

Securing the future

Any reduction necessary in the workforce shall be carried out with respect for the individual and with proper sensitivity to employees' needs.

Occasional workforce reductions cannot be avoided in today's competitive global market – to secure long-term profitability and to take account of technical developments, shifts in the raw material base, and changes in the

product portfolio. For the individuals concerned, the threat of losing one's job or relocation are disruptive. As a result, Stora Enso always tries to take a long-term approach to planning and minimising the negative impact

involved. Stora Enso prioritises responsible action in these areas. Identifying internal employment opportunities and providing outplacement services, retirement plans, and further education are always involved. ■

Cases in 2002

Closing down a paper machine in Summa

As part of an asset restructuring programme in Stora Enso's Newsprint and Magazine Paper Divisions, the closure of one of the paper machines at Summa was announced in January 2001. Stora Enso also announced that everyone affected would be offered employment at other Stora Enso mills nearby or receive special pension provisions.

The permanent headcount will be cut from 659 to 490, a reduction of 169, mainly during 2002 and 2003. Of the 169 people affected, 51 have received an early retirement package or will retire and 42 people have found employment at Stora Enso's Anjala, Kotka, Ingerois, and Karhula mills nearby, or elsewhere in Stora Enso. In total, 61 people have been given their notice and all will be eligible for unemployment pension. The average age of the latter is close to 59. A total of nine people are currently on long-term sick leave and six people have left the company.

Restructuring at Nymölla

The decision in 2001 to close the coating machine at the Nymölla Mill meant that 160 positions were to be eliminated. In May 2001, the mill received a new permit to increase its pulp production, which allows production to take place year-round. An additional 15 people were needed as a result.

The final outcome in May 2001 resulted in 38 people being laid off and 62 employees being offered early retirement. The remaining 45 left through personnel attrition.

As the mill needs temporary personnel on a recurring basis, 27 employees who were laid off have formed a pool of temporary workers, and work in different departments as needed. When vacancies for permanent positions open up, they are given priority.

A total of 100 employees were assigned new duties at the mill, after being consulted about their interest in new positions. Training was started immediately after the machine was shut down in February 2002.

The effect of the merger of Stora and Enso on Papyrus UK

In connection with the merger of Stora and Enso in 1999, Caxton Papers UK and Brand were merged into Papyrus UK Ltd. Despite successful cost-saving programmes and a major effort from employees, it proved impossible to make operations profitable and a decision was taken at the beginning of 2002 to close UK operations.

A total of 214 people were affected, of whom 198 were made redundant in May. Some of the business was sold to a competitor, which took on eight people. A further eight continued with Stora Enso until the end of 2002.

95% of the 198 people made redundant have found other jobs or solutions. This success can be attributed to:

- Good communications
- Good project planning
- Excellent legal and tax advice
- Very good cooperation with an outplacement company
- Good teamwork
- TQM principles

Career services at Stora Enso's facilities in North America

During 2002, workforce reductions affected approximately 200 employees at Stora Enso's facilities in North America. In addition to a competitive severance package, these employees were offered career transition services. This programme provides professional counsellors and office space for employees to identify, seek out, and secure new career opportunities. In addition to professional consultation, services include use of computers with Internet access for career searches, telephones to conduct job searches/interviews, word processing assistance, and career search reference material. This programme has proven successful. Placement rates through the career transition services are high, with most employees finding comparable positions or transitioning to other career alternatives.