

SCOPE AND OBJECTIVES

Stora Enso commissioned csnetwork to provide independent assurance on the sustainability information within the Stora Enso Sustainability Report 2004. The objective of the assurance process was to check claims and review the arrangements for the management of social and environmental issues and the systems for collection of data. csnetwork took account of the principles underlying the AA1000 Assurance Standard in designing the assurance process. Case studies and information presented on the company's internet site are excluded from the scope of this assurance process, except for the case study material on Russia. Financial performance information contained within the report is also excluded, with the exception of environmental investment, cost and liability data. The system for collection of these data was reviewed but no independent assessment of environmentally-related financial liabilities has been made. Verification of greenhouse gas releases for carbon emission trading will be subject to a separate regulatory process and is outside of the scope of this assurance process.

RESPONSIBILITIES OF THE MANAGEMENT OF STORA ENSO AND THE ASSURANCE PROVIDERS

The management of Stora Enso has sole responsibility for preparation of the Report. This statement represents our independent opinion. We were not involved in the preparation of any part of the Report. We have carried out a review of assurance needs for wood traceability in 2004 but have no other contract with Stora Enso. This is the second year that we have acted as their independent assurance providers. A Statement of Impartiality relating to our contract with Stora Enso will be made available on request. The opinion expressed in this assurance statement should not be relied upon as the basis for any financial or investment decisions. The independent assurance team for this contract comprised Mark Line, Richard Hughes, Richard Dalley and Katy Anderson. Further information, including a statement of competencies relating to the team can be found at: www.csnetwork.com.

METHOD

The independent assurance process was conducted through meetings at Stora Enso corporate offices in Finland, Sweden and United Kingdom and at operational sites in Russia, Sweden and Finland. The English language version of the report was used as the basis for the assurance. Meetings were conducted with managers at Corporate and Division level responsible for areas of management and stakeholder relationships covered by the report, and for collating the data and information on which the report text and data was based. During these meetings, claims were discussed and a review was undertaken of the systems and processes for data collection and analysis. We visited Wood Supply Russia, Skoghall Mill (Sweden) and Varkaus Mill (Finland). During the visits to operational sites we discussed local management arrangements and checked selected performance data with local management representatives. We have not contacted Stora Enso's stakeholders directly, although we have carried out limited web-based research of the views of stakeholder groups to identify issues of relevance to Stora Enso. This research was carried out by Professor Aleg Cherp of the Central European University, Hungary.

OPINION**Accuracy**

On the basis of the method and scope of work undertaken and the information provided to us by Stora Enso, we found that the systems for collection of environmental performance, environmental cost data, wood traceability and Occupational Health & Safety (OHS) performance data are generally robust. Nothing came to our attention to suggest

that reported data are not a true and fair representation of performance trends in these areas, however, we detected an unnecessary delay in the reporting of one fatality in the OHS system. Stora Enso was aware of the issue and has taken corrective action. In addition, discrepancies were found in environmental data for hazardous waste arisings and investments, which have been corrected.

The consistency of HR data has improved as a result of increased internal checking. However, the reconciliation of data between different data systems still needs to be improved.

Completeness

Nothing came to our attention to suggest that material issues have been omitted from the scope of the Report, and appropriate systems are in place for monitoring and gathering information on relevant management arrangements and performance.

In our opinion last year we recommended that future reports would benefit from greater commentary on Group performance trends in all areas. This year's report benefits from the adoption of global environmental targets, including targets applicable to wood supply, and also from disclosures regarding the identification of social responsibility priorities at a unit level. The report would still benefit however from further commentary on Group performance trends for OHS and diversity. The inclusion of further data on economic responsibility is a positive step towards understanding the company's broader sustainability context.

Recommendations for future reporting

Last year we commented that the quality of consolidated data could be further improved by developing protocols to overcome national differences in reporting practices. This is still the case for some OHS and HR data. Extension of the existing group level checking of HR and environmental investment data would also improve consistency.

We note the continued investment of Stora Enso in data systems for wood supply, which should improve the quality and consistency of traceability data further, particularly in the Baltic and Russia where origin of wood data is being fully integrated into the purchasing system.

The development of a corporate stakeholder engagement strategy is a positive step. We recommend that Stora Enso should begin to progressively use systematic analysis of stakeholder feedback to guide decisions about future report content.

Recommendations for future management

Stora Enso continues to make progress in response to stakeholder concerns about the sourcing of fibre and has set traceability targets which cover all fibre sources. We commend Stora Enso's planned development of global principles for wood supply and progress towards certification to Chain of Custody standards. We recommend that priority be given to defining clearly Stora Enso's own minimum global standards in the continuing absence of consensus between certification bodies.

The implementation of corporate sustainability targets, supported by internal audit processes, provides a potentially valuable mechanism for effective future feedback of issues at corporate, regional and local level. In those areas where the corporate sustainability focus is developing, such as issues relating to transport and purchasing, we recommend that performance indicators be identified as a precursor to developing targets.

csr network ltd
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csnetwork is a business focused, corporate social responsibility consultancy organisation, bringing together specialists from the fields of environmental management, social accounting, and sustainable development. www.csnetwork.com