

Environmental investments and annual costs

In 2001, Stora Enso spent EUR 235 million on environmental investments and costs, compared to EUR 229 million in 2000. This spending includes capital expenditure as well as operating and maintenance costs, but excludes interest and depreciation. Total environmental investments amounted to EUR 75 million, while environmental costs totalled EUR 160 million.

The most important investment completed during 2001 was the new fibre line at Imatra Mill. The total investment was EUR 365 million, of which 11% was classified as environmental investment. The most extensive investment decision made during 2001 concerned a construction project at Langerbrugge Mill. Investment will amount to a total of EUR 476 million, of which 30% is environmental investment. A new newsprint paper machine will use 100% recycled fibre, and the project also includes a bio-fuel power plant.

In Finland a new Environmental Protection act has been in force since March 2000. In accordance with the EU principle of IPPC (Integrated Pollution Prevention and Control), the following pulp, paper and/or board mills have to renew all their environmental permits by the end of 2004 at the latest: Anjalankoski, Corenso Pori, Enocell, Heinola Fluting, Imatra, Kemijärvi, Kotka, Oulu, Pankakoski, Summa, Varkaus and Veitsiluoto.

Also the following Stora Enso units are due to update their environmental permits between 2002 and 2006: Ala Sawmill, Balabanovo, Barcelona, Berghuizer, Biron, Celbi, Corenso St. Seurin-sur-l'Isle, Duluth, Falun Red Paint, Gruvön Sawmill, Heinola Packaging Mill, Honkalahti Sawmill, Kimberly, Kitee Sawmill, Koski Sawmill, Niagara, Nymölla, Paty, Plana Sawmill, Stevens Point, Suzhou, Whiting and Wisconsin Rapids Paper, Paperboard and Pulp Mills. Furthermore, the Water Quality Center and Water Renewal Center in Wisconsin Rapids will update their permits.

Estimates indicate that a total of EUR 58 million will be required to cover future corporate environmental liabilities. The implementation plan includes major remediation projects such as decommissioning activities at the Falu Mine, the clean-up of mercury contamination at the former chloralkali plant at Skoghall, and the final safe disposal of mercury at Skutskär Harbour.

There are currently no active or pending legal claims concerning environmental issues which could have a major impact on Stora Enso's financial position.