Environmental and Social Data Sheet

| Overview | |
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| Project Name: | STORA ENSO RDI III |
| Project Number: | 2012-0599 |
| Country: | Finland, Sweden and Germany |
| Project Description: | The project concerns financing of RDI relating to sustainable |
| | packaging and other wood fibre based products |
| EIA required: | NO |
| Project included in Carbon Foc | tprint Exercise ¹ : NO |

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The RDI activities which form the basis of the project proposed at appraisal will not change the current RDI practices and will be carried out within existing research centres, production facilities and local market environments without adding to their environmental load. The RDI programme provided at appraisal does not foresee any investments which might fall under EIA Directive 2011/92/EU and/or the IPPC Directive 1/08/EC.

A significant part of the Promoter's research effort goes towards substituting renewable and sustainable materials for traditional non-renewable materials, e.g. in packaging and building. The project targets at increasing resource efficiency through reducing inputs (such as energy and fibre), reducing spoilage in processing and manufacturing, and decreasing waste after the goods have been used through recycling. The RDI activity focuses also on new biomaterials and increasing traditional forest sector productivity without recourse to GMO technologies. Successful RDI outcomes should therefore have a positive impact on the carbon sink of the forestry sector as a whole, and carbon footprint of the Promoter's large client and consumer base.

The project is acceptable for Bank financing.

Environmental and Social Assessment

Environmental Assessment

The Promoter's manufacturing is ISO 14001 (Environment) certified and is regularly inspected for compliance by the relevant environmental and health authorities.

The Promoter systematically increases the share of round wood sourced from forests following internationally certified forest management systems, such as FSC and PEFC, guaranteeing that high environmental and social standards are applied. Currently more than 70% of the round wood already comes from certified sources. Thus the forest assets used for fibre sourcing with sustainable management practices significantly contribute to the carbon sinks and to the decrease of CO_2 emissions.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO2e/year absolute (gross) or 20,000 tons CO2e/year relative (net) – both increases and savings.

Other Environmental and Social Aspects

The Group's RDI objectives involve developing new forest fibre based materials and concepts that are lighter, and more durable and sustainable than those currently in the market. This will have positive impact on the environment. The RDI activities further target new concepts (e.g. electronic printing) for more cost and resource efficient monitoring e.g. to maintain the quality of perishable products within their distribution chain, as well keeping the welfare supporting medication correct for people at home care.

EIB Carbon Footprint Exercise

The project is not included, as it is not expected to meet the thresholds for the EIB's draft Carbon Footprint Methodologies.