

# A PRACTICAL GUIDE FOR STORA ENSO'S SUPPLIERS

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# 1. A practical guide for Stora Enso's suppliers

This Practical Guide for Stora Enso's Suppliers (the Guide) aim to help Stora Enso's suppliers to interpret and comply with our Supplier Code of Conduct (CoC), which we see as an essential part of being a supplier for Stora Enso.

We hope this Guide will give you practical guidance on how you can assess how well you meet our requirements for suppliers, to interpret and understand the CoC and how to identify potential areas for improvement. If improvements are needed, Stora Enso is willing to co-operate and provide assistance to ensure that favourable practices are developed. We understand that our suppliers may need time or assistance to meet our standards, and we are committed to work with suppliers who demonstrate commitment and a willingness to move forward together. Combining our efforts is the best way to make our businesses become more successful and sustainable.

This Guide follows the same structure as the CoC, with seven different sections: Management systems; Human and labour rights; Occupational health and safety; Environmental impact; Responsible business; General requirements; and Enforcement. Each section contains the wordings of key parts of the CoC (*in italics*), followed by more practical guidance.

If you need further clarification on the terms used in the CoC or this Guide, please refer to the Terminology section at the end of the Guide.

As we seek to improve our processes and this Guide, we wish to receive feedback from you. If you have any questions or require additional support, please do not hesitate to contact us.

## 2. Management systems

***The Supplier shall have appropriate management systems in place to enable adherence to this CoC or its own equivalent code of conduct, whichever is stricter, as well as all other relevant and applicable laws and regulations. The functioning and quality of the management system shall be in proportion to the size, complexity and risk environment of the Supplier's business.***

A "management system" here means a framework or processes used to ensure that an organisation can fully achieve its objectives and improve its performance. A management system may be manually documented and maintained or supported using IT tools. The quality and exact functioning of your management system will depend on the nature of your operations. A complex, global operation with many employees and potential risks will require an advanced management system; while a privately-owned one-man enterprise will only need a lighter approach. The most important thing is that a suitable management system should be in place to help you as a supplier to improve your performance and control your operations.

Management systems may cover quite different issues. An IT-tool may form a part of the management systems of a financial department, while another IT-based tool can help a supplier to manage human resources issues. In a smaller company it may be possible to effectively manage both financial and human resources issues using an Excel-based tool as part of a management system.

***This means that, at a minimum: the Supplier shall adopt a systematic approach to the assessment, mitigation and management of risks related to human and labour rights, occupational health and safety, responsible business and environmental impact (hereafter referred to as "Code of Conduct Issues").***



Businesses managed systematically will generally be more successful, less exposed to risks, and more flexible during turbulent times. A systematic approach is also needed to fulfil the requirements of The CoC. In practice this means: defining specific people who will be accountable for the various issues covered by the CoC; ensuring that enough resources (people and tools) are available to fulfil CoC's requirements; and being committed to make continuous improvements in the areas mentioned in the CoC and this Guide.

***The Supplier shall adopt measurable performance targets in relation to Code of Conduct Issues and define related actions to reach these targets with a view to ensure continuous performance improvement.***

To run a successful business it is important to make continuous improvements. To this end measurable targets should be set, with progress towards these targets followed up systematically. Such targets can be shared with Stora Enso where this is appropriate. Specific people should be assigned with the responsibility to manage individual issues within the CoC, so that they know what is expected of them.

We also encourage our suppliers' senior management to take responsibility for the performance on Code of Conduct Issues, and to review the performance regularly to ensure that targets are reached and improvements are made.

***All applicable laws, regulations and contractual terms governing the Supplier's assignments shall be duly applied and communicated, with sufficient training provided to relevant employees and business partners.***

At Stora Enso we are committed to fully follow all applicable legislation wherever we operate, and we expect our suppliers to do the same. Where legal provisions are absent or unenforced, we expect you to follow our CoC, as explained in this Guide, and to notify us if any conflicts or potential conflicts with legal implications arise. We encourage suppliers to systematically keep and update any documents, records, permits and licenses that may be needed when audits or other assessments are performed.

For you to follow CoC effectively all of your employees will need to understand the requirements set out in the CoC and in this Guide. We therefore expect you to provide sufficient training on these issues. If you feel you do not have sufficient knowledge or personnel to conduct such training, you should contact Stora Enso for assistance. Suppliers are also expected to complete Stora Enso's Supplier Code of Conduct e-learning process. You may also use this process in your own internal training.

***The Supplier shall have systems in place to enable the reporting of Code of Conduct Issues-related grievances (e.g. a whistle-blowing system).***

This means that all of your employees (permanent, temporary or contracted) and the employees of your relevant business partners must have an opportunity to formally report work-related grievances and any breaches against your policy documents or the CoC. Such processes should preferably be anonymous, and in all cases without fear of retaliation. Also, they must be in accordance with all relevant and applicable legal requirements.

Confidential and anonymous grievance channels may vary from sophisticated internet-based channels to a more simple mail box. The most important thing is that all employees should be aware of their opportunity to report their concerns promptly through effective channels. In case of grievances related to Stora Enso, we expect you to report these to us promptly so we can initiate any necessary actions.

You must respect the privacy of all employees in accordance with applicable privacy related laws and regulations. We do not accept workplace monitoring or collection of employee personal data without the knowledge of employees.



***The Supplier shall duly ensure and monitor that its own suppliers and sub-suppliers comply with this CoC or their own equivalent code of conduct. The Supplier is liable for the performance of its sub-suppliers as for its own work.***

Companies operate in a complex world among many different stakeholders with various interests. It is not sufficient to manage only our own operations; we also need to take into account the surrounding communities, our business partners, non-governmental organisations and other stakeholders. For this reason we also require our suppliers to monitor their own suppliers and sub-suppliers, for example through contractual sustainability requirements, on-site audits or site visits. We need to make sure that all of the stakeholders involved in our supply chain know about our CoC and how we can work together effectively and responsibly.

You should communicate the relevant minimum requirements effectively, and explain why it is important to follow them. You may consider devising your own Code of Conduct, aligned to Stora Enso's, and then require your business partners to adhere to it. Be a role model yourself and encourage your suppliers to learn more about the important issues in your Code of Conduct and Stora Enso's Code.

Make sure that your monitoring approach ensures that materials you provide to us or use to manufacture components, parts, or products should be sourced from environmentally and socially responsible sources only. Materials, which either directly or indirectly contributes to conflicts, are unacceptable. As relevant, you must exercise due diligence regarding the source and chain of custody of the materials you provide/use and make any due diligence measures available upon request.

### **3. Human and labour rights**

#### **3.1 Human rights**

***The Supplier is required to respect human rights and not be complicit in human rights violations within its sphere of influence.***

Human rights must always be respected across all your operations and your relationships with stakeholders. This includes your own employees and those of your sub-suppliers and business partners, as well as people in surrounding communities.

All applicable and relevant laws must be fully respected, together with the requirements listed below on workers' basic rights, wages and working hours, occupational health and safety, environmental performance and responsible business practices. These requirements equally apply to all your employees including permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly paid, legal young workers (minors), part time, night, and migrant workers.

All suppliers should understand what human rights are, and how they apply within their business contexts. To help you do this it may be useful to conduct periodic systematic assessments of your human rights risks and adverse impacts. We also strongly recommend you to commit to the UN Guiding Principles on Business and Human Rights.

***The Supplier is required to duly map its human rights impacts whenever the need for such action is agreed.***

You should always be aware of the impacts of your operations on the human rights of your employees, suppliers, business partners and local communities. When separately agreed, you should submit systematically documented assessments of human rights related risks and impacts to Stora Enso. Regardless of any agreement, you should always systematically assess, mitigate and manage human rights risks and impacts as described in section 2.1.



***The Supplier is required to have in place adequate remedial mechanisms in case of any human rights violations.***

You must effectively prevent any adverse impacts on human rights within your sphere of influence. In cases where adverse human rights impacts occur in spite of all your efforts, remedial mechanisms and corrective actions need to be in place for prompt implementation. If necessary, external organisations may be brought in to help implement and monitor such remedial measures.

### 3.2 Basic workers' rights

***The Supplier is required not to employ any workers below 15 years (14 years in certain developing countries) or the minimum age according to national legislation, whichever is higher (in line with the ILO Convention 138 on child labour).***

We do not accept child labour anywhere along our supply chain. This includes both our direct suppliers and any sub-suppliers. You must not employ any person aged below the minimum age of 15 years (or 14 years for certain countries), or anyone under the minimum age for employment in the country, whichever is highest in line with ILO Convention 138 on minimum age for admission to employment. You are expected to have robust age verification procedures and records in place, to ensure that no underage persons work in your operations (including your own employees and contracted workers).

The worst forms of child labour, which include slavery and trafficking of children, child prostitution and the use, procuring or offering of a child for illicit activities are particularly strictly unacceptable anywhere in our supply chain. Even if these issues are not present in your own operations as a Stora Enso supplier, it is important to understand the risks of this type of child labour among your suppliers and sub-suppliers, and to emphasise that you totally prohibit such practices.

If in spite of your efforts it becomes evident that a child or underage person has been employed in your operations or those of a sub-supplier, we expect you to inform us of the situation immediately. Such cases should be handled together with experienced personnel in order to make sure the correct actions are taken and the rights of children and underage persons are protected.

***The Supplier is required to ensure that employing young people above minimum age but under 18 years does not jeopardise their education, health, safety or morals.***

We support the use of legitimate workplace apprenticeship programmes which comply with all relevant laws and regulations. All young workers below the age of 18 but over the minimum age as mentioned above must be protected from performing any work that is likely to be hazardous, that interferes with their education, or that may be harmful to their health or physical, mental, social, spiritual or moral development.

***The Supplier is required to fully recognise employees' right to organise, belong to a union and bargain collectively.***

Workers should have the right to join or form trade unions of their own choosing, and to bargain collectively, without prior authorisation from suppliers' management. You must not obstruct or prevent such legitimate activities. If you operate in an area where the right to freedom of association and collective bargaining is legally restricted or prohibited, you may not hinder any other forms of independent and free workers representation and negotiation that arise.

We expect that you will never penalise or discriminate against worker representatives or trade union members because of their links with a trade union, or their legitimate trade union activity, in accordance with international labour standards. You must also give worker representatives access to the workplace in order to carry out their representative functions.

***The Supplier is required not to use any forms of involuntary labour.***

We do not accept any use of forced, bonded, indentured labour or other forms of involuntary labour. All work, including overtime work, must be voluntary, and workers must be free to leave employment on reasonable notice. Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of their employment. Third-party agencies providing workers must also comply with these provisions and related laws. All documents relating to employment relationships should be available to employees, and explained accurately in a language understood by the worker whenever possible.

All forms of human trafficking are unacceptable to Stora Enso. This includes the transportation, harbouring, recruitment, transfer, or receipt of any persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

***The Supplier is required not to discriminate against any employees.***

Discrimination based on race, colour, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, marital status or any other such characteristics during any part of any employment relationship (hiring, compensation, benefits, advancement, discipline, termination, or any other employment practices) is not acceptable to Stora Enso. We expect you to treat all individuals, regardless of their position within your organisation or your suppliers' organisations with due respect and without any discrimination.

***The Supplier is required to treat all employees fairly and respectfully.***

All forms of unfair and inhumane treatment of workers, including bullying, abuse or harassment, are absolutely unacceptable to Stora Enso.

We expect you to provide workers with access to clean toilet facilities, potable water, and hygienic food preparation and storage facilities. Any accommodation provided to employees by you or a third party on your behalf must be clean and safe, offer reasonable personal space, and be fitted with adequate emergency exits, heating and ventilation.

### 3.3 Wages and working hours

***The Supplier is required to pay employees at least the minimum wage and applicable overtime wages defined by national laws or any applicable collective agreements.***

You must fully observe all laws and regulations relating to minimum wages, overtime wages, piece rates, and other elements of compensation including legally defined benefits (such as social insurance, parental leave benefits, paid annual leave etc.). We also encourage our suppliers to ensure that their employees' wages and benefits are sufficient to meet the basic needs for themselves and their families / legitimate dependents.

We require suppliers to keep adequate records of the wages and social security fees they pay.





***The Supplier is required to apply normal working hours that comply with applicable law and collective agreements, and where no such laws or collective agreements exist working hours will not exceed 48 hours per working week on a regular basis.***

All applicable working hour requirements defined in local laws and regulations must be duly followed. Employees' weekly working hours must never exceed 60 hours, including overtime, except in emergency or exceptional situations. All overtime work should be voluntary, and workers should have at least one day off in each calendar week.

We expect our suppliers to keep verifiable working time procedures and records, including records of overtime hours, for all of their employees. Practices such as "double bookkeeping" on working hours are unacceptable.

***The Supplier is required to provide all employees with at least one rest day in seven consecutive working days unless regulated otherwise by applicable laws.***

Every one of your employees must have at least one rest day (a continuous period of not less than 24 hours) in every seven consecutive days.

## **4. Occupational health and safety**

Safety is a top priority for us at Stora Enso. In many locations we share the same workplace with many of our suppliers, where we must all operate according to the same safety principles and rules to ensure that everyone works in safety and gets home safely every day. This is why we expect you as a Stora Enso supplier to share and meet the following occupational health and safety (OHS) principles and rules together with us.

***The Supplier is required to fulfil all applicable legal occupational health & safety (OHS) requirements.***

We expect you as our supplier to be fully aware of all the legislative OHS requirements that are relevant to your operations, and fulfil them strictly.

***The Supplier is required to have a written OHS policy of its own, to demonstrate management's commitment to OHS, and to assign responsibility for OHS within its organisation.***

In your written OHS policy, your top management should communicate the importance of a healthy and safe workplace to all of your employees. Your policy should also express your management's intent to promote health and safety. It is not possible to manage a company's OHS issues successfully without strong support from top management level. Your managers should visibly and pro-actively demonstrate their commitment to health and safety through their own actions.

We expect that responsibility for OHS issues should be clearly assigned to specific people within your organisation. Overall responsibility for OHS must be given to a named person, and all your employees should know who this person is. All employees must also be made aware of their own roles and responsibilities concerning OHS issues through regular training.

***The Supplier is required to ensure that operational controls such as rules and procedures are in place and communicated to all employees.***





We expect you to have a set of written rules and procedures designed to control OHS risks. Effective safety management starts with planning and preparing employees for possible risks, so documented rules and procedures are needed to ensure that everyone shares the same understanding of correct ways of working. These documents should include rules on safety issues such as work permits, zero-energy and lock-out/tag-out procedures, personal protective equipment (PPE), how to operate heavy machinery, how to use approved chemicals, emergency procedures and the monitoring of workplace hazards.

***The Supplier is required to have emergency preparedness and response procedures in place.***

Your written and well communicated procedures should be designed to respond to emergencies such as fires, explosions, chemical spills, natural disasters, medical emergencies or any other emergency situation that might arise in your operations. You should have sufficient capacity to provide first aid as necessary, in the shape of readily available first aid equipment and suitably trained staff. It is essential to hold regular drills to practise emergency responses. Emergency procedures are needed to ensure that in any case of emergency everyone immediately knows what actions they need to take to control the situation as soon as possible and limit any damage.

***The Supplier is required to increase its employees' awareness of health and safety issues, to enhance safety culture through open communications, and to ensure that its staff has received appropriate OHS training.***

You are expected to provide your staff with regular training on relevant OHS issues. You should also issue regular communications on OHS matters to increase awareness. OHS rules and procedures will not be effective if your employees are not aware of them. Your OHS training sessions should be designed to ensure that everyone knows the risks and the correct way to work safely, and to build up a pro-active safety culture in all workplaces.

To build up a healthy and safe workplace all of your employees should be engaged in the continuous improvement of OHS. Employees often have the best understanding of working methods and they are also often best able to find solutions to improve safety. To improve company-wide awareness and communications on safety issues it is worth establishing a forum to exchange information between employees and management on issues including unsafe incidents, safe working methods, up-coming regulation or training.

***The Supplier is required to measure and monitor its OHS performance and OHS hazards with the help of properly conducted workplace inspections and audits.***

We expect you to follow up OHS performance using suitable metrics such as numbers of incidents and accident rates. Regularly following-up on these OHS metrics is essential to help you to evaluate the effectiveness of your OHS rules, procedures, training and communications – e.g. by checking whether incident and accident rates are increasing or decreasing. Useful OHS metrics include Total Recordable Incidents (TRI) and Lost Time Accident (LTA) rates. You should also keep records of the numbers and types of incidents (including near misses as well as accidents), and absenteeism or attendance rates.

***The Supplier is required to report and investigate all health and safety incidents.***

All accidents and near misses in your operations must be properly recorded and investigated. Concrete corrective actions must always be defined, and their implementation must be monitored. To define the right measures needed to eliminate the root causes of accidents you need to keep accurate detailed records on the number and nature of near misses and accidents. Corrective actions must be realised as soon as possible to prevent similar accidents in future.

Suppliers operating in localities within Stora Enso's sphere of responsibility – such as inside one of our mills, or in our harvesting, logistics service or tree planting sites – are also required to report all accidents to Stora Enso.

## 5. Environmental impact

Stora Enso strives to comply with and when possible, go beyond the requirements of all applicable environmental legislation and regulations. We are committed to systematic environmental protection throughout our operations. We strive to ensure that our operations and products have superior environmental performance throughout their life cycles, and we expect our business partners and suppliers to do the same. By utilising our expertise in renewable and recyclable materials and by using resources efficiently we can together create products and solutions that promote sustainable living. As our supplier you play an important role in enabling us to make this happen. We believe that many of the key solutions for climate change and other environmental challenges will be based on the use of renewable raw materials, and on cleaner and more energy-efficient production processes. Our ultimate "Vision Zero" of a company with no waste-to-landfill, no harmful air emissions, and no wastewater discharges is very challenging, but it nevertheless helps us to take steps in the right direction through continuous improvements and reduced environmental impacts, also along our supply chain.

Effective ways to systematically reduce your environmental impacts include:

- The formal assignment of responsibilities for environmental management in your company, starting from the top. Responsibilities for these issues should follow the management organisation in your company and be clearly documented and communicated to managers and workers on all relevant levels.
- The identification of all aspects of your organisation's activities, products or services that could have environmental impacts. For these 'environmental aspects' of your operations you should then define procedures or instructions to ensure they are managed responsibly.
- The setting of targets for improvements in environmental impacts, suitably defined with regard to the potential environmental impacts of your company, and backed by environmental programmes specifying the measures, resources and responsibilities needed to reach these targets. You should then continuously monitor progress towards the achievement of these targets, and duly adapt the related programmes at least annually. These targets will provide the basis for your commitment to continuous improvement in environmental performance, which must be the overarching objective of your environmental policies.

To manage all the relevant environmental aspects of your operations we recommend implementing a formal environmental management system relevant to the size and scope of your operations. Following the systematics of the internationally recognised environmental standard ISO 14001 will greatly help you to meet the requirements of our CoC.

***The Supplier is required to fulfil all environmental requirements defined in relevant laws, regulations and environmental permits.***

We require you to fully comply with all legal and official environmental requirements affecting your operations. You should have adequate processes in place to ensure that your employees are aware of these requirements and that you can continually comply with them. All of your obligatory operating permits must be valid, and you must fully meet their conditions. It is well worth establishing and maintaining a systematic process to identify all the legal and other environmental requirements that you must meet. You should also work in close co-operation with legal experts whenever you need to communicate on related instructions and procedures, especially in response to changing legal or official requirements.



We encourage you to identify all the needs and requirements of your different stakeholders in relation to environmental impacts. Important stakeholder groups include the authorities, non-governmental organisations, the media, trade organisations, customers, partners and your own personnel. It is important to ensure that:

- Information sources are identified.
- Legal requirements are identified.
- Other requirements are identified.
- Interpretations of various requirements are conducted.
- Responsibilities for compliance are clarified.

***The Supplier is required to assign responsibility for environmental issues within its organisation.***

Responsibilities for environmental issues must be clearly assigned to specific members of your personnel with appropriate qualifications and adequate resources. Responsibilities do not only concern employees involved in leading and coordinating environmental management. They also affect any employee working issues which directly or indirectly affects identified with environmental aspects of your operations. A clear chain of command is needed to ensure that procedures and instructions are followed. All relevant environmental aspects need to be handled properly; and all the relevant environmental legislation and regulations must be fully observed. You should establish and regularly update procedures and instructions covering any significant environmental aspects of your operations, especially those linked to legal requirements.

***The Supplier is required to ensure that its employees have appropriate know-how and experience in relation to environmental issues, as well as resources to enable them effectively to meet their responsibilities.***

Your employees working issues which directly or indirectly affects identified with identified environmental aspects should have the appropriate know-how and experience to understand the issues concerned. They should also be fully aware of what is expected from them. You should therefore provide the right information and training for all of your employees who are responsible for these issues. Your management representatives should also be duly trained and capable of leading your employees on these issues.

We recommend that you regularly evaluate training needs and development plans for all of your employees working with issues which directly or indirectly affects identified significant environmental aspects. It is also worth regularly assessing the outcomes of such training.

***The Supplier is required to ensure that written instructions covering all processes with potential environmental impacts, such as the storage and handling of hazardous materials, are available and that the relevant information is communicated to all employees involved.***

It is worth performing an “environmental risk assessment” of your operations, to help you pro-actively address any aspects that could potentially have a significant impact on the environment. This will enable you to create a documented register of the significant environmental aspects of your operations. You can then ensure that you duly consider all the relevant environmental aspects of your processes, products and services, including:

- Direct environmental impacts, e.g. discharges to water and air; noise; waste and residuals generated; consumption of power and heat, materials and chemicals; restoration sites and related liabilities; as well as your use of natural resources including land.

- Indirect environmental impacts, e.g. impacts generated by your suppliers or service contractors, or during transportation, product handling and packaging.

Assessments of your environmental aspects should be maintained and periodically updated, since various developments such as new investments or changing processes can have a significant effect on the related environmental impacts.

Your identification of environmental aspects should form the basis for related procedures including:

- Defining your organisation, responsibilities, authority and resources (including human resources, specialized skills, technical capacity and financial resources)
- Manuals and working instructions
- Operational controls
- Communicating your demands to your employees and your own suppliers and contractors
- Keeping records and documentation

Below are listed some concrete examples of aspects of your operations that are likely to result in significant environmental impacts. It is worth having written procedures and instructions in place on all these issues as necessary:

#### **Managing wastes and residuals:**

- Make sure all containers for wastes and residuals containers are clearly marked to avoid misunderstandings when it comes to the disposal, reuse and recycling of these materials.
- Ensure enough containers are available to avoid the mixing of waste that would be recyclable.
- Ensure that all hazardous wastes are safely stored and that you contract licensed suppliers for their transportation and final treatment. If you have any liquid hazardous wastes, make sure they are stored in such a way that they cannot leak into the surroundings.
- Make sure you have an effective traceability system for all your waste, to help you meet your responsibilities regarding the safe disposal of wastes and your reporting obligations.
- Keep good records of the amounts of waste and residuals you generate, and monitor the related trends. This can help you to reduce both your costs and your environmental impacts.

#### **Air emissions:**

- Make sure you have procedures and instructions in place for anyone operating equipment related to energy production and consumption. These should duly cover the monitoring of energy use, the maintenance of equipment, and related reporting. If you have air emission abatement equipment such as filters, scrubbers or cyclones, make sure that they are inspected systematically and regularly to ensure they perform effectively.

#### **Water discharges:**

- If you have your own wastewater treatment system you should make sure that it is functioning well at all times. You will also need to understand how your wastewater discharges affect the recipient water body, whether it is a lake, a river or the sea, or a municipal wastewater treatment facility.
- Make sure you have procedures in place to manage and control all water discharges effectively. This will help you to optimise the related monitoring, treatment processes, equipment maintenance and reporting.

#### **Water use:**

It is important to be aware where the water that you use comes from. If you operate in an area where water is considered as a scarce resource, you should inform your Stora Enso key contact, and actively find ways to:

- introduce new work procedures or processes that will reduce your water consumption.
- work with other stakeholders using the same water source to reduce total water consumption.



## **Chemicals:**

You should maintain an effective system/systems covering the purchasing, production, storage, handling and disposal of chemical substances and products with regards to safety issues and environmental impacts. Below are some examples of useful procedures for this purpose:

- Keep updated material safety data sheets (MSDS or SDS) for all chemicals used on site, including those produced on site.
- Make sure that the MSDS/SDS sheets you obtain from your suppliers are up to date. Ask for new sheets if the ones you currently have are more than 3 years old.
- Keep your staff well informed on the OHS and environmental impacts of the chemicals you use, and provide them with regular training on chemical issues.
- Make sure that all chemical products used or produced in your operations and processes comply with legal labelling requirements, including the global GHS information system or the related European CLP system.
- Make sure that procedures for the handling and unloading of chemicals are clear both to your own personnel and to your suppliers.
- Make sure that chemical storage tanks and containment facilities are dimensioned as required and regularly inspected to identify any risk of spillage. Risk assessments should be run regularly wherever hazardous chemicals are used.
- Remember to keep documented records on spillages, tank maintenance and chemical disposal.
- Review your system(s) regularly (at least once per year), particularly to find out whether any MSDS/SDS sheets are out of date.
- Implement any new handling information from updated SDS sheets into your operations

***The Supplier is required to proactively work to prevent emergencies and ensure the capacity to react appropriately to such events, by analysing, identifying and adopting suitable preventive and corrective measures.***

You should have effective systems in place to prevent emergencies. Train your employees to identify and manage risks pro-actively. Emergency plans should be duly established with procedures and equipment that enable rapid responses to any environmental emergencies or accidents. These plans should include measures designed to prevent negative environmental impacts and channels that enable rapid communications to any third-parties who may be affected. Make sure that you regularly review your emergency plans and revise your procedures with regard to any newly identified risks or recent accidents or incidents.

***The Supplier is required to handle environmental violations and complaints systematically and communicate them to employees and external stakeholders, including Stora Enso if affected.***

You should have a system in place enabling you to realise both preventive and corrective actions. The related procedures should not only consist of analysing cases of non-compliance; since it is also important to assess “near misses” to help you avoid possible future incidents. It is also important to inform everyone in your organisation about the causes of any infraction or near miss, to enable them to act accordingly in future.

You should define procedures and assign responsibilities for related communications. Such communications should reach interested external stakeholders (including the authorities, local communities, non-governmental organisations and your suppliers, contractors and customers) as well as your internal stakeholders (your employees, owners and related companies).

Systematic procedures for dealings with internal and external stakeholders should include regular assessments of whether needs and requirements are being fulfilled. Such work may incorporate the use of appropriate communication tools including online social media.

***The Supplier is required to provide Stora Enso with up-to-date material safety data sheets (MSDS or SDS), as applicable, and any other relevant documents and information requested by Stora Enso.***

You should take a systematic approach to dealing with MSDS/SDS sheets. We expect our suppliers to maintain and update SDSs for any of their products delivered to Stora Enso. You should also have a system that ensures you receive updated SDSs from your own suppliers, as the information they contain is vital for your own environmental and OHS work.

## 6. Responsible business

Responsible Business means that you are expected to act ethically and comply with all applicable laws, regulations and voluntary commitments whenever and wherever doing business with us and require the same compliance throughout your entire supply chain.

***The Supplier is required to conduct its business in full compliance with Stora Enso's Business Practice Policy or the Suppliers' own equivalent ethical rules, whichever are stricter.***

Working for Stora Enso means that you have to conduct your business in line with apply Stora Enso's Business Practice Policy. If you are uncertain what that means for your particular assignment, you must raise the question with your contact person within Stora Enso.

If you have other equivalent ethical rules you can continue to apply them instead of the Business Practice Policy. Please note that this exception applies only if your own ethical rules in all aspects are as stringent as the rules Stora Enso applies.

From a contractual point of view, this means that breaches of the Business Practice Policy, or your own equivalent ethical rules, will be regarded as a breach of the supplier contract.

You can find Stora Enso's Business Practice Policy at:

[http://assets.storaenso.com/se/com/DownloadCenterDocuments/Policies\\_Business\\_Practice\\_Policy\\_2011\\_english.pdf](http://assets.storaenso.com/se/com/DownloadCenterDocuments/Policies_Business_Practice_Policy_2011_english.pdf)

***The Supplier is required to conduct business in full compliance with all applicable antitrust and fair competition laws.***

Stora Enso is committed to free and open competition in markets. We believe every company should be able to trade and compete as they wish, as long as they follow local laws and regulations.

We expect you to make the same commitment, and never become involved in fixing prices artificially high or low, in the sharing of confidential information that gives some company an unfair advantage, or in any other unfair or restrictive business practices.

***The Supplier is required to prevent situations where there is a conflict of interest between the Supplier and Stora Enso,***

All kinds of conflict of interest between you and Stora Enso must be avoided. Such a conflict of interest could arise when your business is involved in some other activities that could influence your work for us, and make it difficult for you to make decisions in the best interest of Stora Enso.





Working for companies other than Stora Enso is not a conflict of interest, unless you have made a specific separate agreement of this kind. We expect you to inform us of any situation that could possibly be seen as resulting in a conflict of interest.

***The Supplier is requested to act in compliance with all applicable anti-corruption laws, by, among other things, refusing to receive or offer bribes, facilitation payments or anything of value for the purpose of obtaining or retaining business or any improper benefit or advantage.***

We have a zero tolerance approach to corrupt practices of any kind, and it is also our policy to require all suppliers who work with Stora Enso or on Stora Enso's behalf to strictly follow this same principle.

This means that you must not offer, give, receive, or solicit any bribes, facilitation payments or other means to obtain any improper benefit or advantage. Additionally you must not allow any other party to make improper payments to your benefit.

It is important to remember that offering or accepting gifts, hospitality, or expenses is prohibited where they are of unreasonably high value, or could inappropriately affect business transactions. Our requirements on Gifts, Hospitality and Expenses are further explained below.

***The Supplier is required to act in compliance with all rules and regulations related to the safety and quality requirements of products and services, including rules defined by Stora Enso.***

As our supplier you must always act in full accordance with all applicable laws as well as our supplier contract regarding your responsibility to deliver quality products that offer a high level of safety, reliability and environmental performance. In particular, all suppliers are expected to comply fully with all standards defined to prevent, identify and correct safety defects.

***The Supplier is required to transparently and accurately record and disclose details of its business activities, corporate structure financial situation and performance in accordance with applicable laws and regulations.***

We expect you to truthfully and accurately disclose information regarding your business activities, structure, financial situation and performance in accordance with all applicable laws, regulations and prevailing industry practices. For this purpose you will need to maintain transparent and up-to-date financial records as well as records that enable you to demonstrate compliance with all applicable regulations.

***Stora Enso Representatives shall always pay for their own travel and accommodation costs when visiting the Supplier, conferences, reference plants etc.***

***Stora Enso Representatives shall not be offered any gifts, hospitality or expenses that could be considered unreasonable or inappropriate with regard to possible business transactions.***

At Stora Enso we always pay our own travel and accommodation costs. There is no occasion when any organisation or person inviting our representatives would be allowed to pay any of their costs relating to travel and accommodation. We encourage all of our stakeholders to do business in this same transparent manner, so as to support fair and open competition.

Offering gifts or other types of hospitality such as goods, services, meals, entertainment or excursions to our employees is strictly prohibited whenever such arrangements are not reasonable or could inappropriately affect business transactions between you and Stora Enso.





## 7. General requirements

***The Supplier is required to immediately report any non-compliance with the CoC to Stora Enso. The Supplier and any of its employees may report their concerns confidentially to:***

***Head of Internal Audit  
Stora Enso AB  
P.O. Box 70395  
SE-107 24 Stockholm, Sweden.***

If you have any questions about issues relating to the CoC or this Guide the best person to approach first is your own contact person at Stora Enso. Alternatively, you may send your questions or concerns to: [codeofconduct@storaenso.com](mailto:codeofconduct@storaenso.com).

If you notice or suspect any actual or potential violations of our CoC, including the conduct of any employee of Stora Enso, please report this immediately. You may report your concerns anonymously in confidence to the Head of Internal Audit at Stora Enso (address above). Any such reports are handled confidentially and as promptly as possible. We will not accept retaliation against “Whistle-blowers”.

In some countries suppliers may also be able to report such concerns through Stora Enso’s confidential reporting line “Do What’s Right”.

***The Supplier is required to disclose information and data regarding issues covered by the CoC at the request of Stora Enso, unless this would conflict with its statutory obligations on disclosure of information.***

***The Supplier is required to allow Stora Enso, or any third party authorised by Stora Enso and reasonably acceptable to the Supplier, to conduct in the presence of the Supplier an audit of the Supplier’s operations relevant for the CoC including but not limited to the Supplier’s facilities, and relevant extracts from books and records. At the Supplier’s request, the parties involved in any such audit shall enter into a confidentiality agreement regarding the circumstances disclosed in the audit.***

In order to monitor compliance with our CoC, and to facilitate your co-operation with Stora Enso, we might ask for certain information from you. We also reserve the right to conduct audits on suppliers’ premises or in other locations where suppliers work in order to ensure their compliance with our CoC. Whenever we conduct such audits we ensure that suppliers’ interests including the confidentiality of information are duly respected. We perform such audits carefully to ensure that they do not unduly interfere with suppliers’ business operations.

## 8. Enforcement

***If Stora Enso finds that the Supplier is not meeting the requirements and expectations set out in the CoC, Stora Enso will offer guidance specifying which issues need to be corrected or improved. The Supplier must then take corrective actions promptly as advised by Stora Enso. Stora Enso nevertheless reserves the right to cancel outstanding orders, suspend future orders or terminate the contract with the Suppliers in case of a material breach of the CoC.***



***Should the main contract between Stora Enso and the Supplier, to which the CoC forms an Appendix, contain separate termination rules, it is nevertheless understood by both parties that breach of the CoC may be considered a material breach of contract, thus entitling Stora Enso to terminate the contract.***

At Stora Enso we aim to build long-lasting relationships with our suppliers so that together we can develop our businesses and create better products. If we find that a supplier is not meeting our requirements and expectations, our first step is always to offer guidance in an attempt to correct any issues that need improvement, while maintaining our relationship with the supplier.

However, under certain circumstances a breach against our CoC may cause us to cancel outstanding orders, suspend future orders or terminate a contract. It should be understood however, that this is a remedy we will apply only in cases of material breach of the CoC.

## 9. Terminology

**Guidance:** Review the key terms if needed. If any of the terms sound unfamiliar, do not hesitate to ask your contact person at Stora Enso for clarification!

### Anti-bribery laws

Anti-bribery laws are laws that regulate, Guide and restrict the payment or forwarding of things of value to a second party with aims to achieve an unfair advantage not related to free competition or actual competitive advantage.

### Bribe

A Bribe is an offer or receipt of any money, gift, loan, fee, reward or other advantage to or from any person as an inducement to act, or omit to act, in a way which is dishonest, illegal or a breach of trust.

### Bribery

Bribery, also known as Corruption, means giving or receiving a Bribe. At Stora Enso, we have zero tolerance for Bribery and Corruption and it is every supplier's responsibility to avoid all situations that may be interpreted as such.

### Child labour

From ILO: Child labour is work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. Not all work done by children should be classified as child labour. Work that does not affect children's health and personal development or interfere with their schooling, is generally regarded as being something positive.

<http://www.ilo.org/ipec/facts/lang--en/index.htm>

Stora Enso does not accept child labour anywhere along our supply chain. This includes both our direct suppliers and any sub-suppliers. Supplier is not allowed to employ any person aged below the minimum age of 15 years (or 14 years for certain countries), or anyone under the minimum age for employment in the country, whichever is highest in line with ILO Convention 138 on minimum age for admission to employment. Suppliers are expected to have robust age verification procedures and records in place, to ensure that no underage persons work in the suppliers' operations (including your own employees and contracted workers).

### Competition laws

Competition laws are laws that promote, Guide, restrict and help maintain market competition by regulating anti-competitive conduct and business practices.

### Confidential information (including protecting personal information)

Stora Enso supplier might have access to highly confidential information, which needs to be treated with utmost care and confidentiality. Confidential information, whether financial, know-how or of any other type, must be kept secure and protected. Stora Enso must maintain a high standard of commercial and financial security throughout the group. No one who has access to confidential information may use it for their own or others' personal gain.

### Conflict of interest

A conflict of interest is any circumstance or situation where a personal, professional or financial interest may interfere with the business interests of Stora Enso. As a supplier of Stora Enso you must avoid all situations that may lead to a conflict of interest.

### Discrimination

Based on definition by ILO: Discrimination is any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation;

Discrimination can also be such other distinction, exclusion or preference which has the effect of nullifying or impairing equality



of opportunity or treatment in employment or occupation as may be determined by the Member concerned after consultation with representative employers' and workers' organisations, where such exist, and with other appropriate bodies.

Any distinction, exclusion or preference in respect of a particular job based on the inherent requirements thereof shall not be deemed to be discrimination.

### **Do What's Right**

Do What's Right is one of Stora Enso's Values which tells us what direction to go to stay on the path. It takes us beyond local practices and helps us move the people and communities forward. We must always be aligned with the local laws and rules, but also be ready to aim higher whenever applicable. That is the only way we can fulfil our Purpose — Do Good for the People and the Planet.

Do What's Right is also the name of the Stora Enso's reporting line which suppliers in certain countries can have access to.

### **Facilitation payment**

Facilitation Payment is an informal, unofficial payment, typically requested by an individual (usually, but not necessarily, a public official) to encourage the recipient or a third party to carry out services that you have a right to receive even without such payment, or to expedite a routine task. It is also known as a gratuity or a "grease" payment. It can be a payment to expedite or secure performance of routine, non-discretionary tasks, such as obtaining permits, licenses, or other official documents, processing governmental papers, such as visas and work orders, providing police protection, mail pick-up and delivery, providing phone services, power and water supply and loading and unloading cargo. Payment of Facilitation payments are prohibited according to the CoC and Stora Enso's policies.

### **Fair and equal opportunity**

Equality, diversity and respect are the core principles of the United Nations Declaration of Human Rights. Everyone should be considered equal, treated with respect and given equal opportunity in recruitment, remuneration, development and advancement of employment regardless of race, religion, political opinion, gender, age, national origin, sexual orientation, marital status or disability.

### **Fair employment practices**

Fair employment practices are practices that are built on the guiding principles set by the International Labour Organization and protected with all applicable local laws and legislations ensuring the rights of the employees.

### **Free and fair competition**

Free and fair competition is competition based on the factors of price, quality and service. Stora Enso is committed to free and open competition in the marketplace. We are successful because of the high quality and competitiveness of our products and services and the talent and commitment of our employees and suppliers.

### **Gifts**

Gifts can be goods as well as services. Appropriate gifts are given as a mark of friendship or appreciation of reasonable value and without expectation of consideration or value in return.

### **Human rights**

The United Nations Universal Declaration of Human Rights defines certain fundamental rights and freedoms which Stora Enso fully supports. These rights cover freedom of speech and opinion, thought, education and work, among others. We want everyone to be treated equally, without having to fear for their privacy, physical or mental well-being. We aim to create a work environment where people are respected regardless of individual differences, talents or personal characteristics.

### **Hospitality**

Hospitality includes entertaining, meals, receptions, tickets to entertainment, social or sports events etc.



## **International Labour Organization (ILO)**

The International Labour Organization (ILO) is a specialized agency of the United Nations. ILO is devoted to promoting social justice and internationally recognized human and labour rights, pursuing its founding mission that labour peace is essential to prosperity. Today, the ILO helps advance the creation of decent work and the economic and working conditions that give working people and business people a stake in lasting peace, prosperity and progress. Its tripartite structure provides a unique platform for promoting decent work for all women and men. Its main aims are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.

## **Involuntary labour**

Involuntary or forced labour refers to situations in which persons are coerced to work through the use of violence or intimidation or by more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authorities.

[http://www.ilo.org/global/topics/forced-labour/news/WCMS\\_237569/lang-en/index.htm](http://www.ilo.org/global/topics/forced-labour/news/WCMS_237569/lang-en/index.htm)

## **Labour rights**

Human and labour rights are international labour standards as defined by the United Nations Universal Declaration of Human Rights and the core conventions of the International Labour Organization.

## **Laws and regulations**

Laws and regulations are governmental and legislative regulations which restrict and enable our business in every country where we operate.

## **Management system**

A management system is a proven framework for managing and continually improving an organization's policies, procedures and processes. The best businesses work as complete units with a shared vision. This may encompass information sharing, benchmarking, team working and working to the highest quality and environmental principles.

A management system helps your organization to achieve these goals through a number of strategies, including process optimization, management focus and disciplined management thinking.

## **Occupational health and safety (OHS)**

Occupational health and safety (OHS) is a multidisciplinary activity aiming to protect and promote the health of workers, develop and promote healthy and safe work environment, and enhance physical, mental and social well-being of workers.

In addition, OHS supports the development and maintenance of employee working capacity, as well as professional and social development at work, enabling workers to conduct socially and economically productive lives and to contribute positively to sustainable development.

[http://www.who.int/occupational\\_health/publications/globstrategy/en/index5.html](http://www.who.int/occupational_health/publications/globstrategy/en/index5.html)

## **Safety culture**

Safety culture is the set of enduring values and attitudes regarding safety issues, shared by every member of every level of an organisation. Safety culture refers to the extent to which every individual and every group of the organisation is aware of the risks and unknown hazards induced by its activities; is continuously behaving so as to preserve and enhance safety; is willing and able to adapt itself when facing safety issues; is willing to communicate safety issues; and consistently evaluates safety related behaviour.

## **Secondary employment**

Secondary employment is regarded as any work or related ventures taken outside your primary work place.

## **UN Global Compact**

The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and



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finance advance in ways that benefit economies and societies everywhere.

**Worker's rights**

Worker's rights or labour rights are international labour standards defined by the core conventions of the International Labour Organization.

