



Remuneration Policy 2025



This Remuneration Policy outlines Stora Enso's main principles and the decision-making process for remuneration concerning the members of the Board, as well as the President and Chief Executive Officer (CEO), including the elements of their compensation.

These principles apply to remuneration agreements or amendments to existing remuneration agreements made after the adoption of the Policy by the Annual General Meeting (AGM) in 2025.

This Policy has been developed based on the guidance set out in the amended EU's Shareholder Rights Directive, which has been implemented in Finland mainly into the Limited Liability Companies Act, Securities Markets Act, Decree of the Ministry of Finance, and the Finnish Corporate Governance Code 2025.

The main changes compared to the 2022 Remuneration Policy are:

- Clarification on Board remuneration being independent of the Company incentive plans.
- Changes to STI and LTI plan maximum opportunity levels. The Board will give careful consideration when annually determining the appropriate levels to apply.
- Structural and technical changes.



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Stora Enso's general remuneration principles

Stora Enso aims to offer remuneration that attracts and retains top-tier employees. To maximise the effectiveness of remuneration, careful consideration is given to ensure that the remuneration elements drive the Company's business strategy and its long-term financial interests.

The same principles that govern employee remuneration across the organisation also apply to the Remuneration Policy for the President and CEO. Additional criteria are incorporated as needed to align closely with Stora Enso's best interests.

Stora Enso also considers shareholder and other stakeholder views, internal pay ratios, employment conditions, and market factors relevant to the executive. A fundamental element of the remuneration principles is the concept of pay-for-performance, with a focus on evaluating the total remuneration provided to employees.

The Board regularly reviews and defines key performance indicators, which serve to measure the progress of the Company and the completion of strategic objectives. These measures, both financial and non-financial, aim to balance various dimensions of business results without promoting a short-term profit focus at the expense of the Company's long-term success. Stora Enso's remuneration programmes are based on this set of key performance indicators.

The Board ensures that an appropriate portion of total remuneration is variable and dependent on the fulfilment of the key performance indicators.

The CEO who, in order to emphasise the pay-for-performance prerequisite and alignment with shareholder interests, has a higher portion of total compensation tied to performance-based incentives.

Decision-making process

The shareholders at the AGM decide annually on the remuneration of the Board members, including the remuneration of the members of the Board committees. The proposals for the AGM concerning the remuneration of the Board members and the members of the Board committees are prepared by the Shareholders' Nomination Board.

The Shareholders' Nomination Board is composed of representatives of the major shareholders of the Company, as well as Board member representatives, as decided earlier by the AGM. The composition of the Shareholders' Nomination Board is described in more detail on the Company's website. The Board member representatives shall not participate in the decision-making regarding Board or committee remuneration in the Shareholders' Nomination Board.

The Board appoints the CEO and approves his/her remuneration as well as the compensation of other Group Leadership Team members. The Board's People and Culture Committee (or a committee possibly succeeding the People and Culture Committee) prepares remuneration-related matters and proposals for the Board, which is responsible for ensuring that management compensation principles are aligned with the Company's objectives and shareholder interest.

Upon the recommendation of the People and Culture Committee, the Board submits the Remuneration Policy (at least once every 4 years) and Remuneration

Report (annually) to the AGM and approves annually the compensation of the President and CEO within the boundaries of this Remuneration Policy. Stora Enso welcomes all shareholders' feedback on the Policy and its implementation.

Board remuneration

Remuneration of the Board is decided annually by the shareholders at the AGM, or a possible extraordinary shareholders' meeting. The remuneration of the members of the Board may depend on their respective roles as Chair, Vice Chair, and as members of the Board or its committees. Board remuneration can be paid in cash, or in cash and shares, as further decided by the AGM.

To ensure the independence of the Board members in fulfilling their duties, the members are not included in the same remuneration or incentive plans as the executive management and other employees.

Remuneration for the President and Chief Executive Officer (CEO)

The total remuneration of the CEO consists of:

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

The purpose, description, operation, and link to performance of each remuneration element are described on the following pages.

Remuneration for the President and Chief Executive Officer (CEO)



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Purpose and link to strategy

Description and operation

Annual Base Salary – ABS (fixed pay)	
<p>The purpose of the base salary is to attract and retain top-tier employees to deliver on the Company's strategic priorities.</p>	<p>The ABS of the CEO is proposed by the People and Culture Committee and decided by the Board. Fixed pay is delivered in cash and paid monthly. ABS is set by considering role, skills, experience, performance, and peer comparison.</p> <p>The ABS is typically reviewed once a year. CEO salary increases take into account average salary increases for relevant segments of the wider workforce. Increases may be larger, or applied more often, at the discretion of the Board under certain circumstances such as, but not limited to, the general development of business, financial performance, operational performance, or when required, considering market practice.</p>
Short-Term Incentives – STI (variable pay)	
<p>The purpose of the STI programme is to drive alignment against set objectives and to create engagement by setting clear measurable annual targets, which have a direct impact on the Company performance.</p>	<p>STI maximum opportunity will be determined annually by the Board within an overall cap of 150% of ABS for the CEO. The Board will give careful consideration when determining the appropriate level to apply. The STI programme is proposed by the People and Culture Committee and decided by the Board each year. Target levels for chosen performance metrics are set by the Board, taking into account the business plan, market outlook, and past years' performance.</p> <p>The STI programme can be based partly on financial metrics and partly on measurable non-financial operational metrics. Metrics may vary from year to year in order to best reflect business priorities.</p> <p>Financial metrics are, for example, related to sales growth, profit, working capital, and cash flow, or other financial metrics as decided by the Board. Operational metrics are based on the Company's business priorities, with targets set in the strategic areas of innovation, customer insight, structured processes, motivated employees, governance, sustainability, and special projects. These may also be adjusted to reflect any changes within the business priorities. Operational metrics will account for no more than 40% of the STI opportunity. Target levels for operational metrics are decided by the Board.</p> <p>Given that the performance metrics are measurable, it is possible for the Board to objectively evaluate the outcome at the end of each performance period. No payout of incentives is done until financial results have been audited and approved by the external auditor.</p> <p>STI is paid in cash. STI may be reclaimed and clawed back by the Board (see below for criteria).</p> <p>In the event of a new appointment to the position of CEO, an additional one-time award may be granted, in addition to the normal yearly award. This is intended to align the individual with the long-term goals of Stora Enso and to compensate for any value forfeited or lost by other means when leaving their current employer.</p>



Purpose and link to strategy

Description and operation

Long-Term Incentives – LTI (variable pay)

The purpose of the LTI programme is to incentivise and align management with shareholder interests and long-term strategy of the Company, including its sustainability agenda. This is done by setting measurable long-term financial, strategic, and ESG (Environmental, Social and Governance) targets, as well as by encouraging personal share ownership.

LTI typically consists of a Performance Share award in Stora Enso shares. Restricted Shares may be considered by the Board in exceptional circumstances. LTI maximum opportunity is reviewed annually to ensure market competitiveness and link to strategy. The Board may decide on a maximum LTI opportunity of up to 350% of ABS at the time of grant for the CEO. The Board will give careful consideration when determining the appropriate level to apply.

The LTI programme is proposed by the People and Culture Committee and decided by the Board each year with an annual conditional opportunity to earn shares dependent on the achievement of performance conditions.

Each LTI plan has a share price cap set in EUR. The number of shares transferred to the participant is reduced proportionally, should the share price at vesting date exceed this share price cap.

The shares will vest dependent on at least three-year performance criteria proposed by the People and Culture Committee and decided by the Board.

The performance metrics used include, but are not limited to, earnings per share, economic value added, share price development, cash flow, or measurable strategic, operational or ESG targets as decided by the Board.

Given that the performance metrics are measurable, it is possible for the Board to objectively evaluate the outcome at the end of each performance period. No payout of incentives is done until the financial results have been audited and approved by the external auditor.

Vestings will be paid in shares whenever possible, with a portion settled in cash to cover tax obligations.

Any vesting is subject to final approval and adjustments, and shares that have already vested may be clawed back by the Board, as specified in the criteria below.

In the event of a new appointment to the position of CEO, an additional one-time award may be granted in shares or cash, in addition to the normal yearly award. This is intended to align the individual with the long-term goals of Stora Enso and to compensate for any value forfeited or lost by other means when leaving their current employer.



Purpose and link to strategy

Description and operation

Long-Term Benefits	
The purpose is to provide retirement benefit aligned to market practice, giving the CEO the confidence of a solid insurance coverage during their term of office and the opportunity to retire at normal retirement age.	<p>Includes pension, disability, death, and health benefits, and any other benefits aligned with applicable market practice.</p> <p>In addition to the statutory pension plan, the CEO may participate in additional supplementary pension plan in the form of defined contribution plan in accordance with local market practice.</p> <p>The CEO may have accident, disability, and death insurances, and company-sponsored health insurance.</p>
Other – Benefits and programmes	
The purpose is to stay competitive and aligned to market practice. Some benefits will also help to attract and retain talent.	<p>Benefits will be provided in line with the local market practice, for example, car and mobile phone.</p> <p>If the CEO needs to relocate, or in the event of a new appointment to the position as CEO, Stora Enso may provide taxable benefits related to relocation. The level of relocation benefits will depend on individual circumstances and market practice.</p> <p>The President and CEO is eligible to participate in programmes, which may be offered to Stora Enso's other employees at any given point, such as service years awards, birthday remembrance, or ad-hoc recognition awards payable in cash or shares.</p>
Clawback and malus provisions	
The purpose is to ensure pay-for-performance.	Short- and long-term incentives are subject to malus (adjustment before payout) and clawback (reclaimed after pay-out) provisions. These can be applied in case of material exceptional or substantial changes in circumstances, misstatements, or misconduct as determined by the Board at its discretion.



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Other main terms applicable to the CEO

The CEO has a six-month notice period and will receive a severance payment equivalent to 12 months' salary if the contract is terminated by the Company. There are no contractual payments in the event of a change of control.

The treatment of outstanding incentive awards will depend on the circumstances of the departure and relevant plan terms and conditions.

Share ownership requirements applicable to the CEO

To further align the interests of the CEO with those of the shareholders, the CEO shall build up and maintain a shareholding in Stora Enso shares equivalent to at least one annual base salary.

Discretion and the possibility for the Company to reclaim compensation

The Board has discretion to reclaim some or all of the unpaid STI or non-vested LTI awards in cases that include, but are not limited to, a significant downturn in the Company's results.

The Board may also decide to claw back already paid-out STI or the value of vested shares from the LTI programmes in cases that include, but are not limited to, situations where an award has been paid based on inaccurate or misleading information, or in the event of a serious breach of regulation, law, or Company code of conduct.

Possible exemptions from this Policy

The Board may decide to temporarily deviate from the policy, in whole or in part, in situations where that is in the long-term interest of the Company. The Company will disclose such deviations in the next Remuneration Report.

The Board can temporarily deviate from the policy in connection with corporate restructurings, such as a public takeover or other significant M&A, or other reorganisational changes affecting the Company or its size, change of control, change of mandatory applicable legislation or collective agreements, or in connection with the appointment of a new CEO. The Board may further deviate from the policy in case of a material change in the Company's financial position or business strategy, where this is necessary to ensure the Company's financial viability and long-term interest.

Changes may apply to all pay elements, contract provisions, as well as incentive plan structures and mechanisms, their timelines, metrics and opportunities, as seen necessary in ensuring the long-term development of the Company.



StoraEnso

Stora Enso Oyj

P.O. Box 309
FI-00101 Helsinki, Finland
Visiting address: Katajanokanlaituri 4
Tel: +358 2046 131

Stora Enso AB

P.O. Box 70395
SE-107 24 Stockholm, Sweden
Visiting address: World Trade Center
Klarabergsviadukten 70, C4
Tel. +46 1046 46 000

The renewable materials company