



# Remuneration Report 2024

Letter from the People and Culture Committee Chair	2
Introduction	3
Decision-making procedure	3
Remuneration Policy summary	3
Remuneration development	4
Annual report on remuneration 2024	5

# Letter from the People and Culture Committee Chair



## Dear Shareholders,

It is my pleasure to present to you the opening remarks for this year's Remuneration Report from the People and Culture Committee. This Remuneration Report has been prepared in line with the Finnish Corporate Governance Code 2025.

Over the past year, our value creation and profit improvement programmes have progressed well across all divisions. These initiatives have enhanced our operational efficiency and strengthened our competitive position. To further develop our ways of working, we continue to strengthen our Positive Performance Culture based on the concept of the 4A's: Ambition, Agility, Analytical Approach, and Accountability. Meanwhile, throughout 2024, the market continued to experience uncertainties, along with variable demand and price fluctuations.

Additionally, we have appointed new members to our Group Leadership Team who bring valuable industry insights and strong leadership experience in the packaging and forestry sectors.

We have taken the feedback received from the advisory notes for the previous Annual General Meeting into consideration in our 2024 Remuneration Report. We are pleased to announce an enhanced level of disclosure in our 2024 Remuneration Report concerning the payout metrics for both the short-term incentive (STI) and long-term incentive (LTI) plans. The President and CEO will continue to deviate from the Remuneration Policy regarding the incentive plans and their respective performance periods. This approach, disclosed, and agreed upon in connection with the CEO appointment in 2023, will remain in effect until the end of 2025, after which the incentive plans will align with those of the Group Leadership Team. At the time of the appointment, the Board deemed this approach crucial to ensure the CEO's immediate full focus on the Company's turnaround and the successful execution of significant investment projects.

Please note that there will no longer be a Deputy CEO role within our management structure.

## Looking ahead to 2025

In 2025, our focus will remain on improved profitability, working capital management, and occupational safety. These priorities are also reflected in the management's short-term incentive plans, ensuring full alignment across all divisions.

Over the past three years, we have measured gender balance in managerial positions and will continue to do so in our ongoing long-term incentive plans. We are pleased to observe the positive impact of this initiative, as exemplified by our Packaging Materials division, where mill directors now have equal representation from both genders.

Thank you for your continued support and trust in our strategy.

**Kari Jordan**

Chair of the People and Culture Committee

# Introduction

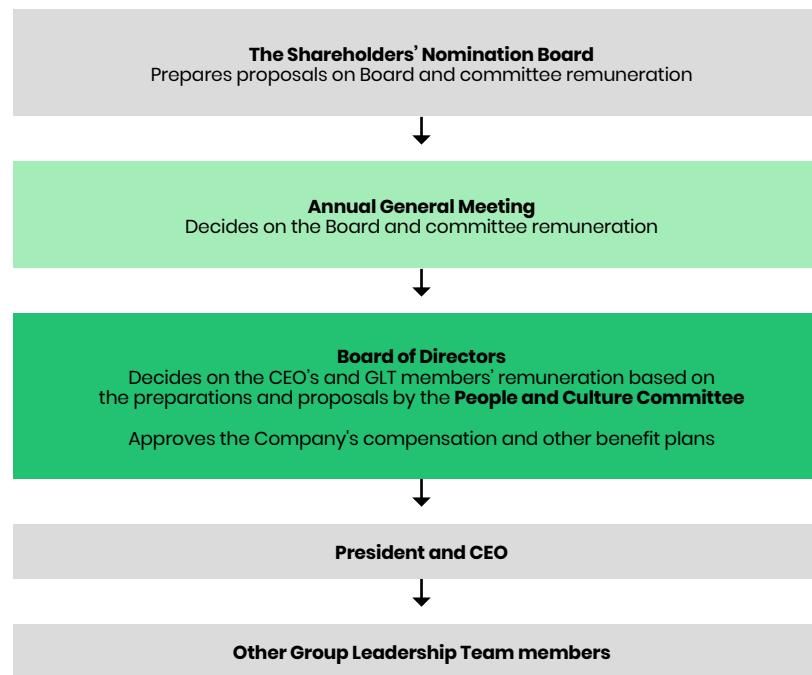
This report has been prepared in accordance with the Finnish Corporate Governance Code 2025, available at [cgfinland.fi](http://cgfinland.fi), and the requirements set forth in the Finnish Decree of the Ministry of Finance on the remuneration policy and remuneration report (608/2019), as well as other applicable regulations. 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, available at [corporategovernanceboard.se](http://corporategovernanceboard.se). Information on the Group Leadership Team's remuneration is available in the [Financial Statements 2024](#).

## Decision-making procedure

The shareholders at the Annual General Meeting (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. The composition of the Board is described in more detail in the [Corporate Governance Report](#). The Board representatives of the Shareholders' Nomination Board do not participate in the decision-making process related to the Board or the Board committee remuneration.

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

### Remuneration decision-making procedure



## Remuneration Policy summary

The Remuneration Policy was updated in 2022, and the summary below describes Stora Enso's main principles of the remuneration for the members of the Board, President and CEO, and Deputy CEO. For the full Remuneration Policy, see [storaenso.com](http://storaenso.com).

### Board remuneration

The remuneration of the members of the Board may depend on their respective roles as Chair, Vice Chair, and 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.

### Remuneration to the President and CEO and Deputy CEO

The total remuneration to the CEO and Deputy CEO may consist of:

- annual base salary (ABS)
- variable pay components as short-term incentives (cash when applicable) and long-term incentives (shares when applicable), and
- benefits (supplementary pension, medical and health benefits).

Stora Enso's Deputy CEO has resigned in 2024, and Stora Enso has made the decision to not have a Deputy CEO in the future.

### Exemptions

The Board may decide to temporarily deviate from the Remuneration Policy, in whole or in part, in situations where it is in the long-term interest of the Company. Such a situation can take place, for example, in connection with the appointment of a new CEO or Deputy CEO. Changes may apply to all payment elements, contract provisions, as well as incentive plan structures and mechanisms, their timelines, metrics, and opportunities.

# Remuneration development and Company performance

Stora Enso aims to create a clear connection between Company performance and variable compensation. This is achieved by utilising key performance indicators and ensuring that targets are set at levels that support the achievement of the Company's strategy and financial targets.

The remuneration of the Board of Directors is decided by the Annual General Meeting based on the proposal of the Shareholders' Nomination Board. The remuneration for the Chair, Vice Chair, and members of the Board and its committees for the period of 2024–2025 was approved by the 2024 AGM.

The compensation of the President and CEO is decided by the Board based on the evaluation and proposal by the Board's People and Culture Committee, and the Company's Remuneration Policy. The total compensation of the President and CEO includes base salary, benefits, and short and long-term incentives paid during the vesting period.

The table 'Five-year development of paid remuneration and Company performance' outlines the CEO, Deputy CEO, Board, and average employee remuneration as well as Company performance development since 2020 and up until 2024. Strong financial performance of the Company in 2021 and 2022 is respectively reflected in the higher remuneration in 2022 and 2023.

## Five-year development of paid remuneration and Company performance

### Paid remuneration, EUR thousand (before taxes)

	2024	2023	2022	2021	2020
President and CEO <sup>1,2</sup>	1,640	3,293	2,110	1,731	1,670
Deputy CEO <sup>2,3</sup>	1,013	1,468	944	872	851
Board member average <sup>4</sup>	118	111	108	104	106
Employee average <sup>5</sup>	48	46	46	44	40
<b>Company performance, EUR million (unless otherwise stated)</b>					
Adjusted EBIT, EUR million	598	342	1,891	1,528	650
Sales, EUR million	9,049	9,396	11,680	10,164	8,553
Basic earnings per share (EPS), EUR	-0.17	-0.45	1.97	1.61	0.79
3-year total shareholder return rate (TSR), % <sup>6</sup>	-33%	-11%	9%	74%	30%

1 The amounts relate to the President and CEO as of 18 September 2023. Remuneration prior to that date relate to previous position holders.

2 Remuneration depends on a fixed part, such as base salary, pension, and other benefits, but also to a large extent on variable pay parts that may result in higher or lower total remuneration year-to-year. Paid remuneration for 2020–2023 includes statutory pension. Starting from the year 2024, the statutory pension contributions will no longer be included in the reported paid remuneration.

3 Remuneration reported until 31 October 2024. As of 1 November 2024, there is no Deputy CEO role.

4 Total Board member fees divided by number of Board members.

5 The total wages and salaries paid to Stora Enso employees divided by the average number of employees.

6 3-year absolute total shareholder return (cumulative) with dividends reinvested.

# Annual report on remuneration 2024

Remuneration presented in this report is either earned and paid during 2024, or earned in 2024 and due to be paid in 2025.

## Board remuneration in 2024

The Annual General Meeting in 2024 resolved that the members of the Board of Directors will be paid as follows:

### Board remuneration summary

EUR thousand (before taxes)	2024	2023
Chair	215	209
Vice Chair	122	118
Board member	83	81

Pursuant to the decision by the Annual General Meeting 2024, the annual remuneration for the members of the Board has been paid in Company shares and cash so that 40% was paid in Stora Enso R shares purchased on the Board members' behalf on the market, at a price determined in public trading, and the rest in cash. The shares were purchased within two weeks of the AGM 2024. The Company has paid all costs and transfer tax related to the purchase of the Company shares. The Company has no formal policy requirements 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 23,278, and
- for the members of the Financial and Audit Committee EUR 16,377 each,
- for the Chair of the People and Culture Committee EUR 11,639, and
- for the members of the People and Culture Committee EUR 7,004 each,
- for the Chair of the Sustainability and Ethics Committee EUR 11,639, and
- for the members of the Sustainability and Ethics Committee EUR 7,004 each.

## Board remuneration and committee memberships

EUR thousand (before taxes)	Committee memberships	Cash	Shares	2024 Total	2023 Total
<b>Board members at 31 December 2024</b>					
Kari Jordan, Chair	People and Culture, Nomination <sup>2</sup>	140	87	227	220
Håkan Buskhe, Vice Chair	People and Culture, Nomination <sup>2</sup>	79	49	129	125
Elisabeth Fleuriot	Financial and Audit	66	34	100	97
Helena Hedblom	Sustainability and Ethics	57	34	90	88
Astrid Hermann	Financial and Audit	66	34	100	97
Christiane Kuehne	Sustainability and Ethics	61	34	95	93
Richard Nilsson	Financial and Audit, Sustainability and Ethics	80	34	114	104
Reima Rytsölä (member since 20 March, 2024)	People and Culture	57	34	90	-
<b>Former Board members</b>					
Antti Mäkinen (until 20 March, 2024)	People and Culture	-	-	-	88
Hans Sohlström (until 18 September, 2023)	Sustainability and Ethics	-	-	-	88
<b>Total remuneration as Directors<sup>1,3</sup></b>		<b>605</b>	<b>340</b>	<b>945</b>	<b>1,000</b>

1 40% of the Board remuneration in 2024, excluding Committee remuneration, was paid in Stora Enso R shares purchased from the market and distributed as follows: to Chair 6,806 R shares, Vice Chair 3,843 R shares, and members 2,638 R shares each. The Company has no formal policy requirements for the Board members to retain shares received as remuneration.

2 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 the members of the Nomination Board.

3 The Company additionally pays the transfer tax for share purchases for each member, in line with AGM decision, which is considered taxable income for each member.

## CEO and Deputy CEO remuneration

The compensation of the President and CEO and Deputy CEO is decided by the Board based on the proposal by the Board's People and Culture Committee and the Company's Remuneration Policy. The total compensation of the President and CEO generally includes base salary, benefits, and short and long term incentives paid during the evaluation period. The CEO and Deputy CEO are eligible to participate in the Finnish statutory pension system, and their retirement age is 65. Currently, the CEO does not have a supplementary pension plan.

During 2024, there has been no recovery of paid or reduction of outstanding awards in respect of the President and CEO or Deputy CEO. In connection with the appointment of the CEO, the Board has deviated from the current Remuneration Policy. The exemption is related to the performance periods for the CEO's STI and LTI plans, which differ from the performance periods applied to the rest of the Group. Exemptions, such as the appointment of the CEO, have been duly listed as possible deviations from the Policy. As of 2026, the CEO's STI programme will fully align with the standard annual STI cycle. The CEO's LTI programme will adhere to the Group's standard LTI programme and its associated vesting periods starting in 2025.

Stora Enso's Deputy CEO has resigned and left during 2024, and Stora Enso has made the decision to not have a Deputy CEO going forward.

## CEO and Deputy CEO remuneration

EUR (before taxes)	CEO remuneration <sup>1</sup>		Deputy CEO remuneration <sup>3</sup>	
	Paid in 2024	Paid in 2023	Paid in 2024	Paid in 2023
Annual base salary	1,000,000 earned and paid fixed salary	289,613	461,364 earned and paid fixed salary	475,301 earned and paid fixed salary
Short-term incentives <sup>2</sup>	640,000	-	168,000 based on 2023 performance period	300,000 based on 2022 performance period
Long-term incentives <sup>2</sup>	-	-	193,000 Performance Share Plan 2021–2023 outcome 89%	333,000 Performance Share Plan 2020–2022 outcome 100%
Other benefits	Mobile phone included in the annual base salary	Mobile phone included in the annual base salary	52,000 Holiday pay, mobile phone, car, and insurance	38,000 Holiday pay, mobile phone, car and insurance
Supplementary pension	-	-	139,000	187,000
Total earned remuneration (paid)	1,640,000	290,000	1,013,000	1,333,000
Earned proportion of fixed to variable remuneration (paid)	Fixed compensation 61% Variable compensation 39%	Fixed compensation 100%	Fixed compensation 57% Variable compensation 43%	Fixed compensation 57% Variable compensation 43%
Termination of assignment	Notice period of six months with severance payment of twelve months salary on termination by the Company, but with no contractual payments on any change of control.			

<sup>1</sup> The table presents the remuneration of the President and CEO Hans Sohlström as of 18 September 2023. The former CEO, Annica Bresky, stepped down from the position on 18 September 2023. A severance payment of EUR 933,000 was paid to Annica Bresky in 2024. Additionally, in 2024 STI and LTI payments were made according to the plan's employment pro-rata rules, with a total payment of EUR 1,018,000.

<sup>2</sup> Amounts are reported according to payment year.

<sup>3</sup> Remuneration reported until 31 October 2024. As of 1 November 2024 there is no Deputy CEO role.

## Short incentive plans for the CEO and Deputy CEO

The purpose of the STI programme is to drive alignment against set objectives and to create engagement by setting clear measurable yearly targets that will have a direct impact on the Company performance.

### CEO STI plan

In accordance with the conditions outlined in the Remuneration Policy 2022, the appointment of a new CEO allows for exemptions from the Policy. The Board has decided to exercise this right in the context of nominating the new CEO in September 2023 to ensure immediate full focus on profit turnaround, cash flow improvements, and enhanced competitiveness. The deviation pertains to the performance periods of incentive plans. As of 2026, the CEO's STI programme will fully align with the standard annual STI cycle. For Q4/2025, the CEO's STI performance metrics will be the same as for the Group Leadership Team. Information on the Group Leadership Team's remuneration is available in the [Financial Statements 2024](#).

The details of the CEO short-term incentive plan for the period Q4/2023-Q3/2024 are outlined below. The maximum STI earning for the CEO is 100% of the fixed annual salary. The total weighted outcome of 64% resulted in 640,000 EUR payout and was paid in December 2024.

Performance metric	Weight	Performance outcome <sup>1</sup>	STI payout EUR
Adjusted EBIT	60%	87%	
Operating working capital	13.5%	58%	
Financial programmes	1.5%	100%	
Capital release	15%	0%	640,000 EUR
Group safety TRI rate	10%	25%	
<b>Total</b>		<b>64%</b>	

<sup>1</sup> Target outcome is 50%, maximum is 100%. Total performance outcome presented as weighted average.

The details of the CEO short-term incentive plan for the period Q4/2024-Q3/2025 is presented below. The outcome will be evaluated after Q3/2025 and potential payment will be made in November 2025.

Performance metric	Weight
Adjusted EBIT	60%
Operating working capital	30%
Group safety TRI rate	10%

### Deputy CEO STI plan

The STI payment made in 2024 was based on performance and targets related to 2023. The targets were set for the full year, and the Board defined the maximum STI earning for 2024 to be 80% of the fixed annual salary for the Deputy CEO. The earned payment was paid in April 2024 according to Company practices.

Performance metric	Weight	Performance outcome <sup>1</sup>	STI payout EUR
Adjusted EBIT	40%	0%	
Group fixed cost	10%	67%	
Group sales growth	10%	0%	
Strategic target	20%	100%	168,000 EUR
Group safety TRI rate	15%	67%	
Reduction of Scope 1 & 2 CO2 emissions	5%	100%	
<b>Total</b>		<b>42%</b>	

<sup>1</sup> Target outcome is 50%, maximum is 100%. Total performance outcome presented as weighted average.

The Deputy CEO has resigned in 2024 and will not be eligible for the STI payment in 2025.

## Long-term incentive plans for the CEO and deputy CEO

The purpose of the LTI is to incentivise and align management with shareholder interests and the long-term strategy of the Company, including the Company's sustainability approach. This is done through setting measurable, long-term financial and strategic or ESG-related targets, as well as by encouraging personal share ownership.

The Board used its right to deviate from the Policy regarding the timing of the CEO's LTI plan. The CEO has a separate Performance Share Plan, which is strongly aligned with shareholder interests and Company performance. The CEO may earn a maximum of 169,420 gross shares (target is 50% of the

maximum) based on the achievement performance criteria set by the Board. The maximum opportunity represented 200% of annual base salary at the time of the share grant. Upon vesting, the Board may decrease the payout if the share price exceeds the reward cap determined by the Board.

The CEO Performance Share Plan outcome will be measured at the end of the third quarter in 2025, and the plan has cliff vesting in one instalment. Starting in 2025, the CEO's LTI programme will adhere to the Group's standard LTI programme and its associated vesting periods. He will be

eligible to participate in the PSP 2025 outlined in the table below. The Deputy CEO has resigned in 2024 and his LTI plans vesting after 2024 have been forfeited (LTI 2022, 2023 and 2024).

Stora Enso recommends and expects the CEO and other Group Leadership Team 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 current Group Leadership Team share ownership is available on the Company's [website](#).

### Summary of the LTI plans and performance

Performance Share Plan (PSP)	Performance period	Payout year	Performance criteria	Weight	Performance outcome (0-50-100)	Total outcome	CEO		Deputy CEO	
							Max. shares awarded	Shares paid <sup>1</sup>	Max. shares awarded	Shares paid <sup>1</sup>
CEO PSP	18 Sept 2023 – 30 Sept 2025	2025	Maintain investment grade rating	40%	-	- 169,420	169,420	- n/a	n/a	n/a
			Progress on capital expenditure and investments made	40%	-					
			Strategic target	10%	-					
			Reduction of Scope 1 & 2 CO <sub>2</sub> emissions	10%	-					
PSP 2021 (Deputy CEO)	1 Jan 2021 – 31 Dec 2023	2024	Economic Value Added (EVA)	50%	100%	89%	n/a	n/a	18,514	18,457
			Earnings per Share (EPS)	50%	78%					
			Earnings per Share (EPS)	30%	-					
			Absolute Total Shareholder Return (TSR)	50%	-					
PSP 2025	1 Jan 2025 – 31 Dec 2027	2028	Reduction of Scope 1 & 2 CO <sub>2</sub> emissions	10%	-	- -	- -	n/a	n/a	n/a
			Gender diversity	10%	-					

<sup>1</sup> The total number of shares actually transferred will be lower, as portion of shares corresponding to the tax obligation will be withheld to cover income tax.