



Change management is the normal situation and how
to rethink and change challenges into opportunities...

Rickard Arnqvist

Stora Enso, 27th January 2012

Content

- **Who are Stora Enso?**
- **Change management and reforms is part of our business since more than 700 years...**
- **Paper markets are changing, which drives the need for us to change...**
- **Efficient and low cost processes are needed to be allowed to “participate” on the future paper market...**
- **...but this is not enough for us. Stora Enso would like do more and we are “rethinking” all areas we are dealing with...**
- **What does “rethink” and change management mean in Stora Enso...**



Stora Enso in brief

Stora Enso is the global rethinker of the packaging, paper and wood products industry. We always rethink the old and expand to the new to offer our customers innovative solutions based on renewable materials.

- Approximately 26 000 employees in more than 35 countries worldwide
- Sales 2010 EUR 10.3 billion
- Operating profit 2010 EUR 754.1 million



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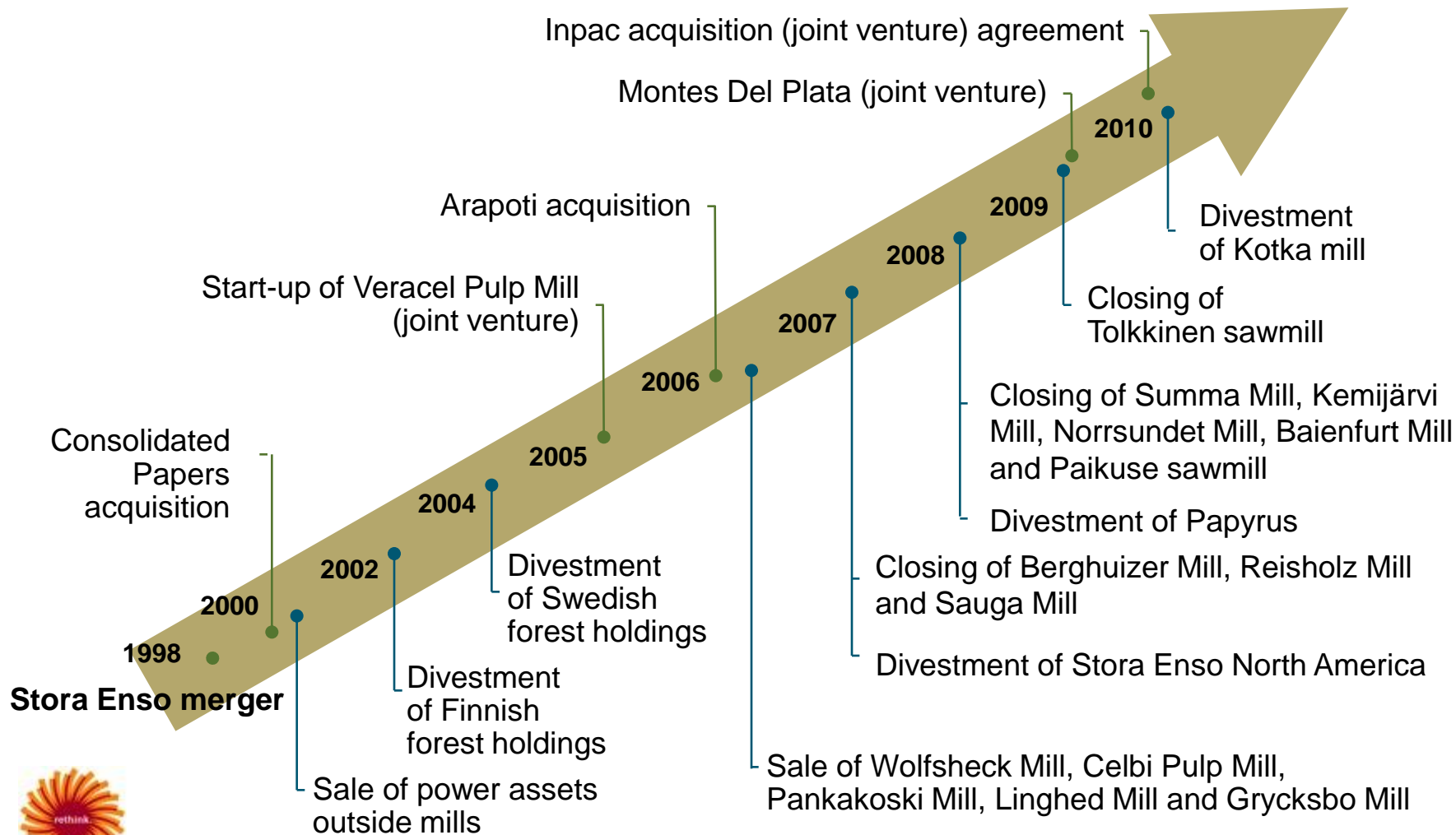


It started more than 700 years ago...with a copper mine in mid Sweden...since then change management is normal daily business within Stora Enso...



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We have seen major structural changes during the last decade and it will continue...



Content

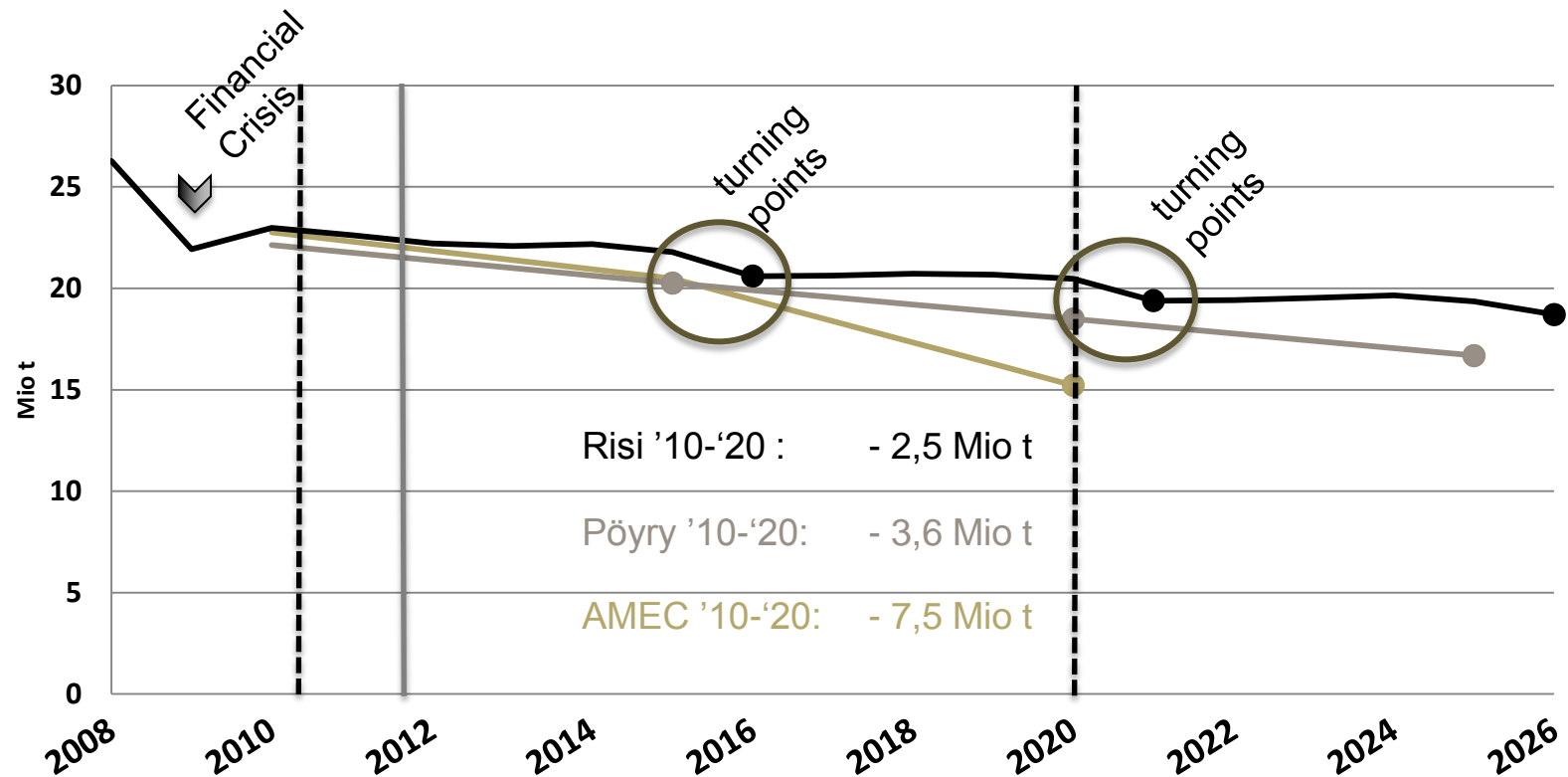
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The paper consumption has peaked and it will not improve...

Publication Paper Nachfrage Europa – verschiedene Szenarien / Div. Studien 2011

- Unterschiedliche Szenarien je nach Quelle
- Ausblick nicht auf die einzelnen Jahre fixierbar, es gilt der Trend und der Endpunkt



source: risi, Pöyry, AMEC

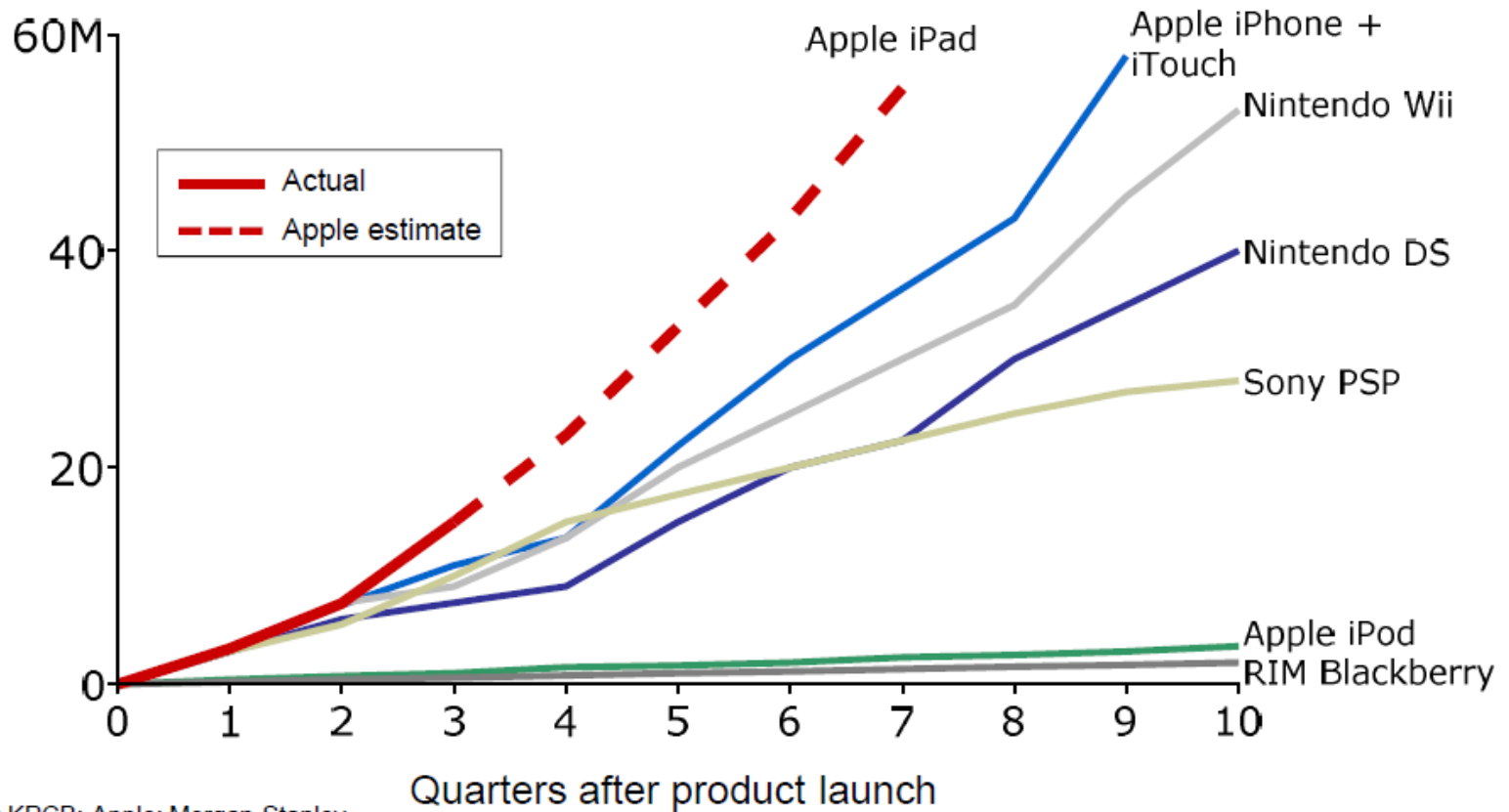


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Mobile ecosystems – accelerating impact ?



Global shipments (units)



Source: KPCB; Apple; Morgan Stanley



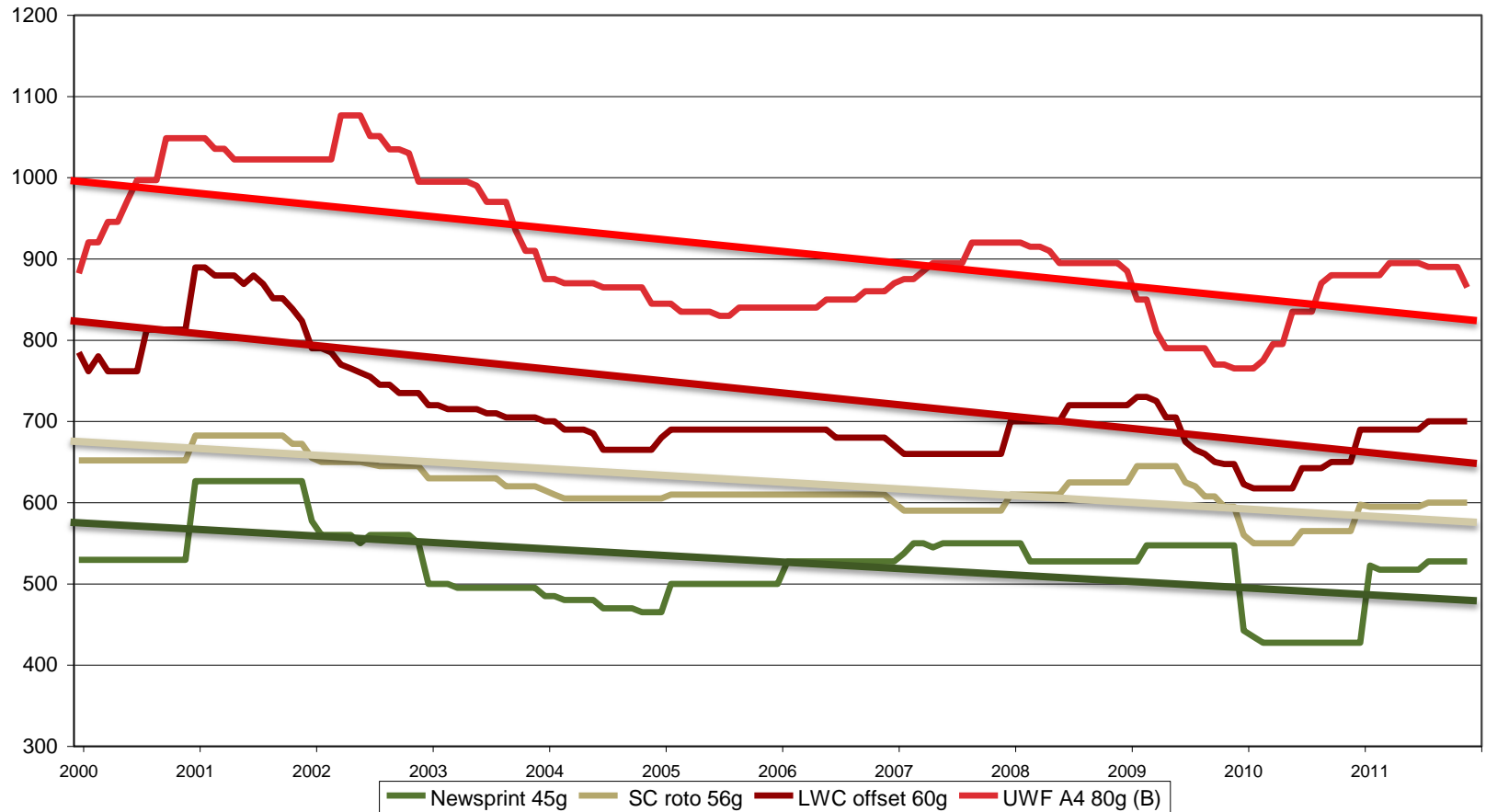
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And iPod with iTunes "killed" the music industry ?

Paper prices are declining...how to stay profitable?

€/tonne

Germany: PPI pricewatch



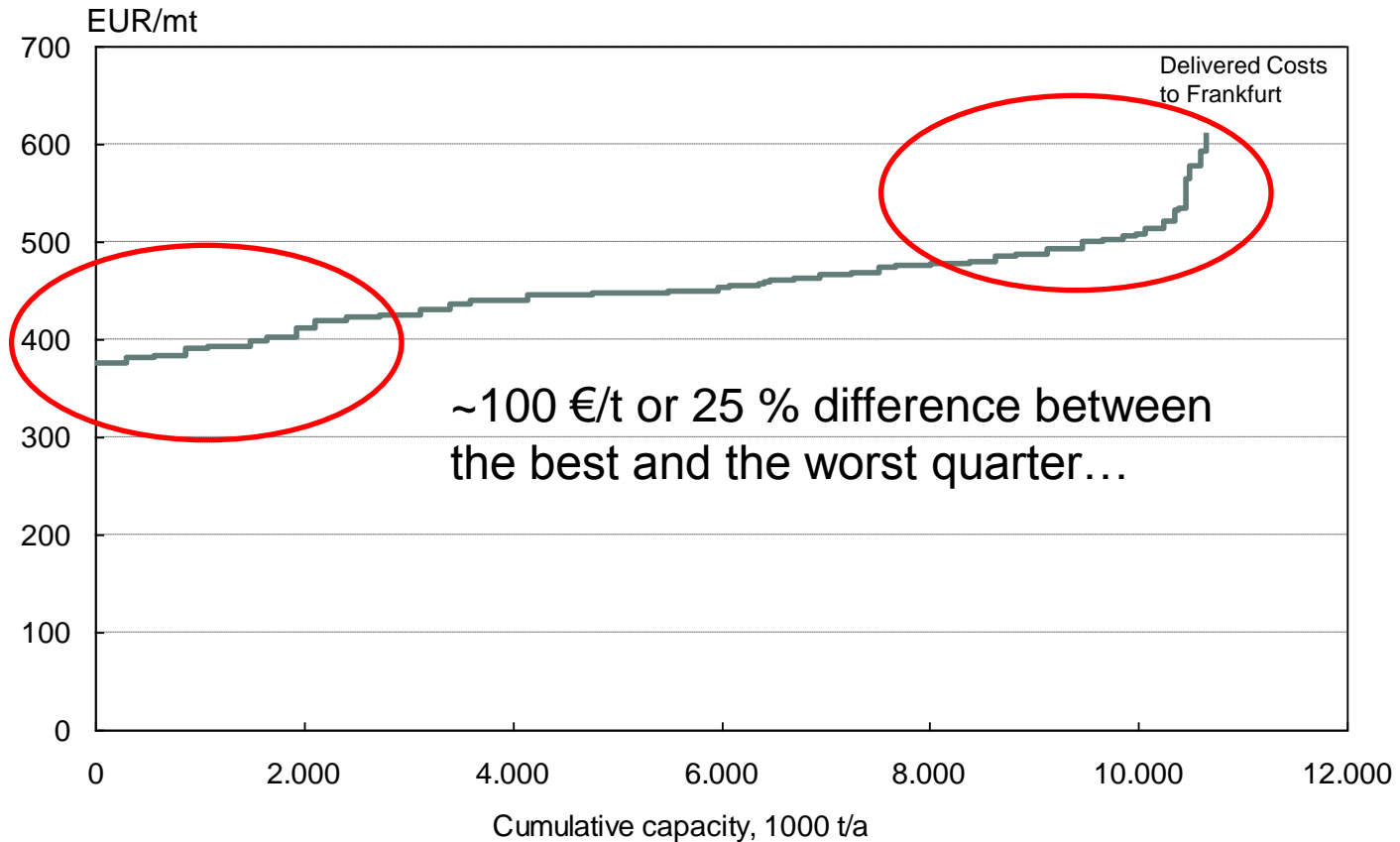
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Only the cost efficient producers will get the "ticket" to participate on the future paper market...

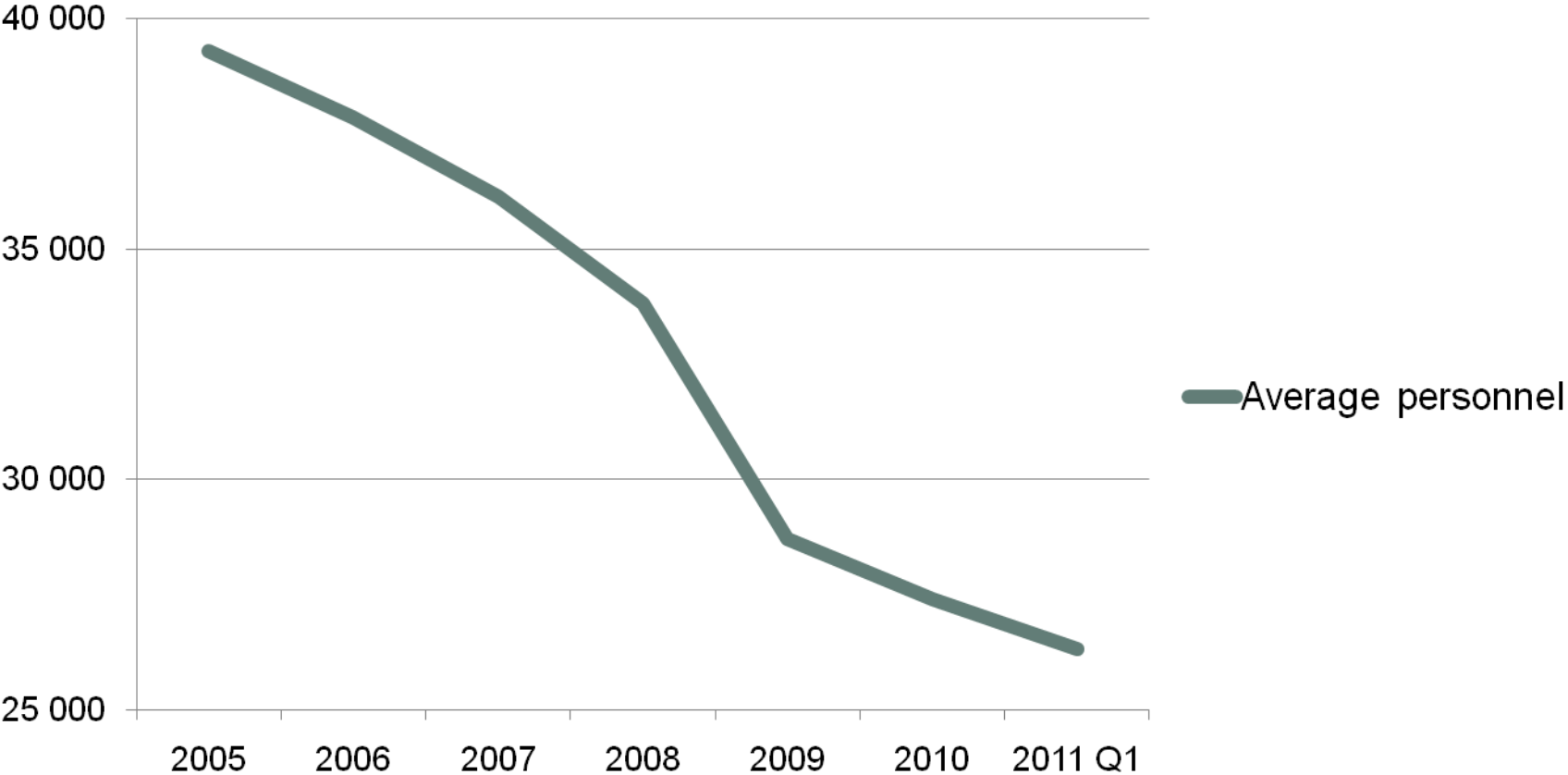
Standard News – Cost Competitiveness Europe delivered costs



Source: Pöyry Q4 2010



Personnel reduced by 33%



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CONSUMERS

Consumers are demanding sustainable products and materials. Their perception of the world and consumer society is shifting.

EMPLOYEES

Employees are willing to follow a value-driven, inspirational and demanding thought leader.

FOREST OWNERS

Forest owners are re-evaluating their position as more and more raw material is sourced from plantations.

MEDIA

Media has taken a strong stance in demanding resolutions to global problems. They support innovative thinking and help to promote new sustainable products.

Consumers

Employees

Forest owners

Media

Investors

They are all rethinking.

INVESTORS

Investors realign strategies to follow customer sentiment and ensure return on investment.

NGOs

Non-governmental organizations (NGO) have more support than ever. A more widespread and diverse supporter base calls for rethinking and new forms of cooperation.

NGOs

Partners

PARTNERS

The best partners seek to work with the best and most value-driven companies.

Government

Customers

GOVERNMENTS

Governments are seeking sustainable solutions to economic, ecological and social issues that go beyond purely national interests.

CUSTOMERS

Customers want more sustainable products to meet growing customer demand, regulations, and reforms.



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rethink.

rethink business
rethink innovation
rethink customer service
rethink our attitude
rethink products
rethink processes
rethink materials
rethink the future

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 - **Always have the customers and their needs in focus...**
 - **It’s all about people and less about organisational structures...**
 - **Leadership is a key factor for success...**



What we expect from leaders (and employees)...



Customer Needs

Leaders in Stora Enso should:

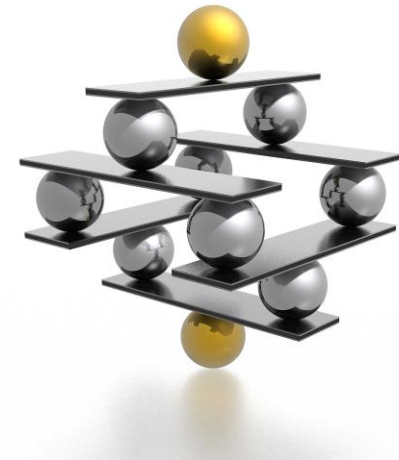
- Show passion for and a deep understanding of the needs of current and future customers
- Always look for improvements and new solutions to the way we address the needs of our customers
- Act as a role models in living our values *Create and Renew* thereby contributing to us fulfilling our promise of being the global **rethinker** of our industry, offering our customers innovative solutions based on renewable materials



Business acumen

Leaders in Stora Enso should:

- Are capable of translating our understanding of the needs of our customers into an awareness of how value is made, building strategies and plans for delivering the desired results.
- Understand and act guided by the principle that each part of the business needs to earn their existence having a clear understanding of the financial and productivity metrics that drive value.
- Make use of the value chain partnering with our colleagues when creating value to our customers.
- Take bold decisions that challenge us to realise our full potential.



Do what's right

Leaders in Stora Enso should:

- Do the right things in the right way appreciating that we have one set of values applicable to all of us, wherever we are and wherever we work
- Appreciate and act on the basis of the understanding that our business is global, and consequently that we take a global responsibility or our operations
- Act as role models having the integrity to stand up for, push and implement our Code of Conduct, even if this means that we might lose business. In this respect there are no compromises
- Make sure all our employees works in a company that is ethical, safe - free of harassment and discrimination where everyone have the right to express their views



Inspire & Motivate

Leaders in Stora Enso should:

- Are capable of, on the basis of our understanding of our customers and how to drive value, transfer knowledge to inspire our team in believing in the way forward
- Understand what motivates the individual team members making them realise their full potential
- Give feedback and coach our team members on their individual strengths and weaknesses enabling continuous learning and high performance
- Create a professional and dynamic environment that promotes teamwork

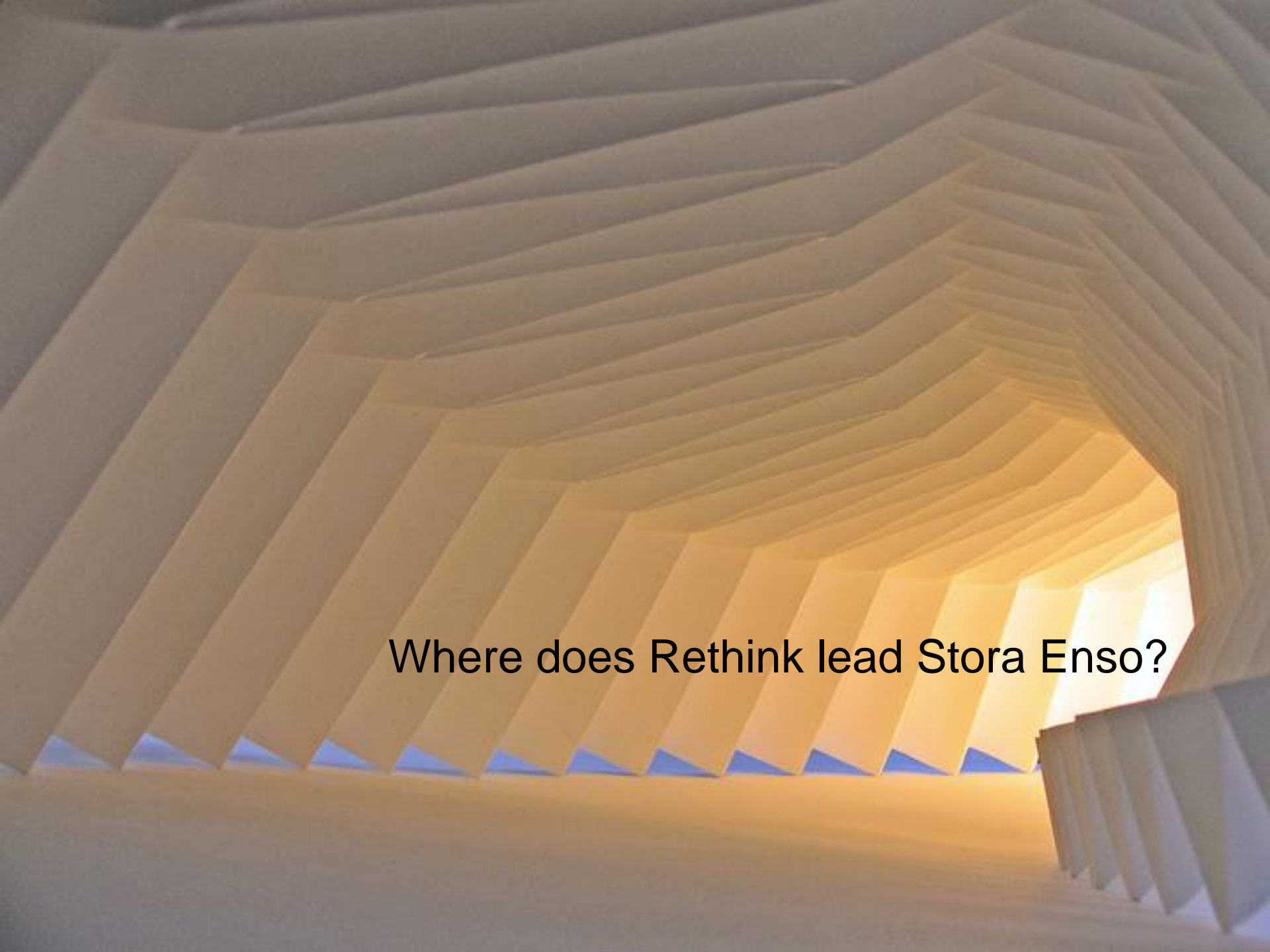


People Management

Leaders in Stora Enso should:

- Set challenging short and long terms targets in a way that makes everyone feel important
- Are known to be excellent at driving change
- Give opportunity for people to grow themselves as well as our business by living our core value of *Trust*
- Hire and/or promote people that are or have the potential to be better than themselves





Where does Rethink lead Stora Enso?

Our brand promise

Stora Enso is the global **rethinker** of the packaging, paper and wood products industry. We always rethink the old and expand to the new to offer our customers **innovative solutions based on renewable materials.**



THANKS FOR LISTENING!



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