

# Sustainability and Ethics Committee

## Charter

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### 1. Overall Purpose

- 1.1 The Board of Directors (Board) of Stora Enso Oyj (Stora Enso) has established a Sustainability and Ethics Committee (Committee) with the authority, responsibility and specified duties as described in this Charter, as approved by the Board, and as separately instructed from time to time by the Board.
- 1.2 The Committee's main task is to oversee Stora Enso's sustainability and ethical business conduct, its strive to be a responsible corporate citizen, and Stora Enso's contribution to sustainable development.
- 1.3 To fulfil its tasks the Committee regularly reviews Stora Enso's Sustainability Strategy and Ethics and Compliance Strategy and, in accordance with Stora Enso's corporate governance structure, oversee the effective implementation thereof. In its work the Committee shall take into consideration Stora Enso's Purpose and Values as well as Code of Conduct and Business Practice Policy.

### 2. Organisation

- 2.1 The Committee shall comprise of two to four Board members who are nominated annually by the Board, which also appoint the Chairman of the Committee. The members shall be independent from and not affiliated with Stora Enso. At least one Committee member is expected to have sufficient earlier knowledge and experience in handling sustainability and ethics matters.
- 2.2 A member of the Committee is not permitted to accept any consulting, advisory or compensatory fee from Stora Enso other than in his or her capacity as a member of the Committee, the Board or any other Board committee, as annually decided by the shareholders at the Annual General Meeting.
- 2.3 The regular participants in the Committee's meetings are the EVP Sustainability and the EVP Legal, General Counsel and the Assistant General Counsel acting as secretary to the Committee. Further the Chairman of the Committee may invite other persons (such as the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the EVP Communications as well as other personnel responsible for matters dealing with sustainability and ethics) to participate in the Committee's meetings.
- 2.4 The Committee shall meet at least two times a year. In addition the Committee shall meet when required.
- 2.5 The Committee shall have a non-management session at each physical meeting, where the members may discuss without the Stora Enso management participating.
- 2.6 The Committee shall decide on a working order covering practical matters relating to the Committee's work.

### 3. Powers and duties

The Committee shall have the power and authority to perform the following duties and to fulfil the following monitoring responsibilities:

#### 3.1 Review and evaluation responsibilities

- a) Review of matters, including those of legislative and regulatory nature, that may have significant impact on Stora Enso's activities and reputation in respect of sustainability and ethics;
- b) Review of social, political, economic and environmental trends that may have a significant impact on Stora Enso's business activities and performance;
- c) Review, evaluate and oversee Stora Enso's Sustainability Strategy and Ethics and Compliance Strategy, Stora Enso's Code of Conduct, and related policies and management systems as well as the group's approach to engagement with key stakeholders in accordance with Stora Enso's corporate governance structure;
- d) Review and evaluate Stora Enso's responsible and ethical behaviour in respect of the Purpose and the Values;
- e) Review and evaluate the correlation between effective implementation of Stora Enso's policies and strategies relating to sustainability and ethics and Stora Enso's financial performance;
- f) Review the group's position on shareholder proposals involving issues related to sustainability and business ethics and recommend positions to be taken by the Board;
- g) Review initiatives relating to sustainability and ethics made by Stora Enso's Sustainability Council and Stora Enso's Compliance Board in accordance with Stora Enso's corporate governance structure;
- h) Review and assess the annual reporting and control procedures on quantitative and narrative disclosures related to sustainability and business ethics; and
- i) Review and monitor external recognition of the group's performance on global responsibility, business ethics and sustainable development.

#### 3.2 Reporting responsibilities and material

- a) The Chairman of the Committee shall regularly report to the Board:
  - i. all significant issues handled or informed at the Committee's meeting; and
  - ii. recommendations to the Board made by the Committee;
- b) Committee material shall be made available to all Board members.

#### 3.3 Other matters

- a) The Committee evaluates its own performance annually.

### 4. Quorum

A majority of the members of the Committee shall constitute a quorum. The decision shall be made with a simple majority, the Chairman having the casting vote.

**5. Management Support**

To assist the Committee in fulfilling its duties, management will provide the Committee with information and recommendations as needed and requested.

**6. External Consultants**

The Committee is allowed to use external consultants and experts whenever deemed necessary.

**7. Assessment of Charter**

The Committee shall review this charter on a yearly basis. The charter and any amendments to it shall be approved by the Board of Directors.

***Approved by the Board of Directors:***

8 February 2018