitment to respecting human rights, the human rights assessment of Stora Enso aims at:

- Identifying human rights impact areas within and across the various units of Stora Enso;
- Rating the severity and level of prevalence of each impact;
- Assessing the level of compliance in policies, procedures and performance with international human rights standards and best practice for business.

<sup>1</sup> The UN Guiding Principles on Business and Human Rights: <http://business-humanrights.org/en/un-guiding-principles>

The Human Rights Assessment of Stora Enso covers all potential human rights impacts across three areas:

- **Employment Practices** - concerning the rights of individuals employed by the company, or seeking employment with the company;
- **Community Impact** - concerning the rights of individuals residing in societies (including societies defined by political, cultural or geographic boundaries) which are affected by company activities or products;
- **Suppliers and other business partners** - concerning the rights of individuals affected by business partners' operations, whether as employees, local residents or other stakeholders.

### TOPICS COVERED

Human Rights Issue Areas		
A. Employment Practices	B. Community Impact	C. Suppliers and other business partners
A.1 Employment Status	B.1 Environmental Impacts	C.1 Human Rights and business partner impacts
A.2 Working Hours	B.2 Social Impacts	C.2 Hours, Wages and Leave
A.3 Wages	B.3 Land Acquisition & Management	C.3 Harassment & Equal Treatment
A.4 Leave	B.4 Resettlement	C.4 Employee Privacy
A.5 Harassment	B.5 Decommissioning and leaving land	C.5 Freedom of association
A.6 Employee Privacy	B.6 Security	C.6 Migrant Workers
A.7 Forced Labour	B.7 Corruption, Bribery & Government Relations	C.7 Workers with family responsibilities
A.8 Child Labour	B.8 Product Stewardship	C.8 Workplace Health and Safety
A.9 Promoting Diversity	B.9 Grievance Mechanisms	C.9 Company housing
A.10 Non-Discrimination		C.10 Forced Labour
A.11 Freedom of Association		C.11 Child Labour
A.12 Migrant Workers		C.12 Non-Discrimination
A.13 Company Housing		C.13 Community Impacts
A.14 Workers with family responsibilities		C.14 Land management
A.15 Workplace Health and Safety		C.15 Security
A.16 Grievance Mechanisms		C.16 Corruption, Bribery & Government Relations
		C.17 Product stewardship
		C.18 Grievance Mechanism

## **1.5 LIMITATIONS OF THE ASSESSMENT**

The unit-level assessments were conducted as self-assessments and therefore reflect the human rights impacts and compliance as perceived by the units themselves. Hence, the findings should be viewed in light of uncertainties owing to perceptions, interpretations and knowledge of assessors.

The units involved in the assessment process have generally been responsive and actively engaged in the process. There were however units that did not respond to certain questions or to entire sections of questions. Sometimes an explanation was given, but often no details were given on the absence of content. Despite dedicated efforts to further raise unit-level assessors' awareness of the human rights issue areas, some questionnaires seemed to indicate a lack of understanding of the relevance of the issues areas for the particular units.

In addition to this there were assessments conducted without adequate external stakeholder involvement, and some assessments were performed without any consultation with external stakeholders. Moreover, it became clear from the unit-level assessments that other business relations than with suppliers had not been considered adequately. This could include e.g. relations with public officials as customers and partners in business activities.

Further, the facilitated assessments were limited in timing and scope and while the findings can give a picture of areas in need of further action, these should be further scoped and validated. Crucially, the assessments should not limit future human rights related activities and more comprehensive, bespoke impact assessment processes.

# DIHR FINDINGS & RECOMMENDATIONS

## 2 DIHR FINDINGS & RECOMMENDATIONS

The Following section provides an overview of findings and recommendations from the human rights assessment process.

### 2.1 EMPLOYMENT PRACTICES

The assessment on employment practices is divided into two sections covering own staff and third-party staff operated in-premise.

#### 2.1.1 STORA ENSO EMPLOYEES

The issue of working conditions for Stora Enso is generally not perceived as an area of high impact nor non-alignment with international standards and best practice. However, the following areas of potential concern can be mentioned.

**Working hours** is an area of concern in some countries of operation. A number of countries mention that in the past years there have been several rounds of personnel reduction and cost saving programs and there have been no new recruitments (for e.g. some units in Poland, Austria and Germany). Further to this, exceptions in working hours during the summer period and high season are mentioned as factors that may increase volume and therefore working hours (Latvia). The issue of working hours is also raised in the FWC report for Estonia and Poland.

Wages is also an area of concern for Stora Enso staff in some countries. Some of the unit-level assessments indicate that employees might not be able to earn a **wage** sufficient to meet the basic needs of the employee and the employee's legitimate dependents (China, Latvia and India). The primary concern is with entry level wages.

When it comes to the area of **leave** it is generally not assessed as being a high impact area. However, some countries express concern in the unit-level assessments. Estonia and India mention the issue that bonus in some units is related to attendance and employees do not take sick leave freely. .

The issue of **diversity management** is an area concern at most units. The likelihood of impact was assessed as being low, but there are no policies and

procedures in place within this area making it difficult to actually know and show that there are no negative impacts. This is clear from the compliance ratings of the various countries of Stora Enso operation.

The unit-level assessment of the Netherlands highlights that while the unit vows to recognize, value and promote the differences that individuals bring to its workforce, it does not live up to its full potential regarding promoting diversity and doing so is not explicitly mentioned in the Code of Conduct. Most other units in their comments to the assessment (Austria, Belgium, Russia, Slovenia, Spain, Finland and Sweden) also mention the lack of goals and targets for this area. This is also highlighted in the FWC reports (Poland). Sweden and Germany further elaborate that this is an area where clearer guidance is needed. Most at risk groups mentioned in the unit-level assessments include women with a minority background.

There are also gaps in implementation of policies and procedures in the area of **harassment and non-discrimination**, where the rating of impact is low but procedures for e.g. management training is not in place. The unit-level assessments highlight that further attention is needed on training of managers and that the training programme needs to be updated.

In the area of non-discrimination the issue of accessibility to the workplace for employees with disabilities is mentioned by a number of units. There is a need for further actions to ensure that the workplace is to be accessible by wheel chair (Sweden, China, Latvia and Estonia).

Equal wage for work of equal value between men and women is pointed out as an area for further attention in the unit-level assessments (Estonia and India). Estonia highlights that in some cases the wages of men and women are not equal although they work in the same position. Actions to be taken include that Human Resources in Estonia will develop and implement a remuneration policy on this in 2015. The FWC reports further highlight the need for action to better support **employees with family responsibilities** (China).

A number of countries mention a lack of **employee privacy** policies and procedures in the unit-level assessments (the Netherlands, Russia and Sweden). Several processes are currently underway to develop such a procedure (the

Netherlands, Russia and Sweden). The FWC report for Poland highlights that no video monitoring policy is implemented. A number of countries highlight that procedures are not in place but do not mention the steps taken to follow up on this (Slovenia and China).

**Freedom of association** is not generally viewed as an area of concern. However, this is an area highlighted in some countries of operation where the national laws and practice can be seen to limit the right of employees to freedom of association. In e.g. China there are certain challenges regarding this. Employment associations/employee representatives are consulted in the assessment, but there is a need for further attention and follow up action. The unit-level assessment of Lithuania highlights that there are no trade unions in the Stora Enso operations. The FWC assessment for Latvia highlighted that Employees are not unionized. Through employee interviews, it was clear that union membership is not a popular form of worker representation in the country. The FWC report for Russia highlights that employees confirm that management does not restrict their freedom to join or form a union. However, at the same time, 30% of interviewees reported that they think management would not be happy if employees suggested forming a union.

**Occupational health and safety** is generally assessed as an area that is well managed, however, concerns are raised in the assessment; particularly in the FWC and unit-level assessments.

The unit-level assessment highlight that generally OHS systems are working well, but during hot summers some units have an unhealthy working environment in the production area where the main issue is hot temperatures (Russia, India, Latvia). India further highlights that a number of actions have been taken to improve working conditions and reduce workplace accidents.

Other issues include that of health and safety information being available to employees in a language they can understand (Sweden and Finland), and that employees do not always have and use personal protective equipment necessary and in line with international standards (Estonia, Latvia). In addition to this some units lack evacuation plans and emergency lights (Poland, Latvia, and Russia).



The area of **employee grievance mechanisms** is generally assessed as being very well managed with limited impacts. However, there is some concern raised on the extent to which the processes for raising grievances align with international standards. This includes the issue of having the participation of workers representatives in the grievance process (Brazil). Workers representatives highlight that grievances need to be acted upon faster (India).

### **2.1.2 THIRD PARTY-IN PREMISE STAFF**

The conditions for third-party in-premise staff is an area of concern for most units. While the units are confident on the conditions for their own employees, they are not aware and do not always keep track of the conditions of third-party staff.

Under the issue area **employment status** it is mentioned that there is no documentation required from contractors to prove the official employment status of their employees. However, the new Supplier Code of Conduct requirements will ensure a more structured approach to this issue, including a system for auditing of suppliers.

**Working hours** is highlighted as a high-risk issue for third-party in-premises staff, where overtime occurs (Pakistan). Efforts to align with a 48 hour workweek are mentioned. It is also mentioned as an issue for some maintenance workers who typically exceed overtime limits (Russia). Further to this it may be an area of concern for contractors who work on the unit's premises - transport, cleaning, canteen and construction providers. The unit-level assessment of Latvia observed that follow up action is needed in this area. Primarily there is a need to improve effectiveness of production processes and continue actions on sickness reduction of production workers to avoid overtime.

The unit-level assessment highlights that **wages** may be an issue where the contract with contractors state a lump sum for services and the unit does not follow the wage rates for seasonal workers. The FWC report for Poland further elaborates on this and states that: Third-party employees do not receive equal payment for equal work, compared to the permanent employees. Contractors are not checked in these areas, as there is no requirement to do so (Austria), and there is generally lack of information on the situation concerning wages of third-

party in-premise staff (Latvia). Actions are under way to further assess wage levels (Latvia). Affected individuals include sorters, operator assistants, cleaners (altogether ca 20 employees). Suggestions to raise lowest salaries will be made during the 2015 salary review (Latvia).

In connection to the issue of **leave**, the FWC report for Poland highlights that agency workers are afraid to ask for sick leave, because they could be replaced by a new worker and lose their jobs.

The unit-level assessments observe that **diversity management** could be an issue for Contractors who work on company premises - transport, cleaning, canteen and construction providers (Russia). Generally there is no systematic procedure to check contractors' performance in this area and there is a need to develop goals and action plans on equality and linking these to the follow-up and audits on the supplier code of conduct (Russia, Austria, Belgium, Czech Republic, Estonia, Finland and Germany etc.). Follow-up actions include recruiting rules to be developed and feedback channels to be updated as a tool within the units (Russia, Sweden).

The issue of **migrant workers** is not generally viewed as an area of concern for third-party staff. The unit-level assessment of India, for instance, notes that some security staff is from other parts of the state or neighbouring states. Yet, interviews conducted with workers representatives indicate that migrant workers do not face discrimination in the workplace. In China employment of internal migrant workers may present challenges, which partly relates to the household registration system (*hukou*). A large part of the contracted workers in the Stora Enso GIPO forestry operations are migrant workers. In a series of interviews conducted by the sustainability team, migrant workers identify employment practice issues, but none of these relate to their status as migrants as such.

**Workplace health and safety** was highlighted by some units as an area in the need of further attention. The unit-level assessment of Russia highlighted that there are currently limited procedures in place to check contractors' performance in this area. The unit-level assessment of China indicated that effective procedures are in place, but not in full compliance with international standards. A number of efforts are in place to further promote Stora Enso

standards on health and safety towards third-party staff. The Estonia unit-level assessments indicates that documents on health and safety are currently being translated to increase the accessibility of the information, the need for further information sharing is also mentioned by units in Sweden and Finland.

Finally, a number of units indicate that **mechanisms for third-party in-premise staff to raise workplace related concerns** are not in place. The unit-level assessment of the Netherlands indicates that the Stora Enso Hotline is not available for third party employees. However, contractors can and do place complaints with the Workers Council of the unit. The unit-level assessment of Poland indicated that there are currently no procedures and information in this area. The unit has identified action to follow up on this. They will establish the rules and constitute a committee in consultation with employee-elected representatives. The unit-level assessment of Russia indicates that the grievance channel is being updated to include service suppliers and wood suppliers during the implementation of Stora Enso Supplier Code of Conduct.

### 2.1.3 DIHR RECOMMENDATIONS

<p>Recommendations to improve <b>employment conditions of third-party in-premise staff:</b></p>	<ul style="list-style-type: none"> <li>- Each unit should continue to implement Stora Enso’s supplier code of conduct.</li> <li>- Each unit should ensure that, as a part of the segmentation process, site-level assessments are performed on the use of third-party staff within Stora Enso sites, including how they are managed and the information available on their working conditions. If information on the working conditions is currently unavailable to Stora Enso, this information should be requested.</li> </ul>
<p>Recommendations to address <b>specific areas of concern for third-party staff:</b></p>	<ul style="list-style-type: none"> <li>- Each unit should assess status and engage with contractors on key areas of concern: <ul style="list-style-type: none"> <li>• Employment status: whether third-party employees have a written statement on their employment status and conditions</li> <li>• Working hours, wages and leave: whether third-party staff have adequate working hours, wages and are not deducted in their leave in case of sickness, etc.</li> <li>• Workplace health and safety: Stora Enso units should continue their work to promote the use of personal protective equipment, training and address key issues such as working temperature, ventilation, etc.</li> <li>• Other issues to consider include: diversity management and migrant workers</li> </ul> </li> <li>- Ensure access of third-party staff to employee grievance mechanisms. This mechanism is often not available to third-party staff.</li> </ul>

<p>Recommendations to address gaps in policies and procedures on <b>diversity management:</b></p>	<ul style="list-style-type: none"> <li>- Stora Enso should develop a company-wide position to the issue of diversity management, establishing firm goals and targets in this area.</li> </ul>
<p>Recommendations to address issues on <b>working hours, wages and leave:</b></p>	<ul style="list-style-type: none"> <li>- Each unit should put in place activities to reduce overtime with support from head office. Cost reduction schemes should not lead to excessive overtime and worker fatigue.</li> <li>- Each identified unit should develop a wage calculation, particularly, for entry-level jobs, to ensure that wage levels are indeed sufficient to sustain an adequate standard of living for the employees and their dependents. Remuneration structures should be revised based on results from these wage calculations. It is recommended that the unit also use these results for reference in assessing employment practices of third party business partners.</li> <li>- Each unit should closely monitor any practices of filing annual leave to cover for sick-days.</li> </ul>
<p>Recommendations to improve procedures and guidance on <b>employee privacy:</b></p>	<ul style="list-style-type: none"> <li>- Stora Enso should develop a company-wide procedure and guidance on employee privacy to be implemented by all units.</li> </ul>
<p>Recommendations on freedom of association in some countries of operation where the <b>right to unionise and to bargain collectively</b> may be limited:</p>	<ul style="list-style-type: none"> <li>- Stora Enso head office should engage with the units in China, Latvia, and Lithuania on how to continuously address local challenges in the area of freedom of association. Where freedom of association is restricted either by law or in practice, Stora Enso should proactively engage to facilitate development of alternative means of worker representation.</li> </ul>
<p>Recommendations to support <b>occupational health and safety</b> systems and procedures:</p>	<ul style="list-style-type: none"> <li>- Each unit should continue to systematically implement Stora Enso's occupational health and safety toolkit. This includes ensuring adequate use of personal protective equipment, emergency procedures and lights, and addressing issues such as working temperature etc.</li> </ul>
<p>Recommendations to improve the <b>mechanisms for raising workplace related concerns or grievances:</b></p>	<ul style="list-style-type: none"> <li>- The units should ensure that workers feel that the mechanisms available to them are safe and accessible. Supporting the engagement of workers representatives in the process could strengthen this.</li> </ul>

## **2.2 COMMUNITY IMPACT**

### **2.2.1 ENVIRONMENTAL & SOCIAL IMPACT MANAGEMENT**

Environmental impact is generally assessed as an area that is well managed. Meanwhile, some units mention that there is high potential impact in a number of areas including atmospheric emissions of boilers (e.g. Brazil), emissions of sludge and other chemical substances into rivers and lakes (e.g. China), as well as noise from production sites and hauling trucks. Several units observe that areas of impact are relatively large, up to a radius of 15 kilometres, according to a unit in Sweden. Most of these issues are also raised in the FWC reports and the site assessments in China and Laos by DIHR and BSR, respectively.

In Brazil, the situation with land ownership is unclear for historical reasons and there are a several landless movements in the country. The state is working on a land reform but the progress is slow. Due to this, there are some risks related to Stora Enso's joint venture, Veracel's land acquisition process and relations with the landless and the indigenous people. However, Veracel has clear processes and policies in place to mitigate these risks.

Several units identify logistics in particular as a source of social impacts. Impacts include noise from hauling trucks operating around the clock as well as strains on or damages to roads. Lack of systematic implementation of policies and procedures for social impact assessment and engagement with communities on social impacts is an area of major, general concern. A significant number of units assess that there are no or inadequate procedures for communicating with affected communities in a form and language accessible to them.

### **2.2.2 COMMUNITY ENGAGEMENT AND GRIEVANCE MECHANISMS**

Lack of functional, systematic engagement with communities and procedures for processing of their grievances, is an area of general concern in the unit-level assessments and in the facilitated assessments of FWC, BSR and DIHR. Inconsistent answering of the assessment questions in the unit-level assessment further seems to indicate general lack of understanding among Stora Enso staff of the purpose of a community level grievance mechanism. While many countries have no mechanisms in place, some units assess that communities are not aware of the existence of the mechanisms the units rely on. For instance,

units in Latvia observe that there is no neutral grievance mechanism in place that the community is not informed about options for grievance handling and that local NGOs and community representatives cannot use the mechanism. The FWC reports for most countries highlight the same issue. Some countries, such as Sweden, Germany and the Netherlands, comment that there is no need for a unit-level mechanism, as authorities will handle the grievances.

### 2.2.3 SECURITY

In the unit-level assessments all countries rate actual or potential impact related to security arrangement as “low”, but generally, security risk assessments are not conducted. While most countries assess that the compliance level is adequate they generally do not have procedures in place to monitor the background, training of conduct of security personnel. In contrast to the majority, Poland does point out this gap and identifies steps to mitigate it. Generally, contracted providers of security services are expected to conduct this monitoring, but there is no systematic assessment as to whether such monitoring actually takes place.

### 2.2.4 DIHR RECOMMENDATIONS

<p>Recommendations to support better structures and procedures on <b>environmental and social impact assessments</b>:</p>	<ul style="list-style-type: none"> <li>- Stora Enso should strengthen company procedures on environmental and social impact assessments to be rolled out in the units.</li> <li>- The procedures should also cover how to engage with neighbouring communities and other stakeholders on the results.</li> </ul>
<p>Recommendations to improve <b>community engagement and community grievance mechanisms</b>:</p>	<ul style="list-style-type: none"> <li>- Stora Enso should develop clear procedures outlining the need for community engagement and for mechanisms to manage and address community grievances for all units. The 8 effectiveness criteria for operational-level grievance mechanisms provided in the UNGPs should be a key point of reference.</li> </ul>
<p>Recommendations on <b>security management</b>:</p>	<ul style="list-style-type: none"> <li>- Stora Enso should develop clear procedures on security management focussing on how to identify, assess and address human rights impacts.</li> <li>- Stora Enso should:             <ul style="list-style-type: none"> <li>- Ensure that all relevant security actors have been trained in the implementation of the relevant human rights standards, including offering to facilitate such training where necessary.</li> <li>- Require all security actors to conduct background checks on their personnel, and prohibit anyone who has been credibly</li> </ul> </li> </ul>

	<p>linked to past human rights abuses from attending Stora Enso operations.</p> <ul style="list-style-type: none"> <li>- Actively monitor its security arrangements, and ensure that any security-related incidents, and in particular those involving use of force, are reported, investigated and appropriately acted upon, including taking necessary disciplinary or remedial measures.</li> <li>- Develop and communicate its policy regarding the treatment of suspects apprehended in security incidents involving Stora Enso operations in police custody.</li> </ul>
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### 2.3 SUPPLIERS AND OTHER BUSINESS PARTNERS

The area of suppliers and other business partners is an area highlighted as being of key concern by most countries in the unit-level assessment, as well as in the FWC, BSR and DIHR assessments.

The issue of supply-chain management is greatly influenced by the revised supplier code of conduct and responsible sourcing programme which is currently being implemented across Stora Enso operations. This process was still ongoing during the assessment, and is still in progress, and includes supplier segmentation and an updated Code of Conduct for the units to engage with the suppliers on identifying, assessing and addressing impacts.

The process has just started, and all units are currently dealing with the challenge of supplier segmentation and engagement based on the new supplier code of conduct. The process includes implementing the Stora Enso suppliers risk assessment tool, preparing a training plan, implementation for purchasing staff and implementing new Stora Enso rules in supplier audits. This process will be ongoing for most units during 2015.

As the process of implementation has just started it has been challenging to identify gaps and areas for improvement. However, the process is prioritised based upon market and category risks and impact upon SE in terms of total spend. There could be a risk that smaller spends at unit level could fall through the cracks and not be covered by the assessment. Further to this, the supplier code of conduct does not explicitly cover certain issues. This includes: employee privacy, migrant workers, workers with family responsibilities, land management, security and product stewardship. A number of units suggest that these should be considered explicitly (Sweden, Austria, Czech Republic, China, Estonia,

Finland, Germany, Hungary, Latvia, and Lithuania). However, the section on human rights in the revised supplier code of conduct requires suppliers to respect human rights of all employees and not be complicit in human rights violations within the supplier’s sphere of influence. A number of units also indicate that there is a need to support better access to grievance mechanism of supplier employees and local communities, and that this is insufficiently covered by the supplier code of conduct (China and Estonia).

### 2.3.1 DIHR RECOMMENDATIONS

Recommendations on mechanisms to monitor, assess and address human rights issues in the supply chain at some units:	- All Stora Enso units should continue to systematically implement the revised supplier Code of Conduct and responsible sourcing programme launched in 2014.
Recommendations to ensure that all potential impacts are addressed:	- Perform a gap analysis to assess whether current policies and procedures as outlined in the sustainable supply chain process and supplier code of conduct reflect all issues adequately, this includes: employee privacy, migrant workers, workers with family responsibilities, land management, security and product stewardship
Recommendations on capturing all potential suppliers and impacts:	- Ensure that not only biggest spend suppliers are considered, but that smaller spend suppliers are also considered from a human rights perspective at the country level.



# ANNEXES

## ANNEX 1: LIST OF COUNTRIES AND UNITS ASSESSED

NAME OF COUNTRY AND UNIT	DIVISION/BUSINESS AREA	HOW THE ASSESSMENT WAS PERFORMED
<b>Austria</b>		
Bad St. Leonhard Sawmill	WOOD PRODUCTS	Common human rights assessment and stakeholder catalogue covering all units in Austria. Wood supply related issues, where applicable, are incorporated in the assessment.
Brand Sawmill	WOOD PRODUCTS	
Ybbs Sawmill	WOOD PRODUCTS	
Wood Supply Austria		
<b>Belgium</b>		
Langerbrugge Mill	PAPER	Common human rights assessment and stakeholder catalogue covering all units in Belgium. Wood supply related issues, where applicable, are incorporated in the assessment.
VLAR Papier NV	PAPER	
Lumipaper NV	PAPER	
Wood Supply Belgium		
<b>Brazil</b>		
Veracel (mill + plantations) JV	BIOMATERIALS	Separate human rights assessment and stakeholder catalogue.
Arapoti Mill	PAPER	Separate human rights assessment and stakeholder catalogue.
<b>Czech Republic</b>		
Plana Sawmill	WOOD PRODUCTS	Common human rights assessment and stakeholder catalogue covering all units in Czech Republic. Wood supply related issues, where applicable, are incorporated in the assessment.
Zdirec Sawmill	WOOD PRODUCTS	
Wood Supply Czech Republic		
<b>China</b>		
Dawang Mill	PAPER	Separate human rights assessment and stakeholder catalogue. FWC site visit to Dawang Mill
Dongguan Mill	INPAC ASIA – PACKAGING	Separate human rights assessment and stakeholder catalogue. FWC site visit to Dongguan Mill
Qianan Mill	INPAC ASIA – PACKAGING	Separate human rights assessment and stakeholder catalogue. FWC site visit to Qianan Mill
Jiashan Mill	INPAC ASIA – PACKAGING	Separate human rights assessment and stakeholder catalogue. FWC site visit to Jiashan Mill

NAME OF COUNTRY AND UNIT	DIVISION/BUSINESS AREA	HOW THE ASSESSMENT WAS PERFORMED
Suzhou Mill	PAPER	Separate human rights assessment and stakeholder catalogue.  FWC site visit to Suzhou Mill
Guangxi Integrated Project and Operations		Danish Institute for Human Rights
<b>Estonia</b>		
Imavere Sawmill	WOOD PRODUCTS	Common human rights assessment and stakeholder catalogue covering all units in Estonia. Wood supply related issues, where applicable, are incorporated in the assessment.  FWC site visit to Näpi Sawmill.
Näpi Sawmill	WOOD PRODUCTS	
Puumerkki Estonia	WOOD PRODUCTS	
Stora Enso Mets (Wood Supply Estonia)		
Tallinn Mill	PACKAGING SOLUTIONS	
<b>Finland</b>		
Kristiinankaupunki Mill	PACKAGING SOLUTIONS	Common human rights assessment and stakeholder catalogue covering all Packaging Solutions units in Finland.
Heinola Fluting Mill	PACKAGING SOLUTIONS	
Heinola Mill	PACKAGING SOLUTIONS	
Lahti Mill	PACKAGING SOLUTIONS	
Honkalahti Sawmill	WOOD PRODUCTS	Common human rights assessment and stakeholder catalogue covering all Wood Products units in Finland.
Hartola Unit	WOOD PRODUCTS	
Kitee Sawmill	WOOD PRODUCTS	
Pälkäne Unit	WOOD PRODUCTS	
Uimaharju Sawmill	WOOD PRODUCTS	
Varkaus Sawmill	WOOD PRODUCTS	
MENA Wood	WOOD PRODUCTS	Separate human rights assessment and stakeholder catalogue.
Puumerkki	WOOD PRODUCTS	Separate human rights assessment and stakeholder catalogue.
Veitsiluoto Mill (incl. Sawmill)	PAPER	Separate human rights assessment and stakeholder catalogue.
Oulu Mill	PAPER	Separate human rights assessment and stakeholder catalogue.
Varkaus Mill	PAPER	Separate human rights assessment and stakeholder catalogue.
Anjalankoski Mill (2 sites - Paper and Packaging)	PAPER CONSUMER BOARD	Separate human rights assessment and stakeholder catalogue.
Imatra Mills	CONSUMER BOARD	Separate human rights assessment and stakeholder catalogue.

NAME OF COUNTRY AND UNIT	DIVISION/BUSINESS AREA	HOW THE ASSESSMENT WAS PERFORMED
Enocell Mill	BIOMATERIALS	Separate human rights assessment and stakeholder catalogue.
Sunila Mill	BIOMATERIALS	Separate human rights assessment and stakeholder catalogue.
Efora Oy (Maintenance company owned by Stora Enso)		Separate human rights assessment and stakeholder catalogue.
Wood Supply Finland		Separate human rights assessment and stakeholder catalogue.
<b>France</b>		
Wood Supply France		Incorporated within the assessment for Germany since the operations are close to the German border - 1 Full Time Employee
<b>Germany</b>		
Kabel Mill	PAPER	Common human rights assessment and stakeholder catalogue covering all Paper mills in Germany. Wood supply related issues, where applicable, are incorporated in the assessment.
Maxau Mill	PAPER	
Sachsen Mill	PAPER	
Wood Supply Germany		
Pfarrkirchen Unit	WOOD PRODUCTS	Separate human rights assessment and stakeholder catalogue.
<b>Hungary</b>		
Komárom Mill	PACKAGING SOLUTIONS	Separate human rights assessment and stakeholder catalogue.
<b>India</b>		
Chennai Mill	INPAC ASIA – PACKAGING	Separate human rights assessment.
<b>Laos</b>		
Trial plantations	BIOMATERIALS	Human Rights assessment by Business for Social Responsibility (BSR)
<b>Latvia</b>		
Launkalne Sawmill	WOOD PRODUCTS	Common human rights assessment and stakeholder catalogue covering Sawmill and wood supply operations in Latvia. Wood supply related issues, where applicable, are incorporated in the assessment.  FWC site visit to Laukalne sawmill.
Stora Enso Mežs (Wood Supply Latvia)		
Riga Mill	PACKAGING SOLUTIONS	Separate human rights assessment and stakeholder catalogue.
<b>Lithuania</b>		
Alytus Sawmill	WOOD PRODUCTS	Common human rights assessment and stakeholder catalogue covering all units in
Puumerkki Lithuania	WOOD PRODUCTS	

NAME OF COUNTRY AND UNIT	DIVISION/BUSINESS AREA	HOW THE ASSESSMENT WAS PERFORMED
Stora Enso Miškas (Wood Supply Lithuania)		Lithuania. Wood supply related issues, where applicable, are incorporated in the assessment.
Kaunas Mill	PACKAGING SOLUTIONS	
<b>The Netherlands</b>		
Amsterdam Planing Mill	WOOD PRODUCTS	Separate human rights assessment and stakeholder catalogue.
<b>Pakistan</b>		
Bulleh Shah Packaging (Stora Enso – 35% minority shareholding)	JOINT VENTURE BETWEEN STORA ENSO AND PACKAGES LTD.	Separate human rights assessment supported by external expert.
<b>Poland</b>		
Lodz Plant	PACKAGING SOLUTIONS	Common human rights assessment and stakeholder catalogue covering all Packaging Solutions units in Poland.  FWC site visit to Ostroleka Mills.
Mosina Plant	PACKAGING SOLUTIONS	
Ostroleka Plant	PACKAGING SOLUTIONS	
Ostroleka Mills	PACKAGING SOLUTIONS	
Murow Sawmill	WOOD PRODUCTS	Common human rights assessment and stakeholder catalogue covering Sawmill and wood supply operations in Poland. Wood supply related issues, where applicable, are incorporated in the assessment.  FWC site visit to Murow sawmill.
Wood Supply Poland		
<b>Russia</b>		
Arzamas Mill	PACKAGING SOLUTIONS	Common human rights assessment and stakeholder catalogue covering all Packaging Solutions units in Russia.  FWC site visit to Arzamas, Balabanovo and Lukhovitsy mills.
Balabanovo Mill	PACKAGING SOLUTIONS	
Lukhovitsy Mill	PACKAGING SOLUTIONS	
Impilahti Sawmill	WOOD PRODUCTS	Common human rights assessment and stakeholder catalogue covering all Wood Products units in Russia.
Nebolchi Sawmill	WOOD PRODUCTS	FWC site visit to Nebolchi sawmill.
Wood Supply Russia		Separate human rights assessment and stakeholder catalogue.
<b>Slovenia</b>		
MENA Wood Products	WOOD PRODUCTS	Separate human rights assessment and stakeholder catalogue.

NAME OF COUNTRY AND UNIT	DIVISION/BUSINESS AREA	HOW THE ASSESSMENT WAS PERFORMED
<b>Spain</b>		
Barcelona Mill	CONSUMER BOARD	Separate human rights assessment and stakeholder catalogue.
<b>Sweden</b>		
Ala Sawmill	WOOD PRODUCTS	Common human rights assessment and stakeholder catalogue covering all Wood Products units in Sweden.
Kopparfors Sawmill	WOOD PRODUCTS	
Gruvön Sawmill	WOOD PRODUCTS	
Kvarnsveden Mill	PAPER	Common human rights assessment and stakeholder catalogue covering all Paper mills in Sweden.
Nymölla Mill	PAPER	
Hylte Mill	PAPER	
Jönköping Mill	PACKAGING SOLUTIONS	Common human rights assessment and stakeholder catalogue covering 3 Packaging Solutions units in Sweden.
Skene Mill	PACKAGING SOLUTIONS	
Vikingstad Mill	PACKAGING SOLUTIONS	
Reboard	PACKAGING SOLUTIONS	Separate human rights assessment and stakeholder catalogue.
Fors Mill	CONSUMER BOARD	Separate human rights assessment and stakeholder catalogue.
Skoghall Mill and Forshaga	CONSUMER BOARD	Separate human rights assessment and stakeholder catalogue.
Skutskär Mill	BIOMATERIALS	Separate human rights assessment and stakeholder catalogue.
Wood Supply Sweden		Separate human rights assessment and stakeholder catalogue.
<b>UK</b>		
Stora Enso Timber UK		Common human rights assessment and stakeholder catalogue covering all units in the UK. Wood supply related issues, where applicable, are incorporated in the assessment.
Lumipaper Ltd	PAPER	
<b>Uruguay</b>		
Montes del Plata JV	BIOMATERIALS	Separate human rights assessment.

## **ANNEX 2: THE STORA ENSO HUMAN RIGHTS ASSESSMENT TOOL AND GUIDANCE**

The human rights assessment tool guides the user in:

- Identifying human rights impact area
- Rating severity and level of prevalence of each impact
- Assessing level of compliance in policies, procedures and performance.

Each issue area contains the following sections:

**An Impact Scenario**, aimed at getting an indication of the key impact areas within the unit's operations based on a high-level assessment by the company respondent/s. This section includes a number of indicators.

**A Human Rights Compliance Question** with indicators, aimed at capturing the level of compliance with human rights standards when it comes to company policies, procedures and performance.

The impact scenario section includes the **impact rating** based on the following parameters:

- Probability of impact in any one year
- Business controls in place
- Efficacy of controls
- Affected individuals
- Numbers affected
- Severity of Consequence
- Reversibility
- Source of Impact
- Cause of Impact
- Leverage
- Impact Remediation Costs

## **Guidance**

The guidance addresses four key dimensions setting the stage of the assessment.

### *Human rights content:*

This guidance document describes the human rights content of the assessment, divided by Right and by Issue area.

### *Stakeholder analysis & engagement:*

This guidance document includes information on how to identify and engage with key stakeholders- including duty bearers, rights holders and responsibility bearers.

### *Types of operation:*

This guidance document includes an overview of key issues to consider during the assessment based on the types of operations of SE.

### *Countries of operation:*

Includes an overview of key issues to consider during the assessment based on the countries of operation of SE.

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