

COMPANY CASE STORY SUMMARY*

A series of company reflections for the Global Child Forum on how companies address children's rights and child related issues.



STORA ENSO

From Promise To Performance: Stora Enso's Journey Towards Mitigating Child Labour

The Stora Enso story starts with a company thinking they were doing everything they should in order to be responsible corporate citizens. However, when exposure of child labour in their supply chain in Pakistan led to an internal and external trust crisis, as well as investor divestment, the company had to make significant changes in their approach to risk analysis and management, stakeholder involvement and management accountability.

The Stora Enso case provides valuable insight into causes of company blind spots and promising approaches to managing children's rights and child-related issues. It also provides clear linkages to the Global Child Forum corporate benchmark indicators.

CHALLENGES

Stora Enso is one of the world's leading packaging suppliers. In 2014, however, the company made headlines not for its products, but for the discovery of [child labour in their Pakistan operations](#). Despite carrying out due diligence, Stora Enso had to face the fact that their supply chain had some 640 children collecting used carton. The company had to move quickly to address and rectify the issue of child labour and [restore confidence](#) within their company, and among customers and investors.

CHANGES

The Stora Enso leadership engaged in rethinking how the company approached child labour and other global responsibility issues. They ensured that global responsibility issues were incorporated into the core organization and they [mainstreamed responsibility issues](#) within line functions. Focus was also put on [awareness](#)

and [capacity building](#) among their employees in order to integrate child rights and related issues into the identity of the company's operations. Improvements were made to reporting and risk assessment to ensure decisions were made on [reliable data](#).

[Due diligence routines](#) include not only identification of risks, but also assessments of resources needed to address them.

STORA ENSO AT A GLANCE



COMPANY:

Head office: Stockholm, Sweden.

Listed on Nasdaq and OMX.

27,000 employees in 35 countries.

Sales € 10.2 billion in 2014.

A leading provider of packaging, biomaterials, wood and paper to global markets, producing 7.2 million tons of paper annually.

* For the full report see the Global Child Forum [website](#)

OUTCOMES

Across its global operations, the company is now implementing approaches to ensure **timely action and transparency** with stakeholders regarding child rights and related issues both within the company and with its partners. One key lesson is that respect for children’s rights requires **sustained and rigorous management practice**.

Stora Enso’s experience demonstrates that to advance children’s rights in support of the UN Convention on the Rights of the Child, a thorough and strategic management system needs to be in place.

Stora Enso’s 2014 Scorecard for the Global Child Forum’s Children’s Rights Benchmark for the Corporate Sector, indicated positive scores for 6 of the indicators. Its score of a total of 6 out of 9 was better than the industry and global averages. Since these results were published, Stora Enso has implemented significant changes relating to the indicators, as depicted on the following page.



Since 2014, Ambreen Waheed leads the global responsibility work at Stora Enso’s joint venture in Pakistan.

Photo by Maryam Altaf / Copyright: Stora Enso

“A culture of trust, transparency and frank discussions with people inside and outside the company will move the business forward.”

Karl-Henrik Sundström, Stora Enso’s CEO

BLIND SPOTS:

-  Underestimated materiality of labour problem.
-  Failed to properly disclose and address identified risk
-  Lacked management accountability

CHANGES:

-  Improved risk and materiality assessment
-  Changed approach to stakeholder involvement
-  Improved board accountability

GLOBAL CHILD FORUM CORPORATE BENCHMARK INDICATORS

EXAMPLES STORA ENSO CHANGES

1	CHILD LABOUR POLICY	Revised global policies relating to child labour.
2	ADDRESSING OTHER CHILDREN'S RIGHTS ISSUES THAN CHILD LABOUR	Community development focus targeting water & environment issues.
3	PERFORMANCE REPORTING	Development of Human Rights instrument. Improved reporting
4	BOARD ACCOUNTABILITY	Board in more active role. Board accountability enhanced.
5	MATERIALITY ASSESSMENT	Development of Human Rights instrument. Improved risk & materiality assessment.
6	REFER TO INTERNATIONAL STANDARDS	Revised global policies incorporating international Human Rights Instruments.
7	COLLABORATIONS WITH CHILD ORGANIZATIONS	Strategic alliances for stakeholder involvement with ILO & Save the Children.
8	DRIVING STRATEGIC PROGRAMS	Strategic programs in health & education related to children.
9	CHARITY RELATED TO CHILDREN'S RIGHTS	

The Global Child Forum "Children's Rights and the Corporate Sector" and "Investor Perspectives on Children's Rights" reports that apply these corporate benchmark indicators can be found at the Global Child Forum web site under [Knowledge Center](#).