

Stora Enso Corporate Governance Policy

| Policy owner | Created by | Date | Approved/ reviewed by | Date of approval or last review |
|-----------------------------------|----------------------------------|-----------------|--------------------------|------------------------------------|
| EVP, Legal and General Counsel | Stora Enso, Legal, Governance | 29 January 2020 | Board of Directors | 29 January 2020 |

1. Scope and approval

This Policy (the "Policy") addresses the corporate governance in Stora Enso. This Policy has been approved by the Board of Directors. Any amendments hereto must be approved by the Board of Directors, with the exception of amendments which are more of a technical nature and which do not alter the overall concept of the Guideline. Such technical amendments shall be approved by the General Counsel. The Policy shall be reviewed annually.

2. Corporate Governance in Stora Enso

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

Stora Enso complies with the Finnish Corporate Governance Code issued by the Securities Market Association (the "Code"). The Code is available at cgfinland.fi. Stora Enso also complies with the Swedish Corporate Governance Code ("Swedish Code"), with the exception of the deviations listed in Appendix 1 of the Corporate Governance Report. The deviations are due to differences between the Swedish and Finnish legislation, governance code rules and practices, and in these cases Stora Enso follows the practice in its domicile. The Swedish Code is issued by the Swedish Corporate Governance Board and is available at corporategovernanceboard.se.

3. General Governance issues

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

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

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

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

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

4. Objectives and composition of governance bodies

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

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

5. Shareholders' meetings

The Annual General Meeting of shareholders (AGM) is held annually to present detailed information about the Company's performance and to deal with matters such as adopting the annual accounts, setting the dividend (or distribution of funds) and its payment, and appointing the Chair, Vice Chair and the members of the Board of Directors as well as the Auditor. Shareholders may exercise their voting rights and take part in the decision-making process of Stora Enso by attending shareholders' meetings. Shareholders also have the right to ask questions of the Company's management and Board of Directors at shareholders' meetings. Major decisions are taken by the shareholders at Annual or Extraordinary General Meetings. At a shareholders' meeting, each A share and each ten R shares carry one vote.

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

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

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

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

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

6. Shareholders' Nomination Board

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

- the number of members of the Board;

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

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

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

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

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

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

7. Board of Directors (Board)

Stora Enso is managed by the Board according to the Finnish Companies Act and International Corporate Governance Principles (based on OECD Principles of Corporate Governance).

According to the Company's Articles of Association, the Board comprises six to eleven ordinary members appointed by the shareholders at the AGM for a one-year term. It is the policy of the Company that the majority of the directors shall be independent of the Company. In addition, at least two of the directors comprising this majority shall be independent of significant shareholders of the Company. A significant shareholder is a shareholder that holds at least 10% of all the Company's shares or the votes carried by all the shares or a shareholder that has the right or the obligation to purchase the corresponding number of already issued shares. The independence is evaluated yearly in accordance with recommendation 10 of the Finnish Corporate Governance Code.

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

The shareholders at the AGM decide the remuneration of the Board members (including the remuneration of the members of the Board committees).

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

The Board is responsible for overseeing management and for the proper organisation of the Company's operations. It is likewise responsible for overseeing the proper supervision of accounting and control of financial matters. The Board has defined a working order, the principles of which are published in the Corporate Governance report and on the Company's website.

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

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

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

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

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

8. Board diversity

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

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

9. Board committees

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

9.1 Financial and Audit Committee

The Board has a Financial and Audit Committee to support the Board in maintaining the integrity of the Company's financial reporting and the Board's control functions. It regularly reviews the system of internal control, management and reporting of financial risks, the audit process and the annual corporate governance statement. It makes recommendations regarding the appointment of external auditor for the parent company and the main subsidiaries.

The Committee comprises three to five Board members, who are independent and not affiliated with the Company. At least one Committee member must be a financial expert who has significant knowledge and experience in accounting and accounting principles applicable to the Company, book-keeping or auditing. The Financial and Audit Committee meets regularly, at least four times a year. The Committee members meet the external and internal auditors regularly without the management being present. The Chair of the Committee presents a report on each Financial and Audit Committee meeting to the Board. The tasks and responsibilities of the Financial and Audit Committee are defined in its charter, which is approved by the Board. Financial and Audit Committee members may receive remuneration solely based on their role as directors. The compensation is decided upon by the shareholders at the AGM.

9.2 Remuneration Committee

The Board has a Remuneration Committee which is responsible for recommending and evaluating executive nominations and remunerations (including reviewing and recommending the CEO's remuneration), evaluating the performance of the CEO, and making recommendations to the Board relating to management remuneration issues generally, including equity incentive remuneration plans. There is a Remuneration Committee representative present at the AGM to answer questions relating to the management remuneration. The Board appoints the CEO and approves his/her remuneration as well as the nomination and compensation of other members of the Group Leadership Team (GLT).

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

9.3 Sustainability and Ethics Committee

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

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

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

10. Management of the Company

10.1 President and CEO (CEO)

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

The Board approves the main organisation, including the functions reporting to the CEO. The CEO is directly in charge of the following functions, which also reports to her:

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

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

10.2 Group Leadership Team (GLT)

The GLT is chaired by the CEO. The GLT members are appointed by the CEO and approved by the Board. At the year end 2018, the twelve GLT members were the CEO, the CFO, the heads of the divisions, HR, Legal (who is also General Counsel), Communications, Sustainability, and Sourcing and Logistics.

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

The GLT meets regularly every month, and as required.

10.3 Divisions and other functions

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

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

Innovation is organised and executed within the divisions to drive market and customer focus. The progress of innovation efforts are evaluated in quarterly Business and Innovation Reviews with the CEO, CFO, Head of Group Strategy and Innovation, the division Head and the division Innovation Head. Innovation funding is supported from group level by both the innovation and the digitalisation fund, where divisions make proposals, which are then reviewed and decided by IWG.

Sustainability work is led by the Executive Vice President (EVP), Sustainability, who reports directly to the CEO and is part of the Group Leadership Team. Everyday sustainability topics are managed by Group Sustainability team together with Human Resources, Legal, Wood Supply, and Sourcing and Logistics functions, and divisions. Each of business divisions has its own Head of Sustainability, who reports directly to the EVP of the division. Other key functions, such as Wood Supply and Sourcing and Logistics, have sustainability organisations to support their management teams. The everyday implementation of Stora Enso's Sustainability Agenda is the responsibility of line management supported by functional experts at all levels. Stora Enso's sustainability work is steered by Sustainability Council, which includes members from five divisions, Sourcing and Logistics function, and subject matter experts from Group Sustainability team. It is chaired by the EVP, Sustainability. The CEO has the ultimate responsibility for the successful implementation of Stora Enso's sustainability strategy.

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

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

11. Other supervisory bodies and norms

11.1 Auditor

The AGM annually elects one auditor for Stora Enso. The Financial and Audit Committee monitors the auditor selection process and gives its recommendation as to who should serve as auditor to the Board for the purpose of making the proposal

to the shareholders at the AGM. The auditor shall be an authorised public accounting firm, which appoints the responsible auditor.

11.2 Internal Audit

Stora Enso has a separate internal auditing organisation. The role of Internal Audit is to provide independent, objective assurance and consulting services that add value and improve the Group's operations. Internal Audit helps the group to accomplish its objectives by providing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control, risk management and governance processes.

To ensure the independence of the Internal Audit department, its personnel reports to the head of Internal Audit, who reports functionally to the Financial and Audit Committee, and administratively to the CFO. The Financial and Audit Committee approves the appointment of the head of Internal Audit following the recommendation by the CEO.

Internal Audit conducts regular audits at mills, subsidiaries and other Company units, implementing a risk based annual audit plan approved by the Financial and Audit Committee, including any special tasks or projects requested by management and the Financial and Audit Committee.

11.3 Ethics and Compliance Management Committee

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

11.4 Ethics and Compliance

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

Stora Enso uses an index to monitor and evaluate employee perceptions of the work on topics covered by the Stora Enso Code. The index is based on employee responses to related questions in the annual employee survey.

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

Stora Enso's employees are encouraged to report any suspected cases of misconduct or unethical behaviour to their own supervisor, or to Human Resources or Legal functions. Employees may also confidentially report their concerns to the Head of Internal Audit. Stora Enso uses an additional external service through which employees globally, and in certain locations also

external stakeholders, can anonymously report potential non-compliance cases by phone, mail, or online. This service, which covers all of Stora Enso's units, is available 24/7.

11.5 Insider administration

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

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

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

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

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

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

11.6 Closed Period

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

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

12. Internal Control and risk management related to financial reporting

12.1 Internal control over financial reporting

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

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

12.2 Control Environment

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

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

12.3 Risk assessment

Stora Enso's management specifies objectives relating to the preparation of financial statements. The company applies an annual process to establish the overall materiality and to identify significant financial statements accounts and disclosures. Relevant objectives and risks for processes are identified and evaluated to determine Stora Enso's minimum internal control requirements for all business units and support functions. The assessment of risk includes risks related to fraud and irregularities as well as the risk of loss or the misappropriation of assets. Information on the development of essential risk areas and executed and planned activities in these areas are regularly communicated to the Financial and Audit Committee.

12.4 Control activities

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

12.5 Information and communication

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

12.6 Monitoring

The Company's financial performance is reviewed at each Board meeting. The Financial and Audit Committee handles all Interim Reports and the Board reviews them before they are released by the CEO. The annual financial statements and the Report of the Board of Directors are reviewed by the Financial and Audit Committee and approved by the Board. The effectiveness of the process for assessing risks and the execution of control activities are monitored continuously at various

levels. Information on the development of essential risk areas and executed and planned activities in these areas are regularly communicated to the Financial and Audit Committee. Monitoring involves both formal and informal procedures applied by management and processes owners, including reviews of results which are compared against the set budgets and plans, analytical procedures and key performance indicators.

Stora Enso has a separate Internal Audit function which in addition to the Company's Group Internal Control function monitors independently the design and operating effectiveness of internal controls over financial reporting. The role, responsibilities and organisation of Internal Audit are described under Other supervisory bodies and norms.

13. Effective date

This Policy is approved by the Board of Directors on 29 January 2020 and is effective as of said date.