

Focus on the future

Investing in Plantations

Stora Enso's Experiences

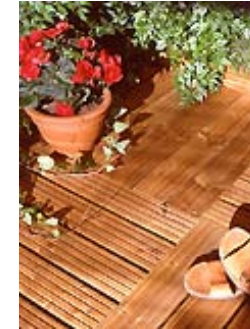
Stora Enso in Brief



Paper



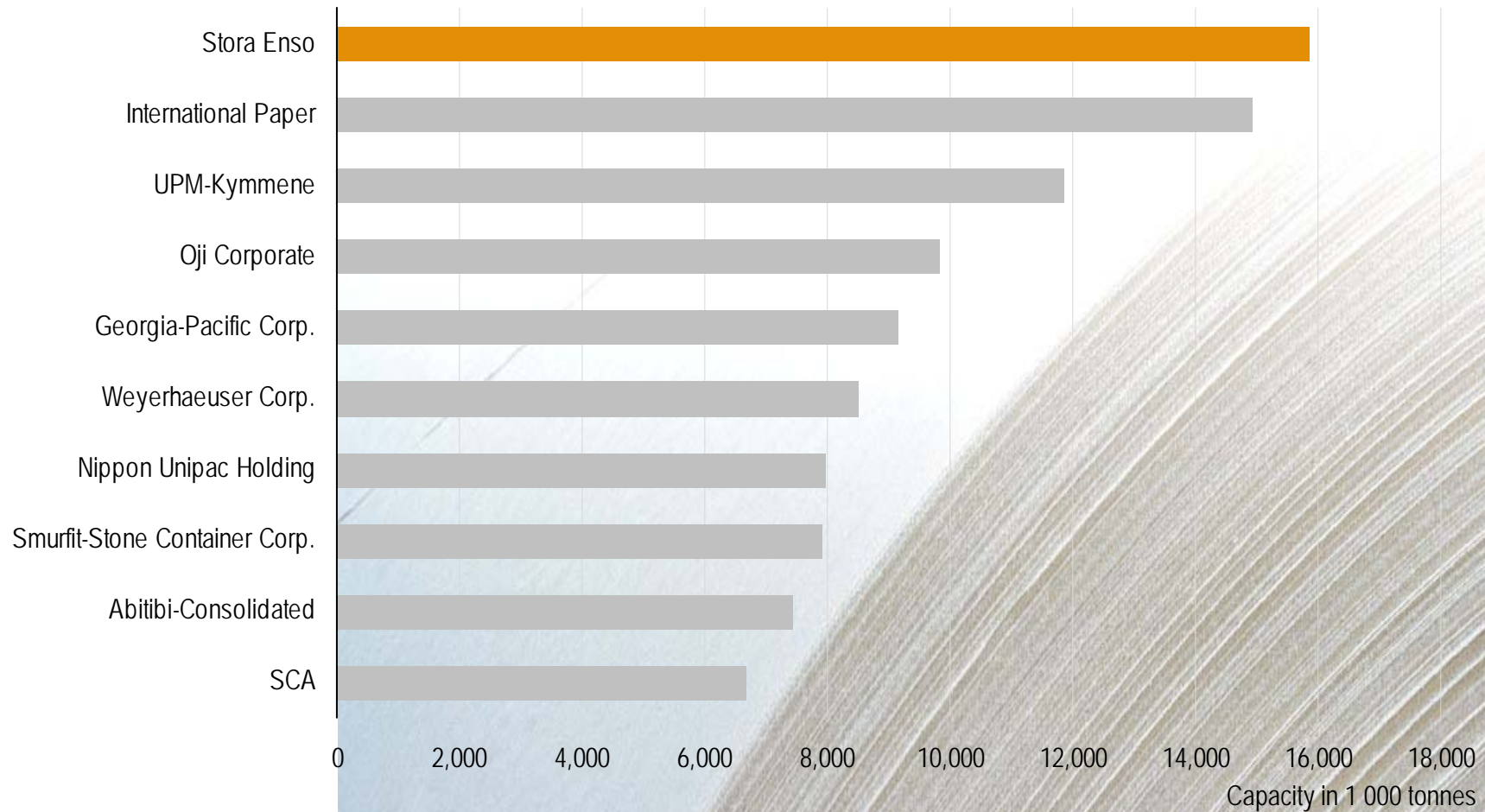
Packaging Boards



Forest Products

- Production capacities
 - 15.7 million tonnes of paper and board 1570
 - 7.4 million m³ of sawn and processed wood products 740
- Three core product areas
 - Paper, Packaging Boards and Forest Products
- Sales: EUR 12.2 billion 122
- Approximately 44 000 employees in 40 countries 44000 40
- Market capitalisation: EUR 8.9billion 89
- Shares listed on Helsinki, Stockholm and New York stock exchanges

Leading Producers Paper and Board, July 2004 2004 7



Source: Jaakko Pöyry Consulting

Sustainability in Stora Enso

Mission : Our products promote well-being

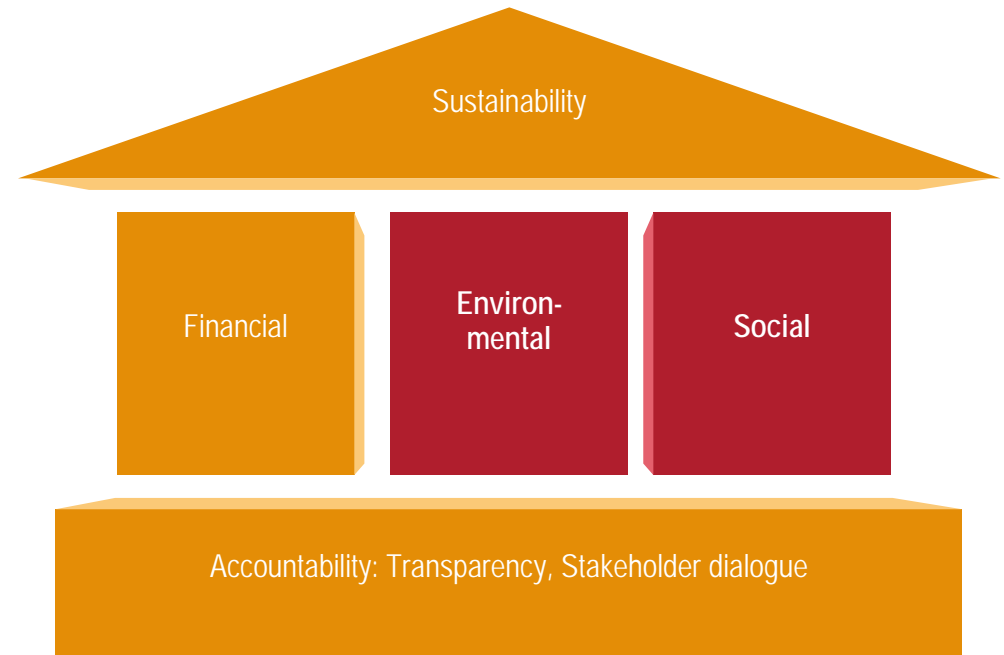
Vision : We take the lead

Values : Responsibility

Policy : Environmental and Social Responsibility

▶ CSR Principles

▶ Environmental Principles



Company strategy: Stora Enso wants to achieve operational excellence, superior performance and image in sustainability and social responsibility.

Feedback from the market



Dow Jones Sustainability Index



100% of Stora Enso's pulp, paper and board capacity is covered by EMAS and/or ISO 14001

/ ISO14001 100

Stora Enso has been included since the launch in 1999 (six times now)
1999



FTSE4Good index

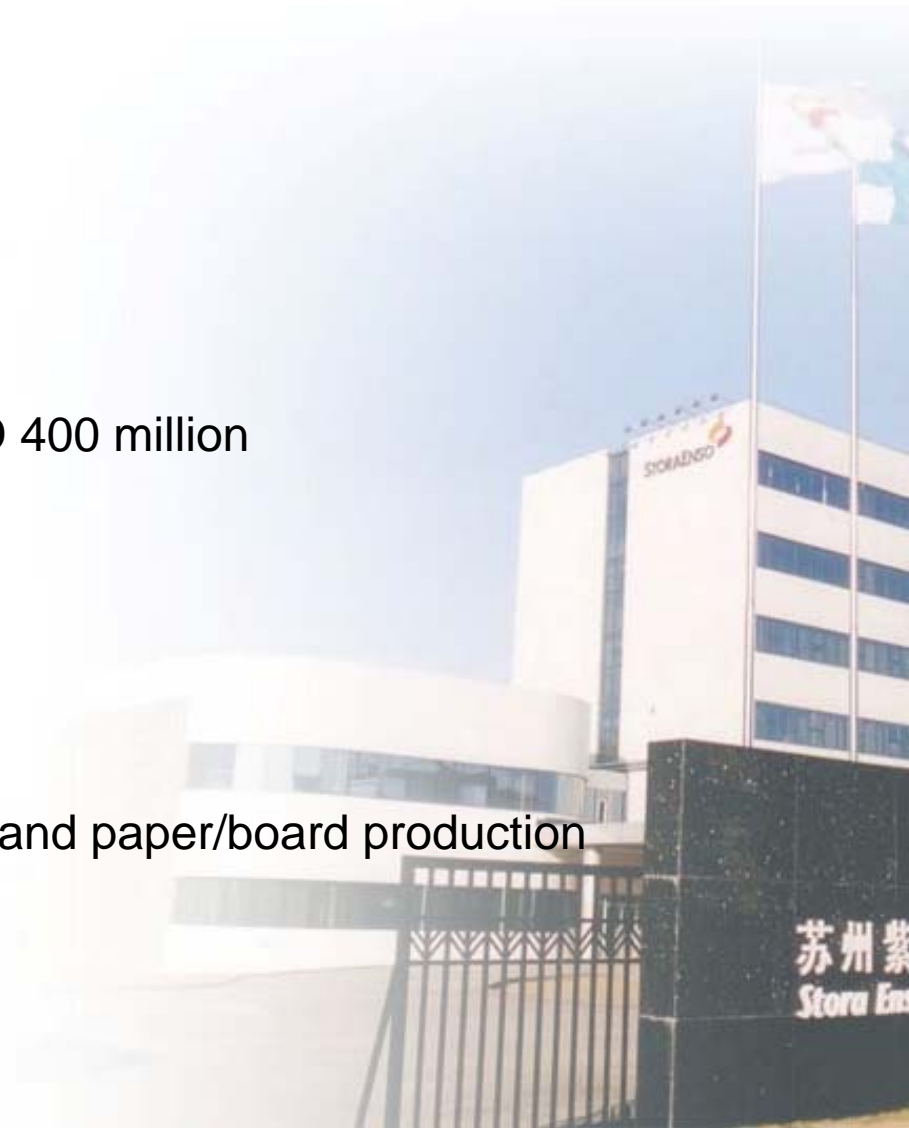
Index series for socially responsible investors



Stora Enso in China



- Paper production and converting
- Sales network covering whole country
- Sales of 600.000 tonnes with value of USD 400 million
60 4
- Asian Pacific Head Office in Shanghai
- Plantation project in Guangxi
 - Target to establish an integrated pulp and paper/board production



Experiences in Guangxi

- Land available for industrial-scale operations
 - Soil and suitable terrain
 - Relative flat
- Good infrastructure
- Good co-operation with local Government and Forest Bureaus
- Opportunities to increase growth rates

Challenges in Plantation Management

Land availability

- Collectives are reluctant to rent out land use rights
 - Sense of security having own land rather than receiving rental income
 - Day to day living is more important than long term benefits
 - Worried not to receive rental income as promised
- Land ownership and usage rights are not clear in all the cases
- Certain plot of land are not viable for higher yield plantations

Challenges in Plantation Management



Different expectations regarding speed of the process

- Sustainable and fast-yielding plantation management needs time
 - Well implemented preparations and practices enable higher growth rates and require less land
 - Solid fibre base is a crucial condition for a successful pulp and paper making
- Needs patience from local Governments in order to achieve long term success

How to proceed

- Discussions with farmers and collectives in order to set common goals
- Establish new models in order to anchor the company into local community
 - Provide fund for promoting well-being of local people in the area of infrastructure, education level, health and sanitation etc.
- Cooperation with international independent organizations in analysing environmental and social impacts of integrated forest-pulp-paper project in Guangxi
- Continuous co-operation with local Governments to jointly develop sustainable and viable approach for both plantations and industry

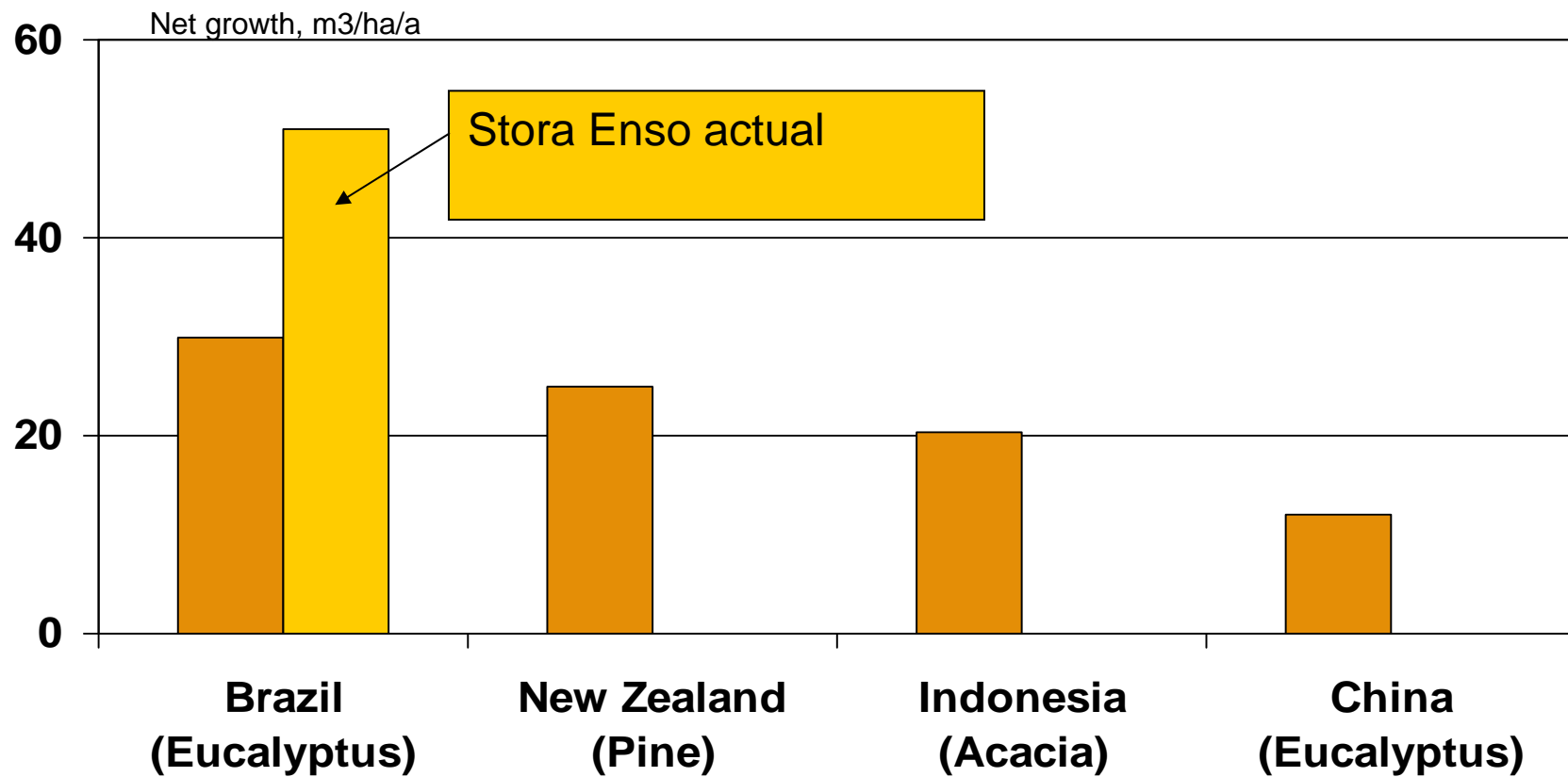
Win – Win

Stora Enso can provide

- Know-how based on experiences in forestry since 1870's
19 70
- Forestry development in Europe and Latin- and North America, Africa and several Asian countries such as Indonesia, Thailand and Laos
- Latest methods for growing seedlings, planting and cultivation
- Continuous Research and Development work
- Sustainable methods from plantations to pulp and paper making
- Support Central Government's target to increase plantations as fibre resource in China

Actual Net Growth of Plantations

Actual net growth of forests falls behind their potential growth in all parts of the world.



Source: Jaakko Poyry, Stora Enso



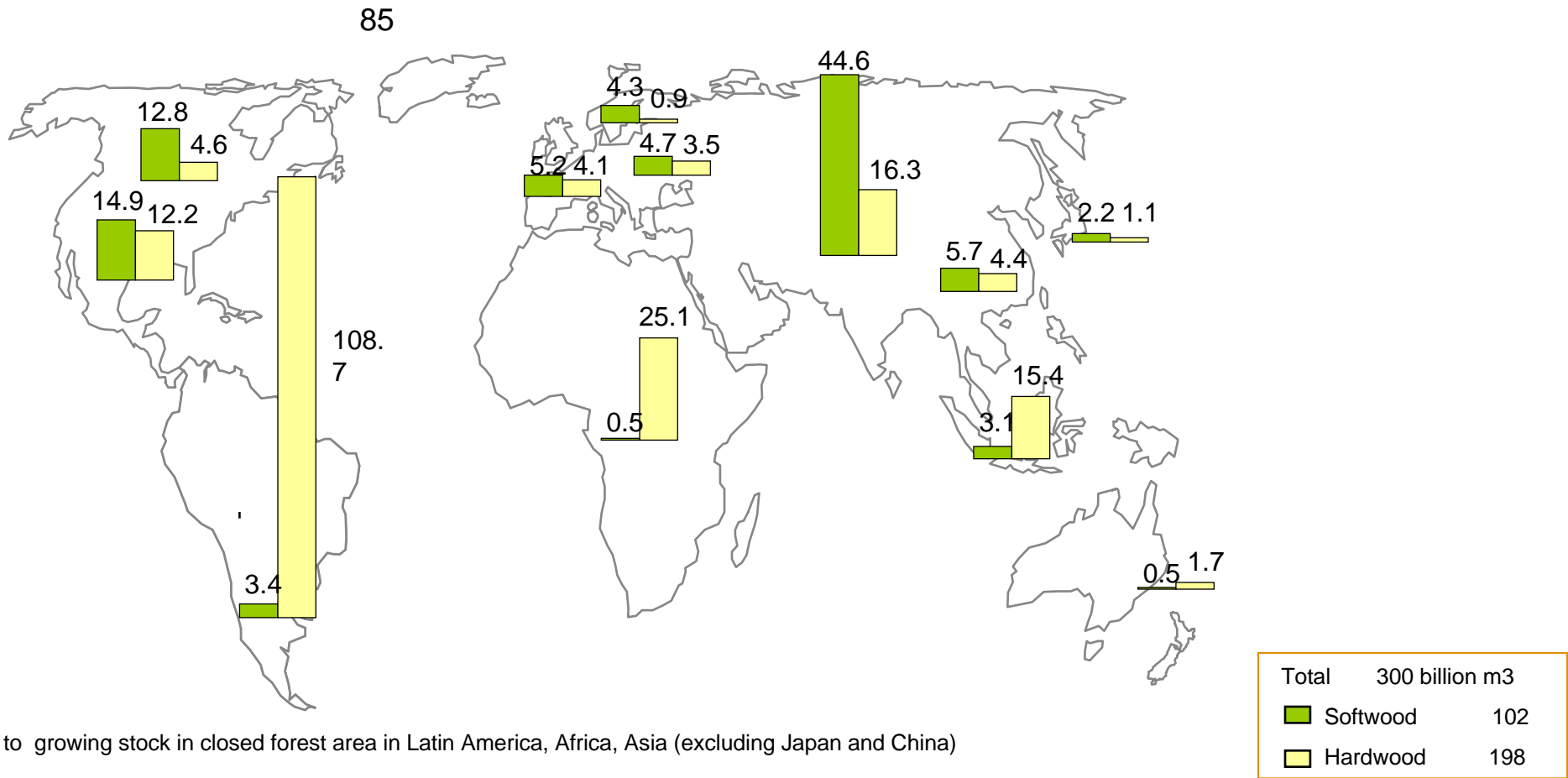
STORAENSO 

Thank You!

Growing Stock on Forest Area Available for Wood Supply ¹



North America, Europe and Russia have most (85%) of the available softwood stock, while the hardwood stock is concentrated in Latin America, Africa and Southeast Asia.



Stora Enso's EMAS approach



- Stora Enso is a forerunner in the forest industry in EMAS (Eco-Management and Audit Scheme) registration
- 100% of Stora Enso's pulp, paper and board capacity is covered by EMAS and/or ISO 14001
- Also all Nordic sawmills and wood procurement in Finland, Sweden and Russia have been EMAS registered
- EMAS allows Stora Enso to focus on most relevant issues in each production location



Sustainability Indexes



Dow Jones Sustainability Index

- Stora Enso has been included since the launch in 1999 (six times now) 1999
- Tracks the performance of leading sustainability-driven companies worldwide



FTSE4Good index

- Index series for socially responsible investors
- Assesses achievements in:
 - upholding and supporting universal human rights
 - developing positive relationships with stakeholders
 - working towards environmental sustainability

