

# Remuneration Statement

Part of Stora Enso's Annual Report 2018

# Remuneration Statement

This Remuneration statement describes Stora Enso's main principles of remuneration and the remuneration paid to members of the Board of Directors, Chief Executive Officer (CEO) and other members of the Group Leadership Team (GLT). The first part of this report describes Stora Enso's remuneration decision-making procedure and remuneration policy. The second part describes the implementation in 2018 (Remuneration Report).

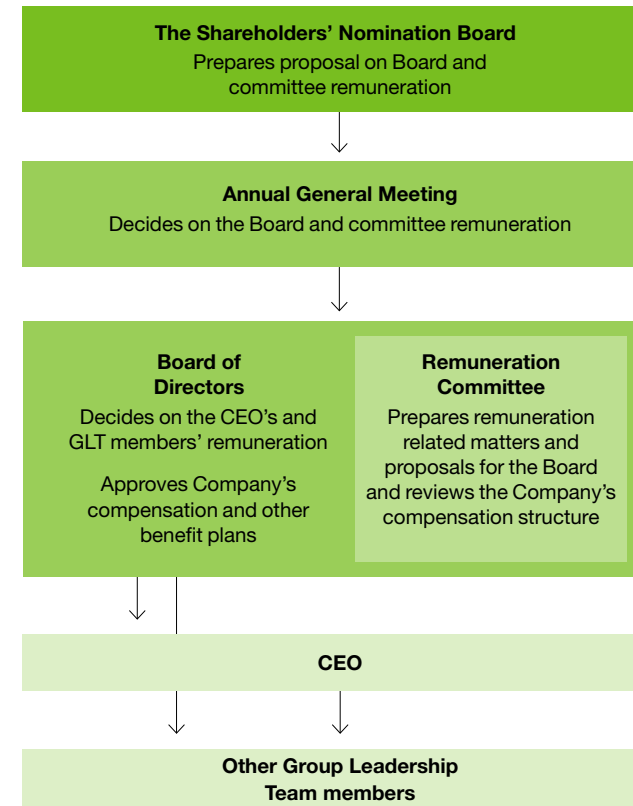
The Remuneration statement has been prepared in accordance with the Finnish Corporate Governance Code (the "Code"). The Code is available at [cgfinland.fi](http://cgfinland.fi). Stora Enso also complies with the Swedish Corporate Governance Code ("Swedish Code"), with the exception of the deviations listed in [Appendix 1](#) of the Corporate Governance Report. The deviations are due to differences between the Swedish and Finnish legislation, governance code rules and practices, and in these cases Stora Enso follows the practice in its domicile. The Swedish Code is issued by the Swedish Corporate Governance Board and is available at [corporategovernanceboard.se](http://corporategovernanceboard.se).

## Decision-making procedure

The shareholders at the AGM decide annually on the remuneration of the Board members (including the remuneration of the members of Board committees). The proposals for the AGM concerning the remuneration for the Chairman, Vice Chairman and members of the Board as well as the remuneration for the Chairman and members of the committees of the Board are prepared by the Company's Shareholders' Nomination Board, which is composed of representatives of the main shareholders of the Company as well as Board member representatives and described in more detail on page 3 of the Corporate Governance Report.

The Board appoints the CEO and approves his/her remuneration as well as the compensation of other GLT members. The Board's Remuneration Committee prepares remuneration related matters and proposals for the Board and is further responsible for ensuring that management compensation policies are aligned with the Company's objectives and shareholder interest.

## Remuneration decision-making procedure



## Main principles of remuneration

### Stora Enso remuneration principles – general overview

Stora Enso aims to provide a level of remuneration that motivates, encourages, attracts and retains employees of the highest calibre. To maximise the effectiveness of the remuneration policy, careful consideration will be given to aligning the remuneration package with shareholder interests and best market practice.

A fundamental element in the remuneration principles is the concept of pay-for-performance, and an important aspect of Stora Enso's approach to remuneration is to look at the total remuneration provided to employees. Stora Enso's total remuneration mix consists of:

- annual fixed salary
- variable pay components as short-term incentives (cash) and longterm incentives (shares when applicable)
- long-term employee benefits (pension, medical and health benefits)
- other benefits (car, housing, etc. when applicable)

Regular external benchmarking is crucial to ensure that compensation levels are competitive with the external marketplace. The marketplace is defined as those peer companies with whom Stora Enso competes for recruiting talents and retention of current employees for similar positions. The market will vary depending on functional area and level of the positions concerned.

Compensation review is an annual process with the aim to ensure that Stora Enso employees are being rewarded in accordance with our Remuneration Policy and local regulations, such as labour laws and collective agreements.

The GLT annually reviews the performance and potential ratings, as well as the succession planning of its top management in order to secure global principles with local applications.

### Board member remuneration principles

Remuneration of the Board of Directors is decided annually by the shareholders at the AGM. The AGM in 2018 resolved in accordance with the proposal of the Shareholders' Nomination Board that the members of the Board of Directors be paid the following annual remuneration for their term of office expiring at the end of the AGM 2019:

- for the Chairman of the Board of Directors EUR 175 000
- for the Vice Chairman of the Board of Directors EUR 103 000, and
- for other members of the Board of Directors EUR 72 000 each.

The Board members shall use approximately 40% of their annual Board member remuneration to purchase Stora Enso's R shares from the public market and the purchases shall be carried out during the two weeks following the AGM. The Company has no formal policy requirements for the Board members to retain shares received as remuneration. In addition, the AGM decided that the following annual remuneration be paid to the members of the Board Committees:

- for the Chairman of the Financial and Audit Committee EUR 20 600, and
- for the members of the Financial and Audit Committee EUR 14 400 each,
- for the Chairman of the Remuneration Committee EUR 10 300, and
- for the members of the Remuneration Committee EUR 6 200 each,
- for the Chairman of the Sustainability and Ethics Committee EUR 10 300, and
- for the members of the Sustainability and Ethics Committee EUR 6 200 each.

### CEO remuneration principles

The CEO has been employed by Stora Enso since 1 August 2012 and assumed the position as CEO on 1 August 2014. He has a notice period of six months with a severance payment of twelve months salary on termination by the company but with no contractual payments on any change of control. The CEO's benefits include pension provisions. The CEO's pension plan consists of collectively agreed pension plan in Sweden (ITP2) and a defined contribution (DC) top up pension plan. Contributions to the DC plan in the interval 20–30 Income Base Amounts (IBA; one IBA was 62 500 SEK in 2018) is 23%, contributions above 30 IBA is 35% for the salary the CEO had prior to assuming this position and 39% on the salary increase amount received when assuming the position as CEO. The retirement age is sixty-five years.

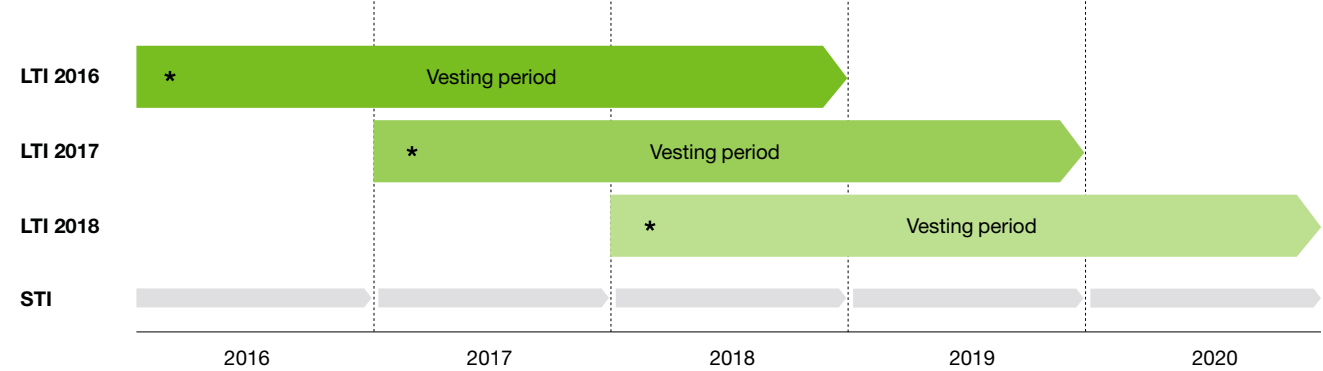
#### Short Term Incentive (STI) programme for CEO

The CEO is entitled to a STI programme decided by the Board each year giving a maximum of 75% of annual fixed salary. The STI for 2017 and 2018 was based 70% on financial measures and 30% on Individual Key Targets.

#### Long Term Incentive (LTI) programmes for CEO

The CEO participates in 2016, 2017 and 2018 share based LTI programmes. The programmes have three year targets and vest in

### Share-based compensation plan



\* Date of grant 1 March    ● Yearly STI programme    LTI Long term incentive    STI Short term incentive

### 2018 CEO remuneration

Annual salary	EUR 905 000 in 2018.
Short-term incentive	The CEO is entitled to a STI programme decided by the Board each year giving a maximum of 75% of annual fixed salary.
Long-term incentive	Outstanding LTI programmes include the yearly programmes of 2016, 2017 and 2018. The CEO has the potential to receive a maximum of 65 762 shares before taxes in the 2018 programmes that will be settled 2021.
Other benefits	Benefits include mobile phone and insurance.
Pension	Retirement age is 65. Pension plan consists of collectively agreed pension plan in Sweden (ITP2) and a defined contribution (DC) top up pension plan.
Termination of assignment	Notice period of six months with a severance payment of twelve months salary on termination by the company but with no contractual payments on any change of control.

one portion after three years. Three quarters (75%) of the opportunity in the 2016 and 2017 programmes is in Performance Shares, where shares will vest in accordance with performance criteria proposed by the Remuneration Committee and approved by the Board of Directors. One quarter (25%) of the opportunity is in Restricted Shares, for which vesting is only subject to continued employment. The opportunity under the 2018 programme is in Performance Shares only.

### 2018 GLT remuneration, other than CEO

Annual salary	GLT members receive a monthly salary. In total for all GLT members EUR 3 589 000 in 2018.
Short-term incentive	GLT members are eligible for STI with up to a maximum of 50% or 60% of their annual fixed salary, payable the year after the performance period.
Long-term incentive	Outstanding LTI programmes include the yearly programmes of 2016, 2017 and 2018. The GLT members can potentially receive total of maximum 211 410 shares before taxes in the 2018 programmes that will be settled 2021.
Other benefits	Benefits include mobile phones, cars and insurances.
Pension	GLT members may retire at 65 years of age with pensions consistent with local practices in their respective home countries.
Termination of assignment	Contracts of employment provide for notice of six months prior to termination with severance compensation of twelve months' basic salary if the termination is at the Company's request.

### GLT remuneration principles

GLT members in Stora Enso receive a monthly salary, which in addition to a salary payment includes customary fringe benefits, such as mobile phones and cars. GLT members further have the possibility to receive yearly awards in the Company's short term and long term incentive programmes for management.

In accordance with their respective pension arrangements, GLT members may retire at sixty-five years of age with pensions consistent with local practices in their respective home countries. Contracts of employment provide for notice of six months prior to termination with severance compensation of twelve months basic salary if the termination is at the Company's request.

#### Short Term Incentive (STI) programmes for the GLT other than the CEO

GLT members have STI programmes with up to a maximum 50% or 60% of their annual fixed salary, payable the year after the performance period. 70% of the STI for 2017 and 2018 was based on financial measures and 30% on Individual Key Targets.

The financial performance metrics in the STI programme are EBITDA and Working Capital Ratio. The Individual Targets are based on a balanced scorecard approach within the categories of Customer, People, Sustainability and Special Projects.

#### Long Term Incentive (LTI) programmes for GLT other than the CEO

The LTI programmes have three-year targets and vest in one portion after three years. The absolute maximum vesting level is 100% of the number of shares granted. The opportunity under the 2018 programme is in Performance Shares, where the shares vest in accordance with performance criteria proposed by the Remuneration Committee and approved by the Board of Directors.

The financial success metric in the Performance Share programme is 3-year EVA (Economic Value Added) and EPS (Earnings per Share) for the Stora Enso Group.

## Remuneration Report 2018

### Board remuneration in 2018

In 2018, the Board members of Stora Enso were compensated as set out in the following chart. Based on the decision of the AGM 2018, 40% of the Board remuneration was paid in Stora Enso R shares purchased from the market. In addition, Board members may receive a yearly compensation based on their positions as Chairman or members of Board committees.

### CEO remuneration

The total compensation for the CEO in 2018 amounted to EUR 2 925 000, including annual salary, customary fringe benefits (such as mobile phone) STI and LTI programmes, and pension costs.

The CEO has the potential to receive a value corresponding to a maximum of 65 762 shares before taxes under the 2018 LTI programme. The grant value EUR 958 481 is based on the share price at grant date and assuming the maximum vesting level during the three-year vesting period is achieved. The shares received by the CEO from previous awards amounted to 59 522 shares having a cash value at the 1 March 2018 settlement date of EUR 867 553 based on the share price of EUR 14.58 at that date.

### GLT remuneration excluding CEO

The total compensation for the GLT members excluding CEO in 2018 amounted to EUR 9 259 000 including annual salary, customary fringe benefits (such as mobile phone) STI and LTI programmes, and pension costs. The total number of GLT members was 12 at year end 2018, including also the CEO.

Under the 2018 LTI programme, GLT members (in GLT at year end) can potentially receive a value corresponding to 211 410 shares before taxes, assuming the maximum vesting level during the three-year vesting period (2018–2020) is achieved. Total number of shares actually transferred will be lower because a portion of shares corresponding to the tax obligation will be withheld to cover the income tax.

The fair value of employee services received in exchange for share based compensation payments is accounted for in a manner that is consistent with the method of settlement either as cash-settled or equity settled as described in more detail in Note 21 of the Financials 2018. For the equity settled part, it is possible that the actual cash cost does not agree with the accounting charges as the share price is not updated at the time of the vesting. The figures in the

Group Leadership Team Remuneration table refer to individuals who were executives at the time of settlement.

During the year, the number of shares settled for executives (GLT members at settlement date) from previous awards amounted to 168 179, having a cash value at the 1 March 2018 settlement date of EUR 2 451 209 before taxes based on the share price at that date.

### Board Remuneration

EUR	Year Ended 31 December	
	2018 <sup>1</sup>	2017
Chairman	175 000	170 000
Vice Chairman	103 000	100 000
Board Member	72 000	70 000

<sup>1</sup> 40% of the Board remuneration in 2018 was paid in Stora Enso R shares purchased from the market and distributed as follows: to Chairman 4 221 R shares, Vice Chairman 2 484 R shares, and members 1 737 R shares each. The Company has no formal policy requirements for the Board members to retain shares received as remuneration.

### Board and Committee remuneration

EUR thousand (before taxes)	Year Ended 31 December				Committee memberships
	2018		2017		
	Cash	Value of Shares	Total	Total	
Board Members at 31 December 2018					
Jorma Eloranta, Chairman	130	70	200	194	Remuneration, Nomination <sup>2,3</sup> , Financial and Audit
Hans Stråberg, Vice Chairman	68	41	109	106	Remuneration, Nomination <sup>2,3</sup>
Anne Brunila	54	29	82	80	Sustainability and Ethics
Elisabeth Fleuriot	49	29	78	76	Remuneration
Hock Goh	49	29	78	76	Sustainability and Ethics
Christiane Kuehne	58	29	86	84	Financial and Audit
Antti Mäkinen	58	29	86	0	Financial and Audit
Richard Nilsson	64	29	93	90	Financial and Audit
Göran Sandberg	49	29	78	76	Sustainability and Ethics
Former Board members					
Mikael Mäkinen (until 28 March 2018)	-	-	-	84	
Total Remuneration as Directors <sup>1</sup>	578	313	891	866	

<sup>1</sup> 40% of the Board remuneration in 2018 was paid in Stora Enso R shares purchased from the market and distributed as follows: to Chairman 4 221 R shares, Vice Chairman 2 484 R shares, and members 1 737 R shares each. The Company has no formal policy requirements for the Board members to retain shares received as remuneration.

<sup>2</sup> Shareholders at the Annual General Meeting (AGM) have established a Shareholders' Nomination Board to exist until otherwise decided. The Shareholders' Nomination Board according to its Charter as approved by the AGM comprises of four members: the Chairman and Vice Chairman of the Board of Directors, as well as two members appointed by the two largest shareholders (one each) as of 31 August each year.

<sup>3</sup> Marcus Wallenberg appointed by FAM AB is Chairman of the Nomination Board. Harri Sailas is the member of the Shareholders' Nomination Board appointed by Solidium Oy. Jorma Eloranta and Hans Stråberg were appointed as members of the Shareholders' Nomination Board in their roles as Chairman and Vice Chairman of the Board of Directors.

## The aggregate remuneration paid to the CEO and GLT members in 2018

EUR thousand	Year Ended 31 December					
	2018			2017		
	CEO	Others	GLT Total	CEO	Others	GLT Total
<b>Remuneration</b>						
Annual salary	905	3 589	4 494	913	3 583	4 496
Local housing (actual costs)	-	22	22	-	70	70
Other benefits	20	385	405	20	610	630
Termination benefits	-	-	-	-	531	531
Short Term Incentive programme	611	1 089	1 700	532	643	1 175
Long Term Incentive programme <sup>1</sup>	845	2 431	3 276	549	1 403	1 952
	2 381	7 516	9 897	2 014	6 840	8 854
<b>Pension Costs</b>						
Mandatory plans	66	1 296	1 362	69	1 029	1 098
Stora Enso voluntary plans <sup>2</sup>	478	447	925	555	544	1 099
	544	1 743	2 287	624	1 403	2 197
<b>Total Compensation</b>	<b>2 925</b>	<b>9 259</b>	<b>12 184</b>	<b>2 638</b>	<b>6 840</b>	<b>11 051</b>

<sup>1</sup> The 2018 amounts relate to the vesting of programme started in 2015 and ended on 31 December 2017. The 2017 amounts relate to the vesting of programme started in 2014 and ended on 31 December 2016.

<sup>2</sup> The CEO participates in the Swedish Executive Pension Plan where pension accruals are unfunded for all participants, the liability is calculated and insured in accordance with Swedish legislation. The unfunded liability for the CEO amounts to EUR 2 483 thousand.

## CEO and GLT share interests

Stora Enso recommends and expects GLT members to hold Stora Enso shares at a value corresponding to at least one annual base salary. Stora Enso shares received as remuneration are therefore recommended not to be sold until this level has been reached. Stora Enso GLT members, including the CEO, held on 31 December 2018 shares in the Company as follows:

Executives in office at the year end	R Shares held <sup>1</sup>	Performance share opportunity 2018–2020 <sup>2</sup>	Restricted share opportunity 2018–2020 <sup>2</sup>
Johanna Hagelberg	11 258	45 339	9 899
Kati ter Horst	30 318	71 660	15 763
Malin Bendz	17 422	33 686	6 289
Ulrika Lilja	21 534	39 681	8 693
Annica Bresky	0	49 401	8 397
Per Lyrvall <sup>3</sup>	53 245	57 330	12 601
Markus Mannström	32 350	40 803	7 057
Noel Morrin	26 588	48 665	11 095
Gilles van Nieuwenhuyzen	11 308	77 367	17 145
Seppo Parvi	25 585	57 429	12 497
Karl-Henrik Sundström <sup>4</sup>	143 505	185 912	40 050
Jari Suominen	31 553	54 349	11 995
<b>Total, Serving Officers</b>	<b>404 666</b>	<b>761 622</b>	<b>161 481</b>

<sup>1</sup> None of the GLT members holds A shares.

<sup>2</sup> Potential shares to GLT members listed here are gross of taxes.

<sup>3</sup> In addition, spouse holds 1 257 shares.

<sup>4</sup> 41 700 of the shares are held by a related party (Alma Patria AB).

## Members of the Board of Directors



### Jorma Eloranta

Born 1951. M.Sc. (Tech), D. Sc. (Tech) h.c.

#### Position

Chairman of Stora Enso's Board of Directors since April 2017, Vice Chairman April 2016–April 2017. Member of Shareholders' Nomination Board since April 2016. Chairman of the Remuneration Committee since April 2017 and member since April 2016. Member of the Financial and Audit Committee since April 2017.

#### Board memberships

Chairman of the Board of Finnish Fair Foundation. Member of the Board of Cargotec. Vice Chairman of the Supervisory Board in Finnish Naval Foundation. Chair of the Board and CEO of Pienelo Ltd.

#### Principal work experience and other information

President and CEO of Metso 2004–2011, President and CEO of Kvaerner Masa-Yards 2001–2003 and President and CEO of Patria Industries Group 1997–2000. Executive Vice President of Finvest Group and Jaakko Pöyry Group 1996 and President of Finvest 1985–1995.

<b>Total remuneration 2018, EUR<sup>1</sup></b>	199 700
<b>Meeting attendance</b>	11/11
<b>FAC attendance</b>	6/6 ●
<b>RemCo attendance</b>	4/4 ●
<b>SECo attendance</b>	
<b>Shareholding<sup>2</sup></b>	Owens 1 150 A shares and 18 381 R shares in Stora Enso.
<b>Independent member</b>	Yes



### Hans Stråberg

Born 1957. M.Sc. (Eng.).

#### Position

Vice Chairman of Stora Enso's Board of Directors since April 2017 and member since April 2009. Member of Shareholders' Nomination Board since April 2017. Member of the Remuneration Committee since March 2010.

#### Board memberships

Chairman of the Board of Atlas Copco AB, Roxtec AB, CTEK Holding AB, Nikkarit Holding AB and AB SKF. Vice Chairman of the Board of Orchid First Holding AB. Member of the Board of Investor AB, N Holding AB, Mellby Gård AB and Hedson Technologies International AB.

#### Principal work experience and other information

President and CEO of AB Electrolux 2002–2010. Several management positions at Electrolux in Sweden and the USA 1983–2002.

<b>Total remuneration 2018, EUR<sup>1</sup></b>	109 200
<b>Meeting attendance</b>	11/11
<b>FAC attendance</b>	
<b>RemCo attendance</b>	4/4 ●
<b>SECo attendance</b>	
<b>Shareholding<sup>2</sup></b>	Owens 37 490 R shares in Stora Enso.
<b>Independent member</b>	Yes



### Anne Brunila

Born 1957. D.Sc. (Econ.).

#### Position

Member of Stora Enso's Board of Directors since April 2013. Chairman of the Sustainability and Ethics Committee since April 2013.

#### Board memberships

Member of the Board of Kone Plc and Sanoma Plc.

#### Principal work experience and other information

Professor in Hanken School of Economics 2014–2018. Executive Vice President, Corporate Relations and Strategy and Member of the Management Team of Fortum 2009–2012. President and CEO of the Finnish Forest Industries Federation 2006–2009. Director General in the Finnish Ministry of Finance 2003–2005 and several positions in the Bank of Finland 1992–2000 and the European Commission 2000–2002.

<b>Total remuneration 2018, EUR<sup>1</sup></b>	82 300
<b>Meeting attendance</b>	11/11
<b>FAC attendance</b>	
<b>RemCo attendance</b>	
<b>SECo attendance</b>	4/4 ●
<b>Shareholding<sup>2</sup></b>	Owens 20 121 R shares in Stora Enso.
<b>Independent member</b>	Yes



### Elisabeth Fleuriot

Born 1956. M.Sc. (Econ.).

#### Position

Member of Stora Enso's Board of Directors since April 2013. Member of the Remuneration Committee since April 2017.

#### Board memberships

Board member and Chairman of CSR Committee at G4S since July 2018.

#### Principal work experience and other information

President and CEO of Thai Union Europe Africa 2013–2017. Senior Vice President, Emerging Markets and Regional Vice President, France, Benelux, Russia and Turkey, in Kellogg Company 2001–2013. General Manager, Europe, in Yoplait, Sodial Group 1998–2001. Several management positions in Danone Group 1979–1997.

<b>Total remuneration 2018, EUR<sup>1</sup></b>	78 200
<b>Meeting attendance</b>	11/11
<b>FAC attendance</b>	
<b>RemCo attendance</b>	4/4 ●
<b>SECo attendance</b>	
<b>Shareholding<sup>2</sup></b>	Owens 21 151 R shares in Stora Enso.
<b>Independent member</b>	Yes



### Hock Goh

Born 1955. B. Eng (Hons) in Mechanical Engineering.

#### Position

Member of Stora Enso's Board of Directors since April 2012. Member of the Sustainability and Ethics Committee since April 2017.

#### Board memberships

Chairman of the Board of Advent Energy Limited. Member of the Board of AB SKF, Santos Australia and Vesuvius Plc.

#### Principal work experience and other information

Operating Partner of Baird Capital Partners Asia 2005–2012. Several senior management positions in Schlumberger Limited, the leading oilfield services provider, in 1995–2005.

<b>Total remuneration 2018, EUR<sup>1</sup></b>	78 200
<b>Meeting attendance</b>	11/11
<b>FAC attendance</b>	
<b>RemCo attendance</b>	
<b>SECo attendance</b>	3/4 ●
<b>Shareholding<sup>2</sup></b>	Owens 25 904 R shares in Stora Enso.
<b>Independent member</b>	Yes





### Christiane Kuehne

Born 1955. LL.M., B.B.A.

#### Position

Member of Stora Enso's Board of Directors since April 2017. Member of the Financial and Audit Committee since April 2017.

#### Board memberships

Member of the Board of James Finlays Ltd, Wetter Foundation, Whitestone Foundation and Foundation Pierre du Bois.

#### Principal work experience and other information

Operative roles within the Nestlé Group 1977–2015. Her last operative role at Nestlé was as Head of Strategic Business Unit Food with strategic responsibility for the food business of Nestlé at global level.

<b>Total remuneration 2018, EUR<sup>1</sup></b>	86 400
<b>Meeting attendance</b>	11/11
<b>FAC attendance</b>	6/6 ●
<b>RemCo attendance</b>	
<b>SECo attendance</b>	
<b>Shareholding<sup>2</sup></b>	Owens 5 712 R shares in Stora Enso.
<b>Independent member</b>	Yes



### Antti Mäkinen

Born 1961. LL.M.

#### Position

Member of Stora Enso's Board of Directors since March 2018. Member of the Financial and Audit Committee since March 2018.

#### Board memberships

Member of the Board of Rake Oy, Metso Oyj and Sampo Oyj. Chairman or a member of the shareholders' nomination boards of several listed companies.

#### Principal work experience and other information

CEO of Solidium Oy since 2017. Several leading management positions within Nordea Corporate & Investment Banking, most notably as Head of Corporate Finance in Finland, Head of Strategic Coverage unit and as Co-Head for Corporate & Investment Banking, Finland 2010–2017. CEO of eQ Corporation and its main subsidiary eQ Bank Ltd. 2005–2009.

<b>Total remuneration 2018, EUR<sup>1</sup></b>	86 400
<b>Meeting attendance</b>	9/9 <sup>3</sup>
<b>FAC attendance</b>	5/5 <sup>7</sup> ●
<b>RemCo attendance</b>	
<b>SECo attendance</b>	
<b>Shareholding<sup>2</sup></b>	Owens 2 137 R shares in Stora Enso.
<b>Independent member</b>	Yes/no <sup>3</sup>



### Richard Nilsson

Born 1970. B.Sc. (BA and Econ.).

#### Position

Member of Stora Enso's Board of Directors since April 2014. Chairman of the Financial and Audit Committee since April 2016 and member since April 2015.

#### Board memberships

Member of the Board of Directors of IPCO AB and group companies.

#### Principal work experience and other information

Investment Manager at FAM AB since 2008. Pulp & paper research analyst at SEB Enskilda 2000–2008, Alfred Berg 1995–2000 and Handelsbanken 1994–1995.

<b>Total remuneration 2018, EUR<sup>1</sup></b>	92 600
<b>Meeting attendance</b>	11/11
<b>FAC attendance</b>	6/6 ●
<b>RemCo attendance</b>	
<b>SECo attendance</b>	
<b>Shareholding<sup>2</sup></b>	Owens 18 254 R shares in Stora Enso.
<b>Independent member</b>	Yes/no <sup>4</sup>



### Göran Sandberg

Born 1955. Ph.D.

#### Position

Member of Stora Enso's Board of Directors since April 2017. Member of the Sustainability and Ethics Committee since April 2017.

#### Board memberships

Member of the Board of the Marcus Wallenberg Foundation for Promoting Scientific Research in the Forest Industry and the Wallenberg Foundations AB.

#### Principal work experience and other information

Professor in Plant Biology and professor at the Swedish University of Agricultural Science and the Umeå University. Executive director of the Knut and Alice Wallenberg Foundation and the Marianne and Marcus Wallenberg Foundation. Member of the Royal Swedish Academy of Science, the Royal Swedish Academy for Agriculture and Forestry Sciences, and the Royal Swedish Academy of Engineering Sciences. His previous positions include Vice chancellor of Umeå University 2005–2010, Chairman of Umeå Plant Science Center 1996–2004, Chairman of SciLifeLab Sweden 2013–2016 as well as Board member of the Human Protein Atlas project and the Wallenberg Wood Science Center.

<b>Total remuneration 2018, EUR<sup>1</sup></b>	78 200
<b>Meeting attendance</b>	11/11
<b>FAC attendance</b>	
<b>RemCo attendance</b>	
<b>SECo attendance</b>	4/4 ●
<b>Shareholding<sup>2</sup></b>	Owens 4 212 R shares in Stora Enso.
<b>Independent member</b>	Yes/no <sup>5</sup>

**FAC** = Financial and Audit Committee  
**RemCo** = Remuneration Committee  
**SECo** = Sustainability and Ethics Committee

● Chairman ● Member

<sup>1</sup> Detailed description of Board Remunerations and Committee Memberships as decided by the AGM in 2018 on page 3.

<sup>2</sup> Shares held by Board members and related parties. Board members' related parties held no Stora Enso shares.

<sup>3</sup> Antti Mäkinen is independent of the company but not of its significant shareholders due to his position as the CEO of Solidium Oy.

<sup>4</sup> Richard Nilsson is independent of the company but not of its significant shareholders due to his employment at FAM AB.

<sup>5</sup> Göran Sandberg is independent of the company but not of its significant shareholders due to his position as executive director of majority shareholders of FAM AB, a significant shareholder of the company.

<sup>6</sup> Meetings attended out of the meetings held after election as Board member.

<sup>7</sup> Meetings attended out of the meetings held after election as FAC member.

The independence is evaluated in accordance with Recommendation 10 of the Finnish Corporate Governance Code of 2015. The full recommendation can be found at [cgfinland.fi](http://cgfinland.fi). A significant shareholder according to the recommendation is a shareholder that holds at least 10% of all company shares or the votes carried by all the shares or a shareholder that has the right or the obligation to purchase the corresponding number of already issued shares.

**Mikael Mäkinen** was Member of Stora Enso's Board of Directors since March 2010 until his resignation on 28 March 2018. He was independent of the Company and the significant shareholders.

## Members of the Group Leadership Team



### Karl-Henrik Sundström

Born 1960. B.Sc. (Business Studies).

#### Position

Chief Executive Officer (CEO) since 2014. Member of the GLT since 2012. Joined the company in 2012.

#### Board memberships, principal work experience and other information

Executive Vice President, Printing and Living until 2014. CFO of the company 2012–2013. CFO of NXP Semiconductors 2008–2012. Prior to that CFO and several managerial positions in Ericsson. Chairman of the Board of Skogsindustrierna and Confederation of European Paper Industries (CEPI). Member of the Board of Sustainable Energy Angels AB, and Mölnlycke Health Care AB.

#### Shareholding

Owens 101 805 R shares in Stora Enso directly and 41 700 R shares through Alma Patria AB (related party).



### Seppo Parvi

Born 1964. M.Sc. (Econ.)

#### Position

Chief Financial Officer (CFO), Deputy to the CEO. Country Manager Finland and member of the GLT since 2014. Joined the company in 2014.

#### Board memberships, principal work experience and other information

CFO and EVP, Food and Medical Business Area at Ahlstrom Corporation 2009–2014. CFO for Metsä Board (M-real) 2006–2009. Prior to that various line management positions at the packaging company Huhtamäki, including responsibilities such as paper manufacturing within Rigid Packaging Europe and General Manager for Turkey. Deputy Chairman of the Board of the Finnish Forest Industries Federation and Pohjolan Voima Oy. Member of the Board of Ilmarinen.

#### Shareholding

Owens 25 585 R shares in Stora Enso.



### Malin Bendz

Born 1976. B.Sc. (Personnel Mgmt & Org. Development), MBA.

#### Position

Executive Vice President, HR. Member of the GLT since 2016. Joined the company in 2000.

#### Board memberships, principal work experience and other information

Several international positions in human resources, business development and purchasing. Member of the Stora Enso Paper division management team (2015–2016), Renewable Packaging management team (2012–2014) and Latin America Division Management team (2004–2008).

#### Shareholding

Owens 17 422 R shares in Stora Enso.



### Annica Bresky

Born 1975. M.Sc. (Engineering), MBA.

#### Position

Executive Vice President, Division Consumer Board. Member of the GLT since 2017. Joined the company in 2017.

#### Board memberships, principal work experience and other information

President and CEO of Iggesund Paperboard AB, part of the Swedish Holmen Group 2013–2017. Mill Director at BillerudKorsnäs AB 2010–2013. Prior to that engineering and superintendent positions at Stora Enso's Kvarnsveden Mill in 2001–2010.

#### Shareholding

Does not own any Stora Enso shares.



### Johanna Hagelberg

Born 1972. M.Sc. (Industrial Eng. & Mgmt) and M.Sc. (Eng. and Mgmt of Manufacturing Systems).

#### Position

Executive Vice President, Sourcing and Logistics. Member of the GLT since 2014. Joined the company in 2013 as SVP Sourcing, Printing and Living.

#### Board memberships, principal work experience and other information

Chief Procurement Officer at Vattenfall AB 2010–2013. Prior to that leading Sourcing positions at NCC, RSA Scandinavia and within the Automotive Industry. Member of the Board of Bufab AB.

#### Shareholding

Owens 11 258 R shares in Stora Enso.





### Kati ter Horst

Born 1968. MBA (International Business), M.Sc. (Marketing).

#### Position

Executive Vice President, Division Paper. Member of the GLT since 2014. Joined the company in 1996.

#### Board memberships, principal work experience and other information

Senior Vice President, Paper Sales, Stora Enso Printing and Living until 2014. Has held several managerial positions in the paper business. Member of the Board of Finnish Forest Industries Federation, Outokumpu Oyj and EURO-GRAPH asbl.

#### Shareholding

Owens 30 318 R shares in Stora Enso.



### Ulrika Lilja

Born 1975. M.Sc. (BA and Econ.).

#### Position

Executive Vice President, Communications. Member of the GLT since 2014. Joined the company in 2014 as Senior Vice President Communications, Stora Enso Printing and Living.

#### Board memberships, principal work experience and other information

Director External Communications at SSAB 2010–2013. Prior to that several leading communications positions at OMX Stockholm Stock Exchange and Neonet. Member of the Board of Swedish Association of Communication Professionals.

#### Shareholding

Owens 21 534 R shares in Stora Enso.



### Per Lyrvall

Born 1959. LL.M.

#### Position

Executive Vice President, Legal, General Counsel, Country Manager Sweden. Member of the GLT since 2012. Joined the company as Legal Counsel in 1994. General Counsel since 2008. Country Manager Sweden since 2013.

#### Board memberships, principal work experience and other information

Prior to joining Stora Enso legal positions at Swedish courts, law firms and Assi Domän. Member of the Board of Montes del Plata and Bergvik Skog AB. Deputy Member of the Board of Skogsindustrierna.

#### Shareholding

Owens 51 988 R shares in Stora Enso directly and 1 257 R shares through related persons (spouse).



### Markus Mannström

Born 1963. M.Sc. (Paper Tech.).

#### Position

Executive Vice President, Division Biomaterials. Member of the GLT since 2015. Joined the company in 2001.

#### Board memberships, principal work experience and other information

Chief Technology Officer (CTO) of the company 2015–2017. Member of the Renewable Packaging division management team 2009–2014. Member of the Board of Teollisuuden Voima Oyj, Montes del Plata and Veracel. Deputy Member of the Board of Pohjolan Voima Oy.

#### Shareholding

Owens 32 350 R shares in Stora Enso.



### Noel Morrin

Born 1958. B.Sc. Joint Honours, First Class (Chemistry and Biology).

#### Position

Executive Vice President, Sustainability. Member of the GLT since 2015. Joined the company in 2015.

#### Board memberships, principal work experience and other information

Group SVP for Sustainability & Green Support at Skanska AB 2005–2015. Group Environment Director at RMC plc 1999–2005. Prior to that senior roles at the UK National Environmental Technology Centre, the British NGO Business in the Community and the global chemical company ICI plc.

#### Shareholding

Owens 26 588 R shares in Stora Enso.



**Gilles van Nieuwenhuyzen**

Born 1959. M.Sc. (Applied Physics), MBA (INSEAD).

**Position**

Executive Vice President, Division Packaging Solutions. Member of the GLT since 2015. Joined the company in 2015.

**Board memberships, principal work experience and other information**

President of the Enablers division at DuPont Nutrition & Health (formerly Danisco) 2010–2014. Prior to that senior management positions at among others the Dutch food ingredients group CSM (now Corbion), Rexam (coated films and papers), and DSM (chemicals and polymers).

**Shareholding**

Owns 11 308 R shares in Stora Enso.



**Jari Suominen**

Born 1969. M.Sc. (BA).

**Position**

Executive Vice President, Division Wood Products. Member of the GLT since 2014. Joined the company in 1995.

**Board memberships, principal work experience and other information**

Senior Vice President, head of Building and Living Business Area until 2014. Has held several managerial positions in paper and wood products businesses. Chairman of Finnish Wood Products Industry Association. Member of the Board of Tornator. Member of the supervisory board of Varma Mutual Pension Insurance Company.

**Shareholding**

Owns 31 553 R shares in Stora Enso.



**Annual Report 2018**

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