

Completing the transportation sustainability agenda

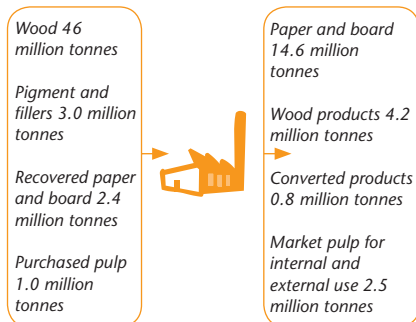
Stora Enso currently promotes and reports on environmentally beneficial transport solutions, and in future social responsibility issues related to transport will also be addressed more systematically.

Stora Enso Transport and Distribution is responsible for co-ordinating the flows, storage and distribution of most of the Group's products. The wood supply organisations are responsible for wood flows to mills.

Although the indirect environmental impacts of transportation fall outside the scope of Stora Enso's reporting, Stora Enso Transport and Distribution requires transport suppliers to have basic environmental management systems, to provide data on environmental performance and to actively improve their environmental performance. Suppliers' environmental management performance is also assessed through a special questionnaire.

Stora Enso Transport and Distribution has created a plan for integrating the Group CSR Principles into its operations, and the first phase of this plan is due to be completed in early 2005.

Transport volumes 2004



Stora Enso transported 74.5 million tonnes of raw materials and products in 2004, up from 69.5 million tonnes in 2003. Almost all transportation is carried out by subcontractors.



Transportation by ship is dominant in terms of Stora Enso's total transportation flows, but rail and road are also significant modes of transport.

2004 in focus

Using rail whenever possible in North America

In North America, approximately 90% of raw materials destined for mills are transported by rail and 10% are transported by truck. The breakdown for outbound shipments overall is 60% by rail and 40% by truck – although rail shipments from mills producing magazine paper grades can account for over 90% of all consignments.

In a customer project conducted in 2002, Stora Enso North America calculated the emissions generated from various transportation modes connecting its mills to the customer's pressrooms. A repeat of this analysis in 2004 showed that even though the average distance travelled per tonne increased, emissions per tonne remained stable due to the increased use of rail.

Another measure to keep emissions low is a freight cost sharing agreement with select customers. Customers can be rewarded for selecting pressrooms closer to paper manufacturing sites, for ordering quantities that fill railcars, and for providing sufficient lead time on orders to allow rail to be used.

Environmental requirements incorporated into NETSS

In January 2004, Stora Enso approved the implementation of the new North European Transportation Supply System (NETSS). The aim is to adopt the environmental standards presently applied on the Gothenburg-Zeebrugge line through out the new transport system.

Related measures include the use of low sulphur fuel, catalytic cleansing (SCR) of exhaust gases, and the fulfilment of specific environmental and health requirements. NETSS is expected to be in operation in July 2005.

Subcontractor's traffic accident in Finland

A tragic traffic accident occurred on 19 March 2004 when a tandem trailer containing paper reels from a Stora Enso mill collided with a bus. The trailer collided with the bus while both vehicles were at full speed, leading to the loss of 23 lives. Since the accident the Finnish Ministry of Transport and Communications has improved standards of road maintenance during the winter, and also lowered speed limits in difficult weather conditions.

Environmental award granted in Sweden

Stora Enso was awarded with the Swedish Maritime Forum's Environmental Diploma for 2004. The Maritime Forum commended Stora Enso for developing a new transport system with environmentally sound solutions in all parts of their operations. The Group was also praised for requiring suppliers to use the best available technology in all phases of the logistics chain. The Maritime Forum anticipates that Stora Enso's new transport system NETSS will result in significant reductions in emissions to air when in full operation in 2007.

Read more at: www.storaenso.com/2004/sustainability