



Stora Enso complies with current governance rules and regulations, and applies best practices in the field of governance.



Governance

Part of Stora Enso's Annual Report 2020

THE RENEWABLE MATERIALS COMPANY



Contents

Responsibility is one of Stora Enso's values and in governance terms it translates into a strong commitment to sound principles of corporate governance and sustainability.

Wood can also transform into a textile. Our dissolving pulp is used as a raw material for e.g. viscose in textile industry, replacing cotton and fossil-based materials, such as polyester. The e-TALES by Stora Enso is a portfolio of tailor-made solutions for e-commerce packaging, designed to meet the needs of end-consumers, online retailers and logistics departments. A paperboard tube to reduce plastic in primary packaging of cosmetics, which is a new application area for our paperboard, Natura Shape™ by Stora Enso.



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The duties of the various bodies within Stora Enso Oyj ("Stora Enso" or the "Company") are determined by the laws of Finland and by the Company's corporate governance policy, which complies with the Finnish Companies Act and the Finnish Securities Market Act. The rules and recommendations of the Nasdaq Helsinki Oyj and Nasdaq Stockholm AB stock exchanges are also followed, where applicable. The corporate governance policy is approved by the Board of Directors ("Board").

Stora Enso complies with the Finnish Corporate Governance Code 2020 issued by the Securities Market Association (the "Code"). The Code is available at 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 this 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.

This Corporate Governance Report is available as a PDF document at storaenso.com/investors/governance.

General governance issues

The Board and the President and CEO are responsible for the management of the Company. Other governance bodies have an assisting and supporting role.

The Stora Enso group prepares Consolidated financial statements and Interim Reports conforming to International Financial Reporting Standards (IFRS), and publishes Annual Reports as well as Interim Reports in Finnish, Swedish and English language. Stora Enso Oyj prepares its Financial statements in accordance with the Finnish Accounting Act.

The Company's head office is in Helsinki, Finland. It also has head office functions in Stockholm, Sweden.

Stora Enso has one statutory auditor elected by the shareholders at the Annual General Meeting (AGM).

To the maximum extent possible, corporate actions and corporate records are taken and recorded in English.

Objectives and composition of governance bodies

The shareholders exercise their ownership rights through the shareholders' meetings. The decision-making bodies with responsibility for managing the Company are the Board and the CEO. The Group Leadership Team (GLT) supports the CEO in managing the Company.

Day-to-day operational responsibility rests with the GLT members and their operation teams supported by various staff and service functions.

Governance bodies



Shareholders' meeting
Shareholders' Nomination Board



Board of Directors
Financial and Audit Committee
Remuneration Committee
Sustainability and Ethics Committee



President and CEO
Ethics and Compliance
Management Committee –
Group Leadership Team (GLT)

Auditing

Internal Audit _____ External Audit _____

Shareholders' meetings

The Annual General Meeting of shareholders (AGM) is held annually to present detailed information about the Company's performance and to deal with matters such as adopting the annual accounts, setting the dividend (or distribution of funds) and its payment, and appointing the Chair, Vice Chair and the members of the Board of Directors as well as the Auditor.

Shareholders may exercise their voting rights and take part in the decision-making process of Stora Enso by participating in shareholders' meetings. Shareholders also have the right to ask questions of the Company's management and Board of Directors at shareholders' meetings. Major decisions are taken by the shareholders at Annual or Extraordinary General Meetings. At a shareholders' meeting, each A share and each ten R shares carry one vote.

During the years 2020–2021 and the Covid-19 pandemic, certain of the above mentioned rights may be carried out as pre-voting and the right to present counterproposals and ask questions in advance of the meeting, the answers to which will be presented on the Company's website.

The Board of Directors convenes a shareholders' meeting by publishing a notice to the meeting at the Company's website not more than three (3) months before the last day for advance notice of attendance mentioned in the notice to the meeting and not less than three weeks before the date of the meeting. In addition, the Company publishes details on the date and location of the meeting, together with the address of the Company's website, in at least two Finnish and two Swedish newspapers. Other regulatory notices to the shareholders are delivered in the same way.

The AGM shall be held yearly by the end of June in Helsinki, Finland. The Finnish Companies Act and Stora Enso's Articles of Association specify in detail that the following matters have to be dealt with at the AGM:

- presentation and adoption of the annual accounts
- presentation of the report of the Board of Directors and the Auditor's report
- use of the result and distribution of funds to the shareholders
- resolution concerning discharge of the members of the Board and the CEO from liability
- presentation of remuneration policy and/or report
- decision on the number and the remuneration of the members of the Board and the Auditor
- election of the Chair, Vice Chair and other members of the Board and the Auditor
- any other matters notified separately in the notice to the meeting.

In addition, the AGM shall take decisions on matters proposed by the Board of Directors. A shareholder may also propose items for inclusion in the agenda provided that they are within the authority of the shareholders' meeting and the Board of Directors was asked to include the items in the agenda no later than on the date set out by the Company, which must be not earlier than four weeks before the publication of the notice to the meeting and which will be announced at the Company's website no later than by the end of the financial year preceding the AGM.

An Extraordinary General Meeting of Shareholders is convened when considered necessary by the Board of Directors or when requested in writing by the Auditor or shareholders together holding a minimum of one tenth of all the shares to discuss a specified matter which they have indicated.

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In 2020

Stora Enso's AGM was held on 4 June 2020 in Helsinki, Finland. The AGM was held with exceptional procedures based on a temporary legislative act approved by the Finnish Parliament to limit the spread of the Covid-19 pandemic. This meant that shareholders were able to participate in the meeting only through voting in advance as well as making counterproposals and presenting questions in advance. The AGM had originally been called to be held on 19 March 2020, however, had to be cancelled from being held at such date due to the Covid-situation with following restrictive national measures arising in Finland during the same week. Of all issued and outstanding shares in the Company a total of 59.3% of all shares (59.4% in 2019) and a total of 80.7% of all votes (80.9% were represented at the meeting, with 91.4% of all A shares (91.6%) and 50.1% of all R shares (50.1%) represented. All Board members, President and CEO, CFO and EVP Legal as well as the Company's Auditor were present at the meeting via remote access. The AGM in addition to regular matters authorised the Board to decide on a share issue or share repurchase covering a maximum of 2 000 000 R shares in order to carry out the Company's compensation or remuneration schemes. No Extraordinary General Meetings of Shareholders were convened in 2020.

Shareholders' Nomination Board

Shareholders at the Annual General Meeting (AGM) have established a Shareholders' Nomination Board to exist until otherwise decided and to annually prepare proposals to the shareholders' meeting concerning:

- the number of members of the Board;
- the Chair, Vice Chair and other members of the Board;
- the remuneration for the Chair, Vice Chair and members of the Board;
- the remuneration for the Chair and members of the committees of the Board.

The AGM has approved the Charter of the Shareholders' Nomination Board and shall approve any proposed amendments of the Charter, other than technical updates.

The Shareholder's Nomination Board according to its Charter comprises four members:

- the Chair of the Board;
- the Vice Chair of the Board;
- two members appointed annually by the two largest shareholders (one each) as of 31 August.

The Board through its Chair shall ensure that the annual appointment of the members to the Shareholders' Nomination Board is carried out as set out in the Charter as decided by the AGM. The Board Chair shall annually convene the first meeting of the Shareholders' Nomination Board, which shall elect its Chair amongst its members that annually are appointed by the Company's two largest shareholders.

The Shareholders' Nomination Board shall serve until further notice, unless the AGM decides otherwise. Its members are elected annually and their term of office shall end when new members are elected to replace them.

Board of Directors

Stora Enso is managed by the Board acting in accordance with the Finnish Companies Act as well as other applicable legislation.

According to the Company's Articles of Association, the Board comprises six to eleven ordinary members appointed by the shareholders at the AGM for a one-year term. The majority of the directors shall be independent of the Company. In addition, at least two of the directors comprising this majority shall be independent of significant shareholders of the Company. A significant shareholder is a shareholder that holds at least 10% of all the Company's 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. The independence is evaluated yearly in accordance with the Finnish Corporate Governance Code.

All directors are required to deal at arm's length with the Company and its subsidiaries and to disclose circumstances that might be perceived as a conflict of interest.

The shareholders at the AGM decide the remuneration of the Board members

In 2020

The Shareholders' Nomination Board in 2020 comprised four members: Jorma Eloranta (Chair of the Board), Hans Stråberg (Vice Chair of the Board) and two other members appointed by the two largest shareholders, namely Harri Sailas (Solidium Oy) and Marcus Wallenberg (FAM AB). Marcus Wallenberg was elected Chair of the Shareholders' Nomination Board.

The main tasks of the Shareholders' Nomination Board were to prepare the proposals for the AGM 2021 concerning Board members and their remuneration. The Shareholders' Nomination Board during its working period 2020–2021 convened four (4) times. Each member of the Shareholders' Nomination Board attended all the meetings. Jorma Eloranta and Hans Stråberg did not participate in the preparations or the decision-making regarding Board remuneration.

In its proposal for the AGM 2021, the Shareholders' Nomination Board proposes that of the current members of the Board of Directors – Håkan Buskhe, Elisabeth Fleuriot, Hock Goh, Mikko Helander, Christiane Kuehne, Antti Mäkinen and Richard Nilsson be re-elected members of the Board of Directors until the end of the following AGM and that Helena Hedblom and Hans Sohlström be elected new members of the Board of Directors for the same term of office. It is proposed that Antti Mäkinen be elected Chair of the Board and Håkan Buskhe Vice Chair of the Board. Jorma Eloranta and Hans Stråberg had informed the Shareholders' Nomination Board that they were not available for re-election. The Shareholders' Nomination Board also proposes that the annual remuneration for the Chair, Vice Chair and members of the Board of Directors as well as for the Chairs and members of Board Committees be maintained at the 2020 level.

For the purpose of carrying out its tasks, the Shareholders' Nomination Board has received the results of the yearly evaluation of the Board of Directors as well as the assessment of each director's independence of the Company and of significant shareholders. The Board performance evaluation material has also included a report on Board member interviews by the Chair of the Board of Directors. The Shareholders' Nomination Board has taken the results of the Board evaluation and the requirements relating to director independence into account in its work. The Shareholders' Nomination Board further considers the principles of the Board Diversity Policy in preparing its proposal. The Shareholders' Nomination Board has a Charter that defines its tasks and responsibilities in more detail.

Remuneration

No remuneration is paid for members of the Shareholders' Nomination Board as decided by the AGM. The Shareholders' Nomination Board Charter is presented at storaenso.com/investors/governance.

Composition of the Shareholders' Nomination Board in 2020

Jorma Eloranta ¹ , member	Hans Stråberg ¹ , member
Chair of Stora Enso's Board of Directors	Vice Chair of Stora Enso's Board of Directors
Marcus Wallenberg, Chair	Harri Sailas, member
Chair of Stora Enso's Shareholders' Nomination Board. Born 1956. B.Sc. (Foreign Service). Chair of the Board of Directors of FAM AB.	Member of Stora Enso's Shareholders' Nomination Board. Born 1951. M.Sc. (Econ.). Chair of the Board of Directors of Solidium Oy.

¹ Curriculum vitae of Jorma Eloranta and Hans Stråberg, see page 12.

(including the remuneration of the members of the Board committees).

The Board supervises the operation and management of Stora Enso and decides on significant matters relating to strategy, investments, organisation and finance.

The Board is responsible for overseeing management and for the proper organisation of the Company's operations. It is likewise responsible for overseeing the proper supervision of accounting and control of financial matters.

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The Board has defined a working order, the principles of which are published on page 6 of this report and on the Company's website.

The AGM elects the Chair and Vice Chair of the Board. Should the Chair or Vice Chair of the Board of Directors resign or become otherwise unable to act as Chair or Vice Chair during their term of office, the Board may elect a new Chair or Vice Chair from among its members for the remaining term of office.

The Board annually agrees on focus areas for the Board's work during the upcoming year constituting the Board Agenda.

The Board appoints the CEO, Chief Financial Officer (CFO) and other GLT members. The Board approves the main organisational structure of the Company.

The Board reviews and determines the remuneration of the CEO, which is described in the Annual Report and on the Company's website. The Board and each of its Committees evaluates its performance annually. The results of the Board's evaluation are reviewed by the Board and shall be communicated to the Shareholders' Nomination Board, which shall take the results of the Board evaluation into account in its work. The Board also reviews the corporate governance policy annually and amends it when required.

The Board's work is supported through its committees – the Financial and Audit Committee, the Remuneration Committee and the Sustainability and Ethics Committee. Each committee's Chair and members are appointed by the Board annually.

The Board meets at least five times a year. The Board members meet regularly without management in connection with the Board meetings.

Board Diversity Policy

The Company has established a Board Diversity Policy setting out the principles concerning the diversity of the Board. The Shareholders' Nomination Board shall in connection with preparing its proposals for the nomination of directors to the AGM consider the principles of the Company's Board Diversity Policy.

Directors shall be nominated on the basis of their merits and with consideration of the benefits of diversity and the principles that the Company refers to as Diversity of Thought, including but not limited to criteria of diversity such as gender, age, nationality and individual differences both in professional and personal experiences. The merits of directors include knowledge of the operational environment of the Company, its markets and of the industry within which it operates, and may include elements such as financial, sustainability or other specific competency, geographical representation and business background as required in order to achieve the appropriate balance of diversity, skills, experience and expertise of the Board collectively. The foremost criteria for nominating director candidates shall be the candidates' skills and experiences, industrial knowledge as well as personal qualities and integrity. The composition of the Board as a whole shall reflect the requirements set by the Company operations and its development stage. The number of directors and the composition of the Board shall be such that they enable the Board to see to its duties efficiently. Both genders shall be represented on the Board and the aim of the Company shall be to strive towards a good and balanced gender distribution.

The Shareholders' Nomination Board has taken the principles of the policy into account in its work. The Shareholders' Nomination Board finds that the composition of the Board as proposed to the AGM 2021 reflects diversity and a good variety of skills and experiences among the Board members following the principles set out in the Board Diversity Policy. The aim of the Shareholders' Nomination Board going forward is to continuously evaluate the long-term competencies that would benefit the Board work as well as ensure that a Diversity of Thought is maintained on the Board. The aim is to maintain or further strengthen a good and balanced gender distribution.

The Board Diversity Policy is presented at storaenso.com/investors/governance.

In 2020

The Board had nine members at the end of 2020, all of them independent of the Company. The Board members are also independent of significant shareholders of the Company with the exception of Richard Nilsson (Investment Manager at FAM AB), Antti Mäkinen (CEO of Solidium) and Håkan Buskhe (CEO of FAM AB). Hans Stråberg having served on the Board for more than ten years, is based on an overall evaluation concluded independent of the Company.

The Board members nominated at the AGM in 2020 were Jorma Eloranta (Chair), Hans Stråberg (Vice Chair), Håkan Buskhe, Elisabeth Fleuriot, Hock Goh, Mikko Helander, Christiane Kuehne, Antti Mäkinen and Richard Nilsson. The Board convened 14 times during the year. The members' participation rate in meetings amounted to 98%.

In its meeting after the AGM on 4 June 2020 the Board discussed focus areas for its work. The Board agreed that these areas for the year to come should be (1) Strategy, and (2) Operational performance in the present market situation. Various matters have been discussed, reviewed and decided in the Board based on the agenda. Further, the CEO has on a monthly basis reported progress on the same to the Board.

The Board has conducted an internal self-evaluation relating to the Board's work, which together with the evaluation of the Board members' independence has been provided to the Shareholders' Nomination Board for information. The Board performance evaluation has also included Board member interviews performed by the Board Chair, the result of which has been reported to the Shareholders' Nomination Board. Overall assessment of the Board's work and performance – even during Covid-19 pandemic – has been positive. The Board has worked according to all applicable rules and regulations. For detailed information about the Board members and their share ownerships, see pages 12–13.

Remuneration

Board remuneration is decided by the AGM each year. The AGM 2020 decided on an annual remuneration of EUR 197 000 for the Board Chair, EUR 112 000 for the Vice Chair and EUR 76 000 for other members, which is paid partly in Company shares as set out in the resolution of the AGM. In addition, remuneration may be paid based on Board Committee memberships.

Board Diversity in 2020

The Board has during 2020 been composed of nine members representing five different nationalities and a diverse range of experience from global companies and industrial sectors. All Board members have university degrees from different fields like engineering, technology, finance and law. All members have vast experience from global companies either from earlier operative positions or through board memberships. A detailed description of the educational and professional backgrounds of the Board members can be found on pages 12–13.

The Board members represent a good knowledge of the operational environment of the Company as well as particular experience of amongst others sustainability, financial competence and the business environment relevant to the operations of the Company. The age of the Board members during 2020 varied from 49 years to 69 years and the Board was composed of two women and seven men.

The Shareholders' Nomination Board has in 2020 considered its previous evaluation of competencies that may be further strengthened in the long term Board succession planning. In its proposal for the AGM 2021 the Shareholders' Nomination Board has proposed a Board composition that includes three women and six men in the age range of 47 years to 65 years and representing a total of five different nationalities. The proposed new Board members Helena Hedblom and Hans Sohlström would bring strong leadership and management as well as industrial competence and experience to the Board and would in the view of the Shareholders' Nomination Board add strong value to the Board as a collective.

The aim of the Shareholders' Nomination Board going forward is to continuously evaluate the long-term competencies that would benefit the Board work as well as ensure that a Diversity of Thought is maintained on the Board. The aim is to maintain or further strengthen a good and balanced gender distribution.

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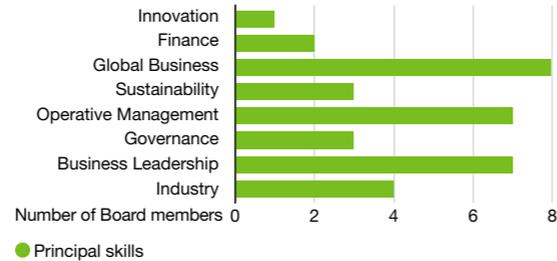
Board skills matrix

Name	Director since	Principal skills	Independent of		Committee memberships 2020			Other current listed boards*
			Company	Owners	FAC	SECo	RemCo	
Jorma Eloranta	2016	Global Business, Business Leadership, Operative Management, Governance	●	●	Member		Chair	
Hans Stråberg	2009	Global Business, Business Leadership, Operative Management, Industry	●	●			Member	3
Håkan Buskhe	2020	Innovation, Global Business, Business Leadership, Industry	●	●		Member		2
Elisabeth Fleuriot	2013	Global Business, Operative Management, Business Leadership, Sustainability	●	●	Member			1
Hock Goh	2012	Global Business, Operative Management, Business Leadership, Sustainability	●	●	Member			3
Mikko Helander	2019	Global Business, Business Leadership, Operative Management, Industry	●	●		Member		
Christiane Kuehne	2017	Global Business, Operative Management, Business Leadership, Sustainability	●	●		Chair		
Antti Mäkinen	2018	Finance, Operative Management, Governance	●	●			Member	2
Richard Nilsson	2014	Finance, Industry, Governance, Global Business	●	●	Chair			

● yes ● no

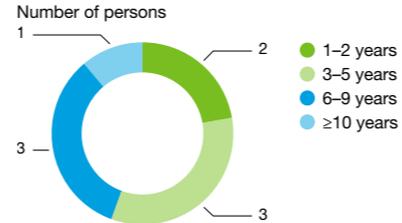
The table sets out the primary skills of each Board member. The fact that an item is not highlighted for a Board member does not mean that such member does not possess that qualification or skill.
*at 31 December 2020

Principal skills

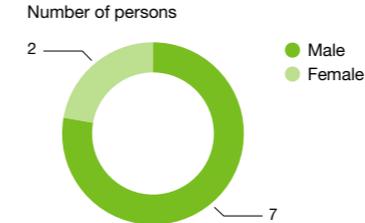


Board diversity in figures

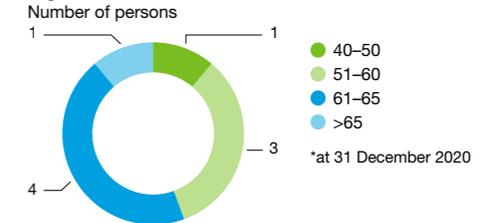
Tenure



Gender



Age*



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Working order of the Board

The working order describes the working practices of the Board. A summary of key contents is presented below.

Board meetings

- occur regularly, at least five times a year, according to a schedule decided in advance;
- special Board meetings, if requested by a Board member or the CEO, be held within 14 days of the date of request;
- agenda and material shall be delivered to Board members one week before the meeting.

Information

- the Board shall receive information monthly concerning financial performance, the market situation and significant events within the Company's and the group's operations;
- Board members shall be informed about all significant events immediately.

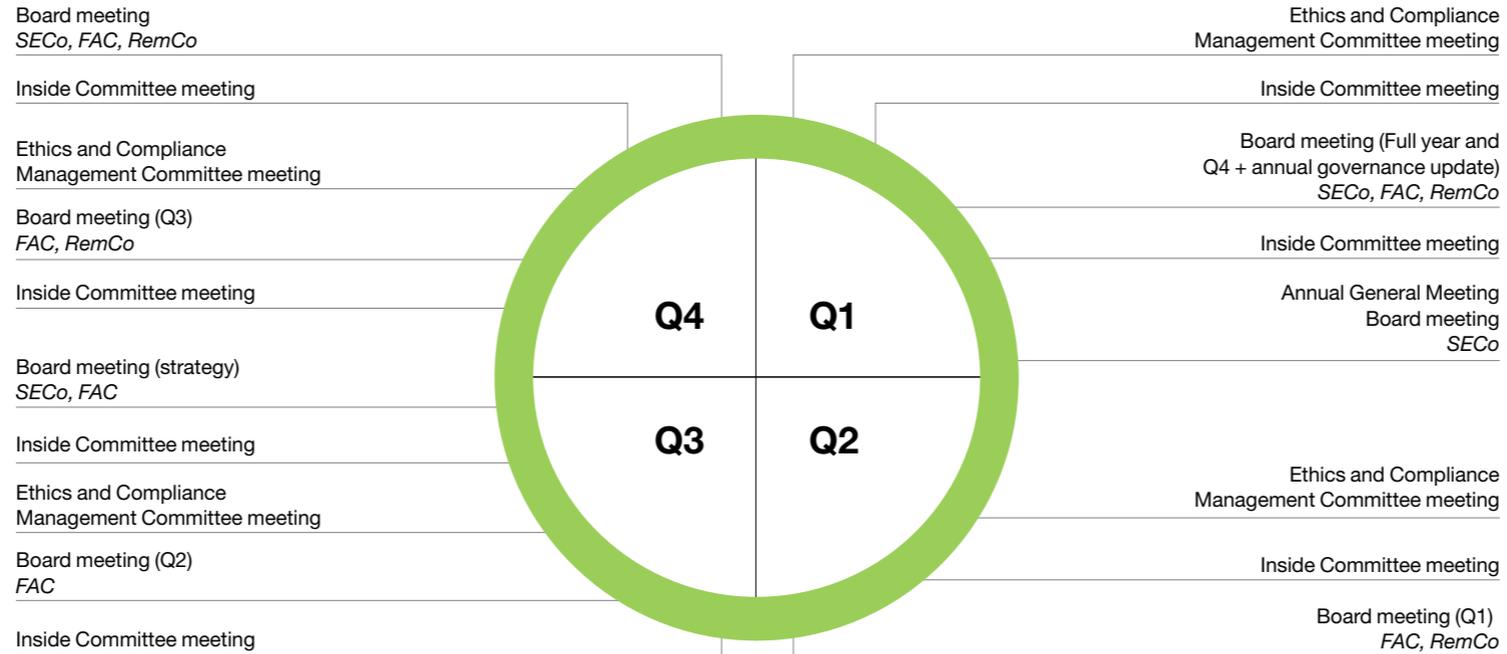
Matters to be handled at Board meetings

- matters specified by the Finnish Companies Act;
- approval of business strategy;
- organisational and personnel matters:

- decisions concerning the basic top management organisation;
- decisions concerning the composition of the GLT;
- remuneration of the CEO;
- appointment and dismissal of the CEO and approval of heads of divisions and other members based on CEO's proposal belonging to the GLT;
- appointment of Committee Chairs and members;
- remuneration of GLT members based on CEO's proposal;
- review talent management and succession planning process (in particular CEO);

- economic and financial matters:
 - approval and review of annual budget;
 - approval of loans and guarantees, excluding intra-group loans and guarantees;
 - approval of share repurchases, if any, as well as report of share repurchases;
 - approval of Group Risk Management Policy according to Financial and Audit Committee's proposal;
- investment matters:
 - approval of investment policy of the group;
 - approval of major investments;
 - approval of major divestments;
 - receive relevant analyst meeting presentations and analyst reports;
- other matters:
 - report of the CEO on the group's operations;
 - reports of the Remuneration Committee, Financial and Audit Committee and Sustainability and Ethics Committee by the chairs of the respective committees. The recommendations and proposals by the Shareholders' Nomination Board shall be reported to the Board by the Chair of the Board;
 - approval and regular review of the Corporate Governance Policy and the charters of the Board Committees;
 - annual self-assessment of Board work and performance as well as independence;
- other matters submitted by a member of the Board or the CEO.

The Board of Directors' and management's annual working cycle



Quarterly
- Meetings with auditors
- Divisional Business & Innovation Review meetings

Monthly
- GLT meetings
- Investment Working Group meetings

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

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Board committees

The tasks and responsibilities of the Board committees are defined in their charters, which are approved by the Board. All the committees evaluate their performance annually, are allowed to use external consultants and experts when necessary and shall have access to all information needed. Each committee's Chair and members are appointed by the Board annually.

Financial and Audit Committee

The Board has a Financial and Audit Committee to support the Board in maintaining the integrity of the Company's financial reporting and the Board's control functions. It regularly reviews and monitors the system of internal control and internal audit as well as its efficiency, management and reporting of financial risks, the audit process, the Company's procedures for monitoring related party transactions and the annual corporate governance statement. It makes recommendations regarding the appointment of external auditor for the Parent Company and the main subsidiaries and monitors the auditor's independence.

The Committee comprises three to five Board members, who are independent and not affiliated with the Company. The members of the Committee must have sufficient expertise and experience to be able to challenge and evaluate the Company's internal accounting function and internal and external audit functions. At least one member must have the relevant expertise in accounting and auditing as required by applicable regulation. The Financial and Audit Committee meets regularly, at least four times a year. The Committee members meet the external and internal auditors regularly without the management being present. The Chair of the Committee presents a report on each Financial and Audit Committee meeting to the Board. The tasks and responsibilities of the Financial and Audit Committee are defined in its charter, which is approved by the Board. Financial and Audit Committee members may receive remuneration solely based on their role as directors. The compensation is decided by the shareholders at the AGM.

In 2020

The Financial and Audit Committee comprised four members in 2020: Richard Nilsson (Chair), Jorma Eloranta, Elisabeth Fleuriot and Hock Goh.¹ The Committee convened eight times. The members' participation rate in meetings amounted to 96%.

The main task of the Committee is to support the Board in maintaining the integrity of Stora Enso's financial reporting and the Board's control functions. To fulfil its task the Committee regularly reviews the Company's system of internal control, management and reporting of financial and enterprise risks as well as the audit process. Furthermore, the Committee has increased its focus on IT security and closely monitors related risks. A review of the forest land valuation method has been in focus during the year as well as internal controls and cyber security. The Committee further reviews relevant material compliance related cases relating to the integrity of financial reporting or fraud investigations that have been reported to Internal Audit and Ethics and Compliance during the year.

Remuneration

Chair EUR 21 200 per annum and member EUR 14 800 per annum as decided by the AGM.

The Financial and Audit Committee Charter is presented at storaenso.com/investors/governance.

¹ The Committee prior to the AGM on 4 June 2020 comprised the following three members: Richard Nilsson (Chair), Jorma Eloranta and Elisabeth Fleuriot.

Remuneration Committee

The Board has a Remuneration Committee which is responsible for recommending and evaluating executive nominations and remunerations (including reviewing and recommending the CEO's remuneration), evaluating the performance of the CEO, and making recommendations to the Board relating to management remuneration issues generally, including equity incentive remuneration plans.

The Remuneration Committee also reviews the Remuneration Report and the Remuneration Policy. There is a Remuneration Committee representative present at the AGM to answer questions relating to the management remuneration. The Board appoints the CEO and approves his/her remuneration as well as the nomination and compensation of other members of the Group Leadership Team (GLT).

The Committee comprises three to four Board members, who are independent and not affiliated with the Company. The Remuneration Committee meets regularly, at least once a year. The Chair of the Remuneration Committee presents a report on each Remuneration Committee meeting to the Board. The tasks and responsibilities of the Remuneration Committee are defined in its charter, which is approved by the Board. Remuneration Committee members may receive remuneration solely based on their role as directors. The compensation is decided by the shareholders at the AGM.

In 2020

The Remuneration Committee comprised three members in 2020. The members were Jorma Eloranta (Chair), Antti Mäkinen and Hans Stråberg. The Committee convened six times. The members' participation rate in meetings amounted to 100%.

The main task of the Committee is to recommend, evaluate and propose executive nominations and remunerations, review the Company's remuneration reporting, and to make recommendations to the Board relating to management remuneration in general, including short and long term incentive programmes. The Committee has further reviewed the external reporting on executive remuneration and in particular the new formatted Stora Enso Remuneration Report, which will be presented to the AGM 2021.

Remuneration

Chair EUR 10 600 and member EUR 6 400 per annum as decided by the AGM.

The Remuneration Committee Charter is presented at storaenso.com/investors/governance.

Sustainability and Ethics Committee

The Board has a Sustainability and Ethics Committee which is responsible for overseeing the Company's sustainability and ethical business conduct, its strive to be a responsible corporate citizen, and its contribution to sustainable development. The Committee regularly reviews Stora Enso's Sustainability Strategy and Ethics and Compliance Strategy and, in accordance with Stora Enso's corporate governance structure, oversees their effective implementation as well as reviews the Company's external sustainability reporting. In its work the Committee takes into consideration Stora Enso's Purpose and Values as well as the Stora Enso Code and Business Practice Policy.

The Committee comprises two to four Board members who are nominated annually by the Board. The members are independent of and not affiliated with Stora Enso. At least one Committee member is expected to have sufficient prior knowledge and experience in handling sustainability and ethics matters.

The Committee meets regularly, at least two times a year. The Chair of the Committee presents a report on each Sustainability and Ethics Committee meeting to the Board. The tasks and responsibilities of the Committee are defined in its charter, which is approved by the Board. Sustainability and Ethics Committee members may receive remuneration solely based on their role as directors. The compensation is decided by the shareholders at the AGM.

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In 2020

The Sustainability and Ethics Committee comprised three members in 2020: Christiane Kuehne (Chair), Håkan Buskhe and Mikko Helander.¹ The Committee convened four times. The members' participation rate in meetings amounted to 100%.

The Committee in each of its meetings reviews the areas relevant for the Committee's work, including safety and sustainability matters as well as ethics and compliance matters. The Committee further reviews safety status and sustainability and ethics and compliance KPI's, sustainability reporting as well as relevant sustainability and safety initiatives and processes carried out during the year. An important part of the Committee's work consists of overseeing reported compliance cases.

Remuneration

Chair EUR 10 600 and member EUR 6 400 per annum as decided by the AGM.

The Sustainability and Ethics Committee Charter is presented at storaenso.com/investors/governance.

¹The Committee prior to the AGM on 4 June 2020 comprised the following three members: Christiane Kuehne (Chair), Hock Goh and Göran Sandberg.

Ad-Hoc Strategy Committee

The Board agreed to form a temporary Ad-Hoc Committee to discuss, prepare and assist Management in making a strategy proposal that was brought to the Board for approval.

In 2020

The Ad-Hoc Strategy Committee comprised four members in 2020: Jorma Eloranta (Chair), Håkan Buskhe, Antti Mäkinen and Annica Bresky. The Committee convened four times. The members' participation rate in meetings amounted to 100%.

The Committee's role was advisory and it had no decision-making power in respect of the strategic issues discussed.

Remuneration

No separate remuneration was paid to the Ad-Hoc Strategy Committee members.

Group Leadership Team as at 31 December 2020



¹ Acting Head of Packaging Solutions until 31 March 2020. Member of GLT as of 1 April 2020.

² Seppo Toikka, acting Head of Wood Products until 30 June 2020, not a member of GLT.

³ Malin Bendz, EVP HR, was a member of GLT until 15 January 2020. Per Lyrvall, acting Head of HR 16 January–31 August 2020.

⁴ Member of GLT as of 1 November 2020.

⁵ Member of GLT as of 1 November 2020.

⁶ Noel Morrin, EVP Sustainability, was a member of GLT until 31 August 2020.

Management of the Company

Chief Executive Officer (CEO)

The CEO is in charge of the day-to-day management of the Company in accordance with the Finnish Companies Act and the instructions and orders issued by the Board. It is the duty of the CEO to ensure that the Company's accounting principles comply with the law and that financial matters are handled in a reliable manner.

The Board approves the main organisation, including the functions reporting to the CEO. At the end of 2020 the CEO was directly in charge of the following functions, which also reported to her:

- Divisions (Packaging Materials, Packaging Solutions, Biomaterials, Wood Products, Forest and Paper)
- CFO (responsible for Accounting, Controlling, Efora, Enterprise Risk Management, Internal Audit, Investor Relations, Tax, Treasury)
- IT and Digitalisation
- Human Resources
- Legal, General Counsel
- Communications and Marketing
- Sustainability
- Sourcing and Logistics
- Strategy and Innovation (responsible for Innovation and R&D, special strategic projects, Corporate Finance and M&A, Investment Process, Energy Services)

The CEO is also responsible for preparatory work with regard to Board meetings. In addition, the CEO supervises decisions regarding key personnel and other important operational matters. One of the GLT members acts as deputy to the CEO as defined in the Finnish Companies Act.

Group Leadership Team (GLT)

The GLT is chaired by the CEO. The GLT members are appointed by the CEO and approved by the Board. At the year end 2020, the fifteen GLT members were the CEO, the CFO, the heads of the divisions, Communications and Marketing, HR, IT and Digitalisation, Legal (who is also General Counsel), Sourcing and Logistics, Strategy and Innovation, and Sustainability.

The GLT assists the CEO in supervising the Group and divisional performance against agreed targets, portfolio strategy, ensuring the availability and value-creating allocation of Group funds and capital, and statutory, governance, compliance and listing issues and policies.

The GLT meets regularly every month, and as required.

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In 2020

The GLT had 15 members at the end of 2020. The GLT convened 12 times during the year. Important items on the agenda in 2020 were Covid-19 related scenarios and mitigation actions, safety issues, financial performance, strategy and transformation, sustainability, customer-driven innovation, reviewing the operations of the Group, planning and following up investment and other strategic projects, digitalisation, and preparatory work for Board meetings. The GLT further held a total of 26 Covid-19 related additional meetings as well as 6 additional meetings to prepare the Company's new strategy.

Divisions and other functions

The divisions are responsible for their respective line of business and are organised and resourced to deal with all business issues. The CEO steers the divisions through quarterly and as needed in Business Performance Reviews as well as the GLT meetings.

Strategic investment projects are approved on group level following the mandate by the CEO and Board of Directors. Each Division will in addition be granted an annual allocation intended for smaller annual replacement and development needs in relation to investments. All projects are reviewed by the Investment Working Group (IWG) comprising group and division representatives and headed by the CFO (also the allocation proposals are made by IWG).

Innovation and R&D is organised in two structures. On group level the long term research and company wide collaborations with academia and external R&D providers are managed by a small team of experts. The innovation related to current and future offering of the businesses are executed within the divisions to drive market and customer focus. The progress of innovation efforts is evaluated in quarterly Business and Innovation Reviews with the CEO, CFO, Head of Innovation and R&D, the division Head and the division Innovation Head. The portfolio of potential transformational innovation projects is reviewed on a quarterly basis by the CEO, CFO, CSIO and the heads of divisions. Innovation funding is supported from group level by both

the innovation and the digitalisation fund, where divisions make proposals, which are then reviewed and decided by IWG.

At Stora Enso, sustainability work is led by the Executive Vice President (EVP), Sustainability, who reports directly to the CEO and is part of the Group Leadership Team (GLT). The CEO holds the ultimate responsibility for the successful implementation of our sustainability strategy. Everyday sustainability topics are managed by the Group Sustainability team together with the Human Resources, Legal, Wood Supply, Group OHS, and Sourcing and Logistics functions, as well as the company's six business divisions. Each of the business divisions has its own Head of Sustainability, who reports directly to the EVP of the division. Other key functions, such as Sourcing and Logistics, have sustainability organisations to support their management teams. The everyday implementation of Stora Enso's Sustainability Agenda is the responsibility of line management supported by functional experts at all levels.

Stora Enso's sustainability work is steered by the Sustainability Council, which includes members from the business divisions, Sourcing and Logistics function, and subject matter experts from the Group Sustainability team. Chaired by the EVP, Sustainability, its work involves sharing good practices and identifying longer-term opportunities and challenges that may require a Group-wide response. The Sustainability Council met ten times during 2020. The GLT is periodically informed of specific sustainability developments, as is the Board of Directors when appropriate, through its Sustainability and Ethics Committee.

The Company has user boards for certain cross-functional service functions (Logistics, IT, Energy and parts of Wood Supply). These user boards consist of representatives of the divisions using these services. The user boards supervise and steer the operations of the respective functions.

The Company has established proper disclosure policies and controls, and process for quarterly and other ongoing reporting.

Other supervisory bodies and norms

Auditor

The AGM annually elects one auditor for Stora Enso. The Financial and Audit Committee

monitors the auditor selection process and gives its recommendation as to who should serve as auditor to the Board for the purpose of making the proposal to the shareholders at the AGM. The auditor shall be an authorised public accounting firm, which appoints the responsible auditor.

Auditor's fees and services

EUR million	Year Ended 31 December	
	2020	2019
Audit fees	4	4
Audit-related	0	0
Tax fees	0	0
Other fees	0	0
Total	4	4

In 2020

The Board in 2020 on the recommendation of the Financial and Audit Committee proposed that PricewaterhouseCoopers Oy be re-elected auditor by the AGM 2020 for the third year as the Company's auditors. The AGM 2020 elected PricewaterhouseCoopers Oy as auditor for a term of office expiring at the end of the AGM 2021.

Internal Audit

Stora Enso's Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the operations of Stora Enso. Internal Audit helps the organisation to accomplish its objectives by providing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control, risk management and governance processes.

Internal Audit reports regularly about the status of the audits and audit findings to the Financial and Audit Committee, Board of Directors. Administratively Internal Audit reports to the CFO. The Financial and Audit Committee approves the appointment of the Head of Internal Audit following the recommendation by the CEO.

Internal Audit plan is risk and assurance-based and focuses to the core-processes in Stora Enso value chain, supporting processes at the Group

and site levels and key strategic investments in different divisions. As part of process audits and also separately, Internal Audit reviews IT and cyber security management throughout the company on a regular basis. Internal Audit co-operates with other assurance functions during the year in order to avoid overlapping with assurance activities and to be able to identify gaps. Internal audit executes during the year possible special engagements based on separate request and agreed with management and Financial and Audit Committee. Financial and Audit Committee approves Internal Audit Annual Plan and Charter.

Ethics and Compliance Management Committee

Stora Enso's Ethics and Compliance Management Committee supervises and monitors legal and regulatory ethics and compliance related policies, implementation and maintenance of processes and tools regarding the same, and concrete compliance issues and cases in the field of business practices. The Ethics and Compliance Management Committee consists of the General Counsel (Chair), CEO, CFO, Head of HR, Head of Communications and Marketing, Head of Sustainability and Head of Internal Audit with the Legal Counsel dedicated to compliance matters being the secretary. The Ethics and Compliance Management Committee shall convene at least four times every year.

Ethics and Compliance

Stora Enso is committed to taking responsibility for its actions, to complying with all applicable laws and regulations wherever it operates, and to creating and maintaining ethical relationships with its customers, suppliers and other stakeholders. The Stora Enso Code is a single set of values defined for all employees, to provide guidance on the Company's approach to ethical business practices, environmental values, and human and labour rights. These same values are applied wherever Stora Enso operates. In 2011 the company established its Business Practice Policy to complement the Code, which further sets out Stora Enso's approach to ethical business practices and describes the processes for reporting on violations thereof. The Business Practice Policy was revised in 2016 in order to streamline and simplify policies and guidelines. Continuous e-learning, communication, face-to-face training and sign-off are organised in order

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to ensure that these are part of the everyday decision-making and activities at Stora Enso.

Stora Enso uses an index to monitor and evaluate employee perceptions of the work on topics covered by the Stora Enso Code. The index is based on employee responses to related questions in the annual employee survey. After a slight decrease with one unit in 2019 (84) the index increased to 86 in 2020. The target is to continue the positive trend and continued efforts will therefore be put on communication and training in 2021.

In order to enhance the supervision and monitoring of legal and regulatory compliance related policies and issues, Stora Enso has established its Ethics and Compliance Management Committee. In addition, Compliance Forums, comprising of heads of key functions, in divisions, group functions and Chinese operations play an important role in risk assessing and monitoring compliance within their respective areas. The Compliance Forums use the Ethics and Compliance Self-Assessment Tool (T.E.S.T.) to give them a better overview of the progress their units are making in policy implementation, compliance measures taken, and possible gaps and risks in compliance. Results of the T.E.S.T. are covered in Compliance Forums and action plans developed and followed up accordingly.

Stora Enso's employees are encouraged to report any suspected cases of misconduct or unethical behaviour to their own supervisor, or to Human Resources or Legal functions. Stora Enso uses an additional external service, The Speak Up Hotline, through which employees and any third party globally can anonymously report potential non-compliance cases by phone, mail, or online. This service, which covers all of Stora Enso's units, is available 24/7.

Insider administration

The Company complies with EU and Finnish insider regulation as well as the guidelines of Nasdaq Helsinki Oy. The Company's internal insider guidelines are published and distributed throughout the group. Stora Enso's legal function and the General Counsel are responsible for the procedures relating to inside administration, including monitoring compliance with applicable regulation, keeping of inside lists and internal training. The Company has established an Inside Committee composed of the CEO, CFO as well as representatives of Communications

and Marketing, IR and Legal for the purpose of continuously reviewing pending projects and the existence of inside information in the Company.

The Company expects the management and all its employees to act in the way required of an insider. All unpublished information relating to the Company's present and future business operations shall be kept strictly confidential.

Persons discharging managerial responsibilities (PDMR's) in Stora Enso are the members of the Board, the CEO and the CFO, as well as other members of the Group Leadership Team (GLT). PDMR's, as well as their closely related persons, are subject to a duty to notify the Company and the Finnish Financial Supervisory Authority of all transactions with the securities of the Company.

The Company also keeps a list of persons that are involved in the preparation of interim reports and financial results, which is approved by the General Counsel (Closed Period List). Persons included in the list are e.g. members of the Division management teams, members of Financial Communications and Investor Relations as well as the heads and certain team members of Treasury, Group Accounting and Controlling and Legal.

Persons, who participate in the development and preparation of a project that constitutes inside information, are considered project specific insiders. A separate project-specific insider register is established when required by the decision of the General Counsel or Assistant General Counsel.

The insider guidelines do not permit Stora Enso PDMR's or persons involved in the preparation of interim reports or financial results and entered into the Closed Period List to buy or sell any of the Company's securities (i.e. shares, options and synthetic options) during the closed period defined below or when they possess information that could have a material impact on the Stora Enso share price.

Closed period

Stora Enso closed period starts when the reporting period ends or 30 days prior to the announcement of the results, whichever is earlier and lasts until the results are announced. The dates are published in the financial calendar at storaenso.com/investors.

During closed periods Stora Enso PDMR's or persons entered into the Company's Closed Period List are not allowed to trade in Company securities.

Guidelines for Related Party Transactions

The principles applicable to monitoring of Stora Enso related party transactions are set out in Stora Enso's Guideline for Related Party Transactions. The Guideline defines Stora Enso related parties and sets out the decision-making order and principles for monitoring related party transactions including a description of Stora Enso internal controls with regards to related party transactions. Information on material transactions with related parties is set out in Note 31 of Stora Enso's consolidated financial statements.

Stora Enso business activities may include regular or less frequent transactions with related parties. Transactions with related parties shall always promote the purpose of the Company and be concluded on acceptable terms and in the interest of the Company, as well as in compliance with prevailing regulation. Internal controls have been designed to ensure that related party transactions are duly monitored and identified.

Related party transactions, which are part of the ordinary course of business and undertaken on market terms are approved in accordance with the Company's internal guidelines. Any transaction which would not meet these terms must be reported to the Financial and Audit Committee and approved by the Board of Directors. The Board of Directors is responsible for overseeing the processes established for monitoring related party transactions.

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Internal control over financial reporting

The system of internal control related to financial reporting in the Stora Enso group is based upon the framework issued by the Committee of Sponsoring Organisations (COSO) and comprises five principal components of internal control: the control environment, risk assessment, control activities, information and communication, and monitoring.

The internal controls related to financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with applicable laws and regulations, generally accepted accounting principles and other requirements for listed companies.

Control environment

Stora Enso's control environment sets the tone of the organisation providing the company purpose and values, policies, processes and structures as a foundation for carrying out internal control across the organisation. Stora Enso has a formal Code that sets forth its rules. To complement the Code, Stora Enso has a Business Practice Policy, which further sets out Company's approach to ethical business practices and describes the processes for reporting on violations thereof. All employees are expected to comply with the Code and the Business Practice Policy. Continuous e-learning, face-to-face training and sign-off are organised in order to ensure that these are part of the everyday decision-making and activities at Stora Enso.

The Board, supported by the Financial and Audit Committee, has the overall responsibility for setting up an effective system of internal control and risk management. Responsibility for maintaining effective risk management and internal controls over financial reporting is delegated to the CEO. The GLT and senior management issue corporate guidelines in accordance with Stora Enso's policy management process. These guidelines stipulate responsibilities and authority and constitute the control environment for specific areas, such as finance, accounting, investments, purchasing and sales. These responsibilities have been described in Stora Enso's Risk and Internal Control Policy which also outlines the responsibilities of the first and second line of defense. Group Internal Control function, under the CFO's supervision, is responsible for group-wide internal control governance and processes, whereas divisions, various support and service functions are accountable for operating effective internal controls.

Risk assessment

Stora Enso's management specifies objectives relating to the preparation of financial statements. The Company applies an annual process to establish the overall materiality and to identify significant financial statements accounts and disclosures. Relevant objectives and risks for processes are identified and evaluated to determine Stora Enso's minimum internal control requirements for all business units and support functions. The assessment of risks includes risks related to fraud and irregularities as well as the risk of loss or the misappropriation of assets.

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Information on the development of essential risk areas and executed and planned activities in these areas are regularly communicated to the Financial and Audit Committee. A comprehensive description of Stora Enso's risk management can be found at storaenso.com/investors.

Control activities

Stora Enso's control activities are the policies, guidelines, procedures and organisational structures in place to ensure that management directives are carried out and that necessary action is taken to address risks related to the achievement of objectives relating to financial reporting. Stora Enso's minimum internal control requirements are aimed at preventing, detecting and correcting material accounting and disclosure errors and irregularities and are performed on all company levels. They include a range of activities such as approvals, authorisations, verifications, reconciliations, reviews of operating performance,

the security of assets and the segregation of duties as well as general IT controls.

Information and communication

The Company's information and communication channels support the completeness and correctness of financial reporting. For example, the management communicates information about Stora Enso's financial reporting objectives, financial control requirements, policies and procedures regarding accounting and financial reporting to all employees concerned. The management also communicates regular updates and briefings regarding changes in accounting policies and reporting and disclosure requirements. Subsidiaries and operational units make regular financial and management reports to the management, including the analysis of and comments on financial performance and risks. The Board receives monthly financial reports. The Company has internal and external procedures

for anonymous reporting of violations related to accounting, internal controls and auditing matters.

Monitoring

The Company's financial performance is reviewed at each Board meeting. The Financial and Audit Committee reviews all Interim Reports and the Board approves them before they are released by the CEO. The annual financial statements and the Report of the Board of Directors are reviewed by the Financial and Audit Committee and approved by the Board. The effectiveness of the process for assessing risks and the execution of control activities are monitored continuously at various levels. Information on the development of essential risk areas and executed and planned activities in these areas are regularly communicated to the Financial and Audit Committee. Monitoring involves both formal and informal procedures applied by management and processes owners, including reviews of

results which are compared against the set budgets and plans, analytical procedures and key performance indicators. Stora Enso is utilizing an internal control tool to facilitate and automate internal control processes, control performance, continuous controls monitoring and quarterly internal control reporting to management. In 2020 Stora Enso has increased control validation testing scope and continued harmonising control performance over financial reporting.

In addition to the Group Internal Control function, Stora Enso Internal Audit has an independent oversight role on internal control governance. Internal Audit regularly evaluates the implementation level of policies and guidelines as well as the effectiveness and efficiency of Stora Enso's governance, risk management and system of internal control over financial reporting according to the Internal Audit charter, approved by The Financial and Audit Committee.

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Members of the Board of Directors



Jorma Eloranta

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

Position

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

Board memberships

Chair of the Board of Finnish Fair Foundation. Vice Chair 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.

Total remuneration 2020, EUR ¹	222 400
Meeting attendance	14/14
FAC attendance	8/8 ●
RemCo attendance	6/6 ●
SECo attendance	
Shareholding in Stora Enso ²	1 150 A shares, 34 285 R shares
Independent member	Yes



Hans Stråberg

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

Position

Vice Chair 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

Chair of the Board of Atlas Copco AB, Roxtec AB, CTEK Holding AB and AB SKF. Member of the Board of Investor AB, Mellby Gård AB, and Anocca 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.

Total remuneration 2020, EUR ¹	118 400
Meeting attendance	14/14
FAC attendance	
RemCo attendance	6/6 ●
SECo attendance	
Shareholding in Stora Enso ²	45 389 R shares
Independent member	Yes



Håkan Buskhe

Born 1963. M.Sc. (Eng.), Licentiate of Engineering.

Position

Member of Stora Enso's Board of Directors since June 2020. Member of the Sustainability and Ethics Committee since June 2020.

Board memberships

Chair of the Board of Directors of IPCO AB. Member of the Board of AB SKF, Munters Group and Kopparfors Skogar.

Principal work experience and other information

CEO of FAM AB. CEO and President of SAAB AB 2010–2019 and E.ON Nordic 2008–2010. Executive positions in E.ON Sweden 2006–2008, CEO of the logistics company Schenker North 2001–2006, as well as several positions in Storel AB 1998–2001, Carlsberg A/S 1994–1998 and Scansped AB 1988–1994.

Total remuneration 2020, EUR ¹	82 400
Meeting attendance	6/6 ³
FAC attendance	
RemCo attendance	
SECo attendance	2/2 ⁴ ●
Shareholding in Stora Enso ²	2 781 R shares
Independent member	Yes/no ⁵



Elisabeth Fleuriot

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

Position

Member of Stora Enso's Board of Directors since April 2013. Member of the Financial and Audit Committee since March 2019.

Board memberships

Board member and Chair of CSR Committee at G4S. Chair of the Board of Ynsect and Foundation Caritas.

Principal work experience and other information

Senior advisor at Astanor Venture Capital. 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.

Total remuneration 2020, EUR ¹	90 800
Meeting attendance	12/14
FAC attendance	7/8 ●
RemCo attendance	
SECo attendance	
Shareholding in Stora Enso ²	26 512 R shares
Independent member	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 Financial and Audit Committee since June 2020.

Board memberships

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. President of Network and Infrastructure Solutions, Schlumberger Ltd 2002–2005 and President Asia, Schlumberger Ltd 1998–2002.

Total remuneration 2020, EUR ¹	90 800
Meeting attendance	14/14
FAC attendance	4/4 ⁶ ●
RemCo attendance	
SECo attendance	
Shareholding in Stora Enso ²	31 265 R shares
Independent member	Yes

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

● Chair ● Member

¹ Detailed description of remuneration for Board and Committee memberships as decided by the AGM in 2020 in Remuneration Report on page 4.

² Shares held by Board members and related parties. Board members' related parties held no Stora Enso shares.

³ Meetings attended out of the meetings held after election as Board member.

⁴ Meetings attended out of the meetings held after election as SECo member.

⁵ Håkan Buskhe is independent of the company but not of its significant shareholders due to his position as the CEO of FAM AB.

⁶ 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. The full recommendation can be found at 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.

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Mikko Helander

Born 1960. M.Sc. (Tech.).

Position

Member of Stora Enso's Board of Directors since March 2019. Member of the Sustainability and Ethics Committee since June 2020.

Board memberships

Vice Chair of the Board of the Confederation of Finnish Industries EK. Vice Chair of the Board of Finnish Commerce Federation as of 1 January 2021. Chair of the Board of Rajamme Vartijain Säätiö foundation. Member of the Finnish Chambers of Commerce and Climate Leadership Coalition. Member of the Delegation of Finnish Business and Policy Forum EVA. Member of the supervisory Board of Finnish Fair Foundation.

Principal work experience and other information

President and CEO of Kesko Oyj since 2015. CEO of Metsä Board Oyj 2006–2014 and Metsä Tissue Oyj 2003–2006. Several management positions in Valmet Oyj 1984–1990 and 1993–2003. Managing Director of Kasten Hövik Oy 1990–1993.

Total remuneration 2020, EUR ¹	82 400
Meeting attendance	14/14
FAC attendance	
RemCo attendance	
SECo attendance	2/2 ³ ●
Shareholding in Stora Enso ²	7 079 R shares
Independent member	Yes



Christiane Kuehne

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

Position

Member of Stora Enso's Board of Directors since April 2017. Chair of the Sustainability and Ethics Committee since March 2019.

Board memberships

Member of the Board of James Finlays Ltd, Wetter 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.

Total remuneration 2020, EUR ¹	86 600
Meeting attendance	14/14
FAC attendance	
RemCo attendance	
SECo attendance	4/4 ●
Shareholding in Stora Enso ²	11 073 R shares
Independent member	Yes



Antti Mäkinen

Born 1961. LL.M.

Position

Member of Stora Enso's Board of Directors since March 2018. Member of the Remuneration Committee since March 2019.

Board memberships

Member of the Board of Rake Oy, Metso Outotec Oyj and Sampo Oyj. Chair 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.

Total remuneration 2020, EUR ¹	82 400
Meeting attendance	14/14
FAC attendance	
RemCo attendance	6/6 ●
SECo attendance	
Shareholding in Stora Enso ²	7 498 R shares
Independent member	Yes/no ⁴



Richard Nilsson

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

Position

Member of Stora Enso's Board of Directors since April 2014. Chair 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, and Cinder Invest AB.

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.

Total remuneration 2020, EUR ¹	97 200
Meeting attendance	14/14
FAC attendance	8/8 ●
RemCo attendance	
SECo attendance	
Shareholding in Stora Enso ²	23 615 R shares
Independent member	Yes/no ⁵

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

● Chair ● Member

¹ Detailed description of remuneration for Board and Committee memberships as decided by the AGM in 2020 in Remuneration Report on page 4.

² Shares held by Board members and related parties. Board members' related parties held no Stora Enso shares.

³ Meetings attended out of the meetings held after election as SECo member.

⁴ Antti Mäkinen is independent of the company but not of its significant shareholders due to his position as the CEO of Solidium Oy.

⁵ Richard Nilsson is independent of the company but not of its significant shareholders due to his employment at FAM AB.

The independence is evaluated in accordance with Recommendation 10 of the Finnish Corporate Governance Code. The full recommendation can be found at 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.

Göran Sandberg was Member of Stora Enso's Board of Directors since April 2017 until his resignation on 4 June 2020. Sandberg has participated in all Board and relevant Committee meetings held during 2020 prior to his resignation. He was 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.

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Members of the Group Leadership Team



Annica Bresky

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

Position

President and Chief Executive Officer (CEO). Member of the GLT since 2017. Joined the company in 2017. President and CEO since 1 December 2019.

Board memberships, principal work experience and other information

Executive Vice President, Consumer Board Division 2017–2019. 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. Member of the Board of AB Fagerhult.

Shareholding in Stora Enso

14 511 R shares



Seppo Parvi

Born 1964. M.Sc. (Econ.).

Position

Chief Financial Officer (CFO), Deputy 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. Chair of the Board of the Finnish Forest Industries Federation as of 1 January 2021. Deputy Chair of the Board of Pohjolan Voima Oy. Member of the Board of Ilmarinen and East Office of Finnish Industries Oy.

Shareholding in Stora Enso

46 401 R shares



Tobias Bäärman

Born 1977. M.Sc. (Econ.).

Position

Chief Strategy and Innovation Officer. Member of the GLT since 1 November 2020. Joined the company in 2017.

Board memberships, principal work experience and other information

SVP Controlling, Strategy and IT for Consumer Board division 2017–2019. Prior to that Finance Director at Iggesund Paperboard and various positions at Statoil and Procter and Gamble.

Shareholding in Stora Enso

0



David Ekberg

Born 1975. B.Sc. (Business Administration).

Position

Executive Vice President, Packaging Solutions. Member of the GLT since 1 April 2020. Joined the company in 2017.

Board memberships, principal work experience and other information

Acting Head of Stora Enso Packaging Solutions until 31 March 2020. Senior Vice President and Head of Business Unit Nordic Packaging at Stora Enso 2018–2019. Senior Vice President and Head of Finance and IT Packaging Solution at Stora Enso 2017–2018. Executive Vice President / CFO / COO at Climeon AB 2015–2017. Several management positions at Ericsson Group 1997–2015.

Shareholding in Stora Enso

625 R 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.

Board memberships, principal work experience and other information

SVP Sourcing, Stora Enso Printing and Living 2013–2014. 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 in Stora Enso

24 795 R shares

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Kati ter Horst

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

Position

Executive Vice President, Paper Division. 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. Prior to that several managerial positions in the paper business. Chairman of the Board of EURO-GRAPH asbl. Member of the Board of Outokumpu Oyj, Finnish Forest Industries Federation and Climate Leadership Coalition.

Shareholding in Stora Enso

56 467 R shares



Hannu Kasurinen

Born 1963. M.Sc. (Econ.).

Position

Executive Vice President, Packaging Materials Division. Member of the GLT since 2019. Joined the company in 1993.

Board memberships, principal work experience and other information

Several leadership positions in Stora Enso, including EVP and SVP, Liquid Packaging and Carton Board in Consumer Board Division, Group Treasurer, SVP of Strategy and EVP of Wood Products Division.

Shareholding in Stora Enso

35 486 R shares



Katariina Kravi

Born 1967. LL.M., Trained on the Bench.

Position

Executive Vice President, HR. Member of the GLT since 1 September 2020. Joined the company 1 September 2020.

Board memberships, principal work experience and other information

EVP, HR and Chief People and Culture Officer at Tieto Oyj 2012–2020. Prior to that several HR management positions at Nokia.

Shareholding in Stora Enso

0



Ulrika Lilja

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

Position

Executive Vice President, Communications and Marketing. Member of the GLT since 2014. Joined the company in 2014.

Board memberships, principal work experience and other information

Senior Vice President Communications, Stora Enso Printing and Living in 2014. Director of 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 in Stora Enso

20 067 R shares



Per Lyrvall

Born 1959. LL.M.

Position

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

Board memberships, principal work experience and other information

Legal Counsel 1994–2008. Prior to joining Stora Enso legal positions at Swedish courts, law firms and Assi Domän. Deputy Member of the Board of Skogsindustrierna.

Shareholding in Stora Enso

69 199 R shares directly, 1 257 R shares through related persons (spouse)

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Markus Mannström

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

Position

Executive Vice President, Biomaterials Division. 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, Veracel and Tree to Textile. Deputy Member of the Board of Pohjolan Voima Oy.

Shareholding in Stora Enso

25 251 R shares



Teemu Salmi

Born 1973. B.Sc. (Computer Science).

Position

CIO, Head of IT & Digitalisation. Member of the GLT since 1 November 2020. Joined the company in 2017.

Board memberships, principal work experience and other information

Various executive positions at Ericsson, most recently as SVP and Head of business unit IT & Cloud in Middle East & Africa.

Shareholding in Stora Enso

6 620 R shares



Annette Stube

Born 1967. Master's degree in psychology.

Position

Executive Vice President, Sustainability. Member of the GLT since 1 September 2020. Joined the company 1 September 2020.

Board memberships, principal work experience and other information

Head of Sustainability in A.P. Møller–Maersk 2008–2020. Prior to that Director of Sustainability programmes in Novo Nordisk. Member of the Board of Fortum.

Shareholding in Stora Enso

0



Jari Suominen

Born 1969. M.Sc. (BA).

Position

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

Board memberships, principal work experience and other information

Executive Vice President, Wood Products Division until 2019. Senior Vice President, Head of Building and Living Business Area until 2014. Prior to that several managerial positions in paper and wood products businesses. Chair of Finnish Wood Products Industry Association. Member of the supervisory board of Varma Mutual Pension Insurance Company. Deputy Member of the Board of East Office of Finnish Industries Oy.

Shareholding in Stora Enso

49 002 R shares



Lars Völkel

Born 1975. M.Sc. (BA), leadership degree from Hult Ashridge Business School.

Position

Executive Vice President, Wood Products Division. Member of the GLT since 1 July 2020. Joined the company 1 July 2020.

Board memberships, principal work experience and other information

CEO of Ambibox GmbH 2018–2020. CEO of Franke Kitchen Systems 2014–2017. EVP Luxury retail & CEO of Poggenpohl at Nobia 2011–2014. Has held various managerial positions at Electrolux incl. VP Western Europe.

Shareholding in Stora Enso

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Malin Bendz, EVP HR, was a member of GLT until 15 January 2020. Per Lyrvall, acting Head of HR 16 January–31 August 2020.
Seppo Toikka, acting Head of Wood Products until 30 June 2020. Was not a member of GLT.
Noel Morrin, EVP Sustainability, was a member of the GLT until 31 August 2020.

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Due to differences between the Swedish and Finnish legislation, governance code rules and corporate governance practices Stora Enso's Corporate Governance deviates in the following aspects from the Swedish Corporate Governance Code:

Rule 1.3 The company's nomination committee is to propose a chair for the annual general meeting. The proposal is to be presented in the notice of the meeting.

- According to Finnish annual general meeting (AGM) practice, the Chair of the Board of Directors opens the meeting and proposes the chair for the AGM. The proposed chair is normally an attorney-at-law.

Rule 2.1 The nomination committee is also to make proposals on the election and remuneration of the statutory auditor.

- According to the Finnish Code, the Financial and Audit Committee shall make a recommendation on the auditor election for the Board, which shall give its proposal on the matter to the AGM.

Rule 9.6 The shareholders' meeting is to decide on all share and share-price related incentive schemes for the executive management.

- The company's incentive schemes are established by the Board of Directors. If the programmes include the issuance of new shares or disposal of shares held by the Company then such issuance of share or an authorisation to the Board of Directors to decide on such issuance of shares will be subject to shareholder approval.

Rule 9.9 Guidelines regarding remuneration to the board and executive management are also to cover salary and other remuneration to other members of the executive management.

- According to the Finnish Code, the remuneration guidelines (called policy according to the Finnish Code) is not to cover other executives than the CEO and Deputy CEO, and shall cover all Board remuneration.

Rule 10.5 The remuneration report is to contain a reference to where in the company's annual report the information required by Chapter 5, Sections 40–44 of the Swedish Annual Accounts Act (1995:1554) is to be found.

- The Company reports in accordance with the Finnish accounting regulation and does therefore not include this note in its remuneration report.



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