



STORA ENSO BUSINESS PRACTICE POLICY



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Letter from the CEO

Dear Stora Enso Colleagues,

On our journey of transforming Stora Enso to a renewable materials growth company, we have learned about the global mega trends shaping the world around us. In this context, Stora Enso's sustainable and renewable products can provide answers and solutions to many of the challenges the world has to solve.

And there are other areas where Stora Enso can make change and contribute to a better and more sustainable world. Business Ethics forms one important part of our Sustainability Agenda. The tag line of Business Ethics in the Sustainability Agenda is "We play fair". Please take a moment and reflect upon what that means to you.

For me it has a dual meaning.

First of all, we want to play fair because compliance with laws and regulations is a license to operate in today's tough business environment. Also, I believe that playing fair is a must for the value driven organisation we want to be, it leads to successful business and fosters accountability and a good reputation.

Secondly, Stora Enso can make change happen in our supply chain and in societies where we are present, by acting as a role model company and play fair. And we don't do that only because it supports our business. As a multinational player we have a responsibility to fight corruption in all its forms, support free and fair competition and in every respect act in a responsible and transparent way.

You have in your hand (or on your screen) an excellent tool for understanding and living what we consider to be the responsible and ethical business conduct. Study it carefully and reflect on it. And please remember that no guideline in the world will answer all our questions. In those situations, ask before you act, and always apply what our moral compass "Lead" and "Do What's Right", tells you to do.

30 June 2016

Kalle Sundström



Introduction

Stora Enso is committed to creating long-term value on an economically, socially and environmentally sustainable basis. Legal compliance and ethical business conduct are cornerstones of Stora Enso's sustainability agenda, and our good reputation remains one of our most important assets today.

This Policy is designed to provide employees with more detailed guidelines on how to comply with the high level principles set out in the Stora Enso Code of Conduct, and to provide a framework for what we consider responsible conduct in our daily business activities. However, no policy, however detailed, can address every situation. You should therefore aim to comply with the spirit, and not just the letters, of the Code of Conduct and This Policy. As a Stora Enso employee, you should always aim to exercise good judgment and be guided by the following principles:

- Avoid any conduct that could damage or risk Stora Enso's reputation;
- Act legally and transparently;
- Don't exchange information with Competitors or engage in anti-competitive agreements;
- Never engage in any kind of corrupt activities and never give or accept excessive Gifts or Hospitalities; and
- Avoid any conflict of interests.

Ultimately, responsibility for ensuring that our business activities are ethical and legal rests with each and every Stora Enso employee. Each individual must feel accountable for his or her own decisions and actions. If the applicable law or regulation is different from the requirements of the Code of Conduct or This Policy, you should comply with the higher standard. The same principle also applies in case there are stricter rules in separate functions or units within Stora Enso. If you are uncertain whether a particular activity is legally or ethically acceptable, you must consult with your immediate supervisor or Legal before you engage in that activity.

To ensure that all employees are familiar with the rules and regulations in our company, all new employees must complete training on the Code of Conduct. In addition, employees designated as Critical Employees must complete more detailed trainings.

This Policy applies to all officers and employees – including temporary personnel – of Stora Enso throughout the world and to the members of the Board of Directors of Stora Enso, as well as all business partners of Stora Enso (as defined in This Policy).

This Policy was adopted by the CEO and supported by the Group Leadership Team. It brings together a number of policies with the aim of making it easier for employees to find relevant guidance, and includes links to further guidance with application to a more restricted group of employees. If you are looking for guidance on a particular issue and cannot find it, or are not sure what is the right course of action in any given circumstances, please contact Legal.

Practical guides when using This Policy

Throughout This Policy, Legal refers to the group function of Legal in Stora Enso, whose task is to render the Company with intellectual property support, to facilitate the ethics and compliance of Stora Enso as well as to provide high quality legal service and advice to Divisions and Group Functions. When a term 'reported to Legal', 'consult Legal' or similar is used, engagement with any member of Legal satisfies the requirement. Information about Legal and its members can be found in Weshare -> About Us -> About Our Group Functions -> Legal.

Legal, Ethics and Compliance refers to a sub team of Legal. It is responsible for Stora Enso's Code of Conduct, This Policy and related policies, their implementations, ethics trainings and legal compliance investigations. Information about Legal, Ethics and Compliance and its members can be found in Weshare -> About Us -> About Our Group Functions -> Legal -> Ethics and Compliance.

Green boxes throughout This Policy highlight situations where you should take active actions in order to stay compliant. As example:

Active action

- Complete Code of Conduct training within one month after joining Stora Enso.

Blue boxes in This Policy highlight recommended readings, including case studies and best practice advices. As example:

Case studies and best practices

- Read here for best practice advices in relation to business entertainments.

Unless otherwise stated, all capitalised terms with dotted underlines used in This Policy have the meanings set out in Section 15, all definitions used in the singular shall be deemed to include the plural, and vice versa, as the context may require.



1. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

We comply with applicable local, national and international laws and regulations wherever we do business.

Compliance with all applicable local, national and international laws and regulations wherever we do business is critically important to the success of our Company. Each Stora Enso employee must be familiar with, and act in accordance with the laws, regulations, and corporate policies that are relevant to his or her job and responsibilities. If you are involved in a foreign business transaction, you must make sure that you are familiar with, and adhere to, all relevant applicable laws and regulations.

Due to the complicated regulatory framework within which we conduct our business, issues of legal compliance may arise. On occasion, there may be disagreement as to whether or not Stora Enso is in full compliance with the law. Litigation may occur. At all times, we will act responsibly and abide by the final decisions rendered by the competent courts.

Most countries have laws requiring companies to keep accurate and fair accounts, and Stora Enso is subject to specific disclosure requirements as a result of its listing on NASDAQ OMX Helsinki and NASDAQ OMX Stockholm. Stora Enso prohibits any employee from altering or destroying Company records except as authorised by policies and procedures. We also prohibit any employee from assisting or encouraging the independent accountant in destroying corporate audit records. All Stora Enso employees must accurately record and properly document all accounting entries. You must report any significant deficiencies or material weaknesses or any concerns regarding questionable accounting or auditing matters to Internal Audit or Legal. For further information on our record management policy, or accounting requirements please contact Internal Audit, Group Controlling or Legal.



2. FRAUD AND FRAUDULENT ACTIVITIES

We promote an ethical work environment and responsibility in business. Fraudulent activities are strictly prohibited.

Fraud is an intentional act or omission designed to mislead another individual or entity in order to achieve some benefit for oneself or a third party. Examples of fraudulent activities include but are not limited to:

- Intentional misstatements or omissions of material financial events, transactions, or other information;
- Falsification or manipulation of accounting records or documents, financial statements or other official business records; and
- Any misappropriation or theft of company assets, resources, or employee time for personal gain.

It is our policy to ensure that any suspected incidents of fraudulent activity relating to Stora Enso are promptly reported, investigated, and, where appropriate, prosecuted. It is the responsibility of each unit to establish and maintain sufficient internal controls, which should give reasonable assurance that fraud related risks are properly identified, monitored, controlled and mitigated. Managers are required to communicate these controls to the personnel in each unit.

Active action

- Any suspected fraudulent activities within the Company or committed by third parties with whom Stora Enso deals with or has a relationship, such as customers and other commercial counterparties, should be reported to Legal.

3. COMPETITION LAW

We support the principles of fair competition. Price fixing, market sharing and similar anti-competitive practices are prohibited.

The European Union's competition laws, the US antitrust laws and the equivalent laws of other countries are designed to preserve a competitive economy. We support such laws, which aim to ensure free markets and give everyone the opportunity to succeed on the basis of superior products. Infringement of competition laws is not only contrary to our principles and This Policy, but can also result in large financial penalties, damages and possible criminal liability and imprisonment for individuals. Competition/antitrust law violations can also result in substantial diversion of management time and effort, and adverse publicity that damages the Company's reputation.

All Stora Enso employees and business partners should be aware of and follow the requirements and the competition laws of the countries where they carry out their business operations. In addition, all employees should be mindful that the competition laws of in Europe or the US as example may also apply to business operations that take place elsewhere.

Because of the complexity of this topic, whenever you have a competition law concern or question you should consult Legal.

3.1 Fundamental Rules

All agreements between undertakings, decisions by associations of undertakings and concerted practices, that have as their object or effect the prevention, restriction or distortion of competition are normally prohibited under competition law (see Section 3.2).

Stora Enso must act independently both when selling to customers and when purchasing from suppliers, not try to influence the future market conduct of its Competitors, and take great care when meeting with Competitors. Safeguards must be considered in advance of Competitor contacts with regard to new memberships in Trade Associations (see Section 3.2.1.5), Mill Visits (see Section 3.2.1.6) and industry benchmarking (see Section 3.2.1.7). Certain Competitor contacts shall also be reported when they have already taken place (see Section 3.2.1.8).

A dominant position implies a position of economic strength, which enables an undertaking to prevent effective competition on the market and to behave substantially independently of the market. Certain behaviors by a dominant undertaking may amount to a prohibited abuse. Examples of abuse are unfair pricing, discrimination against certain customers and certain rebate schemes (See Section 3.3).

Structural changes of business such as mergers, acquisitions, divestments and establishments of joint ventures normally entail certain aspects relating to competition law (See Section 3.4 and 3.5).

3.2 Prohibited Agreements, Decisions and Concerted Practices

3.2.1 Relations with Competitors

3.2.1.1 Agreements with Competitors

Under no circumstances should Stora Enso enter into any agreement, whether written or oral, express or implied, that could be seen as having the potential to restrict competition. Examples of agreements that are particularly likely to constitute serious infringements of competition law include:

- Agreements on what prices to charge, e.g. agreements to charge the same price, apply the same discounts, adhere to a pricing formula, increase or decrease prices by the same percentage, etc.;
- Agreements allocating markets or customers, e.g. agreements not to compete with one another in a given geographic area or for a certain customer or category of customers (such as for one company to focus on direct sales and the other to focus on sales through distributors);
- Agreements on whether or not to deal with a certain supplier, customer or category of supplier/customer (e.g. agreements to collectively boycott certain suppliers seen to be charging excessive prices);



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- Agreements to coordinate bids in any sale or purchasing process, e.g. in order to obtain the best prices; and
- Agreements to limit or control production, technical development or investment.

The prohibition on restrictive agreements applies to concerted practices as well as to formal agreements. This aims to prohibit situations where no formal agreement has been entered into but where a company, by direct or indirect contacts regarding business objectives, influences the market conduct of a competitor in a way that it is assumed will affect competition.

The prohibition does not only concern agreements that actually restrict competition but also agreements that are intended, by their very nature, to do so.

3.2.1.2 **Sharing Information with Competitors**

Stora Enso employees must never participate in any discussions involving Competitively Sensitive Information, supply Competitively Sensitive Information to a Competitor or receive Competitively Sensitive Information from a Competitor, unless otherwise permitted under This Policy or by Legal.

“Competitively Sensitive Information” means:

- A. any confidential information¹ relating to Stora Enso or one or more Competitors on any market concerning its recent², current or future competitive actions, strategies and/or plans, including:
- Pricing (including actual prices as well as price lists or indicative prices, where relevant);
 - Discounts or discount policies;
 - Bidding practices or strategy;
 - Customers (including the identity of actual or potential customers, as well as categories of customers);
 - Market territories (where the company does/does not sell or intend to sell its products);
 - Suppliers (including the identity of actual or potential suppliers, as well as categories of suppliers);
 - Terms or conditions of sale;
 - Policy or strategy regarding negotiations with customers;
 - Revenues, profits or margins;
 - Market shares;
 - Sales, marketing, advertising or promotion strategy or costs;
 - Data or views on the market, supply/demand, price trends, etc. (including but not limited to whether prices on the market(s) are too low, at what level prices should be, or how to achieve higher or more stable prices);
 - Expansion/contraction plans;
 - R&D projects, strategy or costs;
 - Production capacity, output or costs;
 - Quantities produced or sold, and inventories; and
 - Information on the internal organization of the firm;

¹ Confidential information is information belonging to a company that is not public.

² Recent information is information that is likely to be indicative of current or future conduct. Under EU competition law, there is no predetermined threshold when certain information stops being considered as recent and becomes “historical”, that is to say, old enough for its exchange not to pose any competition risks. However, in general, information which is less than one year old is likely to be considered as recent.

- B. Any confidential information relating to Stora Enso that could be used by the recipient in making decisions on the matters indicated above, or to anticipate the strategy of Stora Enso with respect to the matters indicated above;
- C. Any confidential information relating to a Competitor that could be used by Stora Enso in making decisions on the matters indicated above, or to anticipate the strategy of the Competitor with respect to the matters indicated above;
- D. Any other confidential information relating to Stora Enso that might be used by the recipient in a manner than could reduce competition; or
- E. Any other confidential information relating to a Competitor that might be used by Stora Enso in a manner than could reduce competition.

Any information exchanged with regard to Competitively Sensitive Information, regardless of the context in which it was exchanged, may amount to an infringement of competition law.

3.2.1.3 Public Communications and Market Signalling

Stora Enso must comply with certain regulatory and stock exchange requirements in respect of public statements. We must also be aware that public statements in respect of the markets for our products could be perceived as market signalling between competitors and could raise serious antitrust issues. Stora Enso employees must therefore comply with the following main principles:

- Public communications on Competitively Sensitive Information, such as current or future prices, inventories, capacity utilisation and downtime, should be cleared/discussed with Legal in advance;
- Public communications on Competitively Sensitive Information, such as prices, inventories, capacity utilisation and downtime, that relate to the past only, and to Stora Enso and not to Stora Enso's Competitors, are normally acceptable from a competition law point of view;
- Public communications, in the form of reports, releases and announcements, of current and future prices and other terms of trades with customers (or suppliers) or downtime should only be given when required by applicable regulatory (including civil labour law) and stock exchange requirements;
- Public communications giving an overall description or assessment of general future market trends, that are necessary to make a fair market valuation of the company (forward looking statements), are normally required by regulatory and stock exchange rules and are generally acceptable. However, efforts shall be made to ensure the generality of the information, and to avoid the perception of market signalling. Thus, it is acceptable to state that, based on historical and present factors, demand and, hence, prices currently seem to be rising. To state that prices are likely (or desired to) to rise by X% or Y amount in the future is not acceptable from a competition law point of view;
- Stora Enso spokespersons should talk about Stora Enso only, and not for the industry in general, on market related issues or suggest what would be/not be desirable from a general industry point of view (unless within the framework of Trade Associations and on acceptable political issues only; e.g. discussions in a Trade Association about the need for higher prices or lower output in the industry are not acceptable);
- Stora Enso spokespersons should not comment on the actions or business of Stora Enso's Competitors; and
- Stora Enso should refrain from contributing to market survey publications. Such contributions may only take place when cleared by Legal. Such clearance can be obtained if accurate data is contributed in good faith, if the publications collect data from sellers as well as buyers and if the published data is presented in an aggregated format not disclosing data from individual companies (or customers).

3.2.1.4 Buying from or Selling to Competitors of Stora Enso

Buying from and selling to competitors present special antitrust risks related to information sharing and market signalling. In order to prevent Competitively Sensitive Information from flowing between competitors, as well as to avoid the appearance of improper information flow, special precautions must be taken whenever Stora Enso buys from suppliers or sells to buyers that compete with Stora Enso.

Selling products to, or purchasing products from, Stora Enso's Competitors should only take place for legitimate business reasons. In the context of negotiating sales to or purchases from competitors, it may be necessary to exchange some Competitively Sensitive Information. However, no information should be exchanged beyond what is necessary for the purposes of reaching a selling/purchasing agreement. When negotiating sales or purchases with a Competitor, the following principles shall apply:

- No information received from a Competitor should ever be exchanged with another Competitor;
- No information should be exchanged with a Competitor about transactions involving other customers or suppliers of Stora Enso, or about other customers or suppliers of that Competitor (including prices and volumes of other transactions);
- No information should be exchanged with a Competitor about the costs of either company. If costs need to be part of a price formula, they should be obtained from a third party source, e.g. an independent transport company in the case of transport costs;
- Where possible, it is preferable to use public reference prices to set the price, in order to avoid disclosure of each company's individual price strategies; and
- In the case of swaps of products, a unit-for-unit exchange is a way to avoid the need for sensitive price negotiations between competitors.

Internal handling of competitors' information

Stora Enso employees involved in selling products to Stora Enso's Competitors will have access to Competitively Sensitive Information, such as the price agreed. These employees must not communicate this information to any employees of Stora Enso involved in purchasing those products or involved in selling downstream products incorporating those products.

Likewise, Stora Enso employees involved in purchasing products from Competitors must not communicate any Competitively Sensitive Information available as a result of this purchase (including the price agreed) to any employees of Stora Enso involved in selling those products.

Where possible, the purchasing and selling functions for given products should be separated and handled by different employees. If the same Stora Enso employee must handle both purchasing and selling activities, it is especially important to avoid price negotiations involving the disclosure of costs of either party or the pricing policy applicable to transactions with other external parties or other Stora Enso units. Public reference prices and third party cost information should normally be used in this situation.

In some situations, such as determining internal transfer prices that comply with tax laws, some internal communications may be necessary regarding pricing information for products sold to or purchased from Competitors. In this case, Stora Enso employees should limit information passing between selling and purchasing employees to what is strictly necessary for that purpose. In particular, wherever possible, only information about average prices that reflect general market conditions should be exchanged.

Active action

- Public communications on Competitively Sensitive Information, such as current or future prices, inventories, capacity utilisation and downtime, should be cleared/discussed with Legal in advance;
- Stora Enso should refrain from contributing to market survey publications. Such contributions may only take place when cleared by Legal; and
- Whenever you have a competition law concern or question you should consult Legal.

3.2.1.5 **Participating in Trade Associations**

Trade Associations serve an important role in business and help to develop the industry which is in the interests of other stakeholders too. However, activities within Trade Associations need to be carefully examined since Trade

Associations by their very nature represent a forum for contacts between competitors and therefore present potential competition risks.

Stora Enso employees participating in Trade Association meetings (including both formal and informal discussions and communications) must fully comply with the rules on agreements with competitors, at Section 3.2.1.1 and on sharing information with competitors at Section 3.2.1.2.

Best practices when attending a Trade Association meeting

- A. Obtain an agenda before any meeting that accurately reflects the topics to be discussed. This agenda should be closely followed during the meeting;
- B. Ideally, each Trade Association meeting should begin with a reminder to participants that the meeting is to be conducted in compliance with the relevant competition laws, and this should be reflected in the minutes;
- C. Complete minutes should be prepared of the discussions held during the Trade Association meeting. The minutes should include a complete list of attendees;
- D. The agenda, any other documents to be exchanged in the meeting, and the minutes of the meeting should be reviewed and finalized by counsel (e.g. of the Trade Association if it has its own counsel) in order to ensure that they do not contain ambiguous or misleading wording that may incorrectly imply the existence of improper discussions;
- E. If topics are raised in Trade Association discussions which the Stora Enso participant considers may be improper from a competition law perspective, he/she should object immediately and ask that such discussions be tabled in order for Stora Enso to confer with Legal and to allow the other participants to seek counsel from their respective legal departments. The minutes should clearly indicate that an objection was raised by Stora Enso and that the topic, while briefly raised, was not discussed. In the event that the conversation continues despite Stora Enso's objection, the Stora Enso participant should immediately leave the meeting and ask that his/her departure from the meeting be clearly noted in the minutes;
- F. If the Trade Association has its own counsel, this person should ideally attend all meetings. If the Trade Association does not have its own counsel, Stora Enso should request that its own counsel attend the meeting if sensitive topics are on the agenda. Before making such a request, the situation should be discussed with Legal;
- G. Ensure that you are not part of any informal discussion on sensitive topics outside the formal meeting;
- H. All agendas, minutes and documents exchanged in connection with Trade Association meetings should be preserved for at least 5 years;
- I. After the meeting check that the minutes accurately reflect the discussions at the formal meeting; and
- J. If, after a Trade Association meeting, the Stora Enso participant is unclear whether any discussion or meeting activity may have violated competition law, he/she should discuss this with Legal level immediately.

Exchanging information

Many Trade Associations exchange information amongst members on various issues, such as environmental concerns, safety, industry best practices and the like. Provided that the information is not Competitively Sensitive Information, its exchange should not normally raise competition concerns.

As a general rule, discussions and information exchanged during Trade Association meetings should as far as possible be limited to the following types of matters:

- Activities contributing to the progress of the industry as a whole;
- Initiation of new legislation, modification of existing legislation or reaction to proposed legislation, whether at national or supranational levels; participation in industry-wide litigation;
- Reduction of tariffs and other legal barriers to exports or imports; and
- Research into the safety or other technical aspects of materials, products or product methods.

On occasion, Trade Associations may gather information on items such as past sales, costs or even prices of its

members. Such information gathering will not necessarily be deemed to violate the competition rules if the information provided by the members is historical (typically at least one year old, if not older), if the information is compiled by an independent third party such as the Trade Association itself, and if the findings are presented in an aggregated form (such that it is not possible for the recipients to identify company-specific information³).

Active action

- Any new membership of a Trade Association in which Stora Enso's Competitors, actual or potential, are also members, must be pre-approved by Legal, Ethics and Compliance. The application should be filed [here](#).

3.2.1.6 Visits To Mills And Other Facilities

Visits to mills and other production facilities, including but not limited to plantations, laboratories and logistic hubs ("Mill Visits") can be conducted. However certain safeguards must always be in place to avoid risks of misinterpretation. Mill Visits can have perfectly legitimate reasons which ultimately benefit customers.

Mill Visits internally and outside the sectors in which Stora Enso is active. This type of visit presents no antitrust risks.

Mill Visits between competitors. While Mill Visits to or by competitors can benefit consumers they also present significant antitrust risks. Hence, Stora Enso should only visit competing mills or host visitors from competing mills when there are major potential benefits and where appropriate safeguards are in place.

- Proposals for Mill Visits to or by Competitors must be reviewed and cleared on a case by case basis by Legal, Ethics and Compliance;
- Visits to competing mills by invitation from suppliers for the purpose of demonstrating supplier equipment installed at the competing mill are likely to be cleared;
- Stora Enso mills can allow suppliers' reasonable access to Stora Enso mills for the purpose of demonstrating supplier equipment installed at our mills and such competitor visits are likely to be cleared;
- Mill Visits to or by competing mills for the purpose of learning how to solve purely technical problems in respect of production similar for the participating mills are likely to be cleared;
- Mill Visits to or by competing mills in connection with legitimate industry or Trade Association meetings and activities are likely to be cleared; and
- Mill Visits to or by competing mills as a tool for benchmarking of general human resources and organizational practices, health and safety issues and general environmental issues are likely to be cleared.

Discussions between Stora Enso employees and employees of Competitors on Competitively Sensitive Information during a Mill Visit are prohibited.

Active action

- Proposals for Mill Visits to or by Competitors must be reviewed and cleared by Legal, Ethics and Compliance. The application should be filed [here](#).
- There is, however, one exception from this general rule:
 - To the extent that the Competitor is a customer or supplier of Stora Enso, Mill Visits in connection with ordinary commercial contacts in respect of the customer/supplier relationship, do not require previous clearance from Legal, Ethics and Compliance.

³ For example, in order to estimate the size of the European market for a given product, a Trade Association might ask each of its members for their volume of sales of this product in Europe over the previous year. Provided that the Trade Association compiles these sales data and reports the result as a single figure, from which it is not possible to identify individual companies' sales, this should normally not raise concerns from a competition law perspective.



3.2.1.7 Industry Benchmarking

Benchmarking can be done in many ways and is the practice of comparing cost, practices, efficiencies, organizational structure, equipment or other competitive information against other organisations. The practice has risks when competitors are involved, and certain safeguards must be in place before these activities are undertaken.

Benchmarking internally and outside the sectors in which Stora Enso is active. This type of benchmarking activity presents no antitrust risks and is encouraged.

Benchmarking with Competitors. Using publicly available information such as financial reports, press releases, media information etc., presents no antitrust risks and is encouraged. However, benchmarking with Competitors must be undertaken only when there are major potential benefits and where appropriate safeguards are in place.

- Proposals for benchmarking with Competitors must be reviewed and cleared by Legal, Ethics and Compliance.
- Benchmarking with Competitors will only be cleared if the benchmarking is on topics generally considered as acceptable from a competition law point of view, such as:
 - General human resources;
 - Organizational practices;
 - Health and safety issues; and
 - General environmental issues.
- Further, direct benchmarking with Competitors on purely technical matters (e.g. on purely technical machine or production process solutions) can be cleared if the benchmarking takes place occasionally and not as a regular event.
- In case Competitively Sensitive Information is benchmarked, the information made available to participating companies should not specifically identify individual companies or facilities or enable such information to be identified. Further, such information must be historical, at least more than six months old.
- Prospective or forward-looking data must never be used for benchmarking activities.

Discussions between Stora Enso employees and employees of Competitors on Competitively Sensitive Information are strictly prohibited.

Active action

- Proposals for benchmarking with Competitors must be reviewed and cleared by Legal, Ethics and Compliance prior to the benchmarking project. Applications to perform a benchmark study shall be filed [here](#); and
- Following each approved benchmarking event, a report summarizing the event must also be filed [here](#).

3.2.1.8 Competitor Contacts

Each Stora Enso employee must take great care when meeting with Competitors in order to comply with the applicable competition rules. Discussions between Stora Enso employees and employees of Competitors on Competitively Sensitive Information are prohibited.

Stora Enso must act independently on the market and must not seek to influence the future market conduct of its Competitors or to ascertain in advance the future market conduct of its Competitors.

Stora Enso may speculate and make forecasts. It should not for this purpose obtain business secrets from its Competitors concerning their future plans.

It should be emphasized that Stora Enso is not only in competition on the markets where it sells but also on the markets where it purchases and shall comply with the same rules in relation to its Competitors whether acting as a seller or as a purchaser.

It is especially important that the employees of Stora Enso do not make agreements or even communicate with Competitors in relation to Competitively Sensitive Information (see Section 3.2.1.2).

Active action

- Members of Stora Enso's Group Leadership Team and members of each Division⁴ Leadership Team shall report all meetings and contacts with Stora Enso's Competitors to Legal, Ethics and Compliance. There are, however, two exceptions from this general rule:
 - To the extent that the Competitor is a customer or supplier of Stora Enso ordinary commercial contacts in respect of the customer/supplier relationship do not need to be reported;
 - To the extent that the contact takes place at an official trade association (or similar) meeting from which official meeting minutes reflecting the discussions are produced and distributed the contact does not need to be reported; or
 - Other Stora Enso employees shall report contacts that they have with Competitors if the contact or meeting touches upon Competitively Sensitive Information.

The report should be filed [here](#).

3.2.2 **Relations with Customers, Distributors and Suppliers**

The competition rules do not only apply in respect of the relationship between competitors (the horizontal level) but can also apply in relation to a company's customers, distributors and suppliers (the vertical level), either because practices include anti-competitive agreements or because they constitute an abuse of dominant position.

Special attention should be paid to the following topics:

- A. **Agreements restricting the right of a distributor or other buyer to determine its own selling prices.** Setting a minimum sales price is prohibited. Setting a maximum price or making recommendations is generally permitted so long as it is not indirectly a minimum price requirement;
- B. **Restrictions on the rights of the distributor, or other buyer, to re-sell, by reference to geographical territories or specified customers.** This rule is subject to certain exceptions. As a rule, Stora Enso's buyers should not be prohibited from selling to customers outside of their territory who contact them (i.e. "passive sales" must be allowed);
- C. **Long-term sale or purchase agreements.** Long term selling or purchasing agreements that cover all or a substantial part of the needs or output of a customer or a supplier (exclusivity arrangements) may by their very nature be an area of concern since such arrangements lock up the parties and restrict the possibilities of other suppliers or purchasers to do business on the market. However, there are certainly situations where such arrangements could be justified, e.g. when the supplier has to undertake major investments in order to supply or when sponsoring a new market entrant;
- D. **Agreements containing exclusive supply or purchase obligations.** Exclusive obligations on a customer to only buy a type of product from Stora Enso and not from any competing manufacturer will generally be automatically allowed if (1) Stora Enso's market share in the product is less than 30% and the buyer's share of the market on which it buys the product is less than 30% and (2) the agreement is no longer than five years and not tacitly renewable beyond a period of five years. Similarly, exclusive obligations on a supplier to supply only Stora Enso may in some cases also be allowed; and
- E. **Where conclusion of contract is subject to acceptance of unrelated supplementary obligations.** Tying is a particular concern in markets where Stora Enso has a significant market share. A typical example of tying

⁴ Including Wood Supply Finland/Sweden, Logistics and Sourcing.

would be for Stora Enso to only supply a product in which it has a significant market share to a customer if the customer also buys another product for which Stora Enso has a weaker market position, unless justifiable technical or safety related circumstances are in place.

3.2.3 Research and Development

R&D agreements generally go along with high investment costs, long term commitments of the parties, and high expectations that such investment in time and money will eventually pay off by successful commercial exploitation of its results. Access to such results and the valid allocation/restriction of exploitation rights are thus of key importance for companies entering into such collaboration.

The following R&D agreements are unlikely to impose any competition law concerns:

- R&D agreements that relate to cooperation at an early stage, far removed from the exploitation of possible results;
- R&D agreements between non-competitors, unless there is a possibility of a foreclosure effect and one of the parties has significant market power with respect to key technology;
- The outsourcing of R&D to research institutes and academic bodies which are not active in the exploitation of the results; and
- “Pure” R&D agreements that do not extend to joint exploitation of the results, unless they appreciably reduce effective competition in innovation.

R&D agreements which may have the effect of restricting competition are those where the parties to the co-operation have market power on the existing markets and/or competition with respect to innovation is appreciably reduced.

The following R&D provisions are likely to impose competition law concerns, unless it can be demonstrated that they are indispensable to an R&D agreement:

- A restriction of the freedom of the parties to carry out R&D in a field unconnected to the agreement;
- A limitation on output or sales. There are exceptions to this: the setting of production or sales targets in the event of joint exploitation or joint distribution; specialization in the context of exploitation; and a non-compete clause during the period of joint exploitation. Further, field-of-use restrictions will not be regarded as constituting limitations of output or sales (nor as restrictions on territories or customers);
- The fixing of prices when selling the contract products or licensing the contract technologies to third parties, with the exception of fixing the prices or royalties charged to immediate customers in the event of joint exploitation or distribution;
- A restriction of the territories to which or the customers to whom the parties may passively sell the contract product or license the contract technologies, with the exception of the requirement exclusively to license the results to another party; and
- A requirement not to make any, or to limit, active sales in territories or to customers which have not been exclusively allocated to one of the parties by way of specialization in the context of exploitation.

3.3 Abuse of Dominant Position

The term "dominant position" implies a position of considerable economic strength, which enables an undertaking to prevent effective competition on the market by the power to behave substantially independently of its competitors and customers.

Dominance is not simply a question of a company having a large market share. Several other factors have to be taken into account. Dominance can only exist in relation to a particular product and geographical market. Market definition can be a complex task, and requires both legal and economic assessment.



There is no clear legal threshold beyond which a company is considered to be dominant. However, Stora Enso personnel should exercise special care and consult Legal in conducting its business in products where Stora Enso has a leading position or market share exceeding 25%. A company in such a position must not, without objective justification, act in a manner which constitutes an abuse.

Examples of behavior that could amount to abuse of dominant position include:

- Imposing unfair purchase or selling prices or other unfair trading conditions e.g. to charge prices that are so high that the prices have no relation to the economic value of the product supplied or so low that they are below cost, which may be assumed to be intended to drive competitors from the market;
- Limiting production, markets or technical development to the prejudice of consumers;
- Discrimination, i.e. applying dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage, if the different prices do not reflect the differences in costs of supplying the different customers;
- Tying, i.e. making the conclusion of contracts subject to acceptance by the other parties of supplementary obligations, which, by their nature or according to commercial usage, have no connection with the subject of such contracts;
- Discount and rebate policies if they are loyalty rebates aiming at committing the customer to buy all or most of its requirements from the supplier. Volume rebates are allowed if the rebates reflect the suppliers' cost savings in mass production; and
- Refusing to supply if the refusal is a part of a boycott system. There should typically be objective reasons for a refusal to supply on market terms, e.g. the financial position of the customer.

3.4 Mergers and Acquisitions

Competition authorities monitor and investigate mergers and acquisitions in order to make sure that they will not harm free competition, e.g. by reinforcing or creating dominant positions.

The rules on merger control vary but usually include an obligation on the merging companies to make a filing where certain thresholds are met (based on e.g. revenue, market share and asset value). The relevant authority will based on the filing investigate if the transaction is harmful for competition or not.

Merger control issues must always be referred to Legal. However, it is important for each Stora Enso employee to understand that such matters may require that the organization provides extensive information on very short notice.

Information exchanges in the due diligence process

It should be noted that information exchanges in the due diligence context have an obvious potential to raise antitrust concerns in particular where the buyer, seller or target are competitors, as exchange of confidential information may violate competition regulations (see Section 3.2.1.2).

The European Commission has stated that the exchange of market information may lead to restriction of competition in particular in situations where it is liable to enable companies to be aware of market strategies of their competitor. To this end, confidentiality agreements normally offer important assurance that the exchange of information in due diligence will not normally have an anti-competitive object or effect. Provisions that may prove particularly relevant from an antitrust perspective include (i) the prohibition against using confidential information except to evaluate the transaction, (ii) the prohibition against disclosing such information to anyone other than the parties' representatives engaged in such evaluation, and (iii) the obligation to return or destroy such information if the transaction does not proceed.

Where the parties are competitors, disclosure of Competitively Sensitive Information may violate competition law, especially if the team responsible for reviewing the information includes individuals responsible for the receiving party's commercial policy. Compromises to satisfy the receiving party's legitimate interest in evaluating the risks of the transaction, while mitigating antitrust risks, include (i) disclosing such information only in aggregated or historical form, and/or (ii) disclosing such information only to counsel, accountants or business consultants who agree (with their

client's consent) not to disclose such information to the receiving party. These representatives; sometimes referred to as "clean teams", may also sign supplementary confidentiality agreements restricting the use of the information exchanged for the limited purposes of assessing the suitability of the transaction, negotiating the transaction price etc. An internal form of clean team would be a team on the receiving party's side where no one is responsible for the receiving party's commercial policy in relation to the relevant competing goods or services.

Active action

- Merger control issues must always be referred to Legal.

3.5 **Joint Ventures**

There are many situations in which a company, looking at possible developments of its future commercial activities, will decide that it needs a partner (or more than one) to share in a particular project. The task of choosing a partner will involve careful consideration of the known abilities and resources of the companies in question. Such companies may be actual competitors already or merely potential competitors.

The degree of co-operation proposed may be quite limited, e.g. the operation of joint purchasing arrangements or shared laboratory work, or alternatively may be very extensive, e.g. a proposed merger of the parties' entire interests in a particular field with a consequential need to give up their individual business in that market in favour of a new enterprise.

For purposes of competition law, certain joint ventures are treated as a merger or acquisition and thus subject to relevant merger control rules. Other joint ventures fall outside of the merger control rules and are instead subject to the competition rules relating to agreements.

Particular guidelines can be found in relation to the following specific types of agreements:

- Agreements on research and development (see Section 3.2.3);
- Production agreements;
- Purchasing agreements;
- Commercialization agreements; and
- Standardization agreements.

When establishing a joint venture, it should be considered if there is a – theoretical – risk that the parents utilize the joint venture to co-ordinate their behavior on any market where the parents are competitors and in particular on any markets related to the business of the joint venture. Certain guidelines shall normally be implemented if this would be the case.

3.6 **Investigations**

Handling enquiries from the competition authorities

Stora Enso's policy is to cooperate fully with the investigations of the competition authorities.

In order to ensure that any investigation is conducted legally, properly and on time, and in order to take into account the experiences of the entire Group, any investigation, written request for information or request for information by telephone should be referred to Legal immediately and any reply should be given via Legal.

Competition authorities have far reaching rights to request information when investigating anti-competitive behaviour or assessing various kinds of mergers.

Handling dawn raid inspections at company premises

An unannounced inspection by a Competition Authority is normally referred to as a “dawn raid” inspection.

Each Stora Enso office and production facility shall have one person to represent Stora Enso in case of a dawn raid inspection (a “**Responsible Person**”). In addition, at least two deputies shall be appointed by the Responsible Person. The Responsible Person shall ascertain that the identities of the Responsible Person and the deputies are kept up to date on this [list](#). In the event that an office or production facility fails to appoint its Responsible Person, Legal, Ethics and Compliance shall make the appointment.

Under EU legislation, inspectors from the European Commission have the right to:

- Enter any company premises and seal them as necessary. The European Commission can also conduct an inspection in any other premises, land or means of transport, including the private homes of directors, managers and other members of staff, if a *reasonable suspicion exists* that books or other records related to the business and to the subject matter of the inspection, which may be relevant to prove a *serious violation* of EU competition legislation, are being kept there.
- Examine and take copies of all the books and other records related to the business, irrespective of the medium on which they are stored. The inspectors are, however, only entitled to obtain materials on matters that fall within the scope of the investigation:
 - Notes shall be made of all files and documents examined by the inspectors, whether or not the inspectors want copies to be taken; and
 - Each document photocopied shall be copied in three copies: one for the inspectors, one for Stora Enso and one for Legal. Ascertain that each document is restored in its initial position after it has been copied.
- Ask any representative or member of staff for explanations on facts or documents, relating to the scope of the investigation, and to record the answers:
 - If the inspectors ask questions it is normally the company (not the inspectors) that is entitled to decide who should provide the explanation, but if the inspectors demand to speak to a specific person who logically could easily provide an explanation, such as the author of a document, the person should be made available to the inspectors;
 - If the best qualified person is not available, or if the information necessary to answer the question is not available, this shall be explained to the Inspectors with an offer to provide the explanation later in writing;
 - If questions are answered they should be answered as to facts but without any assessments and if the answerer is uncertain this should be mentioned;
 - Detailed notes shall be made of all oral explanations concerning records requested by the inspectors and of the explanations given. A copy of the notes taken by the inspectors shall be requested; and
 - When possible, a lawyer shall always be present during any form of interview with Stora Enso employees.
- Search a company’s IT environment (servers, desktop computers, laptops, tablets and other mobile devices) and all storage media (CD-ROMs, DVDs, USB-keys) using both the European Commission’s own hardware and software and the search tools built into the company’s media. This covers also private devices used for business purposes (BYOD), external hard drives, backup tapes and cloud-computing services. The inspectors may make an integral copy of a digital storage medium;
 - If the inspection is not finished during an on-site inspection, the European Commission can copy the data set, secure it in a sealed envelope and invite company representatives to be present when the sealed envelope is later opened at the European Commission’s premises. Alternatively, the European Commission may decide to return the sealed envelope to the company for safekeeping until further notice;
 - The company will receive a data carrier (e.g. a DVD) on which all final data selected by the inspectors are stored and it will be requested to sign printed lists of data items selected; and
 - Personal data, e.g. names, telephone numbers and e-mail addresses of employees, although not being the targets of the inspection, may be copied and obtained by the officials if included in business documents.

On the other hand, inspectors from the European Commission do not have the right to review and take copies of

documents:

- That contains communication between Stora Enso and external lawyers. Documents to or from external lawyers (i.e. not in-house lawyers) are protected by attorney-client privilege. Any such documents should be clearly marked as containing attorney-client communication;
- That contains commercial secrets of a technical nature; or
- That falls outside the scope of the inspection.

Any disagreements between Stora Enso and the inspectors regarding whether e.g. a document is covered by legal privilege shall be written down in a detailed note.

For the avoidance of doubt it should also be stated that the powers of national authorities are at least broadly similar to the powers of the European Commission.

In order to protect the legal interests of Stora Enso and in order to make sure that a dawn raid inspection is conducted legally and properly the following shall be noted:

Reception/Arrival

- When inspectors arrive at company premises, they normally go to the reception desk, identify themselves and ask to see a senior manager. The receptionist or security personnel at the reception should immediately contact the Responsible Person or, in his or her absence, one of the deputies; and
- The inspectors should remain in the reception until the Responsible Person and when possible, a member of Legal come to meet them. If the inspectors believe that they are being unreasonably delayed at reception, it may result in the company being fined for failure to cooperate. Therefore the inspectors should be dealt with promptly and courteously at reception.

Instructions to Responsible Persons and deputies are available [here](#).

Under no circumstances should Stora Enso's staff provide any false or misleading information to investigators, tamper with or destroy documents during an investigation, break a seal affixed by investigators or endeavor to hinder the investigation in any way.

3.7 Documents

All documents (in the widest sense of the word; including letters, memos, notes, e-mails etc.) produced in the course of Stora Enso Group's business can be a target for competition authorities' review. Sometimes documents may convey the false impression that there have been contacts with Competitors on anti-competitive matters. It is therefore of great importance that all documents are written clearly and carefully in order to avoid this misinterpretation.

Guidelines for document creation:

- Ask yourself whether anyone could interpret what you are saying as meaning something you do not intend;
- Make clear references to the source of business intelligence material. For example information on Competitors' prices received from a customer will look extremely suspicious unless the source is clearly stated (i.e. name of customer, name of individual, date etc.);
- Do not use language that falsely suggests collusive conduct such as "this pricing is in accordance with industry policy";
- Do not overstate the significance of Stora Enso's competitive position or market power or Stora Enso's product and market strategy by using such phrases as "dominant position", "this will cripple the competition" or "price leader";
- Do not understate the competitive position of Stora Enso's Competitors by using such phrases as "enormous barriers to entry/expansion";
- Do not use words suggestive of illegal or questionable behaviour such as "please destroy after reading";
- Do not speculate or comment on legality or potential illegality of any particular business conduct; and



- Do not describe as undesirable or objectionable competitive activities of Competitors or customers (e.g. customers are lost not stolen, price-cutting is not “disruptive” or “against the interests of the industry”).

Documents lacking references of the source or containing careless and/or inappropriate language may make lawful conduct look suspicious, which may lead to unnecessary investigations by the competition authorities, and thereby generate significant legal costs for Stora Enso and damage Stora Enso's public reputation. The time spent in writing clearly and following these guidelines is an important part of This Policy.

4. CONFLICTS OF INTEREST

Business transactions must be conducted with the best interests of Stora Enso in mind.

All employees must seek to avoid actual or apparent conflicts of interest. A conflict of interest occurs when a personal, professional or financial interest interferes, or even appears to interfere, with Stora Enso's best interests.

In general, you should avoid all situations in which personal interests, outside activities, financial interests, or relationships conflict with, or even appear to conflict with, the interests of Stora Enso. A conflict of interest can make it difficult for an employee to make impartial decisions that are in the best interest of Stora Enso. Business dealings on behalf of Stora Enso must never be influenced by personal considerations or relationships.

It is impossible to describe every situation in which a conflict may arise. The basic factor in all conflict of interest situations is, however, the division of loyalty between Stora Enso's interest and your own interest. Here are some examples of potential conflicts of interest:

- Outside employment: Participating in an outside job that is similar to, and may conflict with, your job at Stora Enso, or working with an actual or potential competitor, supplier or customer of Stora Enso;
- Family members and close personal relationships: Contracting with a business that is managed or owned by a family member or unmarried partner;
- Investments: Acquiring an interest in property or companies that Stora Enso may have an interest in purchasing;
- Board memberships: Acting as a corporate director, officer or consultant of another company (other than a non-profit or charitable organisation); and
- Significant ownership interests: Owning or having an interest in a supplier of goods or services to the Company, a customer or potential customer of the Company, or a competitor of the Company.

These restrictions do not prohibit you from owning a small interest in a company or fund where this interest does not allow you to influence the operations of the company or fund involved, e.g. ownership of insignificant stakes in listed companies. If you become aware of an actual or potential conflict of interest involving yourself, another employee, or a Stora Enso representative, you must immediately inform your supervisor or Legal.

Active action

- If you become aware of an actual or potential conflict of interest involving yourself, another employee, or a Stora Enso representative, you must immediately inform your supervisor or Legal.

5. CORRUPTION

We have zero tolerance for Corruption of any kind, whether committed by Stora Enso employees, officers, or third parties acting for or on behalf of the Company.

Corruption is the misuse of entrusted power for private gain. Bribery and Facilitation Payments are two most common forms of Corruption. Stora Enso is committed to conducting its business free from any forms of Corruption. It is also our policy to use our best endeavours to ensure that external business partners acting on our behalf are aware of and share our commitment to conducting business ethically.

Please remember that this Section 5 regarding Corruption must be read together with Section 6 Prevent Corruption Through Third Parties, Section 7 Gifts, Hospitalitys and Expenses and Section 8 Rebate and Commission.

5.1 What are a Bribe and a Facilitation Payment?

A Bribe is one common form of Corruption. It is the offering, providing, authorising, requesting or receiving of any money, gift, loan, fee, reward or any financial or other advantage or anything of value, to or from any person as an inducement to act, or omit to act, in a way which is dishonest, illegal or a breach of trust. This means:

- It is intended as an inducement or reward for the improper performance of a relevant function by the recipient (whether or not they are a Public Official or otherwise connected with government). It does not matter whether the advantage or benefit is offered, provided, requested or received by a different person than the person who is to perform the relevant function;
- It is otherwise improper for the recipient to request or receive the relevant financial or other advantage (whether or not they are a Public Official or otherwise connected with government); or
- It is offered or provided to a Public Official or to a third party at a Public Official's request or with their consent or acquiescence with the intention of influencing the Public Official in their official capacity, inducing them to violate any lawful duty or inducing them to influence any government authority, in each case for the purpose of obtaining a business or any other advantage in the conduct of business or securing any other improper advantage.

Typical examples of Bribes:

- Money in the form of cash or secret Rebate, Kickback or other fraudulent or dishonest payment;
- Gifts of inappropriate value such as an expensive watch or phone;
- Hospitality of inappropriate value, e.g. all-inclusive weekend stay at luxury resort hotels; or
- Unjustified favours, e.g. employing an unqualified relative of a Public Official or unjustified visa invitations.

A Bribe need not necessarily be of large value. It might include meals, entertainment, travel, incentive programs, signing bonuses, overpaying government suppliers, or doing business with a designated supplier who will rebate a portion of the purchase price. It might also include intangible benefits such as the provision of information or advice or assistance in arranging a business transaction or in obtaining any other benefit or advantage.

A Facilitation Payment is another form of Corruption. This is a small, informal payment made for the purpose of facilitating or accelerating a routine governmental or administrative action by a Public Official, e.g. issuing permits or releasing goods held in customs. For the sake of clarity, payments which Stora Enso is legally required (such as the payment of corporation taxes and utility charges or expenses of a tax authority incurred in conducting a tax audit) or permitted (such as the formal payment to expedite a visa process against invoices) to make to public authorities generally are permitted if they do not involve making payments directly to any particular public official. You should seek further guidance from Legal if you are in any doubt as to whether a payment should be made.

5.2 Zero Tolerance of Corruption

Unless your or another person's safety, health or liberty would be at risk, you must not:

- A. Offer, promise or give a Bribe to any person;

- B. Ask for or receive a Bribe from any person;
- C. Make a Facilitation Payment, even if such payments are common in the jurisdiction in which they are requested; or
- D. Agree, pay or receive Kickbacks or other fraudulent or dishonest payments.

5.3 **Specific Rules in Relation to Public Officials**

Bribing a Public Official is a serious offence and carries particular reputational and legal risks. The definition of Public Official is very broad and includes central and local government officials and employees of public agencies and state-owned enterprises.

Unless specifically permitted or required under written applicable law, you must not offer or promise anything of value to, or for the benefit of, any Public Official in order to influence a Public Official and to obtain or retain business or a business advantage, even if this would not involve the Public Official performing his job improperly.

Section 7 sets out particular rules which you must follow when offering or receiving GHE involving Public Officials.

5.4 **Political Contributions**

No Stora Enso officer or employee may make a Political Contribution without the prior approval of the CEO. Political Contributions must never be used as a way of influencing a Public Official in his or her official capacity to obtain or retain business or a business advantage.

5.5 **Donations and Sponsorships**

Donations and Sponsorships must be free from any suspicion of bribery, whether direct or indirect. You must ensure that such activities are not made as an inducement for the purpose of obtaining any improper advantage or favour. All Donations and Sponsorships must comply with the “Sponsorship and Donations Policy” or its equivalent.

Active action

- If you are offered or receive a request for Bribe or Facilitation Payment, you must promptly make a report to Legal; and
- Obtain prior approval from the CEO before making any Political Contribution.

Case studies and best practices

- Read the “Sponsorship and Donations Policy” or its equivalent for more information on Donations and Sponsorships.

6. PREVENT CORRUPTION THROUGH THIRD PARTIES

Our business partners who provide services, either formally or informally, to Stora Enso are expected to operate with integrity. They must refrain from paying or receiving any Bribes, Facilitation Payments or Kickbacks on behalf of Stora Enso, or as part of their business.

6.1 General

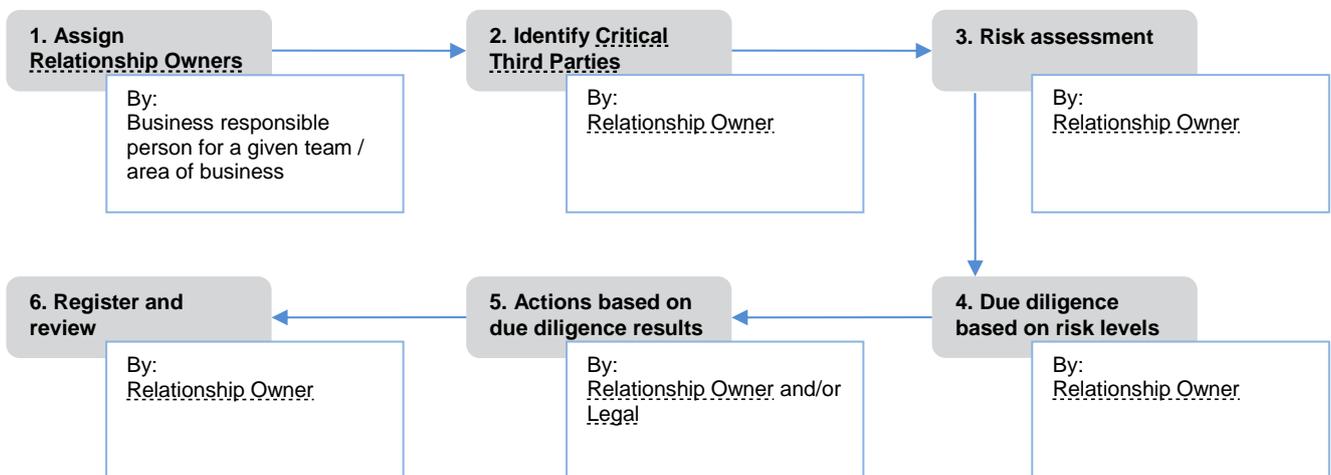
In some circumstances third parties with whom we have a business relationship or which act for us ("**Third Parties**") can put Stora Enso at risk of criminal liability if they bribe another person to obtain or retain business or a business advantage for Stora Enso.

The process in this Section 6 must be followed when engaging any new Third Party or when renewing the contract for any existing Third Party.

6.2 Critical Third Parties

Critical Third Parties are Third Parties who act on our behalf, and therefore present increased bribery risks as they are in a position to obtain or retain business or a business advantage for us, e.g. because they are helping us to win business from a commercial customer or interacting with a Public Official on our behalf ("**Critical Third Parties**"). The most typical Critical Third Parties include all types of agents, brokers, lobbyists and business consultants. The process in this Section 6 starts with identifying Critical Third Parties.

6.3 Process and Responsibility

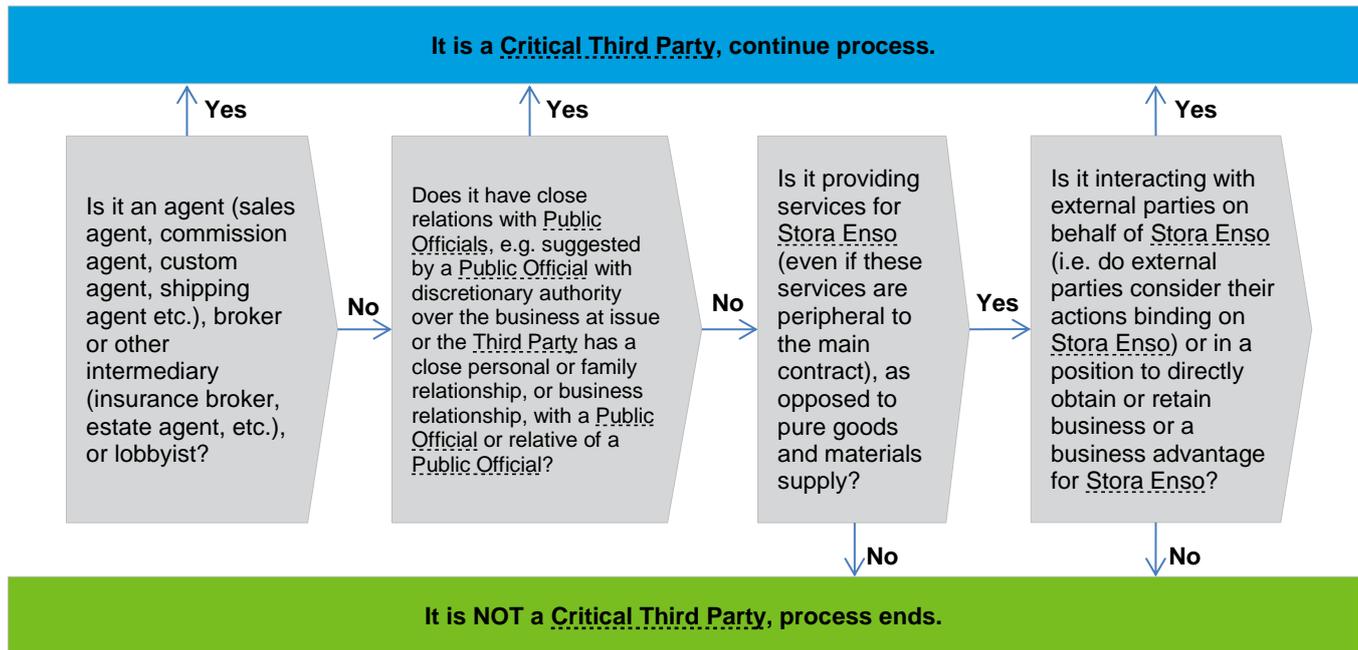


Step 1 Assign Relationship Owner

The business responsible person for a given team / area of business shall assign responsibility for managing the process set forth in this Section 6 to a single point of contact (the "**Relationship Owner**").

Step 2 Identify Critical Third Parties

Follow the steps below to identify whether a Third Party is a Critical Third Party:



Step 3 Risk Assessment

Use this risk assessment form [here](#) to categorize the risk level of each Critical Third Party. The risk assessment is intended to be conducted internally, but if necessary questions may be put directly to the Critical Third Party.

Step 4 Due Diligence and Risk Level Adjustment

Depending on the outcome of the risk assessment, the following actions are required:

Risk level after risk assessment	Due diligence
Low risk	No due diligence is required
Medium risk	Standard due diligence is required
High risk	Enhanced due Diligence is required

Standard due diligence

Use this standardised due diligence questionnaire [here](#) to perform the standard due diligence. The due diligence may be carried out by Stora Enso or consultants or a combination of both. The process will check on the capabilities of the Third Party, the adequacy of its anti-bribery program and whether there are any known concerns or Red Flag Issue, such as a history of past Bribery. A list of the Red Flag Issues can be found [here](#).

Enhanced due diligence

Enhanced due diligence shall include:

- Standard due diligence, and
- At least two of the following:
 - Public record search of the Third Party to determine if there have been any previous sanctions or misconduct;
 - Obtaining written comments from a number of the Third Party's past and present clients about the Third Party's ethical behaviour; or



- o Obtaining more comprehensive information and background on the Third Party, ultimate beneficial owners and authorized parties through research and investigative techniques (which may include the use of external parties able to provide relevant diligence information).

Adjust the risk level of the Critical Third Party if needed as a result of the due diligence.

Step 5 Actions to the Contracts and Approvals

Contracts with all Critical Third Parties must include specific anti-bribery and compliance provisions:

Risk level after due diligence	Actions to the contracts
Low risk	The <u>Critical Third Parties</u> must sign the <u>Stora Enso</u> “Supplier Code of Conduct” or its equivalent as part of its engagement.
Medium risk	The <u>Critical Third Parties</u> must sign the <u>Stora Enso</u> “Supplier Code of Conduct” or its equivalent, and To include the standard version of the compliance clauses here .
High risk	The <u>Critical Third Parties</u> must sign the <u>Stora Enso</u> “Supplier Code of Conduct” or its equivalent, and To include the full version of the compliance clauses here .

Following governance requirements must be followed:

Risk level after due diligence	Necessary approval before engagement / renewal
Low risk	Decided by <u>Relationship Owner</u> .
Medium and high risk	Approved by <u>Legal</u> .

Step 6 Registration, monitor and review

Registration

Each Critical Third Party must be registered at the Critical Third Party management tool [here](#), including all materials gathered and produced during the process in this Section 6, including at least the risk assessment form in step 3, the due diligence results in step 4, and a copy of the signed contract or engagement letter.

Review

The due diligence result must be reviewed to see whether there have been any changes as set out below. Any negative changes identified either following such a review or on a day to day basis, should be promptly reported to Legal.

Risk level	Review frequency
All <u>Critical Third Parties</u>	Immediately when a <u>Red Flag Issue</u> appears.
Low risk	No periodic requirement.
Medium risk	Every two years.
High risk	Annually.

6.4 Mergers and acquisitions and joint venture partners

During mergers and acquisitions, the potential entities that Stora Enso may acquire or merge with may present Corruption risks if we do not take adequate procedures. A joint venture partner could also present Corruption risks if they perform services on behalf of Stora Enso and/or the joint venture. Therefore the “M&A Guideline” or its equivalent



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states that a risk assessment and due diligence must be performed as part of the acquisition analysis considering bribery, as well as other compliance risks.

The M&A compliance due diligence questionnaire can be found [here](#) and an example of anti-bribery representations which should be considered for inclusion in a shareholders agreement can be found [here](#).

7. GIFTS, HOSPITALITIES AND EXPENSES

We compete and do business based only on quality and competence. We never provide or accept Gifts, Hospitalities and Expenses ('GHE') where this is intended to influence the recipient improperly, or where it could create this impression.

The exchange of reasonable GHE is an acceptable way to build goodwill in business relationships. However, it is also recognised that they are sometimes given with the intention of improperly influencing the recipient, and may in some circumstances amount to Bribes. Laws in different countries can vary significantly and we must also be conscious that individuals may be subject to their own internal codes or rules.

Corruption risks resulting from GHE differ based on various factors including business environment, legal jurisdictions and seniority of the involved personnel. Therefore it is always wise to consult Legal if you have doubt or question about the rules stipulated in this Section 7.

7.1 General Principles when Providing or Receiving GHE

Any GHE offered, accepted or provided must:

- Comply with any applicable laws;
- Constitute a normal business courtesy, such as paying for a reasonable business meal;
- Not be intended to influence the recipient inappropriately, to obtain or retain business or a business advantage inappropriately, or to improperly influence or affect the outcome of a business transaction;
- Be reasonable in value and infrequent;
- Be made in an open and transparent manner and not under any circumstances in which the GHE need to be concealed; and
- Be approved as required, accurately and fairly recorded in our books and records.

The following GHE are never appropriate:

- Where the intention is to get something in return, e.g. a Kickback;
- In violation of the recipient's company policy;
- With a business partner with whom you are in ongoing business negotiations;
- Cash or a cash equivalent (such as gift cards, vouchers or similar)⁵; or
- Adult entertainment or any sort of event involving nudity or lewd behaviour.

As a supplementary guiding rule (unscientific, but often helpful) you can also apply the "blush test" by asking yourself how you would feel if details of the GHE were known by the CEO, your colleagues and made public in a trade magazine or local newspaper? If the result of the blush test is anything else than perfectly fine, you should immediately reconsider the situation.

7.2 Receiving GHE

The rules in this Section 7.2 shall always be read together with the general principles when providing or receiving GHE in Section 7.1.

Stora Enso recognizes that it is customary for our business counter parties to occasionally provide small value GHE to those with whom they do business. However, soliciting or accepting excessive GHE is a common way in which conflicts of interest can arise and an employee may put himself in a position of dependence.

⁵ A voucher or gift card that cannot be exchanged for cash, and that can only be used in one shop, a restricted selection of shops, or to purchase a specified product does not fall within this prohibition, but must comply with value thresholds, and with the other requirements set out here.

Stora Enso employees may accept GHE from business counter parties, provided that the GHE:

- Is reasonable and will not affect the outcome of business transactions or influence your ability to act in the best interest of Stora Enso, e.g. in the form of discounted products or services for personal gain;
- Does not create the appearance (or an implied obligation) that the giver is entitled to preferential treatment, an award of business, better prices or improved terms of sale;
- Would not prevent you from awarding Stora Enso's business to one of the giver's competitors.
- Is reasonably related to a legitimate business purpose (e.g. accompanying a customer to a local theatre/sporting event or attending a business meal).

Please remember that Stora Enso personnel must always pay their own travel and accommodation expenses when for example visiting a customer.

GHE that cannot be accepted under any circumstances must be rejected or returned to the provider. You will find a suggestion for a standard letter text for declining an offer on behalf of Stora Enso from the [here](#).

If you receive any GHE at an event of a ceremonial nature (e.g. a customer outing or a commemoration of a business transaction) that might not be appropriate, but it is offensive to refuse, you may accept it and then promptly report it to your immediate supervisor.

Active action

- GHE that cannot be accepted according to the rules set out above but which are not returned for any reason must be reported to your immediate supervisor.

7.3 **Providing GHE to External Company Personnel (other than Public Officials)**

While fulfilling the general principles stated above, providing modest promotional GHE may promote goodwill and serve legitimate promotional purposes. However, under certain circumstances, offering GHE to customers and business partners could violate the law, This Policy or the company policy of the recipient.

Active action

- All GHE involving external company personnel that are above the sum of EUR 200 per person (subject to lower limits stipulated locally) must be reported to and approved by your immediate supervisor before providing it.

7.3.1 **Specific Rules for Providing Gifts**

- The rules in this Section 7.3.1 must always be read together with the general principles when providing or receiving GHE in Section 7.1;
- Whenever possible, Gift shall be Company Giveaways; and
- In exceptional cases, e.g. at the retirement day of the manager of an important customer, more expensive Gifts can be offered, but you should rarely offer Gifts that are more than EUR 200 in value. Please note that this limit does not mean that Gifts below this amount are automatically permissible or reasonable.

7.3.2 **Specific Rules for Providing Hospitality and Expenses**

- The rules in this Section 7.3.2 must be read together with the general principles when providing or receiving GHE in Section 7.1;
- You may only offer or provide Hospitality or Expenses that is consistent with generally accepted business practices and serves a valid business purpose;

- The value of the Hospitality or Expenses offered and provided must be appropriate to the underlying business purpose and must not be extravagant; and
- The Hospitality and Expenses must be offered without creating an express or implied obligation or incentive to conduct business. A representative of each company must be present.

7.3.3 GHE to Spouses

If you and your spouse or partner are invited to, or you plan to invite the spouse or partner of a client or customer representative to, an event at which it is a clear custom or expectation that a spouse or partner are presented, you may then accept or offer such GHE as long as the GHE complies with all the criteria set out above for the acceptance, and does not fall within any of the categories of GHE identified above as inappropriate.

It would not be appropriate to accept or offer Hospitality for a spouse or partner that includes an overnight stay or travel expenses. It is not appropriate for Gifts, other than Gifts of nominal value only, to be accepted or offered if they intend to benefit any family member.

Active action

- All GHE extended to your spouse or partner, or offered by Stora Enso to any spouse or partner of a client or customer representative must be reported to and approved by your immediate supervisor before providing or acceptance.

7.3.4 Specific Rules for Customer Events

The rules in this Section 7.3.4 must be read together with the general principles when providing or receiving GHE in Section 7.1.

Customer Events are a type of GHE. They normally include travelling, accommodation and other Hospitality. Where Customer Events are of significant value, such as events including travelling and over-night accommodation, the following rules must be observed:

- There must be a clear business objective for the trip, e.g. to visit and demonstrate a mill or to visit a customer and demonstrate how Stora Enso products are used etc. It is permissible to arrange different kinds of customer activities in combination with the trip, but the main focus should be on business related topics. The event must never be an “excuse” to arrange extensive travelling and hospitality. Document such objective and send it to Legal, Ethics and Compliance;
- Arrangements under which customers will qualify for participation as a result of a certain volume of business (sometimes known as “customer loyalty events”), present considerable bribery risks and should be avoided;
- Where the proposed guests are Public Officials, Stora Enso must send a written invitation letter to the public officials, with a clear statement that: *“We note that the applicable laws or code of conduct may require written confirmation or approval from the department/public authority you work for, before you accept our invitation to the customer events. Should you require any information to obtain this confirmation or approval, including but not limited to the costs or expenses of the event, please feel free to contact us.”*;
- Whenever possible, ask the employer of private sector guests to provide a declaration that the acceptance of the Hospitality will not be in breach of any corporate code or rules that apply to the guest, and that the guest has obtained any necessary approvals;
- The ratio of Stora Enso staff to customers must be high, at a minimum of 1:2. Such a ratio will indicate that there will be very good opportunities to network and improve customer relations;
- Record details of the trip, including costs and identity of the guests (including their level of seniority), agenda and meeting minutes, and ensure that there is a procedure in place to avoid the same guests being offered similar trips, or other significant hospitality which would appear excessive if aggregated. Keep the approvals and declarations on file;

- Include a seminar on ethics. This would achieve a number of purposes: it would be a way of communicating Stora Enso's anti-bribery, and ethical policy to its customers; it would provide added business justification for the trip; and, where customers are encouraged to give (non-attributable) feed-back, it could be helpful in Stora Enso's monitoring and review of its own anti-bribery procedures. Customers could be invited to present on their own ethical codes. The session should be recorded in the minutes; and
- Keep the cost of trips under review, and ensure that excessive or lavish hospitality is avoided. The total cost for each customer representative must never exceed EUR 1,500. Customer Events where the cost per guest exceeds EUR 750 must be reported to and approved by the Division head. Please note that these limits do not mean that Hospitality below these amounts is permissible or reasonable. Any expense paid on behalf of the client shall be made directly to the third party service or product provider, and must not be paid by the client first and reimbursed in cash to the client.

Active action

- Ensure that all the general principles when providing or receiving GHE in Section 7.1 and the specific rules for Customer Events in this Section 7.3.4 are followed;
- Ensure the total cost for each customer representative does not exceed EUR 1,500; and
- Customer Events where the cost per guest exceeds EUR 750 must be reported to and approved by the Division head.

7.3.5 **Specific Rules for Hunting Activities**

7.3.5.1 **Invitation**

Stora Enso organizes hunting activities with representatives of our customers, wood suppliers and business partners (the "**Guests**"), and these are divided into two categories:

- A "**Type A Hunting Activity**" is a hunt where Stora Enso carries costs related to the organization of the hunt such as hunting consultants and drivers (Sw: drevkarlar) and where Stora Enso also provides food and refreshments during the activity. At a typical Type A Hunting Activity the Guests arrive in the afternoon of day one followed by an activity with business related content and light dinner. The following day includes breakfast, hunting, a modest lunch in the forest and a business activity in connection with the dinner in the evening. The Guests leave after breakfast on day three; and
- A "**Type B Hunting Activity**" is a one day hunt, where Stora Enso does not carry any costs related to the organization of the hunt except for land lease costs or the like. At a Type B Hunting Activity the Guests arrive in the morning and the day is spent hunting and includes a modest lunch in the forest. In connection with the lunch a business presentation is made. The Guests leave when the hunt is concluded in the afternoon.

When inviting Guests you must:

- Use the specified invitation template;
- Direct invitations to Guests employed by a legal entity, to a wider group of people and not to selected individuals (allowing the company or CEO to select those who will attend). However, invitations can be extended directly to individuals who own forest privately, either as a private person or as the single owner of a privately held company (Sw: enskild firma);
- In the case of a Type A Hunting Activity, ensure that the Guest or the supervisor, as the case may be, confirms that the participation in the Hunting Activity is in accordance with applicable internal regulations;
- Not issue "Plus-one-invitations" i.e. invitations which include a spouse or a friend of the Guest;
- Not extend invitations in connection with ongoing business negotiations without approval. If an invitation is to be extended in connection with business negotiations, the matter must be discussed with and pre-approved in writing by Legal, Ethics and Compliance; and
- Never invite Public Officials unless pre-approved in writing by Legal, Ethics and Compliance.

7.3.5.2 **Extent of GHE**

- Travel to and from the Hunting Activity and accommodation must be paid for by the Guest, but Stora Enso may assist with bookings and reservations if required. Stora Enso may pay reasonable costs for shorter transportation during the Hunting Activities;
- Meals (breakfast, lunch and dinner) during the Hunting Activities may be paid for by Stora Enso, provided that the expenses are reasonable;
- The value of the Hunting Activity for the Guest must be proportionate to the professional relevance of the Hunting Activity. A Type A Hunting Activity must always include an activity with business related content in the afternoon of day one (2 – 3 hours) and in connection with the dinner in the evening of day two (e.g. a business related presentation in connection with the dinner) and also allow the Stora Enso personnel to interact with the Guests for informal business discussions. A Type B Hunting Activity must include a business presentation in connection with the lunch;
- Gifts to the Guests shall be limited to the Company Giveaways and shall be of modest value;
- Costs and arrangements in excess of these rules must always be borne by the Guest;
- Details about the Hunting Activities must be documented and filed in order to ensure transparency, compliance with Stora Enso internal regulations and to avoid that the same invitees are being invited to the Hunting Activities on a repeated and regular basis; and
- The documentation requirement includes (i) specified costs, (ii) the identity of invitees and Guests, (iii) a copy of the invitation and agenda, and (iv) meeting minutes of activities of business related content.

Active action

- Ensure that all the general principles when providing or receiving GHE in Section 7.1 and the specific rules for Hunting Activities in this Section 7.3.5 are followed;
- If an invitation is to be extended in connection with business negotiations, the matter must be discussed with and pre-approved in writing by Legal, Ethics and Compliance;
- Obtain pre-approval from Legal, Ethics and Compliance before inviting any Public Official; and
- Send documents required in this Section 7.3.5 to Legal, Ethics and Compliance whenever they become available.

7.4 **Providing GHE to Public Officials**

7.4.1 **General Rules**

The rules in this Section 7.4.1 must be read together with the general principles when providing or receiving GHE in Section 7.1.

When dealing with Public Officials, even small, *bona fide*, legitimate GHE may be misinterpreted as illegal bribes. Nothing of value must ever be offered or provided for the purpose of retaining or obtaining business or some other advantage.

It is acceptable to provide ordinary business courtesy Hospitality of nominal value, such as tea and coffee, a sandwich lunch where the Public Official is attending a meeting at your office or other non-excessive Hospitality when hosting a visit from a Public Official. If you are hosting a visit from a very senior Public Official such as a government Minister, it is acceptable to provide a level of Hospitality that is appropriate to his status. There should never be any suggestion, or perception, however, that the provision of Hospitality is intended to influence the Public Official. For the sake of clarity it should be noted that Hospitality offered to Public Officials (as well as to private individuals) may never be exchanged for cash.

Public Officials are frequently subject to their own strict guidelines or codes, or to legislation. Where feasible, you should take steps to ascertain what the guidelines or applicable legislation permits or requires and ensure that any Gifts or Hospitality you offer complies with such guidelines or legislation.

For example, if you know that a member of parliament is required to declare any Gifts he receives over a certain value, and to decline Gifts over another value, you should avoid offering a Gift that is worth more than the higher value. If you give a Gift which is over the first value you should check that disclosure / registration requirements are complied with to the best of your ability. If the records are not publicly available you should ask the individual (or his office) to confirm that the necessary requirements have been met.

Active action

- Obtain pre-approval from Legal, Ethics and Compliance before providing GHE to any Public Official, with the exception of GHE of very low value (e.g. a pen or notebook to use at a meeting, tea, coffee etc.).

7.4.2 **Specific Rules in China**

As set out above in Section 7.4.1, you must always seek approval before offering GHE to a Public Official. One exception to this approval requirement is offering GHE to Public Officials in China in certain circumstances, as described below.

In order to accommodate the situation where companies need to interact with large number of Public Officials in Far Eastern environments, GHE may be provided to Public Officials in China without prior approval only where the GHE:

- Is in line with all the rules in the general principle when providing or receiving GHE in Section 7.1 and the rules in Section 7.4.1 on providing GHE to Public Officials;
- Is customary or traditional in local culture, e.g. a 'seasonal' Gift or Hospitality given to celebrate a local festival, or it is provided according to local business traditions, e.g. in connection with a conference or a seminar; and
- The value is less than RMB 500. Please note that this does not mean that GHE below this amount is automatically permissible or reasonable.

Active action

- Obtain pre-approval from Legal, Ethics and Compliance before providing GHE to any Public Official that does not meet the criteria listed in this Section 7.4.2, with the exception of GHE of very low value (e.g. a pen or notebook to use at a meeting, tea, coffee etc.).

Case studies and best practices

- Read [here](#) for GHE cases studies and best practice advices.

8. REBATE AND COMMISSION

We must ensure that payment of Rebates (and other retrospective refunds or credits) and Commission (and other sales service fees) are based on legally valid agreements or other valid grounds, against genuine sales or services, paid to the correct party and are of proportionate value.

8.1 Rebate and Discount

8.1.1 Principles

The primary difference between a Rebate and a Discount is that a Rebate is given after payment and a Discount is deducted before the payment.

8.1.2 Setup and Exception

Rebates or other similar credits must be awarded to the legal entity which will be invoiced for the relevant supply of goods (the "**Customer**"). A reference to the contract and the sales invoices must be included in the credit note for the Rebates or other similar credits.

It is prohibited to award Rebates to another party than the Customer ("**None Customer Party**"), unless all requirements in the below paragraph have been fulfilled. For the avoidance of doubt, a related company, e.g. the Customer's headquarter company is a None Customer Party, and Rebates to such company shall follow the rules herein.

A Rebate can be paid to a None Customer Party if:

- A. It is agreed in writing that the beneficiary of the payment is the Customer, and not the None Customer Party;
- B. The credit note indicates that the beneficiary of the payment is the Customer, and not the None Customer Party; and
- C. The Customers have in writing authorised the payment to be made to the None Customer Party, with the effect of full discharge of liability for Stora Enso.

Active action

- Ensure that you have fulfilled all the requirements in this Section 8.1.2 before making any payment of Rebates to a None Customer Party.

Case studies and best practices

- Read the "Common Rebate Guideline" or its equivalent for more detailed information and case studies.

8.2 Commission and Other Sales Services Fees

8.2.1 Principles

Commission and service fees paid for other sales or marketing services must not be used to circumvent the rules regarding Rebates to Customers. Payments of inappropriate Commission and other sales services fees can be interpreted as Bribes or illegal Kickbacks.

8.2.2 Commission

A Commission, also known as agency fee, broker fee etc., is a reimbursement for the services provided by an Agent, usually on a percentage basis of the sales value but can also be flat fees or calculated in other methods

(“**Commission**”). An agent is a person or entity who negotiates and/or concludes contracts with Customers on Stora Enso’s behalf (“**Agent**”). Agents do not acquire ownership of the products sold (the contract for sale of the products is made between Stora Enso and the Customer) and the Agents generally have no contractual liability to the Customer, as opposed to a Distributor who takes title of the goods and then further sells to their own customers (“**Distributor**”). Services provided by an Agent include without limitation to:

- Create, facilitate and/or promote sales of goods;
- Maintain at its own cost or risk stocks of the contract goods;
- Undertake responsibility towards third parties for damage caused by the product sold;
- Take responsibility for Customers’ non-performance of the contract;
- Pay for the costs of transporting the goods; and
- Directly or indirectly, be under an obligation to invest in sales promotions.

8.2.2.1 **Payment of Commission**

A Commission can only be paid if:

- A. It is made to an Agent;
- B. It is for the actual services the Agent has provided and;
- C. It is on market terms.

The market terms of a Commission depends on various facts as e.g. the product, the volume and the market where the Agent operates. As a consequence a fair and appropriate Commission level varies from case to case. The responsible sales person shall ensure that Commission fulfills the requirements listed in this Section 8.2.2.1.

An Agent is always a Critical Third Party. Before appointing an Agent you must follow the Critical Third Party procedures set out in Section 6 of This Policy.

8.2.3 **Sales Services Fees**

Business partners other than Agents can also provide sales services to Stora Enso, either in addition to other businesses they have with Stora Enso (e.g. a Distributor can purchase goods from us and provide other sales services) or as a standalone service (e.g. market consultants). The fee is usually a fixed amount but can also be based on sales volume or other terms.

8.2.3.1 **Payment of Sales Services Fees**

Sales services fees can only be paid if:

- A. It is for the actual services provided; and
- B. It is on market terms.

Case studies and best practices

- Read the “Common Rebate Guideline” or its equivalent for more detailed information and case studies; and
- Ensure that you use agency agreement template when engaging Agents, and use distributor agreement template when engaging Distributors. Consult Legal if you have questions or need these templates.



9. MONEY LAUNDERING, TERRORIST FINANCING AND TAX HAVENS

Please read this Section 9 together with Section 10 Export and Import Controls.

9.1 Money Laundering and Terrorist Financing

We are committed to complying fully with all applicable anti-money laundering and terrorist financing laws throughout the world.

Money laundering is the process through which an individual or organisation seeks to make the proceeds of criminal activity appear legitimate. The term "money laundering" is also sometimes used to refer to the handling of any benefit that arises from acquisitive crimes, such as theft, fraud or tax evasion. Stora Enso strictly prohibits knowingly engaging in transactions that facilitate money laundering and terrorist financing or that otherwise result in the unlawful diversion of assets. We are committed to conducting business only with customers who are involved in legitimate business activities, with funds that are derived from legitimate sources.

Stora Enso's employees play an integral role in helping the Company detect customer relationships and transactions that may involve money laundering and terrorist financing. Participating in such relationships and transactions could seriously jeopardise the Company's integrity and reputation.

Before entering into a supplier or customer relationship and throughout the supplier/customer relationship measures need to be taken and questions asked in order to identify any of the following events or activities, which may indicate that money laundering and/or terrorist financing is taking place:

- A customer, agent, or proposed business partner who is reluctant to provide complete company identify information or who provides suspicious information;
- Requests to make or accept payment in cash;
- Structuring of transactions to avoid record keeping or reporting obligations;
- Unusually favorable payment terms;
- Orders or purchases that are inconsistent with a customer's normal business;
- Requests to make payments to, or accept payments from, third parties;
- Unusual funds transfers to or from countries that are unrelated to the transaction;
- Unusually complex deal structures, or payment patterns that reflect no real business purpose; or
- Transactions involving banks in Tax Haven Countries (as defined in Section 9.2) or unlicensed money remitters.

Should you become aware of any suspicious activity, you must immediately raise your concern with Legal. You should not proceed with any relationship or transaction that you believe raises any money laundering concerns until those concerns have been investigated and addressed by Legal, and you have been given confirmation that you may proceed with the relationship or transaction.

Active action

- Should you become aware of any suspicious activity, you must immediately raise your concern with Legal.

9.2 Business with Counter Parties in Tax Haven Countries

Stora Enso shall make business with a counter party in a Tax Haven Country only if the counter party runs such business with a legitimate purpose and sufficient substance.

For a variety of business reasons a supplier or customer might establish a legal entity in more than one country. There might be also proper business reasons for owning a company in a country, which offers beneficial tax treatments or where its administration is reluctant to exchange tax relevant information with other countries. For the purpose of this



Policy, Stora Enso has listed certain particularly tax sensitive countries (“**Tax Haven Country**”) which can be found [here](#), and will be changed from time to time. Engagement with a counter party domiciled in a Tax Haven Country is permitted only after a successful substance test. Payments to a bank account located in a Tax Haven Country are never permitted if the contracting party in question is not domiciled in the Tax Haven Country.

It is not forbidden to run an operation or a company in a Tax Haven Country, or supply or to buy goods or services from a counter party which is domiciled in a Tax Haven Country. However, as some companies use Tax Haven Countries for tax fraud, money laundering or other illegal schemes, there are increased risks for Stora Enso to be alleged to have supported or even collaborated in an illegal activity should we do business with these counter parties. In addition to the potential juridical consequences, an involvement in tax fraud, money laundering or similar might also lead to reputational damages for Stora Enso. To keep Stora Enso's high ethical standards and to avoid any involvement in illegal activities, Stora Enso shall make business with a counter party (customer or supplier) in a Tax Haven Country only if the counter party runs business in such Tax Haven Country with a legitimate purpose and sufficient substance.

Process and instructions for the substance test are as following:

1. Identify the counter party in a Tax Haven Country

In case the potential counter party is located in a Tax Haven Country or the contract indicates that the transaction shall relate to a branch located in a Tax Haven Country, a substance test shall be initiated.

2. Fill in the substance test form

Have the potential counter party fill in the substance test form [here](#). This is a self-assessment to be executed by the potential counter party, requiring descriptions of the nature of its operations and necessary information to verify the substance.

3. Assessment

The completed substance test form shall be reviewed and assessed by the operational entity which plans to enter into business relationship with the counter party (in particular sourcing or sales). The four-eyes-principle shall be applied during such review. The guidance for assessing the substance test can be found [here](#). Consult Group Taxes should you have any question or need supports.

In case it is obviously or there are signs of activities which might be noncompliant with our standards, Stora Enso companies should not enter into business relationship with those companies.

4. Engagement

It is permitted to engage a counter party which is domiciled in a Tax Haven Country only after a successful substance test.

5. Continuing business relationship

In case there is a continuing business relationship with a counter party domiciled in Tax Haven Countries, the substance test shall be made every 2 years.

 **Active action**

- Before engaging with a counter party domiciled in one or several of the Tax Haven Countries, conduct the substance test, and only proceed with the engagement after a successful substance test.
- Make substance test for counter parties domiciled in one or several of the Tax Haven Countries every 2 years.
- Payments to a bank account located in a Tax Haven Country are never permitted if the contracting party in question is not domiciled in the Tax Haven Country.

10. EXPORT AND IMPORT CONTROLS

We are committed to complying fully with all applicable export and import control laws throughout the world.

10.1 Background and Purpose

The international community, including the UN and the EU, along with the US, impose a wide variety of sanctions (or restrictive measures) against violators of internationally recognized human rights and principles of law. These sanctions are typically targeted at specific countries, persons, entities and organisations. Most sanctions programmes include prohibitions on activities which are intended to circumvent or evade the imposed restrictions.

It should also be noted that compliance with applicable sanctions and export controls is not only important for Stora Enso as a company, but also for individual employees, since in some jurisdictions breaches of sanctions and/or export controls may lead to criminal liability and the imposition of fines on individual employees in a personal capacity.

Due to the different objectives that are pursued by those who impose sanctions, the contents and scope of sanctions programmes vary considerably, and some programmes restrict a greater range of activities than others. However, one or more of the following features is typically present in most sanctions programmes:

- Prohibitions on providing funds, goods or services to (or for the benefit of) listed sanctions targets. The names of persons, entities and organisations that are sanctions targets are published by the authorities that are responsible for imposing, administering and enforcing sanctions; these lists of sanctions targets are referred to below as "blacklists".
- Restrictions on exports to, or imports from, a particular jurisdiction of all or certain types of products.
- Restrictions on transferring or receiving funds.
- Travel bans on listed individuals who are (or who were) part of, or who were associated with, a regime in a targeted jurisdiction.

A table setting out current sanctions programmes maintained by the UN, the EU and the US is available [here](#). It is important to note that sanctions programmes change frequently.

Finally, it should be noted that these guidelines apply to all types of transaction within Stora Enso, thus, including sales as well as purchases.

10.2 Responsibility for Compliance and the Financial Sanctions Compliance Tool

The person who approves a specific engagement or transaction with a third party is responsible for ensuring that applicable sanctions and export controls are complied with and that these guidelines are followed.

You should pay particular attention to the current sanctions programmes maintained by the UN, the EU and the US, and which identifies the jurisdictions that are affected by those sanctions programmes.

The Financial Sanctions Compliance Tool is an SAP based tool which checks that we are not dealing with persons or entities which are blacklisted. The Financial Sanctions Compliance Tool must always be used before Stora Enso is contractually bound to undertake a transaction.

10.3 EU Sanctions

EU sanctions are set out in Council or Commission Regulations, which are directly applicable in all EU Member States, meaning that the EU Member States and those subject to their jurisdiction are automatically bound by them without the need for the EU Member States to enact their own implementing legislation. The Council and Commission Regulations are expressed to apply to "EU Persons", namely:

- any person within the territory of the EU;
- any person inside or outside the territory of the EU who is a national of an EU Member State;

- any legal person, entity or body, inside or outside the territory of the EU, which is incorporated or constituted under the law of an EU Member State;
- any legal person, entity or body in respect of any business done in whole or in part within the EU; and
- any person onboard any aircraft or any vessel under the jurisdiction of an EU Member State.

Nationals of an EU Member State are required to comply with EU sanctions irrespective of their location (and must therefore comply with EU sanctions even when they are outside the EU). Stora Enso subsidiaries which are incorporated outside the EU may have compliance obligations under the EU sanctions in respect of any business which is done in whole or in part within the territory of the EU.

EU sanctions programmes generally include measures which target: (i) persons, entities and bodies that have been listed as targets of that sanctions programme (e.g. by prohibiting the making available, directly or indirectly, of "funds" or "economic resources" to or for the benefit of such listed persons); and (ii) activities in or with sanctioned countries (e.g. by prohibiting the supply of listed goods or technology to, or for use in, such a country; or by prohibiting investment in a particular sector or industry in that country).

In addition, participating in any activity which has the object or effect, directly or indirectly, of circumventing the EU's restrictions is also prohibited.

Although the EU maintains around 30 sanctions programmes, the scope of which change over time, it is unusual for the EU to impose restrictions which would directly prohibit the export of Stora Enso's products to a particular jurisdiction. However, most of the EU sanctions programmes impose a prohibition on dealing with sanctions targets that are on the EU's blacklist, which would also prohibit any supply of Stora Enso's products to, or for the benefit of, those sanctions targets.

10.4 US Sanctions

The US, in contrast to the UN and the EU, has imposed more stringent sanctions against certain critical countries and territories ("**Critical Countries**"). A table setting out current Critical Countries is available [here](#). In most cases, transactions with these countries or territories are completely prohibited or require a prior government authorization.

In order for the sanctions imposed by the US to apply, there must typically be a US nexus, such as the involvement of a US person (that is, in summary terms, US citizens and permanent residents; all persons while in the US; and entities organised under US law, including their foreign branches) or the US financial system (e.g. through the use of a USD-denominated payment). However, some US sanctions regulations impose broader compliance obligations, and will also apply to US-owned or controlled persons.

When exporting to or importing from a Critical Country, a US nexus should be avoided by ensuring that the transaction does not involve USD payments and does not involve any Stora Enso employees that are US citizens, or employees who are in the US.

Stora Enso's US-based operations are required to take separate steps to ensure their compliance with applicable US sanctions and export controls.

10.5 **Banks' internal policies may apply stricter restrictions than those required by applicable sanctions laws**

The banking sector is often seen as the main channel through which authorities ensure sanctions compliance. Accordingly, banks have increased their transaction surveillance significantly in order to ensure that they do not breach sanctions.

Some European and US banks may impose stricter internal policies than are required by applicable sanctions laws. For example, some European and US banks have decided not to process payment transactions to and from Critical Countries. You are advised to seek advice from the relevant bank before seeking to engage in transactions which relate to a Critical Country or with citizens thereof.

10.6 **Required steps when contracting with new and existing business partners**



Step 1: Use the Financial Sanctions Compliance Tool, instructions are available [here](#) (please note that the checks with the tool shall be performed by the relevant Stora Enso Division or function)

- A. All new business partners: To be checked irrespective of location or nationality;
- B. Existing business partners: Both the contracting party and, to the extent we are aware of indirect sales to a named end-customer, the end-customer, to be checked where such parties are located in a Critical Country and/or such parties are citizens of one of those countries or territories;
- C. In case of a verified positive match, the transaction should be terminated immediately and reported to Legal, Ethics and Compliance;
- D. Potential matches should be clarified with Legal, Ethics and Compliance; and
- E. Where no match is identified, proceed to Step 2 below.

Step 2: Avoid creating US nexus if dealing with business partners in a Critical Country or citizens thereof

- A. Do not engage in USD-denominated transactions; and
- B. If you are a US citizen, do not participate in the transaction without consulting with a Legal, Ethics and Compliance representative or external legal advisor.

Step 3: If the transaction involves Iran or Iranian persons or entities, review the Iran Instruction which is available [here](#).

Step 4: Insert appropriate language in the relevant offer or agreement, or request a separate confirmation (see draft wording for sanctions template clause [here](#)).

Step 5: Obtain approval from the relevant division head, if the transaction involves a Critical Country or citizens or entities thereof.



11. SAFEGUARDING CORPORATE ASSETS AND CORPORATE IDENTITY

We deal with Company property, products and resources responsibly and appropriately and use them only for their intended business purposes.

Safeguarding Stora Enso's assets, both tangible and intangible (such as intellectual property rights), as well as its proprietary information – is vital to our business success. Stora Enso's assets should be used to achieve Stora Enso's business goals, and should be protected to preserve their value. Remember that we hold the assets of our Company in trust for Stora Enso's shareholders. Limited personal use is permissible only to the extent that such use does not conflict with the interests of Stora Enso, This Policy, or Stora Enso's other policies and guidelines. All Company assets and proprietary information must be returned to Stora Enso at the completion of your employment with Stora Enso.

As an employee of Stora Enso:

- You are responsible for the proper use and protection of proprietary and confidential information belonging to Stora Enso or entrusted to the company by others. Such confidential information includes, but is not limited to, price-sensitive information, trade secrets, such as know-how, formulae, and processes, sales figures, marketing plans and strategy.
- You are responsible for the security of, authorised access to and proper use of Stora Enso's physical and intangible assets under your control and of third parties' assets in your care.
- You should not disclose proprietary or confidential information to anyone outside Stora Enso without the express permission of your manager or without execution of a non-disclosure agreement prior to the disclosure. Never discuss confidential information in public places — such as elevators, restaurants, or airports — where it may be overheard.
- Your obligation to protect Stora Enso's confidential information continues even after you leave your employment.

Case studies and best practices

- Read the “Stora Enso Information Risk Management Policy” or its equivalent for more detailed information.

12. INSIDE INFORMATION

Stora Enso expects all its employees to act in the way required of Insiders. All unpublished information relating to Stora Enso's present and future business operations shall be kept strictly confidential.

It is illegal in many countries to use Inside Information to make a profit, or avoid a loss, in the trading of public securities, including Stora Enso's securities or the securities of other public companies, where there is likelihood that a reasonable investor would consider the Inside Information important in making an investment decision. All Stora Enso employees are prohibited from disclosing Inside Information improperly, regardless of how that information was obtained. Inside Information can be obtained at work, in meetings, at seminars or by accident, such as overhearing someone else's conversation.

Adhering to the insider regulations is always a personal responsibility.

Anyone who has unpublished information that is likely to affect Stora Enso's share price is an Insider. The misuse or unlawful disclosure of Inside Information is always prohibited and may be sanctioned by law regardless of how Inside Information has been obtained or of the position of the person possessing Inside Information.

Insider lists

When a large project such as a merger or acquisition is under preparation, persons who are involved in the project and receive Inside Information shall be recorded in project-specific Insider lists that are established when Inside Information arises. The General Counsel or the Assistant General Counsel will decide case-by-case in which projects such a register shall be established. Persons included in a project-specific register are informed by letter or e-mail.

In addition to insider lists, also other confidentiality lists may be used for the purpose of controlling the flow of information regarding projects that do not involve Inside Information but may nonetheless be of a sensitive nature.

Restriction on trading

It is not allowed to use Inside Information to gain economic benefit from securities transactions for oneself or for a third party. It is therefore important to ensure that no transactions with Stora Enso securities are carried out at a time when the manager or employee is in possession of Inside Information.

The prohibition may also concern the trading in securities of other companies of which Stora Enso employees possess Inside Information, e.g. a listed company that is Stora Enso's counterparty in a merger or acquisition. Persons entered into such a project-specific insider list are always prohibited from trading for as long as the project continues.

Stora Enso's recommendation is that the Company's shares are bought as long-term investments. If you are unsure whether you can trade with Company securities, you may ask the General Counsel or Assistant General Counsel or person in charge of insider lists, whether in the opinion of the Company you are not allowed to trade. However, keep in mind that Insiders themselves are responsible for their transactions with Stora Enso securities.

Case studies and best practices

- Read the “Stora Enso Insider Guidelines” or its equivalent for more detailed information.



13. REPORTING REQUIREMENT AND COMPANY RESPONSE

As an employee of Stora Enso, you are requested to report concerns about potential violations of the Code of Conduct or This Policy promptly.

If you see or suspect misconduct:

- Make a report immediately or as soon as practicable. To make a report, we encourage you to speak directly to your own supervisor, Human Resources or Legal; or
- You may also report your concerns anonymously or in confidence to the Head of Internal Audit. **Address: Head of Internal Audit, Stora Enso AB, Klarabergsviadukten 70 C4, 107 24 Stockholm, Sweden.**

Do What's Right Hotline

If this is not possible, you may alternatively report certain concerns, particular on topics such as suspicions of bribery or financial wrongdoing through Stora Enso's confidentiality reporting line "**Do What's Right**". "Do What's Right" can be contacted on the Internet, by e-mail or by telephone 24 hours a day, 7 days a week. For more information on this service see: www.storaenso.com/dowhatsright

Zero tolerance on retaliation

If you voice a concern or report misconduct in good faith – or participate in the investigation of a report of suspected misconduct – you are following our Code of Conduct and This Policy. Under no circumstances will Stora Enso tolerate retaliation against you. Any person who engages in retaliation is subject to disciplinary action by Stora Enso, including termination of employment.

Questions about policies

If you have any questions about This Policy and related policies and guidelines:

- Contact your own supervisor first, or
- Send your questions to codeofconduct@storaenso.com (please note that this email should only be used for asking questions, not reporting misconduct or suspicions of misconduct.)
- You can also send questions to Legal, Ethics and Compliance.



14. ENFORCEMENT

We intend to enforce This Policy strictly and vigorously.

All employees must comply with This Policy. Employees who are suspected of having breached This Policy will be investigated. Employees who have violated This Policy are subject to applicable disciplinary action, up to and including termination of employment.



15. DEFINITIONS

Bribe or **Bribery** is an offer or receipt of any money, gift, loan, fee, reward or other advantage to or from any person as an inducement to act, or omit to act, in a way which is dishonest, illegal or a breach of trust.

Donation is a gift made on behalf of or in the name of Stora Enso for bona fide charitable purposes, i.e., contributions given to a charitable or not-for-profit organisation for which no benefit is received, or expected to be received, by Stora Enso.

Code of Conduct is a summary of the essence of all Stora Enso's policies, principles and guidelines relating to Stora Enso's operations, available at Company intranet.

Commission has the meaning set out in Section 8.2.

Company means Stora Enso OYJ, its affiliates and subsidiaries.

Company Giveaways means nominal gifts bearing Stora Enso logos or other signs representing Stora Enso.

Competitively Sensitive Information has the meaning set out in Section 3.2.1.2.

Competitor means a company active on the same relevant market as Stora Enso or a company which, within a short period of time, is likely to enter the same relevant market as Stora Enso.

Corruption is the misuse of entrusted power for private gain.

Critical Country has the meaning set out in Section 10.

Critical Employees are a group of employees defined by their position who shall receive more in depth compliance trainings.

Critical Third Parties has the meaning set out in Section 6.2.

Customer means the legal entity named in the sales contract.

Customer Event is a type of GHE which includes travel, accommodation and Hospitality.

Discount is a deduction from the face amount of an invoice, made in advance of payment and agreed in the sales contract. It may sometimes be given on a separate credit note, in which case the instructions on payment of rebates are to be followed. A discount is included in the net sales value in financial accounts. The primary difference between a Discount and a Rebate is that a Rebate is given after payment and a Discount is deducted in advance of payment.

Expenses are travel or other related expenses paid for or by a prospective or existing client, customer or business partner, which are not included as part of a normal commercial agreement. Expenses can include costs related to travelling to view a manufacturing or reference facility or travelling to a customer event.

EU means the European Union.

Facilitation Payment is an informal, unofficial payment to a Public Official to encourage him or her to carry out services that you have a right to receive even without such payment, or to expedite a routine task. It is also known as a gratuity or a "grease" payment. It is a payment to expedite or secure performance of routine, non-discretionary tasks, such as obtaining permits, licences, or other official documents, processing governmental papers, such as visas and work orders, providing police protection, mail pick-up and delivery, providing phone services, power and water supply and loading and unloading cargo.

GHE means Gifts, Hospitalities and Expenses.



Gifts are typically items offered or given as a mark of friendship or appreciation, in order to promote a company's brand, or in order to mark an occasion or festival. A Gift can consist of goods as well as services.

Group Controlling is the group function with the same name.

Group Taxes is the group function with the same name.

Guest has the meaning set out in Section 7.3.5.

Hospitality includes entertaining, meals, receptions, tickets to entertainment, social or sports events etc., and travel or other related expenses paid for or by a prospective or existing client, customer of business partner, which are not included as part of a normal commercial agreement. Occasion where the giver is not present at the entertainment or event is a Gift rather than Hospitality. For example, if a business counter party gives a Stora Enso employee two tickets to a concert, and no one from the business counter party's company is attending, this is to be treated as a Gift (applying the appropriate thresholds and rules for Gifts) rather than Hospitality.

Hunting Activity means both Type A Hunting Activity and Type B Hunting Activity, as set out in Section 7.3.5.

Insider means anyone who has unpublished information that is likely to affect the Stora Enso's share price.

Inside Information is information relating to Stora Enso that has not been made public and which can affect the value of Stora Enso shares or any other publicly traded Stora Enso securities. The effect may be positive or negative.

Internal Audit is the group function with the same name.

Kickback is giving back a portion of a contract payment to a business partner's employee, or utilising techniques such as subcontracts, purchase orders or consulting agreements to channel payments to government officials, to employees, their relatives or business associates.

Legal, is a Group Function in Stora Enso, whose task is to render the Group with intellectual property support, to facilitate the ethics and compliance of Stora Enso as well as to provide high quality legal service and advice to Group, divisions and functions.

Legal, Ethics and Compliance, is a sub function of Legal. Legal, Ethics and Compliance is responsible for our Code of Conducts and related policies, implementation, ethics training and legal compliance investigations.

Mill Visits are visits to mills and other production facilities.

None Customer Party has the meaning set out in Section 8.1.

Offshore Bank is a bank located outside the country of residence of the depositor, typically in a low tax jurisdiction (or tax haven) that provides financial and legal advantages.

Political Contributions are any contribution made in money or in kind, to support a Political Organisation or Individual. Contributions in kind can include gifts of property or services, advertising or promotional activities endorsing a political party, the purchase of tickets to fundraising events and contributions to research organisations with close associations with a political party.

Political Organisations or Individuals include political parties, election committees, party affiliated organisations, party aligned research bodies, and party aligned pressure or lobby groups, party officers and candidates.

Public Officials include:

- Any officer, employee or representative of, or any person otherwise acting in an official capacity for or on behalf of a government authority;
- Employees of government-owned or government-controlled entities;
- A legislative, administrative or judicial official, regardless of whether elected or appointed;



- An officer of, or individual who holds a position in, a political party;
- A candidate for political office; or
- A person who otherwise exercises a public function for or on behalf of any country.

In practice, this can include civil servants, inspectors, members of a political party, employees of a state university, judges, customs and immigrations officials, ambassadors and embassy staffs, and law enforcement personnel. This list is not exhaustive. If you have any questions or concerns, please ask Legal.

Rebate (sometimes referred to as a bonus) is a return of a portion of a purchase price by a seller to a buyer, after the invoice has been paid in full. A rebate can be conditional or unconditional. A rebate is usually given in the form of a credit note. The rebate may be performance-based (e.g. linked to sales volume), and may be agreed or promised in the original sales contract, in a separate letter or in a specific rebate contract. It is included in the net sales value in financial accounts. A rebate is distinguished from a Discount in that a Rebate is given after payment and a Discount is deducted in advance of payment.

Red Flag Issues are suspicious circumstances or incidents which indicate possible bribery or corruption.

Relationship Owner means the person assigned to manage the relationship with a Critical Third Party.

Responsible Person has the meaning set out in Section 3.6.

Sponsorship is the supporting of an event, activity, person or organisations financially or with products or services and utilising the publicity of the sponsoring target. Both parties benefit from the cooperation.

Stora Enso means Stora Enso OYJ, its consolidated affiliates and subsidiaries.

Tax Haven Country has the meaning set out in Section 9.2.

Third Party has the meaning set out in Section 6.1.

This Policy means this Business Practice Policy.

Trade Association, also known as an industry trade group, business association or sector association, means an organization founded and funded by businesses that operate in a specific industry.

Type A Hunting Activity has the meaning set out in Section 7.3.5.

Type B Hunting Activity has the meaning as set out in Section 7.3.5.

UN means the United Nations.

US means the United States of America.