

## **Stora Enso Oyj : - It all starts in the forest**

05.05.2020

***An interview with Jari Suominen who took the lead of Stora Enso's new Forest division in January 2020.***

### **How do you see Forest division's role in Stora Enso's business portfolio**

The Forest division has an essential role in ensuring the sustainable supply of competitive wood for Stora Enso mills. In addition, we are responsible for creating value from our forest assets through sustainable forest management. We take on this challenge with a professional and experienced Forest staff - a unique team of talents, combining decades of forest management experience with the latest technology. We are privileged to work with this extraordinary living environment, where trees and species grow as a huge solar energy driven system. Underlying all our work is our endeavour to keep the forests productive and healthy without compromising on biodiversity. Productive forests absorb carbon from the atmosphere and offer sustainable raw material for Stora Enso's customers and end-users around the world.

Stora Enso is one of the largest private forest owners in the world, with forest assets valued at more than EUR 4.9 billion. Why is it important for a renewable materials company to own its forest assets

Forests create long-term value while providing synergies with wood sourcing and downstream integration within the industry. We create value from our own forests by increasing long-term yield (forest growth m<sup>3</sup>/ha/a), optimising our land base and securing financial flexibility. In forest management, our aim is to mitigate the negative climate change impacts by maintaining and increasing forest health and resilience. Our own forests and long-term wood supply agreements secure a cost-efficient, stable and secure supply for our mills and stabilise wood market volatility. With sustainable forest management and R&D, both the returns and the value of forest assets can be increased.

### **How do you develop sustainability in your forests**

Sustainability is at the core of Stora Enso's business and crucial for our credibility. It concerns everything we do in forests, including the economic, environmental and social impacts. The foundation is built through our daily work, coordinated and developed by our sustainability professionals. Take harvesting as an example: we start the long-term planning on a landscape level long before any operations. We evaluate the different areas where we have the most valuable habitats that will be protected, and identify where in the landscape those areas are located. Planning operations are supported by remote sensing technology and a wide range of GIS layers, including laser scanning-based information. The planning, together with a nature value assessment of the forest site, plays an important role in identifying areas of high conservation value or habitats demanding consideration. Having said this, working with sustainability is not something you ever are ready with. It is about

constantly improving and seeking for new working methods and solutions that combine environmental, social and economic aspects of forestry management.

### **How do you mitigate the impacts of climate change while maintaining biodiversity in forests**

We have a strong foundation for future climate work because forests, and especially the renewable products from healthy forests, have a key role in mitigating climate change. We contribute to and work to safeguard forest health and productivity, combat global warming, protect biodiversity and secure the long-term availability of our renewable resources. The essential thing is that we do all these simultaneously.

Again, this is done in our daily work. Our professionals work to ensure that we make the right choices in planning forest management that considers both climate change and the maintenance of biodiversity.

In addition to owning forest assets, Stora Enso is one of the largest wood sourcing organisations in the world. How do you ensure sustainability in the wood supply chain

We know the origin of all the wood we use and 100% comes from sustainable sources. This is instrumental. In addition, I would also like to highlight the importance of our contractor network for rural areas. Our positive impact in local communities is significant, involving thousands of jobs. Forest division's contractor network, including over 550 contractors in six countries, has the huge responsibility of carrying out the forest work and logistics according to Stora Enso's plans and supplier requirements. Our contractors employ local operators and forest workers. To steer this contractor network responsibly, we foster a sustainability and safety culture wherever we operate. We train our contractors to follow Stora Enso's safety guidelines and to carry out sustainable forestry operations. We build forest roads, support charity programmes and cooperate with local NGOs. We sincerely try to meet local needs within the framework of our global company.

### **What is the focus of your research and development work related to forests and forest management**

Stora Enso's promise to society is that everything that is made from fossil-based materials today can be made from a tree tomorrow. With the new Forest division, Stora Enso is in a unique position to use its forest assets as a platform for innovations and development on different levels. We do a lot of biology-related R&D, such as tree breeding and forest management to improve the growth of the forest. We focus on harvesting technology development, for example on soft and peat soils. We develop the use of big forest data and precision forestry to optimise the supply chain, maximise raw material value and digitalise the forest owner service channel. Our aim is to build a state-of-the-art, data-driven organisation using, for example, artificial intelligence and predictive analysis. In forest work, a prime example of digitalisation opportunities is using drones for stock inventory and surveying storm damage. We are committed to using existing technology to the full and estimating future possibilities on a broad scale.

Source: <https://www.marketscreener.com/STORA-ENSO-OYJ-1412452/news/Stora-Enso-Oyj-It-all-starts-in-the-forest-30540201/>