

# Progress towards targets

Area	Targets for 2004	Progress	Targets for 2005
<b>Strategic planning</b>	Continue country-specific risk assessments. Finalise CSR due diligence guidelines.	Risk assessment for Russia completed. Guidelines finalised, testing started.	● Utilise and test CSR due diligence guidelines in mergers and acquisitions.
<b>Training</b>	Start CSR co-ordinator training programme.	Training programme started: first training session arranged in Finland.	● Develop and co-ordinate the CSR implementation co-ordinator network, and continue the training programme.
<b>Unit implementation</b>	Continue pilot projects in different locations. Set division-specific targets for unit implementation.	Unit pilots conducted at Kabel Mill, Suzhou Mill, Wood Supply Finland and Wood Supply Russia. All product areas and divisions started to define targets.	● Continue with pilot programmes to work towards unit implementation objective.
<b>Quality assurance</b>	Define concept for CSR audits. Start internal CSR data checks.	Quality assurance targets postponed to 2005.	○ Start developing a concept for internal CSR quality assurance (including CSR audits and data checks).
<b>Supply chain management</b>	Conduct first pilot supplier CSR audits.	Draft action plan for supply chain management prepared by Stora Enso Purchasing. Supplier audits postponed to 2005.	○ Continue to systematically incorporate CSR aspects into supply chain management and conduct the first pilot supplier audits.
<b>CSR principles</b>	Review and update CSR Principles.	Principles reviewed during 2004.	○ To be updated during 2005.

The first formalised CSR due diligence guidelines were finalised in 2004. The guidelines help the due diligence team to assess the potential CSR risks in restructuring processes such as mergers and acquisitions. The guidelines provide assistance in evaluating risks related to areas such as corruption, human and labour rights violations, community relationships, and raw material sources. These guidelines are currently being tested in different locations, and will be further developed according to the feedback received.

Country-specific risk assessments support CSR due diligence guidelines, as they provide information related to the general operational environment and CSR challenges. This year a risk assessment was conducted for Russia.

### An overview of Stora Enso's achievements so far

Stora Enso's Principles for Corporate Social Responsibility were established at the end of 2001. The Group had already been working for many years with various CSR areas, such as Occupational Health and Safety, but the establishment of the CSR Principles nevertheless represented a starting point for the systematic integration of CSR into all Stora Enso's operations. After three years of work a lot of progress has been made, although in some respects Stora Enso is still in the early stages of this integration process, and is still exploring what forms systematic CSR management can take.

The whole CSR concept is indeed still evolving, and Stora Enso needs to continuously ensure that its approach

is in line with the expectations of various stakeholders and international best practices.

The timeline at the bottom of these pages, CSR milestones, illustrates the progress made since Stora Enso's CSR Principles were defined. ●

### CSR milestones



The Group's long-term objectives and first annual targets for social responsibility were approved in 2003. During 2004 Stora Enso was already able to achieve many targets, although in some areas progress was slower than expected. At this stage, the targets are mainly process-oriented. As CSR management evolves, opportunities to establish more performance-based targets will be examined.

Area	Targets for 2004	Progress	Targets for 2005
<b>Reductions in the workforce</b>	Finalise corporate guidelines on reductions in workforce.	Target postponed to 2005.	○ Finalise corporate guidelines on reductions in workforce.
<b>Diversity</b>	Continue the WISE project according to the action plan.	WISE network established. Salary review carried out, and career plans made for network members. A plan made for cascading the WISE project through units.	● Ensure that the implementation of the WISE action plan starts at divisional and unit levels.
<b>Working conditions</b>	Define procedures for handling harassment cases. Occupational Health and Safety targets, see page 38.	Screening of existing unit-level procedures for handling harassment cases started. See detailed evaluation of OHS performance on pages 38–40.	○ Define procedures for handling harassment cases. ○ OHS and Employee well-being see pages 38–40.
<b>Business practice</b>	Continue to increase awareness of the Stora Enso Competition Law Compliance Programme.	Competition Law Compliance information/training was a topic in the management groups of the major business divisions as well as in all Stora Enso Manager and Executive training courses.	● Continue implementation of Stora Enso's Competition Law Compliance Programme.
<b>Communications</b>	Develop a more systematic approach to stakeholder engagement.	Stakeholder engagement project started. Results expected in spring 2005.	○ Finalise and start implementing the corporate stakeholder engagement plan.

● = Targets achieved  
 ○ = Work ongoing  
 ○ = Targets postponed or not achieved

## Long-term CSR objectives

### Policies and principles

Living up to CSR Principles – supported by various tools (see below).

### Governance

Clear governance structures promoting accountability.

### Objectives

Clear and ambitious objectives promoting continuous improvement.

### Tools for implementing commitments and objectives

- **Unit implementation and business processes**  
CSR priorities and action plans identified by all units. CSR included

in investment decisions, annual planning and performance reviews.

### ● Training

Comprehensive CSR training provided to employees. CSR unit co-ordinator network established and working.

### ● Principle-specific programmes

Tools and programmes in place to further the implementation of each CSR principle.

### Performance measurement and reporting

Comprehensive performance measurement system in place. Continuous

improvements in assured sustainability reporting.

### Quality assurance

Comprehensive internal and external assurance systems in place.

### Stakeholder engagement

Systematic and pro-active engagement with an ability to understand material issues for stakeholders.

### Supply chain management

Comprehensive supplier monitoring system in place. CSR issues integrated systematically into sales and marketing processes.

