



Annual Report 2019

# Remuneration Statement

Part of Stora Enso's Annual Report 2019

THE RENEWABLE MATERIALS COMPANY



# Remuneration Statement

This Remuneration statement describes Stora Enso's main principles of remuneration and the remuneration paid to members of the Board of Directors, President and CEO and other members of the Group Leadership Team (GLT). The first part of this report describes Stora Enso's remuneration decision-making procedure and remuneration principles. The second part describes the implementation in 2019 (Remuneration Report).

The Remuneration statement has been prepared in accordance with the Finnish Corporate Governance Code of 2015. The aforementioned Code is available at [cgfinland.fi](http://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](http://corporategovernanceboard.se).

## Decision-making procedure

The shareholders at the AGM decide annually on the remuneration of the Board members (including the remuneration of the members of Board committees). The proposals for the AGM concerning the remuneration for the Chair, Vice Chair and members of the Board as well as the remuneration for the Chair and members of the committees of the Board are prepared by the Company's Shareholders' Nomination Board, which is composed of representatives of the main shareholders of the Company as well as Board member representatives and described in more detail on page 3 of the Corporate Governance Report.

The Board appoints the CEO and approves his/her remuneration as well as the compensation of other GLT members. The Board's Remuneration Committee prepares remuneration related matters and proposals for the Board and is further responsible for ensuring that management compensation policies are aligned with the Company's objectives and shareholder interest.

## Main principles of remuneration

### Stora Enso remuneration principles – general overview

Stora Enso aims to provide a level of remuneration that motivates, encourages, attracts and retains employees of the highest calibre. To maximise the effectiveness of the remuneration policy, careful consideration will be given to aligning the remuneration package with shareholder interests and best market practice.

A fundamental element in the remuneration principles is the concept of pay-for-performance, and an important aspect of Stora Enso's approach to remuneration is to look at the total remuneration provided to employees. Stora Enso's total remuneration mix consists of:

- annual fixed salary
- variable pay components as short-term incentives (cash) and longterm incentives (shares when applicable)
- long-term employee benefits (pension, medical and health benefits)
- other benefits (car, housing, etc. when applicable)

Regular external benchmarking is crucial to ensure that compensation levels are competitive with the external marketplace. The marketplace is defined as those peer companies with whom Stora Enso competes for recruiting talents and retention of current employees for similar positions. The market will vary depending on functional area and level of the positions concerned.

Compensation review is an annual process with the aim to ensure that Stora Enso employees are being rewarded in accordance with our remuneration policy for employees and local regulations, such as labour laws and collective agreements.

The GLT annually reviews the performance and potential ratings, as well as the succession planning of its top management in order to secure global principles with local applications.

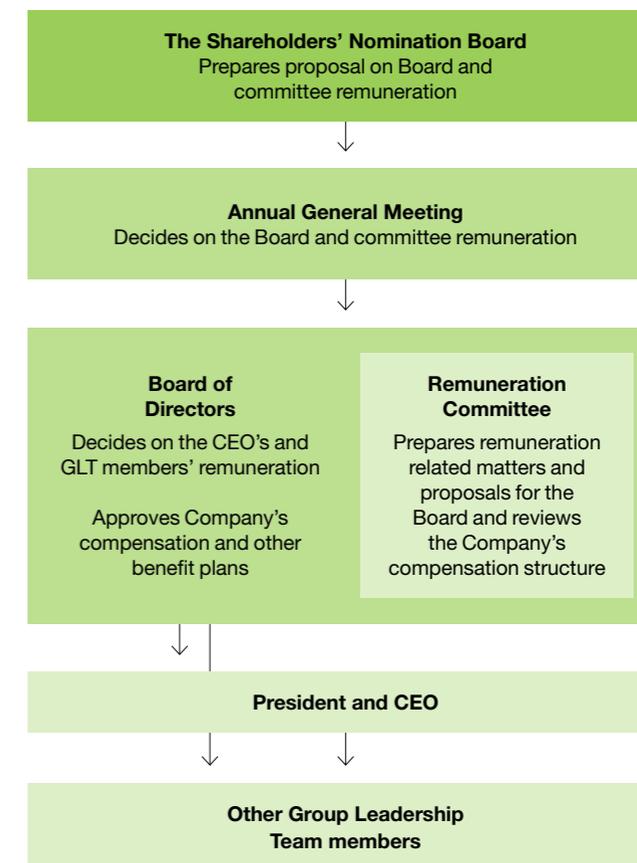
### Board member remuneration principles

Remuneration of the Board of Directors is decided annually by the shareholders at the AGM. The AGM in 2019 resolved in accordance with the proposal of the Shareholders' Nomination Board that the members of the Board of Directors be paid the following annual remuneration for their term of office expiring at the end of the AGM 2020:

- for the Chair of the Board of Directors EUR 192 000
- for the Vice Chair of the Board of Directors EUR 109 000, and
- for other members of the Board of Directors EUR 74 000 each.

The annual remuneration for the members of the Board shall be paid in Company shares and cash so that 40% will be paid in Stora Enso R shares to be purchased on the Board members' behalf from the market at a price determined in public trading, and the rest in cash. The shares will be purchased within two weeks from the publication of the interim report for the period 1 January 2020–31 March 2020 or as soon as possible in accordance with applicable legislation. The Company will pay any costs and transfer tax related to the purchase of Company shares. The Company has no formal policy requirements

## Remuneration decision-making procedure



for the Board members to retain shares received as remuneration. In addition, the AGM decided that the following annual remuneration be paid to the members of the Board Committees:

- for the Chair of the Financial and Audit Committee EUR 20 600, and
- for the members of the Financial and Audit Committee EUR 14 400 each,
- for the Chair of the Remuneration Committee EUR 10 300, and
- for the members of the Remuneration Committee EUR 6 200 each,
- for the Chair of the Sustainability and Ethics Committee EUR 10 300, and
- for the members of the Sustainability and Ethics Committee EUR 6 200 each.

#### CEO remuneration principles

The President and CEO has been employed by Stora Enso since 1 May 2017 and assumed the position as President and CEO on 1 December 2019. She has a notice period of six months with a severance payment of twelve months salary on termination by the Company but with no contractual payments on any change of control. The President and CEO's benefits include pension provisions. The President and CEO's pension plan consists of a defined contribution pension plan with contributions of 30% of pensionable salary. Pensionable salary consists of base pay, vacation pay, and actual paid Short Term Incentive. The retirement age is sixty-five years.

#### Short Term Incentive (STI) programme for CEO

The CEO is entitled to a STI programme decided by the Board each year giving a maximum of 75% of annual fixed salary. The STI for 2018 and 2019 was based 70% on financial measures and 30% on Individual Key Targets.

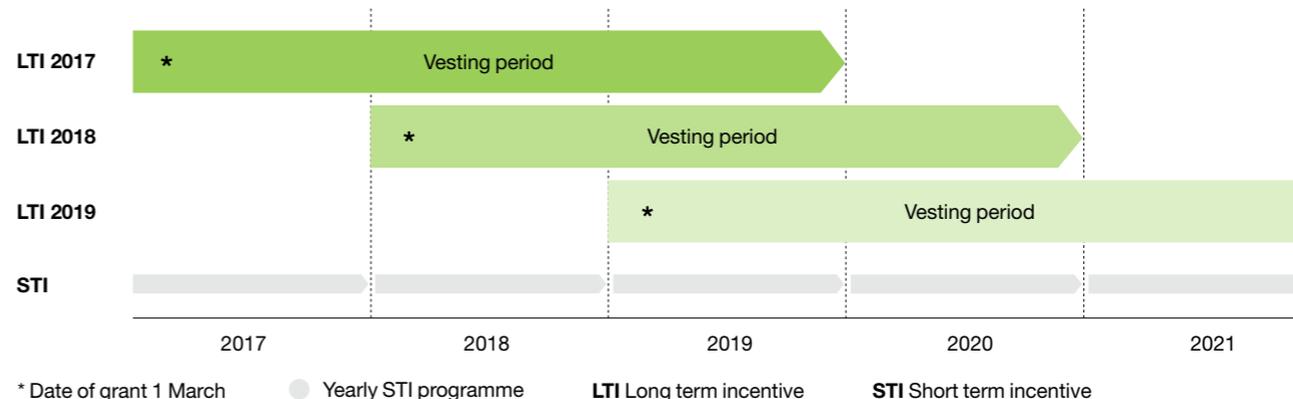
#### Long Term Incentive (LTI) programmes for CEO

The CEO participates in 2017, 2018 and 2019 share based LTI programmes. The programmes have three-year targets and vest in one portion after three years. The 2017 programme is related to performance periods 2017-2019, the 2018 programme is related to performance periods 2018-2020 and the 2019 programme is related to performance periods 2019-2021. Three quarters (75%) of the opportunity in the 2017 programme is in Performance Shares, where shares will vest in accordance with performance criteria proposed by the Remuneration Committee and approved by the Board of Directors. One quarter (25%) of the opportunity is in Restricted Shares, for which vesting is only subject to continued employment. The opportunity under the 2018 and 2019 programme is in Performance Shares only. The financial success metric in the Performance Share programme is 3-year EVA (Economic Value Added) and EPS (Earnings per Share) for the Stora Enso Group.

#### GLT remuneration principles

GLT members in Stora Enso receive a monthly salary, which in addition to a salary payment includes customary fringe benefits, such as mobile phones and cars. GLT members further have the possibility to receive yearly awards in the Company's short term and long term incentive programmes for management.

#### Share-based compensation plan



#### 2019 CEO remuneration (1 January–30 November)

Base salary	EUR 887 000 in 2019.
Short-term incentive	The CEO is entitled to a STI programme decided by the Board each year giving a maximum of 75% of annual fixed salary.
Long-term incentive	Outstanding LTI programmes include the yearly programmes of 2017, 2018 and 2019. The CEO had the potential to receive a maximum of 224 693 shares before taxes in the LTI programmes from 2017, 2018 and 2019 when his GLT membership ended. These shares are forfeited at end of employment, except for the LTI 2017 shares which have been earned at the time employment ended and vest at the normal vesting date in March 2020.
Other benefits	Benefits include mobile phone and insurance.
Pension	Retirement age is 65. Pension plan consists of collectively agreed pension plan in Sweden (ITP2) and a defined contribution (DC) top up pension plan.
Termination of assignment	Notice period of six months with a severance payment of twelve months salary on termination by the company but with no contractual payments on any change of control.

#### 2019 CEO remuneration (1 December–31 December)

Base salary	EUR 75 000 in 2019.
Short-term incentive	The CEO is entitled to a STI programme decided by the Board each year giving a maximum of 75% of annual fixed salary.
Long-term incentive	Outstanding LTI programmes include the yearly programmes of 2017, 2018 and 2019. The CEO has the potential to receive a value corresponding to a maximum of 27 160 shares before taxes under the 2019 LTI programme that will be settled in 2022.
Other benefits	Benefits include mobile phone, car, and insurance.
Pension	Retirement age is 65. The President and CEO's pension plan consists of a defined contribution pension plan with contributions of 30% of pensionable salary.
Termination of assignment	Notice period of six months with a severance payment of twelve months salary on termination by the company but with no contractual payments on any change of control.

#### 2019 GLT remuneration, other than CEO

Annual salary	GLT members receive a monthly salary. In total for all GLT members EUR 3 756 000 in 2019.
Short-term incentive	GLT members are eligible for STI with up to a maximum of 50% or 60% of their annual fixed salary, payable the year after the performance period.
Long-term incentive	Outstanding LTI programmes include the yearly programmes of 2017, 2018 and 2019. The GLT members can potentially receive total of maximum 196 273 shares before taxes in the 2019 programmes that will be settled 2022.
Other benefits	Benefits include mobile phones, cars, and insurances.
Pension	GLT members may retire at 65 years of age with pensions consistent with local practices in their respective home countries.
Termination of assignment	Contracts of employment provide for notice of six months prior to termination with severance compensation of twelve months' basic salary if the termination is at the Company's request.

In accordance with their respective pension arrangements, GLT members may retire at sixty-five years of age with pensions consistent with local practices in their respective home countries. Contracts of employment provide for notice of six months prior to termination with severance compensation of twelve months' basic salary if the termination is at the Company's request.

#### Short Term Incentive (STI) programmes for the GLT other than the CEO

The GLT members have STI programmes with up to a maximum 50% or 60% of their annual fixed salary, payable the year after the performance period. 70% of the STI for 2018 and 2019 was based on financial measures and 30% on Individual Key Targets.

The financial performance metrics in the STI programme are EBITDA and Working Capital Ratio. The Individual Targets are based on a balanced scorecard approach within the categories of Customer, People, Sustainability and Special Projects.

#### Long Term Incentive (LTI) programmes for GLT other than the CEO

The LTI programmes have three-year targets and vest in one portion after three years. The absolute maximum vesting level is 100% of the number of shares granted. The opportunity under the 2019 programme is in Performance Shares, where the shares vest in accordance with performance criteria proposed by the Remuneration Committee and approved by the Board of Directors.

The financial success metric in the Performance Share programme is 3-year EVA (Economic Value Added) and EPS (Earnings per Share) for the Stora Enso Group.

### Remuneration Report 2019

#### Board remuneration in 2019

In 2019, the Board members of Stora Enso were compensated as set out in the following chart. Based on the decision of the AGM 2019, 40% of the Board remuneration was paid in Stora Enso R shares purchased from the market. In addition, Board members may receive a yearly compensation based on their positions as Chair or members of Board committees.

#### CEO remuneration

The total compensation for the current President and CEO in the period 1 December to 31 December 2019 amounted to EUR 100 000, including annual salary, customary fringe benefits (such as car and mobile phone) STI and LTI programmes, and pension costs. The total compensation for the former CEO in the period 1 January to 30 November 2019 amounted to EUR 2 569 000, including annual salary, customary fringe benefits (such as mobile phone) STI and LTI programmes, and pension costs.

The CEO has the potential to receive a value corresponding to a maximum of 27 160 shares before taxes under the 2019 LTI programme. The grant value EUR 331 018 is based on the share price at grant date and assuming the maximum vesting level during the

three-year vesting period is achieved. There has been no settlement of shares to the CEO during the year.

#### GLT remuneration excluding CEO

The total compensation for the GLT members excluding CEO in 2019 amounted to EUR 9 038 000 including annual salary, customary fringe benefits (such as mobile phone) STI and LTI programmes, and pension costs. The total number of GLT members was 11 at year end 2019, including also the CEO.

Under the 2019 LTI programme, GLT members (in GLT at year end) can potentially receive a value corresponding to 196 273 shares before taxes, assuming the maximum vesting level during the three-year vesting period (2019–2021) is achieved. Total number of shares actually transferred will be lower because a portion of shares corresponding to the tax obligation will be withheld to cover the income tax.

The fair value of employee services received in exchange for share based compensation payments is accounted for in a manner that is consistent with the method of settlement either as cash settled or equity settled as described in more detail in Note 21 of the Financials 2019. For the equity settled part, it is possible that the

actual cash cost does not agree with the accounting charges as the share price is not updated at the time of the vesting. The figures in the Group Leadership Team Remuneration table refer to individuals who were executives at the time of settlement.

During the year, the number of shares settled for executives (GLT members at settlement date) from previous awards amounted to 128 076, having a cash value at the 1 March 2019 settlement date of EUR 1 560 947 before taxes based on the share price at that date.

#### Board Remuneration

EUR	Year Ended 31 December	
	2019 <sup>1</sup>	2018
Chair	192 000	175 000
Vice Chair	109 000	103 000
Board Member	74 000	72 000

<sup>1</sup> 40% of the Board remuneration in 2019 was paid in Stora Enso R shares purchased from the market and distributed as follows: to Chair 6 695 R shares, Vice Chair 3 801 R shares, and members 2 580 R shares each. The Company has no formal policy requirements for the Board members to retain shares received as remuneration.

#### Board and Committee remuneration

EUR thousand (before taxes)	Year Ended 31 December				Committee memberships
	2019		2018		
	Cash	Value of shares <sup>1</sup>	Total <sup>4</sup>	Total	
<b>Board members at 31 December 2019</b>					
Jorma Eloranta, Chair	140	77	217	200	Remuneration, Nomination <sup>2,3</sup> , Financial and Audit
Hans Stråberg, Vice Chair	71	44	115	109	Remuneration, Nomination <sup>2,3</sup>
Elisabeth Fleuriot	58	30	88	78	Financial and Audit
Hock Goh	50	30	80	78	Sustainability and Ethics
Mikko Helander	44	30	74	0	
Christiane Kuehne	54	30	84	86	Sustainability and Ethics
Antti Mäkinen	50	30	80	86	Remuneration
Richard Nilsson	65	30	95	93	Financial and Audit
Göran Sandberg	50	30	80	78	Sustainability and Ethics
<b>Former Board members</b>					
Anne Brunila (until 14 March 2019)	0	0	0	82	
<b>Total remuneration as Directors<sup>1</sup></b>	<b>582</b>	<b>331</b>	<b>913</b>	<b>891</b>	

<sup>1</sup> 40% of the Board remuneration, excluding Committee remuneration, in 2019 was paid in Stora Enso R shares purchased from the market and distributed as follows: to Chair 6 695 R shares, Vice Chair 3 801 R shares, and members 2 580 R shares each. The Company has no formal policy requirements for the Board members to retain shares received as remuneration.

<sup>2</sup> Stora Enso's Shareholders' Nomination Board has been appointed by the AGM in 2016 to exist until otherwise decided. The Shareholders' Nomination Board according to its Charter as approved by the AGM comprises of four members: the Chair and Vice Chair of the Board of Directors, as well as two members appointed by the two largest shareholders (one each) as of 31 August each year. No separate remuneration is paid to members of the Shareholders' Nomination Board.

<sup>3</sup> Marcus Wallenberg, appointed by FAM AB, is Chair of the Nomination Board. Harri Sailas is the member of the Shareholders' Nomination Board appointed by Solidium Oy. Jorma Eloranta and Hans Stråberg were appointed as members of the Shareholders' Nomination Board in their roles as Chair and Vice Chair of the Board of Directors.

<sup>4</sup> The Company additionally pays the transfer tax for share purchases for each member, in line with AGM decision, which amount is considered also taxable income for each member.

The aggregate remuneration paid to the CEO and GLT members in 2019

EUR thousand	2019				2018		
	CEO <sup>1</sup>	Former CEO <sup>2,4</sup>	Others <sup>3</sup>	GLT Total	CEO	Others	GLT Total
<b>Remuneration<sup>7</sup></b>							
Annual salary	75	887	3 756	4 717	905	3 589	4 494
Local housing (actual costs)	0	0	0	0	0	22	22
Other benefits	2	19	373	394	20	385	405
Termination benefits	0	0	0	0	0	0	0
Short term incentive programme <sup>6</sup>	0	571	1 467	2 039	611	1 089	1 700
Long term incentive programme <sup>6</sup>	0	566	1 508	2 073	845	2 431	3 276
	<b>77</b>	<b>2 043</b>	<b>7 104</b>	<b>9 224</b>	<b>2 381</b>	<b>7 516</b>	<b>9 897</b>
<b>Pension Costs</b>							
Mandatory plans	23	62	1 396	1 481	66	1 296	1 362
Stora Enso voluntary plans <sup>5</sup>	0	464	539	1 003	478	447	925
	<b>23</b>	<b>526</b>	<b>1 934</b>	<b>2 484</b>	<b>544</b>	<b>1 743</b>	<b>2 287</b>
<b>Total Compensation</b>	<b>100</b>	<b>2 569</b>	<b>9 038</b>	<b>11 708</b>	<b>2 925</b>	<b>9 259</b>	<b>12 184</b>

<sup>1</sup> CEO remuneration consists of remuneration delivered to Annica Bresky from her appointment as President and CEO on 1 December 2019.

<sup>2</sup> Former CEO remuneration consists of remuneration delivered to Karl-Henrik Sundström for the period up until his last day as CEO (30 November 2019).

<sup>3</sup> Amounts include payments related to Annica Bresky until 30 November 2019 and Gilles van Nieuwenhuyzen until 6 December 2019. Payments related to the new GLT member Hannu Kasurinen have been included from 4 December 2019.

<sup>4</sup> For the former CEO, Short term incentives for the financial year 2019 will be paid out on the normal payout date in March 2020. The former CEO did not receive any other termination benefits such as severance pay.

<sup>5</sup> The former CEO participates in the Swedish Executive Pension Plan where pension accruals are unfunded for all participants, the liability is calculated and insured in accordance with Swedish legislation. The liability for the former CEO amounts to EUR 3 052 thousand.

<sup>6</sup> The pay-outs for Short term incentive in March 2019 were based on 2018 results and for Long term incentive payouts in March 2019 were based on 2016–2018 results. Disclosed amounts are included for the executives who were GLT members at the time of the payment.

<sup>7</sup> Remuneration for executives is disclosed only for the period during which they were GLT members.

**CEO and GLT share interests**

Stora Enso recommends and expects GLT members to hold Stora Enso shares at a value corresponding to at least one annual base salary. Stora Enso shares received as remuneration are therefore recommended not to be sold until this level has been reached. Stora Enso GLT members, including the CEO, held on 31 December 2019 shares in the Company as follows:

Executives in office at the year end	R Shares held <sup>1</sup>	Performance share opportunity <sup>2</sup>	Restricted share opportunity <sup>2</sup>
Annica Bresky	0	76 561	8 397
Seppo Parvi	32 202	63 149	6 454
Malin Bendz	19 162	44 776	4 539
Johanna Hagelberg	16 039	48 164	5 091
Kati ter Horst	38 772	81 011	8 043
Hannu Kasurinen	31 486	17 903	5 967
Ulrika Lilja	25 732	42 304	4 471
Per Lyrvall <sup>3</sup>	59 362	60 516	6 450
Markus Mannström	18 392	52 084	3 601
Noel Morrin	33 756	49 256	5 382
Jari Suominen	37 985	59 337	6 121
<b>Total, serving officers<sup>4</sup></b>	<b>312 888</b>	<b>595 061</b>	<b>64 516</b>

<sup>1</sup> None of the GLT members holds A shares.

<sup>2</sup> Potential shares to GLT members listed here are gross of taxes for the LTI programmes started in 2017, 2018, and 2019 covering three year periods during 2017–2021, with vesting in 2020, 2021 and 2022 respectively.

<sup>3</sup> Spouse holds 1 257 of the shares.

<sup>4</sup> The Company recommends and expects GLT members to hold Stora Enso shares at a value corresponding to at least one annual base salary. Stora Enso shares received as remuneration are therefore recommended not to be sold until this level has been reached.

The following Executive Officers also served in 2019	R shares held when GLT membership ended	Performance share awards when GLT membership ended <sup>2</sup>	Restricted share awards when GLT membership ended <sup>2</sup>	Effective date of GLT membership ending
Karl-Henrik Sundström <sup>1</sup>	166 011	204 343	20 350	30 November 2019
Gilles van Nieuwenhuyzen	19 610	82 042	8 797	6 December 2019

<sup>1</sup> 41 700 of the shares are held by a related party (Alma Patria AB).

<sup>2</sup> These shares are forfeited at end of employment, except for the LTI 2017 shares which have been earned at the time employment ended and vest at the normal vesting date in March 2020.

## Members of the Board of Directors



### Jorma Eloranta

Born 1951. M.Sc. (Tech), D.Sc. (Tech) h.c.

#### Position

Chair of Stora Enso's Board of Directors since April 2017, Vice Chair April 2016–April 2017. Member of Shareholders' Nomination Board since April 2016. Chair of the Remuneration Committee since April 2017 and member since April 2016. Member of the Financial and Audit Committee since April 2017.

#### Board memberships

Chair of the Board of Finnish Fair Foundation. Member of the Board of Cargotec. Vice Chair of the Supervisory Board in Finnish Naval Foundation. Chair of the Board and CEO of Pienelo Ltd.

#### Principal work experience and other information

President and CEO of Metso 2004–2011, President and CEO of Kvaerner Masa-Yards 2001–2003 and President and CEO of Patria Industries Group 1997–2000. Executive Vice President of Finvest Group and Jaakko Pöyry Group 1996 and President of Finvest 1985–1995.

<b>Total remuneration 2019, EUR<sup>1</sup></b>	216 700
<b>Meeting attendance</b>	12/12
<b>FAC attendance</b>	8/8 ●
<b>RemCo attendance</b>	10/10 ●
<b>SECo attendance</b>	
<b>Shareholding<sup>2</sup></b>	Owens 1 150 A shares and 27 076 R shares in Stora Enso.
<b>Independent member</b>	Yes



### Hans Stråberg

Born 1957. M.Sc. (Eng.).

#### Position

Vice Chair of Stora Enso's Board of Directors since April 2017 and member since April 2009. Member of Shareholders' Nomination Board since April 2017. Member of the Remuneration Committee since March 2010.

#### Board memberships

Chair of the Board of Atlas Copco AB, Roxtec AB, CTEK Holding AB and AB SKF. Member of the Board of Investor AB, Mellby Gård AB, Hedson Technologies International AB and Anocca AB.

#### Principal work experience and other information

President and CEO of AB Electrolux 2002–2010. Several management positions at Electrolux in Sweden and the USA 1983–2002.

<b>Total remuneration 2019, EUR<sup>1</sup></b>	115 200
<b>Meeting attendance</b>	12/12
<b>FAC attendance</b>	
<b>RemCo attendance</b>	10/10 ●
<b>SECo attendance</b>	
<b>Shareholding<sup>2</sup></b>	Owens 41 291 R shares in Stora Enso.
<b>Independent member</b>	Yes



### Elisabeth Fleuriot

Born 1956. M.Sc. (Econ.).

#### Position

Member of Stora Enso's Board of Directors since April 2013. Member of the Financial and Audit Committee since March 2019.

#### Board memberships

Board member and Chair of CSR Committee at G4S.

#### Principal work experience and other information

President and CEO of Thai Union Europe Africa 2013–2017. Senior Vice President, Emerging Markets and Regional Vice President, France, Benelux, Russia and Turkey, in Kellogg Company 2001–2013. General Manager, Europe, in Yoplait, Sodial Group 1998–2001. Several management positions in Danone Group 1979–1997.

<b>Total remuneration 2019, EUR<sup>1</sup></b>	88 400
<b>Meeting attendance</b>	12/12
<b>FAC attendance</b>	7/7 <sup>3</sup> ●
<b>RemCo attendance</b>	
<b>SECo attendance</b>	
<b>Shareholding<sup>2</sup></b>	Owens 23 731 R shares in Stora Enso.
<b>Independent member</b>	Yes



### Hock Goh

Born 1955. B. Eng. (Hons) in Mechanical Engineering.

#### Position

Member of Stora Enso's Board of Directors since April 2012. Member of the Sustainability and Ethics Committee since April 2017.

#### Board memberships

Member of the Board of AB SKF, Santos Australia and Vesuvius Plc.

#### Principal work experience and other information

Operating Partner of Baird Capital Partners Asia 2005–2012. President of Network and Infrastructure Solutions, Schlumberger Ltd 2002–2005 and President Asia, Schlumberger Ltd 1998–2002.

<b>Total remuneration 2019, EUR<sup>1</sup></b>	80 200
<b>Meeting attendance</b>	12/12
<b>FAC attendance</b>	
<b>RemCo attendance</b>	
<b>SECo attendance</b>	4/4 ●
<b>Shareholding<sup>2</sup></b>	Owens 28 484 R shares in Stora Enso.
<b>Independent member</b>	Yes



### Mikko Helander

Born 1960. M.Sc. (Tech.).

#### Position

Member of Stora Enso's Board of Directors since March 2019.

#### Board memberships

Chair of the Board of Ilmarinen until 31 December 2019. Chair of the Board of Finnish Commerce Federation. Vice Chair of the Board of the Confederation of Finnish Industries EK. Member of the Board of Finnish Chambers of Commerce and Rajamme Vartijain Säätiö foundation. Member of the Delegation of Finnish Business and Policy Forum EVA. Member of the supervisory Board of Finnish Fair Foundation.

#### Principal work experience and other information

President and CEO of Kesko Oyj since 2015. CEO of Metsä Board Oyj 2006–2014 and Metsä Tissue Oyj 2003–2006. Several management positions in Valmet Oyj 1984–1990 and 1993–2003. Managing Director of Kasten Hövik Oy 1990–1993.

<b>Total remuneration 2019, EUR<sup>1</sup></b>	74 000
<b>Meeting attendance</b>	10/10 <sup>4</sup>
<b>FAC attendance</b>	
<b>RemCo attendance</b>	
<b>SECo attendance</b>	
<b>Shareholding<sup>2</sup></b>	Owens 4 298 R shares in Stora Enso.
<b>Independent member</b>	Yes

**FAC** = Financial and Audit Committee  
**RemCo** = Remuneration Committee  
**SECo** = Sustainability and Ethics Committee

● Chair ● Member

<sup>1</sup> Detailed description of Board Remunerations and Committee Memberships as decided by the AGM in 2019 on page 4.

<sup>2</sup> Shares held by Board members and related parties. Board members' related parties held no Stora Enso shares.

<sup>3</sup> Meetings attended out of the meetings held after election as FAC member.

<sup>4</sup> Meetings attended out of the meetings held after election as Board member.

The independence is evaluated in accordance with Recommendation 10 of the Finnish Corporate Governance Code. The full recommendation can be found at [cgfinland.fi](http://cgfinland.fi). A significant shareholder according to the recommendation is a shareholder that holds at least 10% of all company 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.



**Christiane Kuehne**

Born 1955. LL.M., B.B.A.

**Position**

Member of Stora Enso's Board of Directors since April 2017. Chair of the Sustainability and Ethics Committee since March 2019.

**Board memberships**

Member of the Board of James Finlays Ltd, Wetter Foundation and Foundation Pierre du Bois.

**Principal work experience and other information**

Operative roles within the Nestlé Group 1977–2015. Her last operative role at Nestlé was as Head of Strategic Business Unit Food with strategic responsibility for the food business of Nestlé at global level.

<b>Total remuneration 2019, EUR<sup>1</sup></b>	84 300
<b>Meeting attendance</b>	12/12
<b>FAC attendance</b>	
<b>RemCo attendance</b>	
<b>SECo attendance</b>	2/2 <sup>3</sup> ●
<b>Shareholding<sup>2</sup></b>	Owens 8 292 R shares in Stora Enso.
<b>Independent member</b>	Yes



**Antti Mäkinen**

Born 1961. LL.M.

**Position**

Member of Stora Enso's Board of Directors since March 2018. Member of the Remuneration Committee since March 2019.

**Board memberships**

Member of the Board of Rake Oy, Metso Oyj and Sampo Oyj. Chair or a member of the shareholders' nomination boards of several listed companies.

**Principal work experience and other information**

CEO of Solidium Oy since 2017. Several leading management positions within Nordea Corporate & Investment Banking, most notably as Head of Corporate Finance in Finland, Head of Strategic Coverage unit and as Co-Head for Corporate & Investment Banking, Finland 2010–2017. CEO of eQ Corporation and its main subsidiary eQ Bank Ltd. 2005–2009.

<b>Total remuneration 2019, EUR<sup>1</sup></b>	80 200
<b>Meeting attendance</b>	12/12
<b>FAC attendance</b>	
<b>RemCo attendance</b>	9/9 <sup>4</sup> ●
<b>SECo attendance</b>	
<b>Shareholding<sup>2</sup></b>	Owens 4 717 R shares in Stora Enso.
<b>Independent member</b>	Yes/no <sup>5</sup>



**Richard Nilsson**

Born 1970. B.Sc. (BA and Econ.).

**Position**

Member of Stora Enso's Board of Directors since April 2014. Chair of the Financial and Audit Committee since April 2016 and member since April 2015.

**Board memberships**

Member of the Board of Directors of IPCO AB and group companies.

**Principal work experience and other information**

Investment Manager at FAM AB since 2008. Pulp & paper research analyst at SEB Enskilda 2000–2008, Alfred Berg 1995–2000 and Handelsbanken 1994–1995.

<b>Total remuneration 2019, EUR<sup>1</sup></b>	94 600
<b>Meeting attendance</b>	12/12
<b>FAC attendance</b>	8/8 ●
<b>RemCo attendance</b>	
<b>SECo attendance</b>	
<b>Shareholding<sup>2</sup></b>	Owens 20 834 R shares in Stora Enso.
<b>Independent member</b>	Yes/no <sup>6</sup>



**Göran Sandberg**

Born 1955. Ph.D.

**Position**

Member of Stora Enso's Board of Directors since April 2017. Member of the Sustainability and Ethics Committee since April 2017.

**Board memberships**

Member of the Board of the Marcus Wallenberg Foundation for Promoting Scientific Research in the Forest Industry and the Wallenberg Foundations AB.

**Principal work experience and other information**

Professor in Plant Biology and professor at the Swedish University of Agricultural Science and the Umeå University. Executive director of the Knut and Alice Wallenberg Foundation and the Marianne and Marcus Wallenberg Foundation. Member of the Royal Swedish Academy of Science, the Royal Swedish Academy for Agriculture and Forestry Sciences, and the Royal Swedish Academy of Engineering Sciences. His previous positions include Vice chancellor of Umeå University 2005–2010, Chair of Umeå Plant Science Center 1996–2004, Chair of SciLifeLab Sweden 2013–2016 as well as Board member of the Human Protein Atlas project and the Wallenberg Wood Science Center.

<b>Total remuneration 2019, EUR<sup>1</sup></b>	80 200
<b>Meeting attendance</b>	12/12
<b>FAC attendance</b>	
<b>RemCo attendance</b>	
<b>SECo attendance</b>	4/4 ●
<b>Shareholding<sup>2</sup></b>	Owens 6 792 R shares in Stora Enso.
<b>Independent member</b>	Yes/no <sup>7</sup>

**FAC** = Financial and Audit Committee  
**RemCo** = Remuneration Committee  
**SECo** = Sustainability and Ethics Committee

● Chair ● Member

<sup>1</sup> Detailed description of Board Remunerations and Committee Memberships as decided by the AGM in 2019 on page 4.

<sup>2</sup> Shares held by Board members and related parties. Board members' related parties held no Stora Enso shares.

<sup>3</sup> Meetings attended out of the meetings held after election as SECo chair.

<sup>4</sup> Meetings attended out of the meetings held after election as RemCo member.

<sup>5</sup> Antti Mäkinen is independent of the company but not of its significant shareholders due to his position as the CEO of Solidium Oy.

<sup>6</sup> Richard Nilsson is independent of the company but not of its significant shareholders due to his employment at FAM AB.

<sup>7</sup> Göran Sandberg is independent of the company but not of its significant shareholders due to his position as executive director of majority shareholders of FAM AB, a significant shareholder of the company.

The independence is evaluated in accordance with Recommendation 10 of the Finnish Corporate Governance Code. The full recommendation can be found at [cgfinland.fi](http://cgfinland.fi). A significant shareholder according to the recommendation is a shareholder that holds at least 10% of all company 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.

**Anne Brunila** was Member of Stora Enso's Board of Directors since April 2013 until her resignation on 14 March 2019. She was independent of the company and the significant shareholders.

## Members of the Group Leadership Team



### Annica Bresky

Born 1975. M.Sc. (Engineering), MBA.

#### Position

President and Chief Executive Officer (CEO). Member of the GLT since 2017. Joined the company in 2017. President and CEO since 1 December 2019.

#### Board memberships, principal work experience and other information

Executive Vice President, Consumer Board Division 2017–2019. President and CEO of Iggesund Paperboard AB, part of the Swedish Holmen Group 2013–2017. Mill Director at BillerudKorsnäs AB 2010–2013. Prior to that engineering and superintendent positions at Stora Enso's Kvarnsveden Mill in 2001–2010. Member of the Board of AB Fagerhult.

#### Shareholding

Does not own any Stora Enso shares.



### Seppo Parvi

Born 1964. M.Sc. (Econ.).

#### Position

Chief Financial Officer (CFO), Deputy CEO. Country Manager Finland and member of the GLT since 2014. Joined the company in 2014.

#### Board memberships, principal work experience and other information

CFO and EVP, Food and Medical Business Area at Ahlstrom Corporation 2009–2014. CFO for Metsä Board (M-real) 2006–2009. Prior to that various line management positions at the packaging company Huhtamäki, including responsibilities such as paper manufacturing within Rigid Packaging Europe and General Manager for Turkey. Deputy Chair of the Board of the Finnish Forest Industries Federation and Pohjolan Voima Oy. Member of the Board of Ilmarinen and East Office of Finnish Industries Oy.

#### Shareholding

Owns 32 202 R shares in Stora Enso.



### Malin Bendz

Born 1976. B.Sc. (Personnel Mgmt & Org. Development), MBA.

#### Position

Executive Vice President, HR until 15 January 2020. Member of the GLT since 2016. Joined the company in 2000.

#### Board memberships, principal work experience and other information

Several international positions in human resources, business development and purchasing. Member of the Stora Enso Paper division management team 2015–2016, Renewable Packaging management team 2012–2014 and Latin America Division Management team 2004–2008.

#### Shareholding

Owns 19 162 R shares in Stora Enso.



### Johanna Hagelberg

Born 1972. M.Sc. (Industrial Eng. & Mgmt) and M.Sc. (Eng. and Mgmt of Manufacturing Systems).

#### Position

Executive Vice President, Sourcing and Logistics. Member of the GLT since 2014. Joined the company in 2013 as SVP Sourcing, Printing and Living.

#### Board memberships, principal work experience and other information

Chief Procurement Officer at Vattenfall AB 2010–2013. Prior to that leading Sourcing positions at NCC, RSA Scandinavia and within the Automotive Industry. Member of the Board of Bufab AB.

#### Shareholding

Owns 16 039 R shares in Stora Enso.



### Kati ter Horst

Born 1968. MBA (International Business), M.Sc. (Marketing).

#### Position

Executive Vice President, Paper Division. Member of the GLT since 2014. Joined the company in 1996.

#### Board memberships, principal work experience and other information

Senior Vice President, Paper Sales, Stora Enso Printing and Living until 2014. Prior to that several managerial positions in the paper business. Vice Chair of the Board of EURO-GRAPH asbl. Member of the Board of Finnish Forest Industries Federation, Outokumpu Oyj and Climate Leadership Coalition.

#### Shareholding

Owns 38 772 R shares in Stora Enso.



### Hannu Kasurinen

Born 1963. M.Sc. (Econ.).

#### Position

Executive Vice President, Consumer Board Division (Packaging Materials Division as of 1 January 2020). Member of the GLT since 4 December 2019. Joined the company in 1993.

#### Board memberships, principal work experience and other information

SVP, Liquid Packaging and Carton Board in Consumer Board Division until December 2019. Prior to that several leadership positions in Stora Enso, including Group Treasurer, SVP of Strategy and EVP of Wood Products Division.

#### Shareholding

Owns 31 486 R shares in Stora Enso.



**Ulrika Lilja**

Born 1975. M.Sc. (BA and Econ.).

**Position**

Executive Vice President, Communications. Member of the GLT since 2014. Joined the company in 2014 as Senior Vice President Communications, Stora Enso Printing and Living.

**Board memberships, principal work experience and other information**

Director of External Communications at SSAB 2010–2013. Prior to that several leading communications positions at OMX Stockholm Stock Exchange and Neonet. Member of the Board of Swedish Association of Communication Professionals.

**Shareholding**

Owens 25 732 R shares in Stora Enso.



**Per Lyrvall**

Born 1959. LL.M.

**Position**

Executive Vice President, Legal, General Counsel. Country Manager Sweden. Acting Head of HR as of 16 January 2020. Member of the GLT since 2012. Joined the company as Legal Counsel in 1994. General Counsel since 2008. Country Manager Sweden since 2013.

**Board memberships, principal work experience and other information**

Prior to joining Stora Enso legal positions at Swedish courts, law firms and Assi Domän. Member of the Board of Montes del Plata and Bergvik Skog AB. Deputy Member of the Board of Skogsindustrierna.

**Shareholding**

Owens 58 105 R shares in Stora Enso directly and 1 257 R shares through related persons (spouse).



**Markus Mannström**

Born 1963. M.Sc. (Paper Tech.).

**Position**

Executive Vice President, Biomaterials Division. Member of the GLT since 2015. Joined the company in 2001.

**Board memberships, principal work experience and other information**

Chief Technology Officer (CTO) of the company 2015–2017. Member of the Renewable Packaging division management team 2009–2014. Member of the Board of Teollisuuden Voima Oyj, Montes del Plata, Veracel and Tree to Textile. Deputy Member of the Board of Pohjolan Voima Oy.

**Shareholding**

Owens 18 392 R shares in Stora Enso.



**Noel Morrin**

Born 1958. B.Sc. Joint Honours, First Class (Chemistry and Biology).

**Position**

Executive Vice President, Sustainability. Member of the GLT since 2015. Joined the company in 2015.

**Board memberships, principal work experience and other information**

Group SVP for Sustainability & Green Support at Skanska AB 2005–2015. Group Environment Director at RMC plc 1999–2005. Prior to that senior roles at the UK National Environmental Technology Centre, the British NGO Business in the Community and the global chemical company ICI plc.

**Shareholding**

Owens 33 756 R shares in Stora Enso.



**Jari Suominen**

Born 1969. M.Sc. (BA).

**Position**

Executive Vice President, Wood Products Division until 31 December 2019. Executive Vice President, Forest Division as of 1 January 2020. Member of the GLT since 2014. Joined the company in 1995.

**Board memberships, principal work experience and other information**

Senior Vice President, Head of Building and Living Business Area until 2014. Prior to that several managerial positions in paper and wood products businesses. Chair of Finnish Wood Products Industry Association. Member of the Board of Tornator. Member of the supervisory board of Varma Mutual Pension Insurance Company. Deputy Member of the Board of East Office of Finnish Industries Oy.

**Shareholding**

Owens 37 985 R shares in Stora Enso.

**Karl-Henrik Sundström**, CEO, was a member of the Group Leadership Team until 30 November 2019.

**Gilles van Nieuwenhuyzen**, EVP Packaging Solutions, was a member of the Group Leadership Team until 6 December 2019.

**David Ekberg**, acting Head of Packaging Solutions as of 6 December 2019, not a member of GLT.

**Seppo Toikka**, acting Head of Wood Products as of 1 January 2020, not a member of GLT.



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