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.
Fighting Covid-19 by strengthening our resilience

• Health and safety of our employees is a key priority

• Early proactive measures
  – Minimised impact on running our operations
  – Secured our ability to serve our customers
  – Active management of cash, cost and working capital
  – CAPEX forecast reduced to 675–725 MEUR
  – Postponed the annual mill maintenance shutdowns to the second half of 2020 (except for Heinola Mill, Q2 2020)
  – Preparation for temporary layoffs started
  – Securing liquidity

• Difficult to predict demand for the rest of the year due to macroeconomic uncertainties
  – Accelerated structural demand decline for paper
  – Mixed conditions for other divisions depending on end use
  – Forest division adapts operations to match wood demand
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...
…contribute to a greener planet

- Recyclable
- Renewable
- Store carbon
- Biodegradable
- Produced sustainably
- Every tree is traced
- 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

Sustainability

Environmental

Economic
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

Stakeholder input
Materiality

Total Contribution to Society (TCS)
## 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>Human rights</td>
<td>Development areas mapped against the highest priority human rights</td>
<td>Eight highest priority human rights actions completed and 100% resolved1</td>
<td>Actions to address the development areas to be completed by the end of 2020</td>
<td>In progress</td>
<td></td>
</tr>
<tr>
<td>Employees and wider workforce</td>
<td>Total Recordable Incident (TRI) rate2</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>
</tr>
<tr>
<td></td>
<td>Leadership Index3</td>
<td>83</td>
<td>83</td>
<td>81</td>
<td>85 by the end of 2022</td>
</tr>
<tr>
<td>Community</td>
<td>% of working hours and in-kind in community investments (CI)4</td>
<td>46%</td>
<td>50%</td>
<td>43%</td>
<td>70% by end of 2023 while also increasing the total CI</td>
</tr>
<tr>
<td>Business ethics</td>
<td>Code of Conduct Index5</td>
<td>84</td>
<td>85</td>
<td>83</td>
<td>Positive trend</td>
</tr>
<tr>
<td>Materials, water, and energy</td>
<td>Number of significant environmental incidents6</td>
<td>9</td>
<td>8</td>
<td>10</td>
<td>Zero significant incidents</td>
</tr>
<tr>
<td></td>
<td>Materials: Process residuals utilisation rate (%)7</td>
<td>98%</td>
<td>98%</td>
<td>98%</td>
<td>Maintain the high utilisation rate of 98%</td>
</tr>
<tr>
<td></td>
<td>Water: Total water withdrawn per saleable tonne of board, pulp, and paper (m³/t)</td>
<td>61</td>
<td>56</td>
<td>56</td>
<td>Decreasing trend</td>
</tr>
<tr>
<td></td>
<td>Water: Process water discharge per saleable tonne of board, pulp, and paper (m³/t)</td>
<td>29</td>
<td>26</td>
<td>26</td>
<td>Decreasing trend</td>
</tr>
<tr>
<td></td>
<td>Energy: Reduction in electricity and heat consumption per saleable tonne of board, pulp, and paper (kWh/t)</td>
<td>-2.9%</td>
<td>-3.6%2</td>
<td>-3.9%2</td>
<td>-15% by the end of 2020 from a 2010 base-year</td>
</tr>
<tr>
<td>Carbon dioxide</td>
<td>Reduction in CO₂ equivalents per saleable tonne of board, pulp, and paper (kg/t)</td>
<td>-25%</td>
<td>-18%</td>
<td>-21%</td>
<td>-31% by the end of 2020 from a 2010 base-year</td>
</tr>
<tr>
<td>Forests, plantations, and land use</td>
<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>
</tr>
<tr>
<td>Suppliers</td>
<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>
</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.

- **SDG 15**
  Life on land

- **SDG 13**
  Climate action

- **SDG 12**
  Responsible consumption and production
… 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

Q1/2020 Interim Report

<table>
<thead>
<tr>
<th></th>
<th>31 Mar 2020</th>
<th>31 Dec 2019</th>
<th>31 Mar 2019</th>
<th>Target</th>
<th>Target to be reached by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of fossil CO₂e emissions per saleable tonne of board, pulp, and paper (kg/t)</td>
<td>-24%</td>
<td>-25%</td>
<td>-21%</td>
<td>-31%</td>
<td>end of 2030</td>
</tr>
</tbody>
</table>

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

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 Q1 2020 we reached a 24% 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.
Controlling ~30% of wood supply and a #1 Nordic position are competitive advantages

#1 Nordic position
Wood procurement by region (million m³ sub)

- Sweden & Norway: 8.6
- Finland: 12.9
- Brazil: 1.9
- Uruguay: 2.3
- Russia: 3.3
- Baltic countries: 2.1
- Central Europe: 5.6
- China: 0.4

We control ~30% of our wood raw material consumption (million m³ sub)

Central Europe, China, Uruguay and Brazil are integrated to business divisions.
We are one of the largest private forest owners in the world
Total biological asset value in balance sheet ~ 4.3 BEUR

- **Swedish forests**
  - 1,408,000 ha of forest land
  - Fair value: 3.1 BEUR (31 Mar 2020)

- **Tornator**
  - Stora Enso’s share 255,000 ha in Finland, 27,000 ha in Estonia and 5,000 ha in Romania
  - Fair value: 748 MEUR (31 Mar 2020)

- **Veracel plantations, Brazil**
  - Stora Enso’s share 112,000 ha of forest land
  - Fair value: 69 MEUR (31 Mar 2020)

- **Montes del Plata, Uruguay**
  - Stora Enso’s share 131,000 ha of forest land
  - Fair value: 234 MEUR (31 Mar 2020)

- **Guangxi, Southern China (leased)**
  - 81,000 ha of forest land
  - Fair value: 182 MEUR (31 Mar 2020)

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

In addition, land book value totals 528 MEUR in the balance sheet as at 31 Mar 2020.
Veracel – good progress with the Landless movements

• At the end of Q1/2020, 200 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 with eucalyptus for pulp production
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 (Q1/2020)
  − We conduct risk assessments and audits to ensure adherence to the SCoC

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

Q1/2020 Interim Report

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<th>% of supplier spend covered by the Supplier Code of Conduct</th>
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<tr>
<td></td>
<td>96%</td>
<td>96%</td>
<td>95%</td>
<td>95%</td>
</tr>
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</table>

1) Excluding joint operations, intellectual property rights, leasing fees, financial trading, and government fees such as customs, and wood purchases from private individual forest owners.
Employees and wider workforce
We care about all our people

• Our goal is to provide an accident-free workplace

• Safety starts from the top – but it’s everyone’s personal responsibility to work safely

• Our approach to safety covers employees, contractors, suppliers, and on-site visitors

• TRI rate in Q1/20 was 7.0
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
Annual General Meeting on 4 June 2020

• New dividend proposal EUR 0.15 per share

• The Board of Directors (BOD) proposes to the AGM that the BOD be authorised to decide, at its discretion, on a dividend payment of a maximum of up to EUR 0.35 per share, to be distributed in one or several instalments at a later stage when it is possible to make a more reliable estimate on the impacts of the Covid-19 pandemic on Stora Enso’s business and liquidity

*Dividend proposal
**Additional payment of a maximum of up to EUR 0.35 per share to be decided later
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**

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.

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.

Ethisbel
Stora Enso is a constituent of the Ethisbel 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 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 A List 2019, 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 (Platinum).

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.’

Stora Enso ESG presentation
More information in Stora Enso’s Investor kit
storaenso.com → download centre

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