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Logging on Saami territory in Inari – A call for a halt in Stora Ensos activities

The Saami Council would hereby like to address some aspects of Stora Enso's ongoing operations in Inari, Finland. We hope that some of the issues we raise will be taken under consideration by Stora Enso, and that we can enter into a constructive dialogue on the issue at hand. As you already may be informed by media and others that the Saami Council has decided to pursue some issues concerning Stora Enso's corporate policy in Inari this letter will hopefully explain the reasons.

The current loggings destroy and diminish the valuable grazing land of the reindeer. By cutting the trees the important tree-hanging lichen disappears. The waste from the logging is left behind making it impossible for the reindeer to dig for the lichen on the ground. Hundreds of kilometres of new roads are built which also reduces the reindeer area. Now large areas of the vulnerable sub arctic landscape are ploughed to benefit the pine tree growth, a technique developed in the south that most likely only will increase the erosion, further diminishing the reindeer pasture areas. All this will mean that reindeers are not able to access the necessary nourishment during the harsh winter period. This way the reindeer herders are forced to feed the reindeer, with increasing costs on a highly pressured way of life. Change of the natural diet of the reindeer decreases self-sufficiency both for the reindeer and the reindeer herder. Self-sufficiency in the traditional Saami reindeer husbandry is very high.

Reindeers avoid logging areas and don't stay on their own grazing lands but seek for other pasture. This forces the herders to build heavy fences which decreases even further the available land and increase erosion. Furthermore this makes the behaviour of the reindeer unpredictable and destroys the natural environment for the traditional Saami reindeer husbandry.

It is worth stressing that this all takes place in an area where the ownership to the land itself is disputed by the Saami. Neither the Saami people through its representative body, nor the affected reindeer herders have given their consent to these loggings. Consequently the logging is pursued in disrespect of the inherited rights of the Saami people in Finland.

The Saami Council would like to address a couple of issues regarding Stora Enso's involvement in the ongoing logging in Inari and how it complies with your company's policy.

Firstly we would like to understand the rationale behind the inconsistency in certification policy in your company. In most of Stora Enso's European sites your company has chosen to certify the operation in accordance with the Forest Stewardship Councils certification scheme, **except** for your operations in Finland. One of the requirements of the FSC Principles & Criteria's is related to **Indigenous Peoples' Rights**. In its introduction it states clearly that:

The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.

Consequently, in the Inari operations, Stora Enso would most likely **not** acquire a FSC certification, as the Saami people's customary and legal rights in Finland are not recognized and respected. This suggests that Stora Enso in its corporate policy on certification chooses to certify some sites and areas in some countries and not across the corporate operations. This seems as an inconsistent policy governed by convenience, and not as a result of a corporate commitment of keeping in line with international recognized standards.

Secondly the Saami Council would like to ask Stora Enso is how the operations in Inari, in your view, are in compliance with the commitment your company has made when acquiring listing on the following index listings:

- FTSE 4 Good Index.
 - Requires the company to respect the Universal Declaration on Human Rights
- The Nordic Sustainability Index
 - Requires the company to respect the Universal Declaration on Human Rights
 - Requires the company to respect the UN Convention on the Rights of the Child
 - Good Stakeholder relations including relations to local communities
- Ethibel Investment Register and Ethibel Pioneer Sustainability Index
 - Degree to which a company has a formal policy on human rights and the scope and quality of the principles
 - Degree to which a company distinguishes itself (in a positive or negative sense) in the field of respect for human rights
 - Degree to which a company does efforts to avoid violations of international conventions on human and labour rights by its suppliers and subcontractors
- Dow Jones Sustainability Indexes
 - Strong focus on Stakeholder relations

The requirements highlighted here are limited to some relevant Human Rights aspects of the various Indexes. In addition one could question the environmental and sustainability aspects of extensive logging as such in a sub-arctic climate, with little prospects of new growth of the boreal forests in question.

Given the detrimental effects the logging of the old forests in the Inari area has on the reindeer husbandry, and consequently on the entire Saami culture in the region, and considering Stora Enso's genuine wish to conduct its business in an ethical manner, we are sure that Stora Enso will cease purchasing timber logged in the Inari area, until the logging is conducted in a manner agreed to by the relevant Saami communities.

The Saami Council is currently evaluating the Human Rights aspects of Stora Enso's operations in Inari. The Saami Council notes that when listing your shares on the FTSE 4Good index, Stora Enso pledged to respect e.g. the human rights and fundamental freedoms contained in the UN's Universal Declaration of Human Rights (UDHR). We hereby respectfully suggests that by purchasing timber from the old forests in the Inari area, Stora Enso is actively contributing to the violation of the following human rights of the Saami people, contained in the UDHR:

- **The fundamental right not to be subject to discrimination based on race**, as codified in Art. 1 and 2. UDHR Art. 1 and 2 have been further elaborated upon in the UN's Convention on the Elimination of all Forms of Racial Discrimination (the CERD Convention), which in turn has been interpreted by the UN Committee on the Elimination of all Forms of Racial Discrimination (the CERD Committee). Through the CERD Convention, as interpreted by the CERD Committee, it is clear that UDHR Art. 1 and 2 encompass a protection for indigenous peoples' traditional lands, waters and natural resources, to the extent domestic legislation recognizes private property rights to land for other ethnic groups in the country. As you know, Finnish legislation acknowledges property rights to land in all areas except on land traditionally used by the Saami people.

- **The right to property**, as codified in Art. 17. Today, international law firmly establishes that the right to property encompasses the right of indigenous peoples to own, manage and control their traditional land, waters and natural resources. This is evident e.g. from findings by the CERD Committee, the European Court on Human Rights, the American Commission on Human Rights and the American Court on Human Rights.

- **The right to culture**, as codified in Art. 27. The UN International Covenant on Civil and Political Rights (CCPR), also in Art. 27, elaborates upon the right to culture. Through CCPR Art.

27, and particular through the way the UN Human Rights Committee has interpreted that article, it is firmly established that the right to culture prohibits any activity that has as a result that indigenous individuals can no longer pursue their traditional livelihood. In this context, it is worth noting that reindeer husbandry constitutes such an activity that is protected under CCPR Art. 27, as acknowledged by Finland, and that the article does not allow for any proportionality test. It is thus enough for a violation of the right to culture to occur that the logging in the Inari area causes one single reindeer herder no longer to be able to pursue reindeer husbandry, and it is then without relevance how much value the logging would generate for the rest of society. Specifically in relation to Finland, the Human Rights Committee has as recently as in November 2004 appealed to the Finnish government: "The State party should, in conjunction with the Saami people, swiftly take decisive action to arrive at an appropriate solution to the land dispute with due regard for the need to preserve the Saami identity in accordance with article 27 of the Covenant. Meanwhile it is requested to refrain from any action that might adversely prejudice settlement of the issue of Saami land rights."

The Saami Council further suggests that Stora Enso, when purchasing timber from the old forests in the Inari area, is arguably actively contributing to the violation of also the following human rights of the Saami people, codified in the UDHR:

- **The right to family**, as codified in Art. 12. The CCPR has elaborated upon the right to privacy and family, and the Human Rights Committee has clarified that indigenous peoples no longer being able to pursue their traditional livelihoods can result in such destruction to their family structures that amounts to a violation of the right to family.

- **The freedom of religion**, as codified in Art. 18. To the extent any Saami sacred sights are situated on the area logged, the lumbering potentially violates the Saami people's right to religion. This is evident e.g. from the Human Rights Committee's interpretation of the right to religion as contained in the CCPR.

The references to CERD, CCPR etc. are highly relevant, since the terms of the 4good index explicitly declare that the terms should be interpreted in a dynamic manner based on how international law develops. As stated above, it is undisputed that CERD, CCPR etc. builds on the UDHR, and thus reflects how the rights in the UDHR have further developed. Obviously, to the London Stock Exchange it is of fundamental importance that ethical pension funds, mutual funds and other investors that limit their investments to shares in corporations that have pledged to respect certain ethical values can trust the 4good index.

We hereby cordially inform you that if Stora Enso continues to buy such timber, or any other timber that has been logged in violation of the Saami people's human rights, Stora Enso leaves the Saami Council with no other choice than to seek the removal of Stora Enso from the FTSE 4 Good Index and all other Social Responsibility indices where Stora Enso might be listed.

In all respect the Saami Council would like to invite Stora Enso to a dialogue on the issue and look forward to receiving your response to the issues raised in this letter.

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