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Stora Enso ESG investor presentation Full year 2023



THE RENEWABLE MATERIALS COMPANY

Disclaimer



It should be noted that certain statements herein which are not historical facts, including, without limitation those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by “believes”, “expects”, “anticipates”, “foresees”, or similar expressions, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development, acceptance of new products or services by the Group’s targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group’s patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group’s products and the pricing pressures thereto, price fluctuations in raw materials, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group’s principal geographic markets or fluctuations in exchange and interest rates.

Our purpose



Do good for
people and the
planet



Replace non-
renewable materials
with **renewable**
products



Our sustainability performance in 2023



Targets



-50%
reduction in absolute
emissions by 2030
(Scope 1, 2, 3)



100%
Technically*
recyclable products
by 2030



96%
of owned and leased
lands covered by forest
certification schemes

Status



Scope 1+2
-41%
(2023 compared
to 2019 baseline)
-34%
(2023 compared to
2019 baseline)
Scope 3



94%
(2023)



99%
(2023)

* Technical recyclability is defined by international standards and tests when available, and in absence of these by Stora Enso's own tests that prove recyclability.

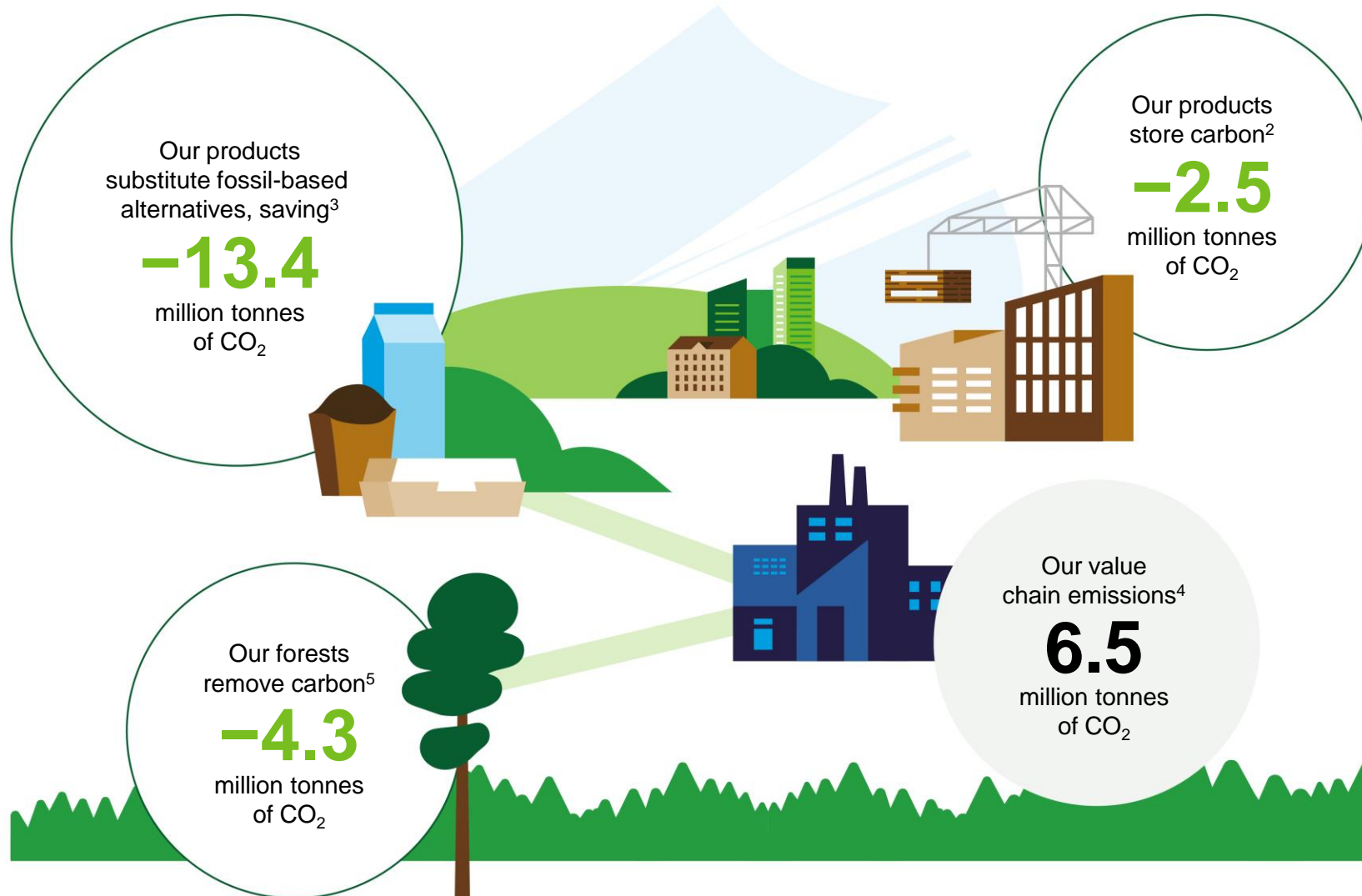
Climate



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Stora Enso's annual climate impact¹



¹ Negative value indicates a net removal from atmosphere.

² A modelled 100-year average with IPCC tool. Calculated by the Swedish University of Agricultural Sciences (SLU) based on Stora Enso's forest and production figures: Climate effects of a forestry company – including biogenic carbon fluxes and substitution effects.

³ Substitution effect describes the amount of greenhouse gas emissions avoided from using our products and biomass energy compared to more carbon-intensive fossil products and fuels. Calculated based on Stora Enso's product portfolio.

⁴ Stora Enso's fossil CO₂e emissions in 2023, including direct emissions from our operations, emissions from purchased energy, and emissions from other sources along our value chain (Scope 1, 2, and 3). Calculated based on the Greenhouse Gas Protocol guidance.

⁵ Annual CO₂ sequestration in Stora Enso's owned or leased productive forest lands, three-year annual average. For further details, see Consolidated sustainability figures.

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A vertical image on the left side of the slide showing a dense forest of evergreen trees covered in a thick layer of snow, with a hazy, mountainous background under a pale sky.

Committing to 100% regenerative solutions by 2050 and net zero by 2040



Ambitions

- Renewable and fully circular products and solutions by 2050 that,
 - will reduce climate impacts by sequestering more carbon than they emit and support biodiversity restoration
- Implement decarbonisation strategies in line with the Paris Agreement

Actions

- Real business changes and innovations
- Increase energy efficiency efforts and switch energy sources
- Collaborations with raw material suppliers, logistic suppliers and customers
 - Key levers are product innovation, supply chain optimisation, electrification and supplier decarbonisation

We stay committed to our science-based target for 2030



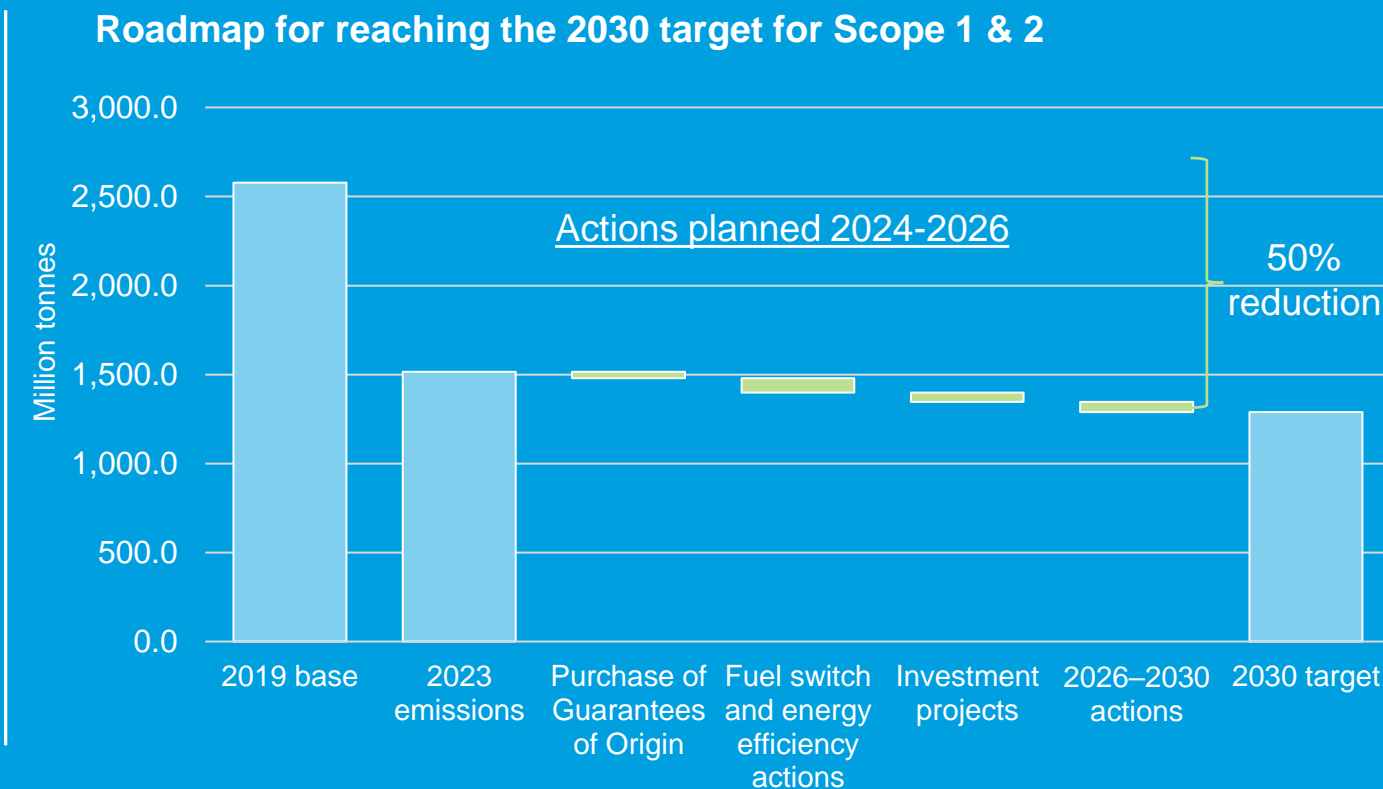
- We have set a science-based target (SBT), in line with the 1.5-degree scenario, to reduce our greenhouse gas (CO₂e) emissions
- Target is to reduce absolute Scope 1 & 2 CO₂e emissions with 50% by 2030 from the 2019 baseline
- We are also committed to reducing Scope 3 CO₂e emissions with 50% by 2030 from the 2019 baseline



Roadmap for reaching the 2030 target for Scope 1 & 2



- During 2024–2025, we will continue to invest in projects which, in addition to business targets, aim at reaching the CO₂e targets
- Examples include investments in changing fuel types and energy efficiency improvements
- The CO₂e targets are always part of Stora Enso's capital expenditure assessment

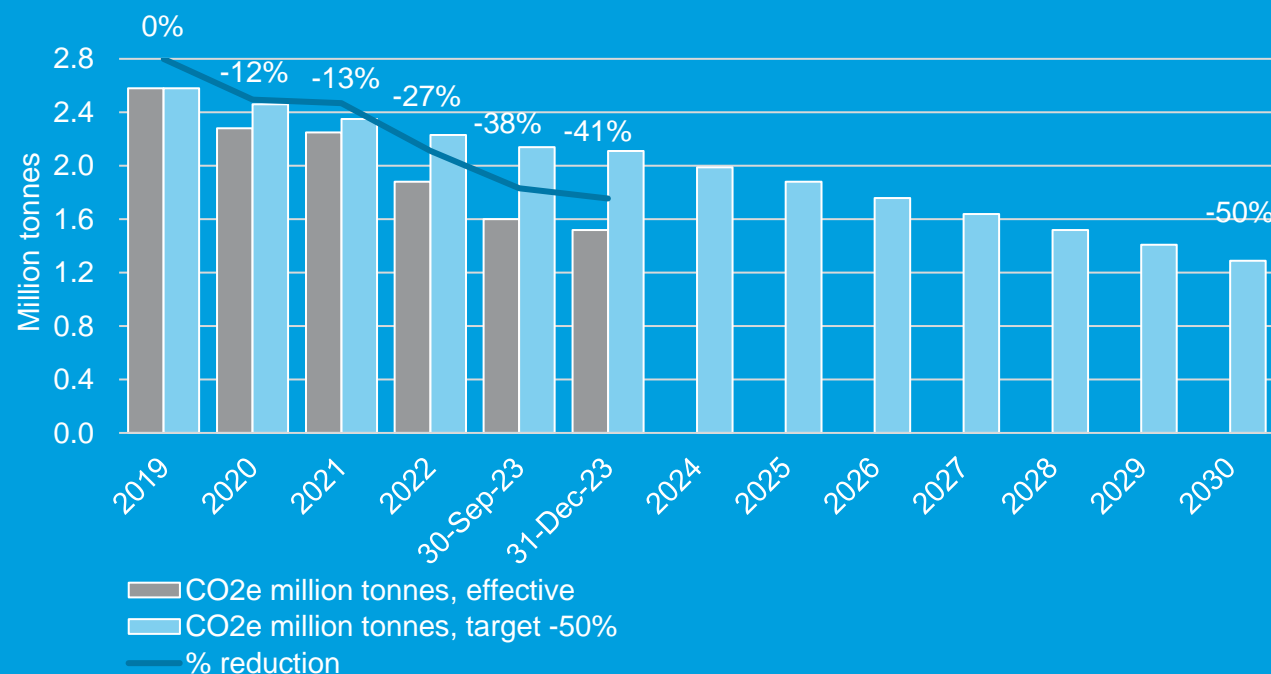


On track to reach the target for Scope 1 & 2 emissions



- Scope 1 & 2 emissions were approximately 1.5 million tonnes at the end of 2023
 - The decrease in emissions was mainly a consequence of lower production volumes as well as site and production line closures.
- Main actions to reach the target
 - Improving energy efficiency of production processes
 - Replacing fossil fuels with renewables
 - Increasing usage of wood-based biofuels from sustainable sources

Direct and indirect CO₂e emissions
(Scope 1 & 2, rolling four quarters)

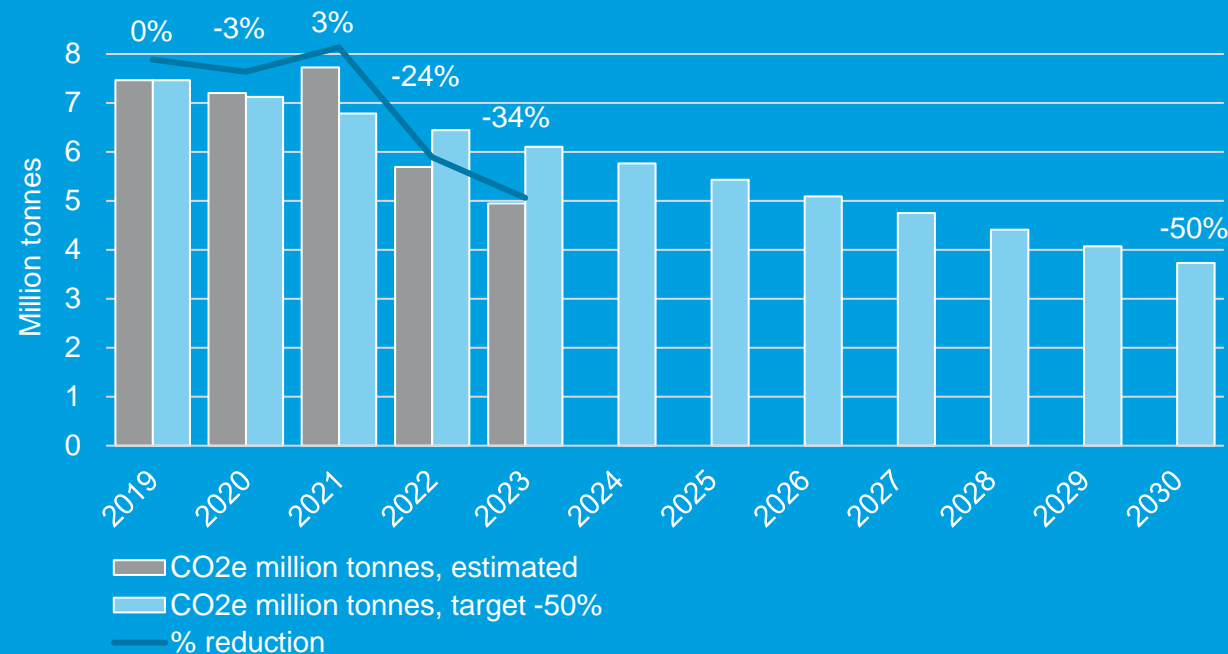


Collaborating with our value chain to reduce Scope 3 emissions



- In 2023, the estimated Scope 3 emissions were approximately 5 million tonnes
 - 34% less than the 2019 baseline
 - The emissions decreased mainly due to mill closures and discontinued dissolving pulp production
- During 2023, Stora Enso continues to identify areas where scope 3 emissions could be further reduced
 - The focus is on supplier engagement and improving the accounting for Scope 3 emissions

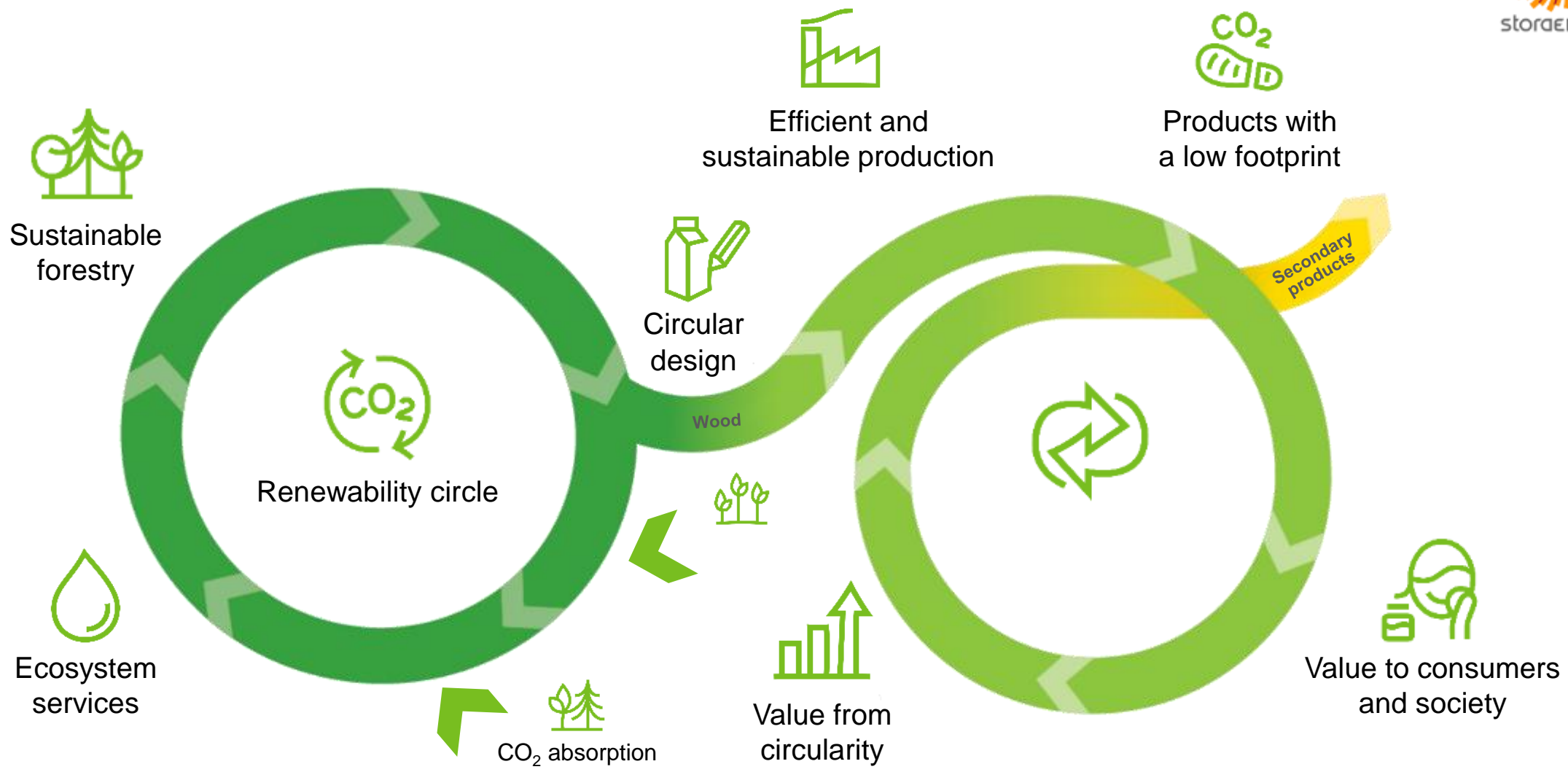
CO₂e emissions along the value chain (Scope 3)



Circularity



Offering renewable and circular products



The world seeks new alternatives to fossil-based materials



- Only **7.2% of materials are being recycled*** which emphasises the need for strong collaboration to advance circularity and strengthen the recycling infrastructure.
- **25% of all plastic packaging can already today be replaced** by paper-based solutions and for the first time, these solutions are growing faster than plastic packaging globally.
- Comprising 40% of the world's CO₂ emissions, the building and construction industry represents a key area for sustainability improvement.

* Circle Economy: The circularity GAP report 2023



Our target outlines our commitment to a circular economy



- Our target is to achieve **100% technically recyclable products** by 2030
- The target outlines our commitment to transparent and circular material flows that help minimise waste and combat climate change
- Flagship projects will help drive recycling at scale
 - This involves engagement along our value chain to help achieve additional recycling infrastructure and new circular business models

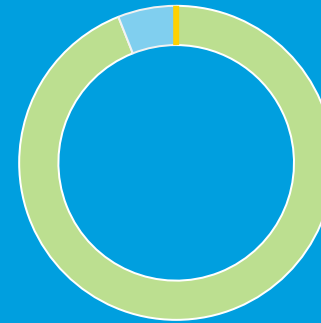


Innovating and collaborating for circularity



- By the end of 2023, 94% of our products were recyclable – target 100%
- We aim to ensure the recyclability of products through an increased focus on circularity in the innovation processes
- Collaborating with our partners :
 - Industrial-scale recycling programme with Huhtamäki for paper cups in Europe.
 - Participation in an EU-funded consortium research programme, Woodcircles, with the primary aim to further promote the upcycling, recovery, and recycling of wood construction waste in Europe.

Share of technically recyclable products
as of 31 Dec 2023



- Technically recyclable products, 94%
- Balance to 2030 target, 6%
- Target 2030, 100%



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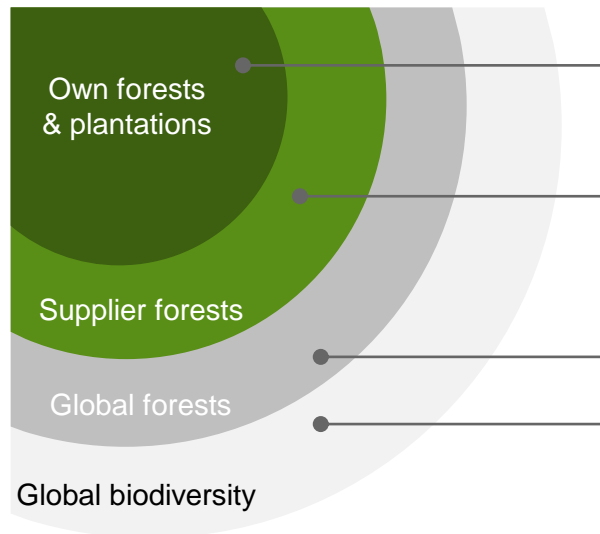
Biodiversity

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Biodiversity target 2050

Net positive impact through active biodiversity management



As a forest owner and wood sourcing partner

Achieve **net positive impact on biodiversity within own forests and plantations.**

Building on this, achieve a net positive impact on biodiversity across forests where we source our fiber by incentivizing net positive biodiversity practices and sharing expertise.

As a global materials company

Actively improve biodiversity globally beyond forests, by providing input to policies, setting standards, and sharing capabilities, data, and technologies

Steering our actions through the Biodiversity Leadership Programme



- We steer our biodiversity actions through a Biodiversity Leadership Programme to improve biodiversity on the species, habitat and landscape levels
- Science-based indicators to monitor and adapt management practices
- Collaboration from local to global scales to innovate, share knowledge, and align actions

Four streams to drive biodiversity performance

1. Biodiversity actions
2. Data, modelling, and analytics
3. Global advocacy and alignment
4. Value innovation

Two main indicator categories for biodiversity



Impact (operational) indicators measure the quality of forestry operations.

Stora Enso's instructions for biodiversity considerations apply to all harvesting operations in our own forests in Sweden and private forest owners' forests in Finland, Sweden, and the Baltics. Operational indicators measure the quality of operations in regard to preservation of soil, water, and biodiversity.

Reported annually, measured throughout the year.

State indicators measure the conditions for biodiversity.

The state indicators apply to Stora Enso's own forests in Sweden and measure the state of biodiversity in the forests. The long-term biodiversity developments are monitored with science-based indicators for forests' structural variation.

Progress monitored based on long-term targets.



Impact indicator performance – target to reach 90% for each indicator



84%

2022: 71%

High stump creation

High stumps are standing deadwood that is vital for birds and insects.

81%

2022: 84%

Ground deadwood protection

Ground deadwood is an important habitat for many species.

98%

2022: 85%

Prioritised habitat preservation

Ecologically and culturally valuable areas are preserved in harvesting

87%

2022: 87%

Tree retention

Living trees left in harvesting support biodiversity over forest regeneration.

96%

2022: 95%

Soil and water protection

Soil and water are vital and rich habitats for species on land and in water

91%

2022: 93%

Buffer zone preservation

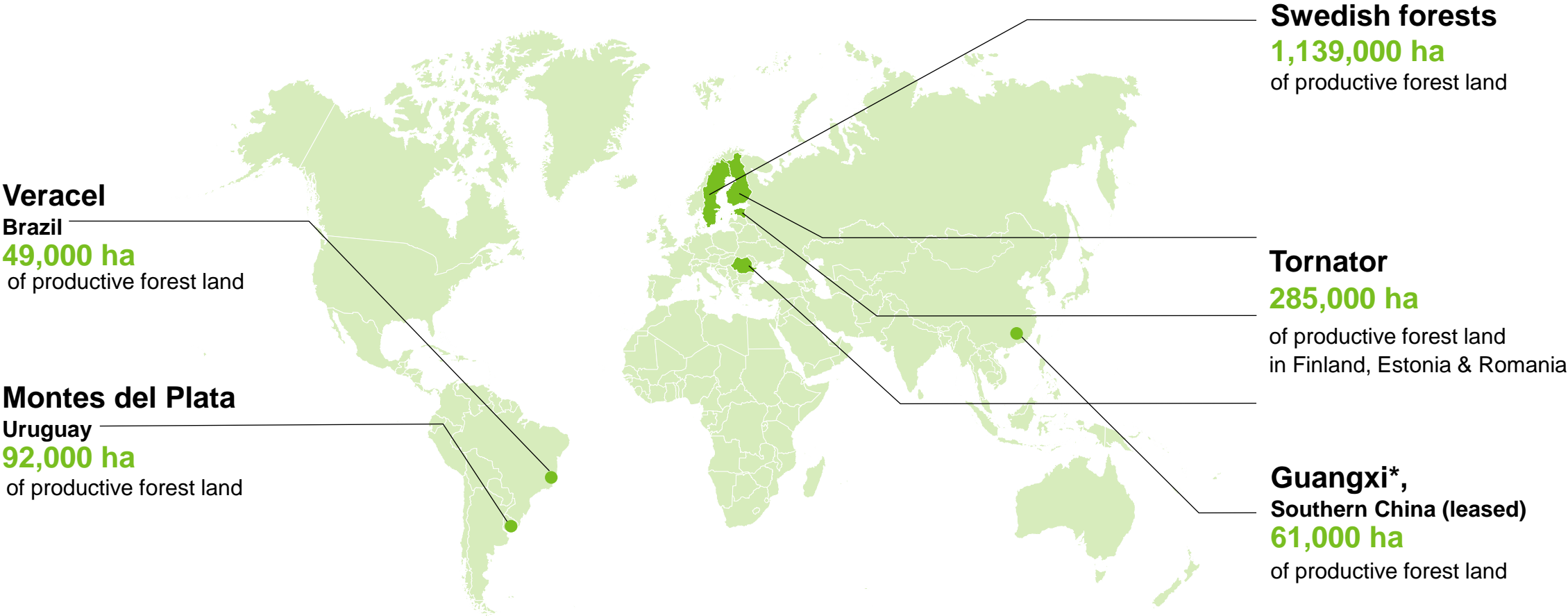
We preserve buffer zones around waters where they create abundant habitats.

Performance is assessed through a sample of harvesting sites in Finland, Sweden, and the Baltics, reported as weighted average. For details on each indicator and region, see Stora Enso's [biodiversity impact indicator webpage](#).

Stora Enso's productive forest land areas



~36% self-sufficiency of wood supply from own forest assets and long-term agreements



*Ongoing divestment process

Competitive wood supply operations securing fiber to our sites



100%

of our wood comes
from sustainable
sources

81%

proportion of
third-party
certified wood in
our wood supply

99%

of lands owned
and managed by
us are covered
by certification

16%

of our wood
comes from
certified tree
plantations



Forest certification for sustainable forest management



- Forest certification ensures that the raw material comes from responsibly managed forests
- Biodiversity is an integral part of forest certifications
- Stora Enso uses forest certification and third-party traceability systems such as:
 - Forest Stewardship Council's (FSC) Chain of Custody/Controlled Wood scheme
 - Chain of Custody/Due Diligence System of the Programme for the Endorsement of Forest Certification (PEFC)
 - ISO 14001 environmental management system

Target is to maintain the forest certification coverage level of at least 96% for own and leased forest lands



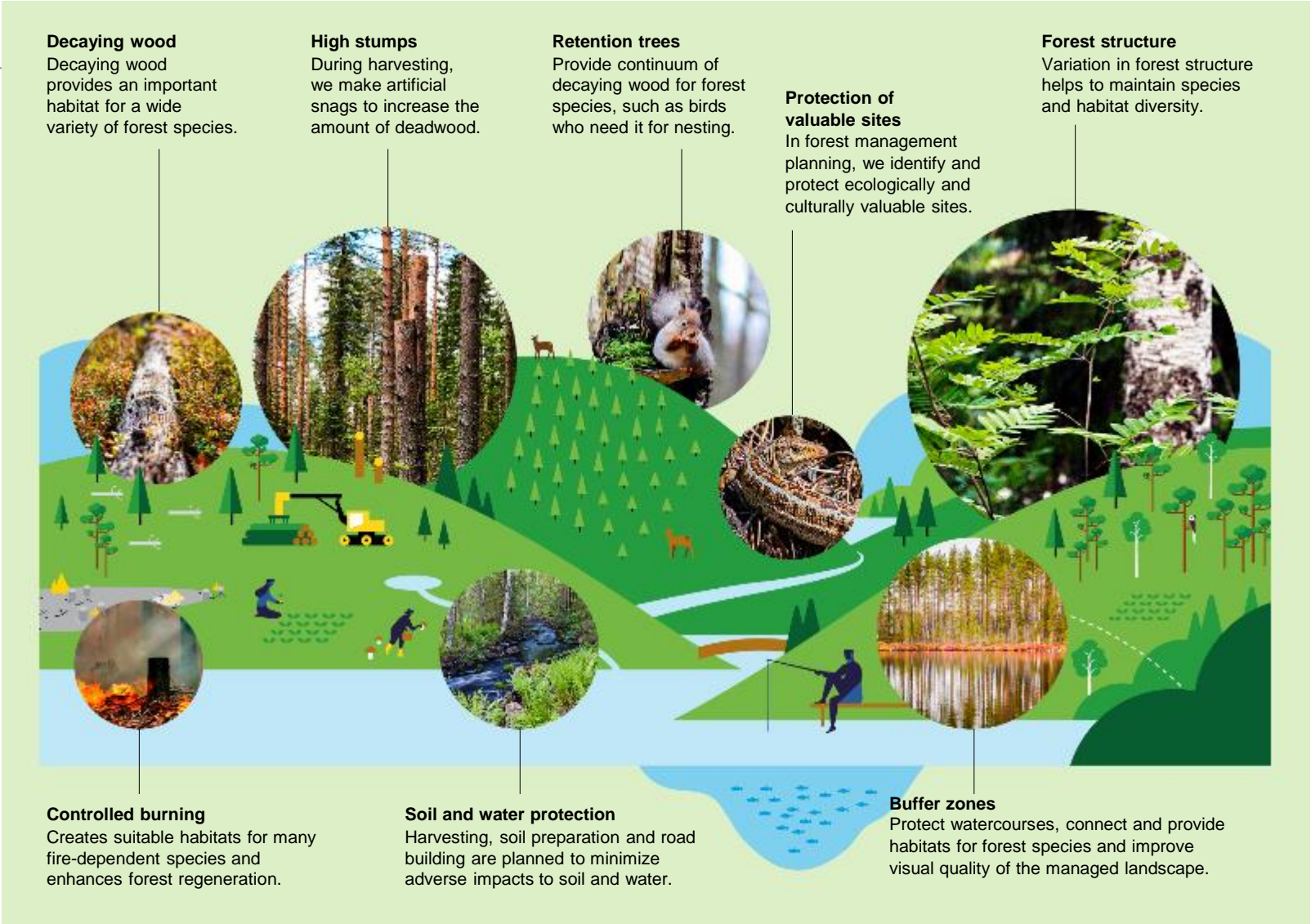
In 2023, the coverage amounted to 99%

** Stora Enso Communications' FSC® trademark license number is FSC-N001919.*

Biodiversity management practices in Nordic forests



Protecting biodiversity
We ensure that forests grow more than they are harvested, and that biodiversity is an integral part of everyday forest management.

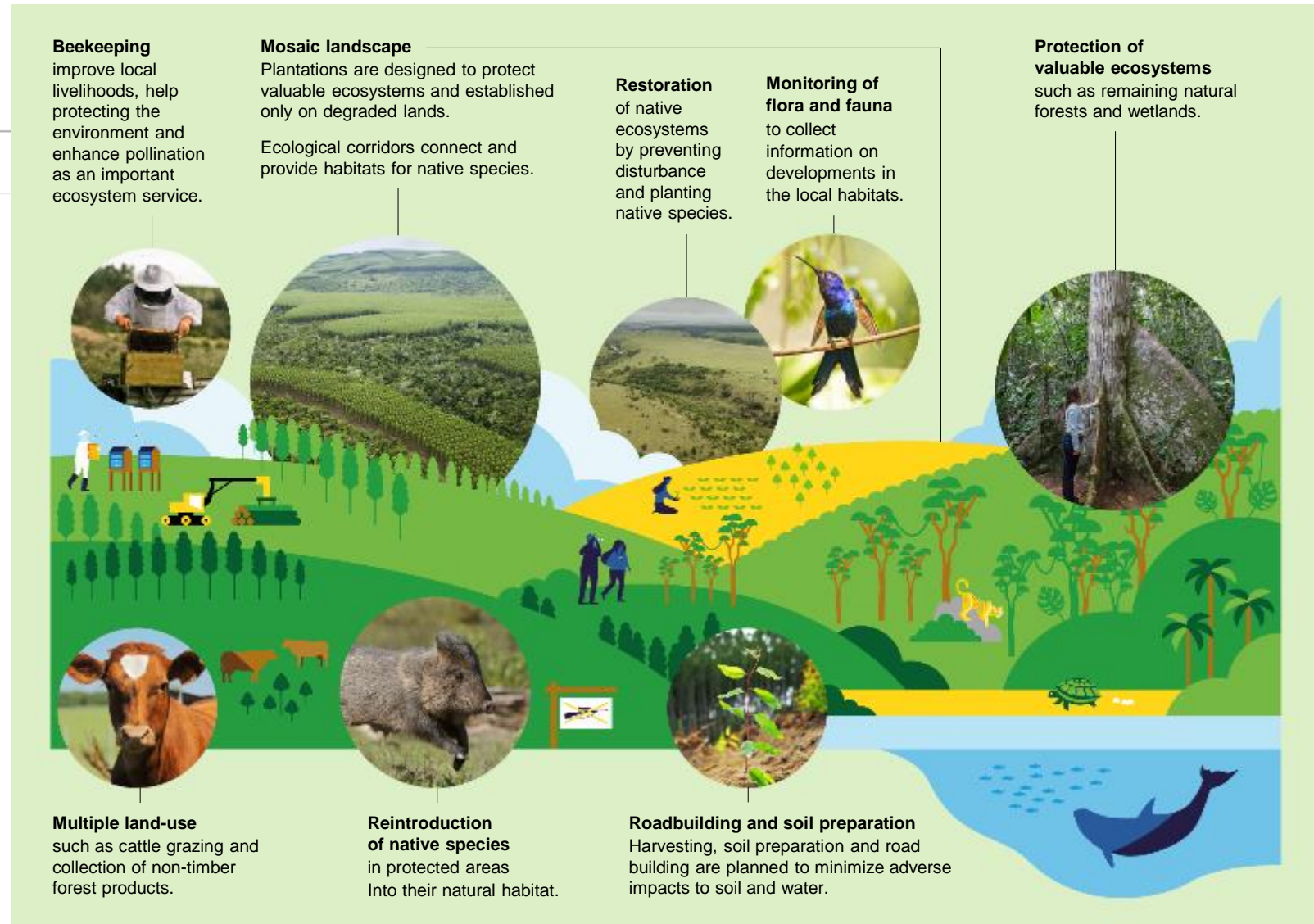


Biodiversity management practices in tree plantations



Protecting biodiversity

Plantations are designed and managed in local land-use context. Landscape typically consists of a mosaic of areas for both intensive wood production and biodiversity conservation.





Responsible business practices



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Environmental



Materials, residuals and waste

Our process raw materials are largely renewable.

We aim to increase the value from our material streams to be beneficially used on the market.

Converting existing material side streams to new products, e.g., lignin, to generate circular revenue.

Target is to maintain process residuals utilisation rate level of at least 98%.

In 2023, 99% of the waste was recycled and utilised either internally or externally.



Energy

We continuously improve energy efficiency and strive towards energy self-sufficiency.

Long-term energy supply contracts to ensure reliable energy supply at a reasonable cost.

Central energy efficiency investment fund to implement energy savings effectively - in 2022, the fund amounted to EUR 10 million.

Target is to achieve at least -1.1%* annual energy savings by 2030 (MWh saved/MWh total energy used, electricity, heat, and fuels).

By the end of 2023, the projected energy savings were -0.7%.



Water

The majority of our operations are located in areas of low water stress.

Approximately 96% of process water is recycled back into the environment using the best available technologies.

As of 2023, a new Group goal was set to reduce specific process water discharges per saleable tonne (m³/tonne) by 17% by 2030 from the 2019 baseline (36 m³/tonne).

In 2023, the process water discharges were 35 m³/tonne, with a 3% decrease from the baseline.

Total withdrawal amounted to 61m³/tonne.

Lower production volumes are currently adversely affecting the performance per saleable tonne, as a regular water flow needs to be maintained, particularly in wastewater treatment.

Social



Employees

Diversity and inclusion

Zero tolerance for discrimination, harassment and bullying

Target is to increase the share of female managers among all managers to 25% by the end of 2024.

By the end of 2023, 24% of all managers were female. In the Group Leadership Team, the ratio was 36%.

Safety

The goal is to provide an accident free and inclusive workplace

Target is to achieve a total recordable injury (TRI) rate of 4.9 by the end of 2023.

TRI rate at 4.7 at the end of 2023.



Human rights

We take human rights into account across operations starting from investment decisions, paying special attention to vulnerable groups

We are committed to the UN Guiding Principles on Business and Human Rights

In the Human Rights Policy, we outline our ambition and objectives for respecting human rights

Target is to ensure efficient implementation of the Human Rights due diligence programme.

In 2023, Implementing findings from 2022 pilot projects were into operations and processes.



Community

With a global presence, we engage with local communities around the world

We support and work with these communities to help them thrive economically, socially and environmentally

Our operations are often in rural communities that form an important stakeholder group

Continued focus on building community resilience.

Community consultations to enhance accountability, transparency, and engagement.

In 2023, the Community Investment target was closed. A new measurement reflecting the decentralised operating model is under consideration.

Governance



Business ethics

Zero tolerance towards all forms of corruption, bribery and supporting fair competition

The Stora Enso Code outlines our approach to ethical business practices, human and labour rights, and the environment

We duly investigate all suspected non-compliance cases and take the right corrective measures

Target is to maintain a positive trend in the Ethics and Compliance Index.

8.9 in 2023 (scale 0-10).



Sustainable sourcing

Continuous work to maintain high coverage for Supplier Code of Conduct (SCoC)

As part of our tendering process, we require suppliers to provide data on their safety and CO₂ performance

We assess and manage impacts on biodiversity in the supply chain

Target is to maintain at least the coverage level of 95% of supplier spend covered by the SCoC.

By the end of 2023, the coverage was 95%.



For a full overview of our sustainability performance in 2023, please see our Annual Report.

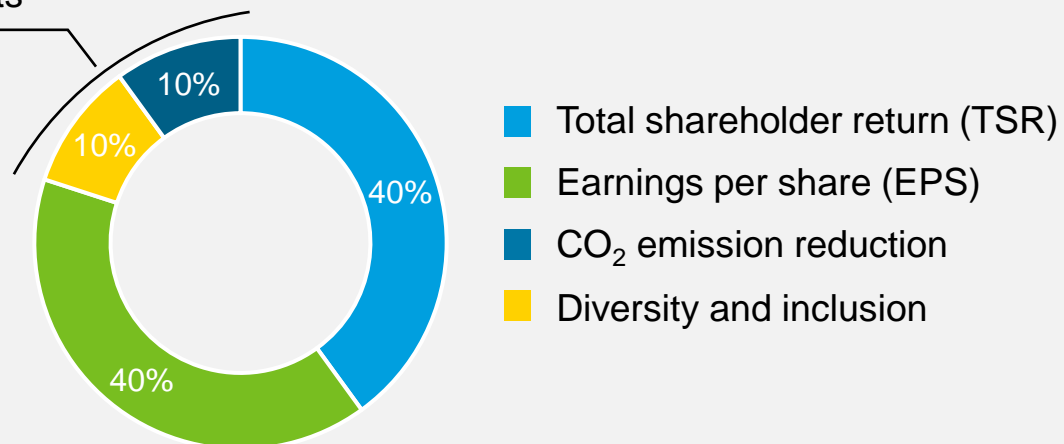
Value chain collaboration driven by sustainability



Lifting business performance by aligning ESG targets with remuneration



ESG targets



The purpose of the LTIP is to incentivise and align management with shareholder interests and the long-term strategy of the company.



ESG reporting



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Sustainability in our funding and reporting



Sustainable finance strategy

The aim is to influence and develop the financial markets and to secure funding partners with a sustainability agenda



Framework for green and sustainability-linked financing

Integrates Stora Enso's climate, biodiversity and circularity goals into the Group's financing activities, supporting sustainability-focused fixed-income investors



Green and sustainability-linked financing instruments

Financing instruments to invest in the transition towards a low-carbon and environmentally sustainable society, using the Green and Sustainability-Linked Financing Framework



Revolving Credit Facility with a green aspect

Pricing includes a sustainability component based on ability to reduce greenhouse gas emissions



Climate-related financial disclosures

CFO support for better disclosure of climate risks and opportunities based on recommendations by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)



Integrated reporting

One combined report covering strategy, financials, sustainability reporting, corporate governance and remuneration.



The EU Taxonomy reporting is still in development phase



- Forest industry and its main products are largely out of the scope of the EU Taxonomy
- Therefore, only a few relevant economic activity categories to report on
 - The most relevant categories for Stora Enso are forest management in its own forests*, manufacturing of wooden-based materials and components for improving buildings' energy efficiency, and co-generation of heat/cool and power from bioenergy

Proportion of taxonomy aligned activities in 2023

Turnover	4.8%
CAPEX	5.7%
OPEX	9.9%

*Forest management turnover includes the sale of externally sold roundwood and forest residuals



Our leading performance in ESG is recognised



Climate A-, Forest A and Water A-



ESG rating AAA (highest possible score)



Highest recognition level, Platinum



ESG rating 14.4* out of 100



ESG rating 4.4 out of 5.0



Top-ranked in both management quality and carbon



ISS Corporate Rating Prime status (B)



ESG rating 71 out of 100

*0 indicating the lowest risk



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