Disclaimer

It should be noted that certain statements herein which are not historical facts, including, without limitation those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by “believes”, “expects”, “anticipates”, “foresees”, or similar expressions, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development, acceptance of new products or services by the Group’s targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group’s patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group’s products and the pricing pressures thereto, price fluctuations in raw materials, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group’s principal geographic markets or fluctuations in exchange and interest rates.
We are perfectly positioned to benefit from the megatrends…

Global warming
Growing middle class
Eco awareness
Changing lifestyles
Urbanisation
Growing population
Digitalisation

Increasing demand for raw material that is renewable, reusable and fossil free
...as The renewable materials company

Everything that’s made with fossil-based materials today can be made from a tree tomorrow.
Our renewable products...

Biocomposites  Bio-based chemicals  Bio-based materials  Wood Products

Intelligent packaging  Lignin  Paperboard materials  Packaging solutions

Paper  Market pulp  Pellets  Speciality papers
...contribute to a greener planet

- Recyclable
- Renewable
- Store carbon
- Biodegradable
- Every tree is traced
- Produced sustainably
- Material is used efficiently
Our products have a lower carbon footprint

Carbon footprint of lignin is around 80% lower than the carbon footprint of phenol.

CO₂ emissions of a CLT-frame building are 75% lower compared to a concrete frame building.

EcoFishBox by Stora Enso has 30% lower CO₂ emissions than a traditional plastic fish box.

Fibre-based beverage carton has 45% lower CO₂ emissions than a PET plastic bottle.
1% shift of fossil-based and other materials = 20 BEUR renewable business
Substituting materials from finite resources is our key competitive advantage.

Our products substitute fossil-based products, saving 20 Mt CO₂.

Resource efficient value chain, emissions:
11 Mt CO₂.

Our forests are carbon neutral and absorb 3 Mt CO₂.

Our total climate benefit: 12 Mt CO₂.
Triple Bottom Line

- Social
- Environmental
- Economic

Sustainability
Our Sustainability Agenda

1. We care about all our people
2. We help communities be resilient
3. We play fair
4. We use natural resources with care
5. We combat global warming
6. We respect the local environment
7. We help customers be sustainable
8. We choose like-minded partners
9. We reward investors sustainably
## Sustainability performance 2019

<table>
<thead>
<tr>
<th>Key performance indicator [KPI]</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
<th>Targets</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Human rights</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of Human Rights due diligence programme</td>
<td>Development areas mapped against the highest priority human rights</td>
<td>Eight highest priority human rights defined</td>
<td>88% of the human rights actions completed and 100% resolved</td>
<td>Actions to address the development areas to be completed by the end of 2020</td>
<td>In progress</td>
</tr>
<tr>
<td><strong>Employees and wider workforce</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Recordable Incident (TRI) rate</td>
<td>7.0</td>
<td>6.1</td>
<td>7.4</td>
<td>5.3 milestone by the end of 2019 New milestone will be communicated in the Interim Report for Q1 2020</td>
<td>Not achieved</td>
</tr>
<tr>
<td>Leadership Index</td>
<td>83</td>
<td>83</td>
<td>81</td>
<td>85 by the end of 2022</td>
<td>In progress</td>
</tr>
<tr>
<td><strong>Community</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of working hours and in-kind in community investments (CI)</td>
<td>46%</td>
<td>50%</td>
<td>43%</td>
<td>70% by end of 2023 while also increasing the total CI</td>
<td>In progress</td>
</tr>
<tr>
<td><strong>Business ethics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Code of Conduct Index</td>
<td>84</td>
<td>85</td>
<td>83</td>
<td>Positive trend</td>
<td>Not achieved</td>
</tr>
<tr>
<td><strong>Materials, water, and energy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of significant environmental incidents</td>
<td>9</td>
<td>8</td>
<td>10</td>
<td>Zero significant incidents</td>
<td>Not achieved</td>
</tr>
<tr>
<td>Materials: Process residuals utilisation rate (%)</td>
<td>98%</td>
<td>98%</td>
<td>98%</td>
<td>Maintain the high utilisation rate of 98%</td>
<td>Achieved</td>
</tr>
<tr>
<td>Water: Total water withdrawal per saleable tonne of board, pulp, and paper (m³/tonne)</td>
<td>61</td>
<td>56</td>
<td>56</td>
<td>Decreasing trend</td>
<td>Not achieved</td>
</tr>
<tr>
<td>Water: Process water discharge per saleable tonne of board, pulp, and paper (m³/tonne)</td>
<td>29</td>
<td>26</td>
<td>26</td>
<td>Decreasing trend</td>
<td>Not achieved</td>
</tr>
<tr>
<td>Energy: Reduction in electricity and heat consumption per saleable tonne of board, pulp, and paper (kWh/tonne)</td>
<td>-2.6%</td>
<td>-3.6%</td>
<td>-3.9%</td>
<td>-15% by the end of 2020 from a 2010 base-year</td>
<td>Not achieved</td>
</tr>
<tr>
<td><strong>Carbon dioxide</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction in CO₂ equivalents per saleable tonne of board, pulp, and paper (kg/tonne)</td>
<td>-25%</td>
<td>-18%</td>
<td>-21%</td>
<td>-31% by the end of 2030 from a 2010 base-year</td>
<td>In progress</td>
</tr>
<tr>
<td><strong>Forests, plantations, and land use</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of the lands owned or managed by Stora Enso that are in wood production and harvesting covered by forest certification schemes</td>
<td>98%</td>
<td>96%</td>
<td>97%</td>
<td>Maintain the high coverage level of 96%</td>
<td>Achieved</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of supplier spend covered by our Supplier Code of Conduct</td>
<td>96%</td>
<td>95%</td>
<td>95%</td>
<td>Maintain the high coverage level of 95%</td>
<td>Achieved</td>
</tr>
</tbody>
</table>
Sustainable business = profitable business…
The UN’s Sustainable Development Goals (SDGs)

Stora Enso supports all 17 SDGs.

We have identified three strategic goals that our business has the most impact on.
… and we have ambitious reduction targets for CO₂...

- First forest products company to set externally approved science-based targets
- Targets for our operations
  - Reduce greenhouse gas emissions by 31% per tonne by 2030 vs 2010
- Engagement targets for our suppliers
- Engagement targets for our customers

### Q4 Interim Report

<table>
<thead>
<tr>
<th>Reduction of fossil CO₂-e emissions per saleable tonne of pulp, paper and board (kg/t)</th>
<th>Q4/19</th>
<th>2019</th>
<th>Target</th>
<th>Target to be reached by</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-22%</td>
<td>-25%</td>
<td>-31%</td>
<td>end of 2030</td>
</tr>
</tbody>
</table>

Science-based target (SBT) performance compared to 2010 base-year level\(^1\)

\(^1\) Covering direct fossil CO₂-e emissions from production and indirect fossil CO₂-e emissions related to purchased electricity and heat (Scope 1 and 2). Excluding joint operations.
... well below 2 degree scenario
Stora Enso’s carbon footprint

- Our target is to reduce fossil CO₂ emissions by 31%* by 2030
  - In Q4 2019 we reached a 22% reduction
- We report on our emissions transparently
  - Stora Enso is included on CDP Climate A- List

* Science-based target (SBT) performance compared to baseline year 2010. Covering direct fossil CO₂ emissions from production and indirect fossil CO₂ emissions related to purchased electricity and heat (Scope 1 and 2).
Forests, plantations & land use

We respect the local environment

- 100% of our wood comes from sustainable sources.
- 87% comes from managed semi-natural forests.
- 75% of our wood is certified.
- 98% of lands owned and managed by us are covered by certification.

30 January 2020

THE RENEWABLE MATERIALS COMPANY
Controlling ~30% of wood supply and a #1 Nordic position are competitive advantages

Central Europe, China, Uruguay and Brazil are integrated to business divisions.

We control ~30% of our wood raw material consumption (million m³ sub)
We are one of the biggest private forest owners in the world

Total forest assets value in balance sheet ~ 4.9 BEUR

**Swedish forests**
- 1 408 000 ha of forest land
- Fair value: 3.1 BEUR (31 Dec 2019)

**Tornator**
- Stora Enso’s share 255 000 ha in Finland, 27 000 ha in Estonia and 5 000 ha in Romania
- Fair value: 740 MEUR (31 Dec 2019)

**Veracel plantations, Brazil**
- Stora Enso’s share 112 000 ha of forest land
- Fair value: 86 MEUR (31 Dec 2019)

**Montes del Plata, Uruguay**
- Stora Enso’s share 131 000 ha of forest land
- Fair value: 222 MEUR (31 Dec 2019)

**Guangxi, Southern China (leased)**
- 81 000 ha of forest land
- Fair value: 181 MEUR (31 Dec 2019)

In addition:
- Laos: trial plantation, 3 900 ha (leased land)
- Russia: 369 500 ha (long-term harvesting rights)

In addition, land book value totals EUR 548 million in balance sheet as at 31 Dec 2019
Veracel – good progress with the Landless movements

• At the end of 2019, 469 hectares owned by Veracel were occupied by social landless movements
  - Veracel continues recovery through legal processes
  - Previously Veracel has voluntarily reserved 20,000 ha to support the Sustainable Settlement Initiative

• At the end of 2019, Veracel owns 213,000 hectares, of which 79,000 hectares are planted

<table>
<thead>
<tr>
<th>Q4 Interim Report.</th>
<th>31 Dec 2019</th>
<th>30 Sep 2019</th>
<th>31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productive area occupied by social movements not involved in the agreements, ha</td>
<td>469</td>
<td>469</td>
<td>468</td>
</tr>
</tbody>
</table>
Water
We use natural resources with care

- Water availability is a global challenge and plays a central role in our production
  - We constantly strive to reduce its use

- 96% of the water we withdraw from nature is released back to the environment
  - We ensure the water is purified and safe
  - Water is recycled within the mill where feasible, reducing the need for water intake

- Our objective is to drive down the total water withdrawal per saleable tonne at our board, pulp and paper mills
  - In 2019, our performance was 61 cubic meters per saleable tonne
Community investment
We help communities to be resilient

• Our operations are often in rural communities that form an important stakeholder group

• We strive to maximise our positive contribution through investments in
  − Capacity building, local sourcing, nature conservation, agroforestry

• We manage our community impacts with
  − Due diligence and impact assessments
  − Responsible restructuring

• Total voluntary community investment 2.7 MEUR in 2019
Responsible Sourcing
We choose like-minded partners

- We ensure that our suppliers are committed to high sustainability standards

- Stora Enso has a rigorous supplier approval process
  - 96% of our supplier spend is covered by signed Supplier code of conduct, SCoC (Q4 2019)
  - We conduct risk assessments and audits to ensure adherence to the SCoC

- We engage with suppliers and help them to address sustainability topics

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<table>
<thead>
<tr>
<th>Q4 Interim Report.</th>
<th>31 Dec 2019</th>
<th>30 Sep 2019</th>
<th>31 Dec 2018</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of supplier spend covered by the Supplier Code of Conduct</td>
<td>96%</td>
<td>96%</td>
<td>95%</td>
<td>95%</td>
</tr>
</tbody>
</table>

*Excluding joint operations, intellectual property rights, leasing fees, financial trading, and government fees such as customs, and wood purchases from private individual forest owners.
Total Contribution to Society (TCS)
Stora Enso as tax payer

- Stora Enso’s operations generate value through taxes for governments around the world
- In 2019, Stora Enso paid again more than EUR 1 billion into public sectors, including EUR 767 million in collected taxes
- Stora Enso aims to be transparent with respect to economic value generation
- Stora Enso makes a voluntary commitment to openly provide details of the taxes paid by the group to governments in its main countries of operation
Sustainability in our funding and reporting

**Revolving Credit Facility with a green aspect**

Pricing includes sustainability component based on ability to reduce greenhouse gas emissions.

**Green Bond Framework**

A loan-format to support sustainability-focused fixed income investors and to report environmental impacts.

**Green Bonds**

First green bonds issued in February in 2019 to finance Bergvik Skog forest acquisition.

**Sustainable Finance strategy**

The aim is to influence and develop the financial markets and to secure funding partners with sustainability agenda.

**Climate-related financial disclosure**

CFO support for better disclosure of climate risks and opportunities based on recommendations by the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD).

**Integrated reporting**

Dividend proposal unchanged at 0.50 EUR per share

• Dividend proposal of 0.50 EUR per share for 2019 totalling 394 MEUR, unchanged from 2018

• Dividend policy:
  – Strive to pay stable dividends linked to the long-term performance
  – 50% of EPS over the cycle

*Dividend proposal*
Ownership Distribution
as of 31 December 2019

<table>
<thead>
<tr>
<th>Ownership Distribution</th>
<th>% of shares</th>
<th>% of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solidium Oy*</td>
<td>10.7%</td>
<td>27.3%</td>
</tr>
<tr>
<td>FAM AB</td>
<td>10.2%</td>
<td>27.3%</td>
</tr>
<tr>
<td>Social Insurance Institution of Finland (KELA)</td>
<td>3.1%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Finnish institutions (excl. Solidium and KELA)</td>
<td>12.5%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Swedish institutions (excl. FAM)</td>
<td>9.3%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Finnish private shareholders</td>
<td>4.4%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Swedish private shareholders</td>
<td>4.2%</td>
<td>2.7%</td>
</tr>
<tr>
<td>ADR holders</td>
<td>1.8%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Under nominee names (non-Finnish/non-Swedish shareholders)</td>
<td>43.8%</td>
<td>14.7%</td>
</tr>
</tbody>
</table>

* Entirely owned by the Finnish State
## Major Shareholders as of 31 December 2019

<table>
<thead>
<tr>
<th>By voting power</th>
<th>A shares</th>
<th>R shares</th>
<th>% of shares</th>
<th>% of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Solidium Oy*</td>
<td>62,655,036</td>
<td>21,792,540</td>
<td>11</td>
<td>27.3</td>
</tr>
<tr>
<td>2 FAM AB**</td>
<td>63,123,386</td>
<td>17,000,000</td>
<td>10</td>
<td>27.3</td>
</tr>
<tr>
<td>3 Social Insurance Institution of Finland (KELA)</td>
<td>23,825,086</td>
<td>973,982</td>
<td>3</td>
<td>10.1</td>
</tr>
<tr>
<td>4 Varma Mutual Pension Insurance Company</td>
<td>8,513,018</td>
<td>1,140,874</td>
<td>1</td>
<td>3.6</td>
</tr>
<tr>
<td>5 MB-Bolangen i Vetlanda AB (incl. Stiftelsen Seydlitz Småland)</td>
<td>4,826,020</td>
<td>1,110,000</td>
<td>1</td>
<td>2.1</td>
</tr>
<tr>
<td>6 Ilmarinen Mutual Pension Company</td>
<td>3,055,000</td>
<td>16,570,000</td>
<td>3</td>
<td>2.0</td>
</tr>
<tr>
<td>7 Erik Johan Ljungberg's Education Foundation</td>
<td>1,780,540</td>
<td>2,336,224</td>
<td>1</td>
<td>0.8</td>
</tr>
<tr>
<td>8 Swedbank Robur Funds</td>
<td>0</td>
<td>16,729,037</td>
<td>2</td>
<td>0.7</td>
</tr>
<tr>
<td>9 Elo Mutual Pension Insurance Company</td>
<td>0</td>
<td>7,909,000</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>10 Bergslaget's Healthcare Foundation</td>
<td>626,269</td>
<td>1,609,483</td>
<td>0</td>
<td>0.3</td>
</tr>
<tr>
<td>11 AFA Insurance</td>
<td>0</td>
<td>7,072,505</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>12 Nordea Investment Fund</td>
<td>0</td>
<td>5,841,360</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td>13 The State Pension Fund</td>
<td>0</td>
<td>5,813,755</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td>14 SEB Investment Management</td>
<td>0</td>
<td>5,769,313</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td>15 Keva (Local Government Pensions Institution)</td>
<td>0</td>
<td>4,793,208</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td>16 Lannebo Funds</td>
<td>0</td>
<td>4,480,000</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td>17 Unionen (Swedish trade union)</td>
<td>0</td>
<td>3,782,750</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td>18 Investment Fund OP Suomi</td>
<td>0</td>
<td>3,375,000</td>
<td>0</td>
<td>0.1</td>
</tr>
<tr>
<td>19 The Society of Swedish Literature in Finland</td>
<td>0</td>
<td>3,000,000</td>
<td>0</td>
<td>0.1</td>
</tr>
<tr>
<td>20 Schweizerische Nationalbank</td>
<td>0</td>
<td>2,658,558</td>
<td>0</td>
<td>0.1</td>
</tr>
</tbody>
</table>

**20 largest total**  
168,404,355 133,757,589 38 76.5

*Entirely owned by the Finnish State. **As confirmed to Stora Enso.

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List has been compiled by the company, based upon shareholder information from Euroclear Finland Oy and Euroclear Sweden AB share registers and a database managed by Citibank, N.A. (as the company's ADR agent bank). This information includes only direct registered holdings, thus certain holdings (which may be substantial) of ordinary shares and ADRs held in nominee or brokerage accounts can not be included. The list is therefore incomplete.

29
30 January 2020
Group Leadership Team

President and CEO
Annica Bresky

CFO
Seppo Parvi

HR
Malin Bendz

Packaging Solutions
David Ekberg (acting)

Sourcing & Logistics
Johanna Hagelberg

Paper
Kati ter Horst

Packaging Materials
Hannu Kasurinen

Communication
Ulrika Lilja

Legal
Per Lyrvall

Biomaterials
Markus Mannström

Sustainability
Noel Morrin

Forest
Jari Suominen

Wood Products
Seppo Toikka (acting)
Board of Directors

Jorma Eloranta
since April 2016
Chair

Hans Stråberg
since April 2009
Vice Chair

Elisabet Fleuriot
since April 2013

Hock Goh
since April 2012

Mikko Helander
since March 2019

Christiane Kuehne
since April 2017

Antti Mäkinen
since March 2018

Richard Nilsson
since April 2014

Göran Sandberg
since April 2017

31 January 2020
External recognition in 2019

Euronext Vigeo
Stora Enso is listed in the Euronext Vigeo Europe, and Eurozone 120 indices as one of the 120 most advanced companies in terms of environmental, social, and governance performance.

Ethibel
Stora Enso is a constituent of the Ethibel Sustainability Index (ESI) Excellence Europe. The ESI indices are composed of companies that display the best performance in the field of corporate social responsibility.

FTSE4Good Index
Stora Enso is included in the FTSE4Good Index Series. These indices measure the performance of companies that meet globally recognised corporate responsibility standards.

MSCI
In 2019, Stora Enso received a rating of AA in the MSCI ESG Ratings assessment. Stora Enso is included in several of MSCI’s ESG indices.

ECPI Ethical Indices
Stora Enso is included in the ECPI EMU Ethical Equity index, which covers environmental, social, and governance criteria.

Transition Pathway Initiative (TPI)
Stora Enso is top-ranked in greenhouse gas management and performance by the TPI. An asset owner-led and asset manager-supported global initiative, the TPI assesses companies’ preparedness for transition to a low carbon economy, supporting efforts to address climate change.

CDP
Stora Enso is included in CDP’s Climate List, which identifies the global companies that are taking leadership in climate action.

STOXX ESG indices
Stora Enso is included in several STOXX ESG indices. These indices rate leading global companies according to environmental, social, and governance criteria.

Equileap
Ranked globally at number 29, Stora Enso was also rated the best performing Finnish company and best in our industry in gender balance and gender equality by Equileap.

Ecovadis
Stora Enso was included in the top 1% (industry suppliers) of the Ecovadis ethical supplier rating system, and achieved the highest recognition level (Gold).

OMX Sustainability Finland index
Stora Enso is included in the NASDAQ OMX Sustainability Finland index.

WBCSD
Stora Enso’s Sustainability Report 2018 was included in the top ten sustainability reports globally according to the 2019 Reporting matters publication by the World Business Council for Sustainable Development (WBCSD).

Sustainability Reporting Awards Finland
Stora Enso’s Sustainability Report 2018 was chosen as the best in Finland in a competition organized by an independent group of expert organisations.

ReportWatch
Stora Enso’s Annual report 2018, including the Sustainability report, received the highest A+ ranking among more than 300 reports globally.

Stockholm School of Economics
Stora Enso received the highest score in the 2019 ‘Walking the talk’ study on sustainability communications by the Mistra Center for Sustainable Markets (Misum) at the Stockholm School of Economics. The study included 95 Large Cap companies at the Stockholm stock exchange.

Most sustainable company 2019
Stora Enso was ranked the most sustainable listed company in our sector in Sweden by Dagens Industri, Aktuell Hållbarhet, and Lund University School of Economics and Management. We were also ranked overall best in the category for ‘Climate and environment.’
More information in Stora Enso’s Investor kit
storaenso.com → download centre

- Strategy
- Businesses
- Capacities
- Markets
- Financial performance
- Cost structure
- Capex
- Dividend policy
- Ownership structure
- Management
- Most recent quarterly results