

Stora Enso in Guangxi – Setting the agenda on sustainability

Environmental and social impact assessment work will begin in Guangxi during 2005.



Key facts

- Guangxi is in southern China, some 800 km west of Hong Kong.
- Plantations with a total area of about 14 000 ha have been established by December 2004, and the target is to have over 100 000 ha of plantation by 2010.
- The plantation lands are owned by the state or collectively owned by the local people.
- Plantations are only established on land that has been designated for forestry purposes by the Chinese government.
- The main tree species is eucalyptus (*urograndis* hybrids).
- The mean annual increment is expected to be 24 m³/ha of wood (solid under bark).
- Planting work has been outsourced to local firms.
- The plantations currently have about 70 permanent employees, as well as about 20 contractors and 1 000 additional labourers during the peak time.

Stora Enso started establishing plantations in China in 2002, and has now identified a potential mill site by the South China Sea in the Guangxi Autonomous Region. Guangxi is conveniently located close to regions of China where paper consumption is highest, and also near the rapidly growing Vietnamese market. Stora Enso's aims in Guangxi are:

- to establish a low cost fibre supply for a state-of-the-art pulp and paper integrate.
- to establish an integrated forest-pulp-paper industry in southern Guangxi together with a Chinese partner.

Sustainability action plan

Stora Enso has set up a programme to establish a sustainability agenda for the plantations in Guangxi. This agenda will address environmental and social issues, while also setting objectives and defining indicators. The agenda will also form a useful framework for communications and reporting on Stora Enso's sustainability work in Guangxi.

Work has recently focused on identifying priority areas and gathering information for the final agenda. The next stage is to conduct an Environmental and Social Impact Assessment (ESIA), starting in 2005, to provide valuable input for the agenda, and to help identify significant development areas and challenges. During 2005 Stora Enso also aims to start the implementation of ISO 9001, ISO 14001, and OHSAS 18001 management systems for the plantations, in parallel with planning work related to the forest certification of the plantations.

CSR issues have already been incorporated into all business contracts with suppliers. Stora Enso Guangxi is also already helping to improve local children's education, health care and well-being by providing a social development grant. •