



Ministry of Economic Affairs
and Employment of Finland

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STATEMENT
29 March 2017

OECD National Contact Point's Final Statement regarding following OECD Guidelines in the closure process of Stora Enso's Corbehem factory in France

On 16 June 2016, the associations Association Génération Ferdinand Béghin and Syndicat CGT Arjowiggins Wizernes, representing the workers of Stora Enso Oyj's Corbehem paper mill in France have made, via their lawyer, a complaint to the Ministry of Economic Affairs and Employment relating to Stora Enso Oyj's procedure in the paper mill's closure process and accordance with the OECD Guidelines for Multinational Enterprises.

The OECD Guidelines for Multinational Enterprises include recommendations by governments for multinational enterprises. The Guidelines are supported by National Contact Points (NCPs), established by adhering governments, which promote and implement the Guidelines. NCPs also act a mediation and conciliation platform in implementing the Guidelines.

Through a complaint concerning the Guidelines, a party seeks to clarify whether a multinational enterprise has acted in accordance with the Guidelines. In such cases, in Finland a complaint is handled by the Ministry of Economic Affairs and Employment together with the Committee on Corporate Social Responsibility as the NCP. According to the Government Decree (591/2008) at the request of the Ministry, the Committee expresses its view on whether the enterprise has acted in accordance with the Guidelines.

According to the complaint, representatives of the workers of Corbehem paper mill would like to present to Stora Enso Oyj a business plan concerning the takeover of the paper mill. The workers intend to establish a cooperative to continue operations. Stora Enso Oyj has refused, however, to negotiate a sale with the workers. For this reason, the complaint considers that Stora Enso Oyj has violated Article 6 of Chapter V (Employment and Industrial Relations) of the OECD Guidelines, where cooperation with representatives of the workers and relevant authorities is expected of companies in the case of the closure of an entity. The complaint requests that Finland's NCP initiate a conciliation procedure for sales negotiations.

Final Statement by National Contact Point

The Ministry of Economic Affairs and Employment agrees with the view expressed by the Committee on Corporate Social Responsibility on 21

March 2017 (see attachment 1) and gives as the National Contact Point the following statement.

In National Contact Point's view Stora Enso Oyj has notified in advance and in good time the workers and the authorities about the future changes in the manner required by French legislation. Stora Enso Oyj states that it tried purposefully for a number of years to find a party to continue the operations. The complainant, on the other hand, has called into question the genuineness of these efforts and the company's willingness to sell the paper mill.

It is undisputed, however, that a significant social plan to mitigate the adverse effects of the closure of the paper mill has been approved together with the workers, the French authorities, and Stora Enso Oyj. Stora Enso Oyj has therefore acted in cooperation with the workers and the authorities.

With respect to the Final Statement, an essential question is whether Stora Enso Oyj should have, in addition to correspondence, met the workers' representatives further and negotiated the purchase offer made by them in spring 2016 in a situation in which the paper mill's operations had already, to a large extent, been run down. It seems, however, that the workers have made their purchase offer too late. The workers' negotiation proposal should clearly have been made to the company earlier in order to enable further meaningful negotiations on the matter to take place. In any case, now that the paper machine in question has been sold, nothing can be done to influence the situation.

The opportunities for the National Contact Point to investigate the case have been limited, because the complainant, despite repeated requests by both Finnish and French NCPs, has not responded to Stora Enso Oyj's reply, but has remained passive in the case. It is also unclear whether the complaint has been made so late that the purchase offer made by the complainant would no longer be at all viable.

One of the grounds for the complaint is that Stora Enso Oyj has not agreed to meet the complainant and given it an opportunity to make a more detailed presentation of its offer and business plan. In its reply, Stora Enso Oyj has, however, stated it responded to the complainant in writing and highlighted the situation of the paper mill's closure and the sales process involving its machinery.

As Stora Enso Oyj has refused a meeting with the complainants and an opportunity for conciliation offered by the Ministry of Economic Affairs and Employment, the National Contact Point is unable to implement the negotiating meeting desired by the complainant to present a business plan to Stora Enso Oyj.

The obligation to cooperate set for a company in the OECD Guidelines is defined as broad and general. When discontinuing operations, a company should work in cooperation with workers' representatives to mitigate adverse effects as much as possible. Stora Enso Oyj's procedure would also have been more in accordance with the wording of the OECD Guidelines and its previous application practice if the complainant's offer and request for discussion would have been answered in a more cooperative manner.

Stora Enso Oyj has, on the other hand, expressed its regret that its sales efforts had not produced results, and in its reply has stated that closure measures at the paper mill had, when the purchase offer arrived, advanced so far that discussion of the business plan and the offer were no longer viable.

As the complainant has not exercised the opportunity offered to it to respond to Stora Enso Oyj's reply, the National Contact Point does not consider it appropriate to continue more detailed assessment of the case.

Jari Lindström
Minister of Justice and Employment

Jorma Immonen
Ministerial Councillor

Appendix	Appendix 1. Stora Enso Oyj and the OECD Guidelines for Multinational Enterprises complaint relating to Corbehem paper mill (France); Committee on Corporate Social Responsibility's view
Distribution	Timonen Pekka Huhtala Liisa Association Génération Ferdinand Béghin Syndicat CGT Arjowiggins Wizernes Stora Enso Oyj Committee on Corporate Social Responsibility