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.
Megatrends are changing business and society – we contribute to mitigating climate change
We are a solution for consumers’ new demands

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

Sustainable development is at the heart of our business strategy.
Stora Enso’s annual estimated climate impact

Our forests remove carbon¹
-1.5 million tonnes of CO₂

Our products store carbon
-2.6 million tonnes of CO₂e

Our value chain emissions²
+10.5 million tonnes of CO₂e

Our products substitute fossil-based products, saving
-17.9 million tonnes of CO₂e

= Climate impact³
-11.5 million tonnes of CO₂e

1) Estimated net annual carbon sequestration in own and managed forests and plantations, which provide about 30% of our wood use. Excludes purchased wood. Third-party owned forests that provide Stora Enso’s purchased wood are estimated to have an additional net carbon sequestration of ~5 million tonnes of CO₂ annually.

2) Fossil CO₂ emissions in 2019 including direct emissions from our operations, emissions from purchased energy as well as emissions from other sources along our value chain (Scope 1, 2, and 3). Calculated based on the guidance provided by the Greenhouse Gas Protocol.

3) Negative value indicates a net removal from atmosphere. Calculated by the Swedish University of Agricultural Sciences (SLU) 2020 based on Stora Enso’s production, forest and wood use, and emission figures in 2019: Climate effects of a forestry company – including biogenic carbon fluxes and substitution effects.
Our products solve sustainability challenges

Replacing plastic in food packaging
Natural cosmetics & personal care
Plastic-free e-commerce
Sustainable textiles and non-wovens
Circular retail
Carbon neutral buildings
Sustainable print
Low-carbon industrial solutions

THE RENEWABLE MATERIALS COMPANY
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.

PureFiber™ has 75% lower CO₂ footprint compared to plastic or bagasse.

Fibre-based beverage carton has 45% lower CO₂ emissions than a PET plastic bottle.
Our Sustainability Agenda

Our Sustainability Agenda is based on the classic Triple Bottom Line model. It addresses the ten sustainability topics identified as material to Stora Enso.

**Triple Bottom Line (TBL)**
- **Social agenda**
  - 1. We care about all our people
  - 2. We help communities be resilient
  - 3. We play fair
- **Environmental agenda**
  - 4. We use natural resources with care
  - 5. We combat global warming
  - 6. We respect the local environment
- **Economic agenda**
  - 7. We help customers be sustainable
  - 8. We choose like-minded partners
  - 9. We reward investors sustainably

**Human rights**
- 1. Employees and wider workforce
- 2. Community
- 3. Business ethics
- 4. Materials, Water & Energy
- 5. Carbon dioxide
- 6. Forests, Plantations & Land Use
- 7. Customers
- 8. Suppliers
- 9. Investors

**Stakeholder input Materiality**

**Total Contribution to Society (TCS)**

---

Stora Enso
23 April 2021

**Stora Enso**

**The Renewable Materials Company**
## Sustainability performance in 2020

<table>
<thead>
<tr>
<th>Key performance indicator (KPI)</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>Targets</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human rights</td>
<td>Implementation of Human Rights due diligence programme</td>
<td>22 out of 24 development actions finalised in Group function processes</td>
<td>Eight highest priority human rights defined</td>
<td>Actions to address the development findings in Group function processes to be completed by the end of 2020</td>
<td>Not achieved</td>
</tr>
<tr>
<td>Employees and wider workforce</td>
<td>Total Recordable Incident (TRI) rate&lt;sup&gt;1&lt;/sup&gt;</td>
<td>6.1</td>
<td>7.0</td>
<td>6.1</td>
<td>4.7 milestone by the end of 2020</td>
</tr>
<tr>
<td></td>
<td>Leadership Index&lt;sup&gt;2&lt;/sup&gt;</td>
<td>84</td>
<td>83</td>
<td>83</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)&lt;sup&gt;3&lt;/sup&gt;</td>
<td>41%</td>
<td>49%</td>
<td>50%</td>
<td>70% by end of 2024 while also increasing the total CI</td>
</tr>
<tr>
<td>Business ethics</td>
<td>Code of Conduct Index&lt;sup&gt;4&lt;/sup&gt;</td>
<td>66</td>
<td>84</td>
<td>85</td>
<td>Positive trend</td>
</tr>
<tr>
<td>Materials, water, and energy</td>
<td>Number of significant environmental incidents&lt;sup&gt;5&lt;/sup&gt;</td>
<td>8</td>
<td>9</td>
<td>8</td>
<td>Zero significant incidents</td>
</tr>
<tr>
<td></td>
<td>Water: Total Water Withdrawal per salable tonne of board, pulp, and paper (m&lt;sup&gt;3&lt;/sup&gt;/tonne)</td>
<td>65</td>
<td>61</td>
<td>56</td>
<td>Decreasing trend from a 2010 base-year (67%)</td>
</tr>
<tr>
<td></td>
<td>Water: Process water discharge per salable tonne of board, pulp, and paper (m&lt;sup&gt;3&lt;/sup&gt;/tonne)</td>
<td>31</td>
<td>29</td>
<td>26</td>
<td>Decreasing trend from a 2018 base-year (27%)</td>
</tr>
<tr>
<td></td>
<td>Energy: Reduction in electricity and heat consumption per salable tonne of board, pulp, and paper (kWh/tonne)</td>
<td>0.2%</td>
<td>-3.7%&lt;sup&gt;6&lt;/sup&gt;</td>
<td>-3.8%&lt;sup&gt;4&lt;/sup&gt;</td>
<td>-15% by the end of 2020 from a 2010 base-year</td>
</tr>
<tr>
<td></td>
<td>Energy: Projected Energy Savings % (kWh saved/kWh total used, electricity and heat)</td>
<td>-0.9%</td>
<td>-1.4%</td>
<td>-1.3%</td>
<td>-0.6% annual energy saving until 2030</td>
</tr>
<tr>
<td>Carbon dioxide</td>
<td>Reduction in CO&lt;sub&gt;2&lt;/sub&gt; equivalents per salable tonne of board, pulp, and paper (kg/tonne)</td>
<td>-26%</td>
<td>-26%&lt;sup&gt;5&lt;/sup&gt;</td>
<td>-18%</td>
<td>-31% by the end of 2030 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>98%</td>
<td>96%</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>90%</td>
<td>95%</td>
<td>Maintain the high coverage level of 95%</td>
</tr>
</tbody>
</table>

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<sup>1</sup> Number of incidents among our own and our subcontractors.
<sup>2</sup> Excluding plant operations. Community investments in local communities.
<sup>3</sup> Measured in the annual workforce surveys.
<sup>4</sup> Environmental incidents involving a non-compliance with environmental legislation or a permit, or a significant deviation from documented environmental performance.
<sup>5</sup> Utilisation rate for process species excluding for example, tap, ash, birch, and wood chips.
<sup>6</sup> Recycled wood to additional data or organisations' scope overlaps after the previous report. Read more about our calculation principles in the annual report.
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
- In Q1/2021, our greenhouse gas emissions were 26% lower compared to 2010 base-year level
- Engagement targets for our suppliers
- Engagement targets for our customers

Q1/2021 Interim Report

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

<table>
<thead>
<tr>
<th></th>
<th>31 Mar 2021</th>
<th>31 Dec 2020</th>
<th>31 Mar 2020</th>
<th>Target</th>
<th>Target to be reached by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of fossil CO₂-e emissions per saleable tonne of board, pulp, and paper (kg/t)</td>
<td>-26%</td>
<td>-27%</td>
<td>-26%</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
Forests, plantations & land use

- 100% of our wood comes from sustainable sources.
- 87% comes from managed semi-natural forests.
- 98% of lands owned and managed by us are covered by certification.
- 78% proportion of third-party certified wood in wood supply.
Biodiversity management practices in Northern forests

Protecting biodiversity
We ensure that forests grow more than they are harvested, and that biodiversity is an integral part of everyday forest management.

- **Decaying wood**
  Decaying wood provides an important habitat for a wide variety of forest species.

- **High stumps**
  During harvesting, we make artificial snags to increase the amount of deadwood.

- **Retention trees**
  Provide continuum of decaying wood for forest species, such as birds who need it for nesting.

- **Controlled burning**
  Creates suitable habitats for many fire-dependent species and enhances forest regeneration.

- **Soil and water protection**
  Harvesting, soil preparation and road building are planned to minimize adverse impacts to soil and water.

- **Buffer zones**
  Protect watercourses, connect and provide habitats for forest species and improve visual quality of the managed landscape.

- **Forest structure**
  Variation in forest structure helps to maintain species and habitat diversity.

- **Protection of valuable sites**
  In forest management planning, we identify and protect ecologically and culturally valuable sites.

- **High stumps**
  During harvesting, we make artificial snags to increase the amount of deadwood.

- **Retention trees**
  Provide continuum of decaying wood for forest species, such as birds who need it for nesting.

- **Controlled burning**
  Creates suitable habitats for many fire-dependent species and enhances forest regeneration.

- **Soil and water protection**
  Harvesting, soil preparation and road building are planned to minimize adverse impacts to soil and water.

- **Buffer zones**
  Protect watercourses, connect and provide habitats for forest species and improve visual quality of the managed landscape.
Biodiversity management practices in tree plantations

Protecting biodiversity
Plantations are designed and managed in local land-use context. Landscape typically consists of a mosaic of areas for both intensive wood production and biodiversity conservation.
Valuation method changed in 2020 – forest assets fair value 7.2 BEUR at the end of Q1/2021

Group forest assets

<table>
<thead>
<tr>
<th>BEUR</th>
<th>Q4/20</th>
<th>Q1/21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.3</td>
<td>7.2</td>
</tr>
</tbody>
</table>

Stora Enso productive forest land areas at end of 2020

- **Swedish forests**: 1,145,000 ha
- **Tornator (41%)**: Finland 269,000 ha
- **Veracel (50%)**: Brazil 47,000 ha
- **Montes del Plata (50%)**: Uruguay 94,000 ha
- **Guangxi, China (leased)**: 75,000 ha
Veracel – good progress with the Landless movements

- At the end of Q1/2021, 239 hectares or 0.3% of productive land owned by Veracel were occupied by social landless movements
  - Veracel continues recover occupied areas through legal processes
  - Since 2012, Veracel has approved the transfer of app. 20 000 ha of land to benefit landless people
- At the end of 2020, Veracel owned 213 000 hectares, of which 82 000 hectares are planted with eucalyptus for pulp production
Water – using 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

- Almost 97% 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

- Production at Stora Enso’s mills requires large amounts of water
  - Only around 3% is consumed in our production processes

- Our objective is to drive down the total water withdrawal per saleable tonne at our board, pulp and paper mills
Community investment – engaging with numerous local communities around the world

• 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 2020
Responsible sourcing – 95% of supplier spend covered by Supplier Code of Conduct

• We ensure that our suppliers are committed to high sustainability standards
• Stora Enso has a rigorous supplier approval process
  – 95% of our supplier spend is covered by signed Supplier code of conduct, SCoC (Q1/2021)
  – SCoC was updated in 2020 – applies to all sourcing categories globally
• We engage with suppliers and help them to address sustainability topics

Q1/2021 Interim Report
Implementation of the Supplier Code of Conduct

<table>
<thead>
<tr>
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<th>Target</th>
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</thead>
<tbody>
<tr>
<td>% of supplier spend covered by the Supplier Code of Conduct</td>
<td>95%</td>
<td>96%</td>
<td>96%</td>
<td>95%</td>
</tr>
</tbody>
</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.
Promoting inclusion and diversity – committed to ensure healthy and safe workplace

- The health and safety of Stora Enso’s employees is a key priority
- Goal is to provide an accident free and inclusive workplace
- TRI rate in Q1/2021 was 5.8 (6.7)
- Closely monitoring the Covid-19 situation globally and take action to secure the health and safety of our employees and others working on our premises
Stora Enso as tax payer

- Stora Enso’s operations generate value through taxes for governments around the world.
- In 2020, Stora Enso paid again app. EUR 1 billion into public sectors, including EUR 611 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.
  - This commitment to our stakeholders is fully in line with Stora Enso’s values to ‘Do what’s right’ and ‘Lead’.
SASB reporting started in 2020

- Stora Enso started to report in 2020 against the Standards by the Sustainability Accounting Standards Board (SASB) which aims to improve sustainability reporting for investors

- Relevant standards within SASB’s Renewable Resources & Alternative energy section
  - Forest Management
  - Pulp & Paper Products

- Specific indicators in these two Standards relate to financially material topics in the industry such as sustainable forest management and certification, GHG emissions, air quality, energy management, water management and supply chain management

SASB is an independent non-profit organisation that develops its standards based on extensive feedback from companies, investors and other market participants as part of a transparent, publicly-documented process.

Link to SASB online index:
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**
  - EUR 1.506 million total amount of Stora Enso’s outstanding green bonds

- **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**
ESG indices and external recognition in 2020

**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.

**Solvactive Europe Corporate Social Responsibility Index**
Represents European securities that are screened in the field of Corporate Social Responsibility. This includes the following aspects: human rights, human capital, environmental social impact, market ethics and corporate governance. The index is a successor index of the Ethibel Sustainability Index Excellence Europe.

**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 2020, Stora Enso maintained 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 and ECPI World ESG Equity indices, which covers environmental, social, and governance criteria.

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

**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.

**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.

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

**WBCSD**
Stora Enso’s Sustainability Report 2019 was included in the top ten sustainability reports globally according to the 2020 Reporting matters publication by the World Business Council for Sustainable Development (WBCSD).

**ReportWatch/Comprend**
Stora Enso’s Annual report 2019, including the Sustainability report, received the highest A+ ranking among more than 300 reports globally.

**Most sustainable company**
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.

**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).
THE RENEWABLE MATERIALS COMPANY
More information in Stora Enso’s Investor kit

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