

Corporate Governance Report

Part of Stora Enso's Annual Report 2015



storaenso

Contents

Corporate Governance in Stora Enso	1
Shareholders' meetings	1
Board of Directors (Board)	3
Board committees	6
Management of the Company	8
Internal control and risk management related to financial reporting	10
Remuneration Statement	12
Remuneration principles	12
Remuneration report	12
Members of the Board of Directors	16
Members of the Group Leadership Team	18
Appendix 1	20

About this report

Stora Enso's Annual Report 2015 consists of four reports: Progress Book, Financial Report, Sustainability Report and Corporate Governance Report. All are available at storaenso.com/annualreport.



THE PROGRESS BOOK explains Stora Enso's strategy, how we create value, and how our work is progressing. The publication is available in English, Finnish and Swedish.



THE SUSTAINABILITY REPORT covers Stora Enso's sustainability performance, following the Global Reporting Initiative G4 framework.



THE FINANCIAL REPORT consists of Stora Enso in capital markets, a summary of our sustainability performance, and the audited Report of the Board of Directors and financial statements.



THE CORPORATE GOVERNANCE REPORT covers Stora Enso's corporate governance policy, practices and actions in 2015.

Corporate Governance in Stora Enso

The duties of the various bodies within Stora Enso Oyj (“Stora Enso” or the “Company”) are determined by the laws of Finland and by the Company’s corporate governance policy, which complies with the Finnish Companies Act and the Finnish Securities Market Act. The rules and recommendations of the Nasdaq Helsinki Oy and Nasdaq Stockholm AB stock exchanges are also followed, where applicable. The corporate governance policy is approved by the Board of Directors (“Board”).

Stora Enso complies with the Finnish Corporate Governance Code issued by the Securities Market Association as in force at each time and has since 1 January 2016 complied with the Finnish Corporate Governance Code of 2015 (the “Code”). The Code is available at cgfinland.fi. Stora Enso’s Corporate Governance also complies with the Swedish Corporate Governance Code (“Swedish Code”) the last revised version of which entered into force on 1 November 2015 (and has been applicable to Stora Enso as a foreign company from 1 January 2011) with the exception of the deviations listed in Appendix 1 of this 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.

The reporting requirements of the new Code having entered into force on 1 January 2016 are applicable as of the reporting based on the financial period ending 31 December 2016. Companies may in addition voluntarily apply all or some of the reporting principles set out in the Code for reports relating to the remainder of the financial period ending on 31 December 2015. Stora Enso reports for the financial year 2015 in accordance with the Finnish Corporate Governance Code of 2015, except as regards the Remuneration Reporting, which follows the principles of the Finnish Corporate Governance Code of 2010.

This Corporate Governance Report is available as a PDF document at storaenso.com/investors/governance.

General governance issues

The Board and the Chief Executive Officer (CEO) are responsible for the management of the Company. Other governance bodies have an assisting and supporting role.

The Stora Enso Group prepares Consolidated Financial Statements and Interim Reviews conforming to International Financial Reporting Standards (IFRS), and Annual Reports, which are published in Finnish and English. The financial section of the Annual Report is also translated into German, and the Interim Reviews into Swedish. Stora Enso Oyj prepares its Financial Statements in accordance with the Finnish Accounting Act.

The Company’s head office is in Helsinki, Finland. It also has head office functions in Stockholm, Sweden.

Stora Enso has one statutory auditor elected by the shareholders at the Annual General Meeting (AGM).

To the maximum extent possible, corporate actions and corporate records are taken and recorded in English.

GOVERNANCE BODIES



¹ The name of the committee was Global Responsibility and Ethics Committee until 14 December 2015.

Objectives and composition of governance bodies

The shareholders exercise their ownership rights through the shareholders’ meetings. The decision-making bodies with responsibility for managing the Company are the Board and the CEO. The Group Leadership Team (GLT) supports the CEO in managing the Company.

Day-to-day operational responsibility rests with the GLT members and their operation teams supported by various staff and service functions.

Shareholders’ meetings

The Annual General Meeting of shareholders (AGM) is held annually to present detailed information about the Company’s performance and to deal with matters such as adopting the annual accounts, setting the dividend (or distribution of funds) and its payment, and appointing members of the Board of Directors and the Auditor.

Shareholders may exercise their voting rights and take part in the decision-making process of Stora Enso by attending shareholders’ meetings. Shareholders also have the right to ask questions of the Company’s management and Board of Directors at shareholders’ meetings. Major decisions are taken by the shareholders at Annual or Extraordinary General Meetings. At a shareholders’ meeting, each A share and each ten R shares carry one vote.

The Board of Directors convenes a shareholders' meeting by publishing a notice to the meeting in at least two Finnish and two Swedish newspapers, not more than three (3) months before the last day for advance notice of attendance mentioned in the notice to the meeting and not less than twenty-one (21) days before the date of the meeting. Other regulatory notices to the shareholders are delivered in the same way.

The Annual General Meeting is held by the end of June in Helsinki, Finland. The Finnish Companies Act and Stora Enso's Articles of Association specify in detail that the following matters have to be dealt with at the AGM:

- presentation and adoption of the annual accounts
- presentation of the report of the Board of Directors in Annual Report and the Auditor's report
- use of the result and distribution of funds to the shareholders
- resolution concerning discharge of the members of the Board and the Chief Executive Officer from liability
- decision on the number and the remuneration of the members of the Board and the Auditor
- election of the members of the Board and the Auditor
- any other matters notified separately in the notice to the meeting.

In addition, the AGM shall take decisions on matters proposed by the Board of Directors. A shareholder may also propose items for inclusion in the agenda provided that they are within the authority of the shareholders' meeting and the Board of Directors was asked to include the items in the agenda at least four weeks before the publication of the notice to the meeting.

An Extraordinary General Meeting of Shareholders is convened when considered necessary by the Board of Directors or when requested in writing by the Auditor or shareholders together holding a minimum of one tenth of all the shares to discuss a specified matter which they have indicated.

In 2015

Stora Enso's AGM was held on 22 April 2015 in Helsinki, Finland. Of the issued and outstanding A and R shares, 91.3% and 52.7% (91.3% and 51.1% in 2014), respectively, and of the aggregate shares and votes, 61.4% and 81.4% (60.1% and 81.0% in 2014), respectively, were represented at the meeting. Most of the Board members and GLT members as well as the Company's Auditor were present at the meeting. No Extraordinary General Meetings of Shareholders were convened in 2015.

Shareholders' Nomination Board appointed by the shareholders

Shareholders at the AGM appoint a Shareholders' Nomination Board (the "Nomination Board") to prepare proposals concerning:

- the number of members of the Board;
- the members of the Board;
- the remuneration for the Chairman, Vice Chairman and members of the Board;

- the remuneration for the Chairman and members of the committees of the Board.

The Nomination Board comprises four members:

- the Chairman of the Board;
- the Vice Chairman of the Board;
- two members appointed annually by the two largest shareholders (one each) as of 30 September.

The Nomination Board has a charter that defines its tasks and responsibilities in more detail.

In 2015

The Nomination Board appointed by the AGM in 2015 comprised four members: the Chairman of the Board (Gunnar Brock), the Vice Chairman of the Board (Juha Rantanen) and two other members appointed by the two largest shareholders, namely Kari Järvinen (Solidium) and Marcus Wallenberg (FAM AB).

Kari Järvinen was elected Chairman of the Nomination Board at its first meeting. The main tasks of the Nomination Board were to prepare the proposals for the AGM in 2016 concerning Board members and their remuneration. The Nomination Board appointed by the AGM in 2015 convened 5 times (6 November 2015–3 February 2016). Each member of the Nomination Board attended all the meetings.

In its proposal for the AGM in 2016, the Nomination Board proposes that of the current members of the Board of Directors – Gunnar Brock, Anne Brunila, Elisabeth Fleuriot, Hock Goh, Mikael Mäkinen, Richard Nilsson and Hans Stråberg – be re-elected members of the Board of Directors until the end of the following AGM and that Jorma Eloranta be elected new member of the Board of Directors for the same term of office. The Nomination Board also proposes that the remuneration of the Board be kept at the current level and that the AGM in 2016 appoint a Nomination Board to exist until otherwise decided and to annually present proposals for Board membership and remunerations to the AGM.

According to the proposal, the Nomination Board shall comprise four members: the Chairman of the Board, the Vice Chairman of the Board and two members appointed annually by the two largest shareholders (one each) as of 31 August each year.

The largest shareholders are determined on the basis of their shareholdings registered subject to a shareholder who, under the Finnish Securities Markets Act, has an obligation to disclose (shareholder subject to disclosure notification) certain changes in ownership notifying the company's Board of Directors in writing of this request by 31 August each year. Holders of nominee registered shares shall be taken into account in the appointment process. Should a shareholder not wish to use their nomination right, the right transfers to the next largest shareholder who would otherwise not have a nomination right.

The Nomination Board is proposed to be established to exist until otherwise decided by the shareholders' meeting. The members of the Nomination Board shall be nominated annually and their term of office shall end when new members are nominated to replace them.

The Chairman of the Board shall convene the Nomination Board. The Nomination Board shall elect a Chairman from among its members. A Nomination Board member who is also a member of the Board may not be Chairman of the Nomination Board. The Nomination Board shall present its proposals for the Annual General Meeting to the Board before 31 January each year.

The Nomination Board shall receive the results of the yearly evaluation of the Board of Directors as well as the assessment of each director's independence of the Company and of significant shareholders. The Nomination Board shall take the results of the Board evaluation and the requirements relating to director independence into account in its work. The Nomination Board shall account for its work and for the reasons behind its proposals at the AGM.

Remuneration

No remuneration is paid for Nomination Board members as decided by the AGM.

COMPOSITION OF THE NOMINATION BOARD IN 2015¹⁾

Kari Järvinen	Marcus Wallenberg
Chairman of Stora Enso's Nomination Board. Born 1962. M.Sc. (Eng.), MBA. Managing Director of Solidium Oy. Joined Solidium in 2009.	Member of Stora Enso's Nomination Board. Born 1956. B.Sc. (Foreign Service). Chairman of the Board of Directors of FAM AB.
Direct shareholding in the Company 3 000 R shares on 31 December 2015. Solidium Oy owns 55 595 937 A and 41 483 501 R shares in the Company on 31 December 2015.	Holds 2 541 A shares and 4 715 R shares on 31 December 2015 through corporations over which he exercises control (AB Eskla). FAM AB owns 63 123 386 A and 17 000 000 R shares in the Company on 31 December 2015.

¹⁾ Curricula vitae of **Gunnar Brock** and **Juha Rantanen**, see page 16.

The Nomination Board Charter is presented at storaenso.com/investors/governance, and the new charter proposed to be approved by the AGM 2016 at storaenso.com/agm.

Board of Directors (Board)

Stora Enso is managed by the Board according to International Corporate Governance Principles (based on OECD Principles of Corporate Governance of 2015).

According to the Company's Articles of Association, the Board comprises six to eleven ordinary members appointed by the shareholders at the AGM for a one-year term. It is the policy of the Company that the majority of the directors shall be independent of the Company. The independence is evaluated yearly in accordance with recommendation 10 of the Finnish Corporate Governance Code of 2015. In addition, at least two of the directors comprising this majority shall be independent of significant shareholders of the Company. A significant shareholder is a shareholder that holds at least 10% of all the Company's 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.

All directors are required to deal at arm's length with the Company and its subsidiaries and to disclose circumstances that might be perceived as a conflict of interest.

The shareholders at the AGM decide the remuneration of the Board members (including the remuneration of the members of the Board committees).

The Board supervises the operation and management of Stora Enso and decides on significant matters relating to strategy, investments, organisation and finance.

The Board is responsible for overseeing management and for the proper organisation of the Company's operations. It is likewise responsible for overseeing the proper supervision of accounting and control of financial matters.

The Board has defined a working order, the principles of which are published in the Annual Report and on the Company's website.

The Board elects a Chairman and a Vice Chairman from among the Board members and appoints the CEO, Chief Financial Officer (CFO) and other GLT members. The Board approves the main organisational structure of the Company.

The Board reviews and determines the remuneration of the CEO, which is described in the Annual Report and on the Company's website. The Board evaluates its performance annually. The results of the Board's evaluation are reviewed by the Board and shall be communicated to the Nomination Board, which shall take the results of the Board evaluation into account in its work. The Board also reviews the corporate governance policy annually and amends it when required.

The Board's work is supported through its committees – the Financial and Audit Committee, the Remuneration Committee and the Sustainability and Ethics Committee. Each committee's chairman and members are appointed by the Board annually.

The Board meets at least five times a year. The Board members meet regularly without management in connection with the Board meetings.

Board Diversity Policy

The Company has established a Board Diversity Policy setting out the principles concerning the diversity of the Board. The Nomination Board shall in connection with preparing its proposals for the nomination of directors to the AGM consider the principles of the Company's Board Diversity Policy. Directors shall be nominated on the basis of their merits and with consideration of the benefits of diversity and the principles that the Company refers to as Diversity of Thought, including but not limited to criteria of diversity such as gender, age, nationality and individual differences both in professional and personal experiences. The merits of directors include knowledge of the operational environment of the Company, its markets and of the industry within which it operates, and may include elements such as financial, sustainability or other specific competency, geographical representation and business background as required in order to achieve the appropriate balance of diversity, skills, experience and expertise of the Board collectively. The foremost criteria for nominating director candidates shall be the candidates' skills and experiences, industrial knowledge as well as personal qualities and integrity. The composition of the Board as a whole shall reflect the requirements set by the Company operations and its development stage. The number of directors and the composition of the Board shall be such that they enable the Board to see to its duties efficiently. Both genders shall be represented on the Board and the aim of the Company shall be to strive towards a good and balanced gender distribution.

The Nomination Board has participated in the preparation of the Company's Board Diversity Policy and has taken the principles of the policy into account in its work. The Nomination Board finds that the proposed composition of the Board reflects diversity and a good variety of skills and experiences among the Board members following the principles set out in the Board Diversity Policy. The Nomination Board has also evaluated the Board's competencies on a long-term basis and has identified certain competencies that may be further strengthened in the long-term Board succession planning. In addition, the aim is to maintain a Diversity of Thought on the Board and take action to further strive towards a good and balanced gender distribution.

The Board Diversity Policy is presented at storaenso.com/investors/governance.

In 2015

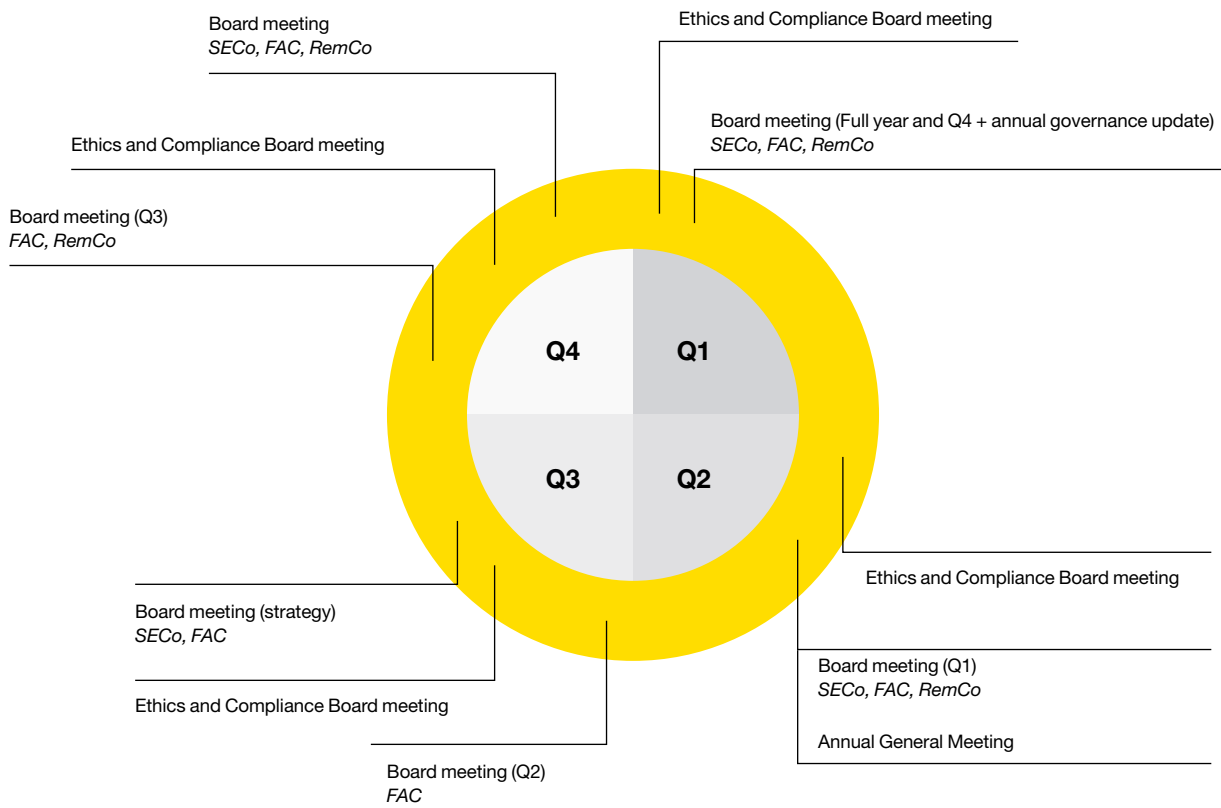
The Board had eight members at the end of 2015, all of them independent of the Company. The Board members are also independent of significant shareholders of the Company with the exception of Richard Nilsson (Investment Manager at FAM AB).

The Board members nominated at the AGM in 2015 were Gunnar Brock (Chairman), Juha Rantanen (Vice Chairman), Anne Brunila, Elisabeth Fleuriot, Hock Goh, Mikael Mäkinen, Hans Stråberg and Richard Nilsson. The Board convened seven times during the year.

The Board has conducted an internal self-evaluation relating to the Board's work, which together with the evaluation of the Board members' independence has been provided to the Nomination Board for information.

For detailed information about the Board members and their share ownerships, see pages 16–17.

THE BOARD OF DIRECTORS' ANNUAL WORK CYCLE



- Quarterly**
- Meetings with auditors
 - Divisional Business & Innovation reviews

- Monthly**
- GLT meetings
 - Investment Working Group meetings

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

Working order of the Board

The working order describes the working practices of the Board. A summary of key contents is presented below.

Board meetings

- occur regularly, at least five times a year, according to a schedule decided in advance;
- special Board meetings shall, if requested by a Board member or the CEO, be held within 14 days of the date of request;
- agenda and material shall be delivered to Board members one week before the meeting.

Information

- the Board shall receive information monthly concerning financial performance, the market situation and significant events within the Company's and the Group's operations;
- Board members shall be informed about all significant events immediately.

Matters to be handled at Board meetings

- matters specified by the Finnish Companies Act;
- approval of business strategy;
- organisational and personnel matters
 - decisions concerning the basic top management organisation;
 - decisions concerning the composition of the Group Leadership Team;
 - remuneration of the CEO;
 - appointment and dismissal of the CEO and approval of heads of divisions and other senior officers belonging to the GLT;
 - appointment of Board committees (including chairmen);
- economic and financial matters
 - review of annual budget;
 - approval of loans and guarantees, excluding intra-Group loans and guarantees;
 - report of share repurchases, if any;
 - approval of Group Risk Management Policy according to Financial and Audit Committee's proposal;
- investment matters
 - approval of investment policy of the Group;
 - approval of major investments;
 - approval of major divestments;
- other matters
 - report of the CEO on the Group's operations;
 - reports of the Remuneration Committee, Financial and Audit Committee and Sustainability and Ethics Committee by the chairmen of the respective committees. The Nomination Board's recommendations and proposals shall be reported to the Board by the Chairman of the Board.
 - approval and regular review of Corporate Governance and the charters of the Board committees;
 - annual self-assessment of Board work and performance;
- other matters submitted by a member of the Board or the CEO.

Board committees

The tasks and responsibilities of the Board committees are defined in their charters, which are approved by the Board. All the committees evaluate their performance annually, are allowed to use external consultants and experts when necessary and shall have access to all information needed. Each committee's chairman and members are appointed by the Board annually.

Financial and Audit Committee

The Board has a Financial and Audit Committee to support the Board in maintaining the integrity of the Company's financial reporting and the Board's control functions. It regularly reviews the system of internal control, management and reporting of financial risks, the audit process and the annual corporate governance statement. It makes recommendations regarding the appointment of external auditor for the parent company and the main subsidiaries.

The Committee comprises three to five Board members, who are independent and not affiliated with the Company. At least one Committee member must be a financial expert who has significant knowledge and experience in accounting and accounting principles applicable to the Company. The Financial and Audit Committee meets regularly, at least four times a year. The Committee members meet the external and internal auditors regularly without the management being present. The Chairman of the Committee presents a report on each Financial and Audit Committee meeting to the Board. The tasks and responsibilities of the Financial and Audit Committee are defined in its charter, which is approved by the Board. Financial and Audit Committee members may receive remuneration solely based on their role as directors. The remuneration is decided upon by the shareholders at an AGM.

In 2015

The Financial and Audit Committee comprised four members in 2015: Juha Rantanen (Chairman), Gunnar Brock, Mikael Mäkinen and Richard Nilsson¹⁾. The Committee convened 6 times.

The main task of the Committee is to support the Board in maintaining the integrity of Stora Enso's financial reporting and the Board's control functions. To fulfil its task the Committee reviewed the system of internal control, management and reporting of financial and enterprise risks as well as the audit process during 2015. Further the Committee reviewed all the compliance related cases that has been reported to internal audit and Ethics and Compliance during the year. It also reviewed the new financial targets published in May 2015.

Remuneration

Chairman EUR 20 000 per annum and member EUR 14 000 per annum as decided by the AGM.

The Financial and Audit Committee Charter is presented at storaenso.com/investors/governance.

¹⁾ Richard Nilsson member since 22 April 2015, Juha Rantanen Chairman since 22 April, Birgitta Kantola member and Chairman of the Committee 1 January 2015 to 22 April 2015.

Remuneration Committee

The Board has a Remuneration Committee which is responsible for recommending, evaluating and approving executive nominations and remunerations (including reviewing and recommending the CEO's remuneration), evaluating the performance of the CEO, and making recommendations to the Board relating to management remuneration issues generally, including equity incentive remuneration plans. There is a Remuneration Committee representative present at the AGM to answer questions relating to the management remuneration. The Board appoints the CEO and approves his/her remuneration.

The Committee comprises three to four Board members, who are independent and not affiliated with the Company. The Remuneration Committee meets regularly, at least once a year. The Chairman of the Remuneration Committee presents a report on each Remuneration Committee meeting to the Board. The tasks and responsibilities of the Remuneration Committee are defined in its charter, which is approved by the Board.

In 2015

The Remuneration Committee comprised three members in 2015. The members were Gunnar Brock (Chairman), Hans Stråberg and Juha Rantanen. The Committee convened 4 times.

During 2015, the main tasks were to recommend, evaluate and approve executive nominations and remunerations, and to make recommendations to the Board relating to management remuneration in general.

Remuneration

Chairman EUR 10 000 per annum and member EUR 6 000 per annum as decided by the AGM.

The Remuneration Committee Charter is presented at storaenso.com/investors/governance.

Sustainability and Ethics Committee

The Board has a Sustainability and Ethics Committee¹⁾ which is responsible for overseeing the Company's global responsibility and ethical business conduct, its strive to be a responsible corporate citizen, and its contribution to sustainable development. The Committee regularly reviews Stora Enso's Sustainability Strategy and Ethics and Compliance Strategy and, in accordance with Stora Enso's corporate governance structure, oversees their effective implementation. In its work the Committee takes into consideration Stora Enso's Purpose and Values as well as Code of Conduct and Business Practice Policy.

The Committee comprises two to four Board members who are nominated annually by the Board. The members are independent of and not affiliated with Stora Enso. At least one Committee member is expected to have sufficient prior knowledge and experience in handling responsibility and ethics matters.

The Committee meets regularly, at least two times a year. The Chairman of the Committee presents a report on each Sustainability and Ethics Committee meeting to the Board. The tasks and responsibilities of the Committee are defined in its charter, which is approved by the Board. Sustainability and Ethics Committee members may receive remuneration solely based on their role as directors. The compensation is decided by the shareholders at an AGM.

¹⁾ The name of the committee was Global Responsibility and Ethics Committee until 14 December 2015.

In 2015

The Sustainability and Ethics Committee comprised three members in 2015: Anne Brunila (Chairman), Elisabeth Fleuriot and Richard Nilsson¹⁾. The Committee convened 4 times.

During 2015, the focus areas of Committee's meetings have related to a functional review of areas relevant for the Committee's work, including a review of the Company's sustainability strategy and organisation as well as the compliance organisation and compliance reporting. The Committee has further provided training for the new Committee members.

¹⁾ Elisabeth Fleuriot and Richard Nilsson members since 22 April 2015, Birgitta Kantola member of the Committee 1 January 2015 to 22 April 2015.

Remuneration

Chairman EUR 10 000 and member EUR 6 000 per annum as decided by the AGM.

The Sustainability and Ethics Committee Charter is presented at storaenso.com/investors/governance.

Management of the Company

Chief Executive Officer (CEO)

The CEO is in charge of the day-to-day management of the Company in accordance with instructions and orders issued by the Board. It is the duty of the CEO to ensure that the Company's accounting principles comply with the law and that financial matters are handled in a reliable manner.

The Board approves the main organisation, including the functions reporting to the CEO. At the end of 2015 the CEO was directly in charge of the following functions, which also reported to him:

- Divisions (Consumer Board, Packaging Solutions, Biomaterials, Wood Products, and Paper)
- CFO (responsible for Accounting, Controlling, Corporate Finance and M&A, Enterprise Risk Management, Internal Audit, Investor Relations, Tax, Treasury)
- IT
- Human resources
- Legal, General Counsel
- Communications
- Sustainability
- Sourcing
- Technology (responsible for coordinating Stora Enso's R&D and innovation agendas, managing the Group's investment processes, and leading Energy Services)
- CEO Office (responsible for Wood Supply Finland and Russia, Wood Supply Sweden, Logistics, and special strategic projects)

The CEO is also responsible for preparatory work with regard to Board meetings. In addition, the CEO supervises decisions regarding key personnel and other important operational matters.

One of the Group Leadership Team members acts as deputy to the CEO as defined in the Finnish Companies Act.

Group Leadership Team (GLT)

The GLT is chaired by the CEO. The GLT members are appointed by the CEO and approved by the Board. At the year end 2015, the thirteen GLT members were the CEO, the CFO, and the heads of the divisions, HR, Legal (who is also General Counsel), Communications, Sustainability, Sourcing, and CTO.

The GLT assists the CEO in supervising the Group and divisional performance against agreed targets, portfolio strategy, ensuring the availability and value-creating allocation of Group funds and capital, and statutory, governance, compliance and listing issues and policies.

The GLT meets regularly every month, and as required.

In 2015

The GLT had thirteen members at the end of 2015. The GLT convened twelve times during the year, eleven times in person and one time over the telephone. Important items on the agenda in 2015 were implementation of the new division structure, safety issues, customers, diversity and quality of the talent bench, company purpose and values, reviewing the operations of the Group, planning and following up investment and other strategic projects, and preparatory work for Board meetings.

GROUP LEADERSHIP TEAM

<p>CEO Karl-Henrik Sundström</p>				
<p>CFO Seppo Parvi</p>	<p>Legal General Counsel Per Lyrvall</p>			
<p>HR Lars Häggström</p>	<p>Communications Ulrika Lilja</p>	<p>Sourcing Johanna Hagelberg</p>	<p>Sustainability Noel Morrin</p>	<p>Technology Markus Mannström</p>
<p>Consumer Board Jari Latvanen</p>	<p>Packaging Solutions Gilles van Nieuwenhuizen</p>	<p>Biomaterials Juan Carlos Bueno</p>	<p>Wood Products Jari Suominen</p>	<p>Paper Kati ter Horst</p>

Divisions and other functions

The divisions are responsible for their respective line of business and are organized and resourced to deal with all business issues. The CEO steers the divisions through quarterly and as needed Business Performance Reviews as well as the GLT meetings.

The investment planning is carried out by the divisions and, if certain monetary thresholds are exceeded, reviewed by the Investment Working Group comprising Group and division representatives and headed by the CTO. The CEO is responsible for the investment allocations and decisions, as well as proposals to the Board of Directors.

Innovation is organised and driven within the divisions to drive market and customer focus. The progress of innovation efforts are evaluated in quarterly Business and Innovation Reviews with the CEO, CFO, CTO, the division Head and the division Innovation Head.

The GLT is responsible for all policy issues relating to sustainability. Everyday sustainability issues are handled by the Sustainability function together with the Legal function, HR function, Sourcing function and the divisions, which are responsible for the operational management of sustainability issues. The overall direction for sustainability is developed by the Stora Enso Sustainability Performance Network (SPN) whose members come from the divisions and other key functions. The work of the SPN is incorporated into recommendations to the CEO, Group Leadership Team and when appropriate also to the Board of Directors' via its Sustainability and Ethics Committee.

The Company has user boards for certain cross-functional service functions (Logistics, IT, Energy and parts of Wood Supply). These user boards consist of representatives of the divisions using these services. The user boards supervise and steer the operations of the respective functions.

The Company has established proper disclosure policies and controls, and process for quarterly and other ongoing reporting.

Other supervisory bodies and norms

Auditor

The AGM annually elects one auditor for Stora Enso. The Financial and Audit Committee monitors the auditor selection process and gives its recommendation as to who should serve as auditor to the Board and to the shareholders at the AGM. The auditor shall be an authorised public accounting firm, which appoints the responsible auditor.

In 2015

Deloitte & Touche Oy (Deloitte) has been acting as Stora Enso's auditor since 2008. At the 2015 Annual General Meeting Deloitte was re-elected as auditor for a term of office expiring at the end of the Annual General Meeting in 2016.

PRINCIPAL INDEPENDENT AUDITOR'S FEES AND SERVICES

EUR million	Year Ended 31 December	
	2015	2014
Audit fees	4	4
Audit-related	-	-
Tax fees	-	-
Other fees	1	1
Total	5	5

Internal Audit

Stora Enso has a separate internal auditing organisation. The role of Internal Audit is to provide independent, objective assurance and consulting services that add value and improve the Group's operations. Internal Audit helps the Group to accomplish its objectives by providing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control, risk management and governance processes.

To ensure the independence of the Internal Audit department, its personnel report to the head of Internal Audit, who reports functionally to the Financial and Audit Committee, and administratively to the CFO. The head of Internal Audit is appointed by the CEO. The CEO shall seek approval of the appointment from the Financial and Audit Committee.

Internal Audit conducts regular audits at mills, subsidiaries and other Company units, implementing a risk based annual audit plan approved by the Financial and Audit Committee, including any special tasks or projects requested by management and the Financial and Audit Committee.

Ethics and Compliance Board

Stora Enso's Ethics and Compliance Board supervises and monitors legal and regulatory compliance-related policies, implementation and maintenance of processes and tools regarding the same, and concrete compliance issues and cases in the field of business practices. The Ethics and Compliance Board consists of the General Counsel (chairman), CEO, CFO, Head of HR, Head of Internal Audit and the Legal Counsel dedicated to compliance matters. The Ethics and Compliance Board shall convene at least four times every year.

Insider guidelines

The Company complies with the insider guidelines of Nasdaq Helsinki Oy. The Company's internal insider guidelines are published and distributed throughout the Group.

The Company expects the management and all its employees to act in the way required of an insider. All unpublished information relating to the Company's present and future business operations shall be kept strictly confidential.

Public insiders

According to the Finnish Securities Markets Act, public insiders or persons subject to disclosure requirement are persons in the

following positions: members of the Board of Directors, the CEO and the CFO, and person(s) with main responsibility for the audit. The CEO has decided that other public insiders are the members of the Group Leadership Team (GLT), the Assistant General Counsel and the head of Investor Relations.

The list of public insiders is approved by the CEO. The Company's public insider register is publicly available and is maintained by Euroclear Finland Oy.

Company-specific insiders

Company-specific insiders are persons who regularly receive inside information or who could have an opportunity to gain access to insider information through the nature of their work and who are not in the public insider register. Company-specific insiders are the divisions management teams, the personal assistants/secretaries to the members of the GLT and divisions management teams and the representatives of the employees. The heads and all members of the Investor Relations and Group Communications teams are also regarded as company-specific insiders, as well as the heads and certain team members of Treasury, Group Accounting and Controlling and Legal Services.

The company-specific insider register is a non-public permanent register. Persons included in a company-specific insider register are informed either by letter or by e-mail. The list of persons included in the continuously updated company-specific insider register is approved by the General Counsel.

Project-specific insider register

When a large project such as a merger or acquisition is under preparation, persons who are involved in that project and receive inside information are also considered insiders. In these cases a separate project-specific insider register is established. The General Counsel or the Assistant General Counsel will decide case-by-case in which projects such a register shall be established.

A project-specific insider register is a temporary register. Persons included in a project-specific insider register are informed either by letter or by e-mail.

Closed period

During the closed period insiders are not allowed to trade in the Company's securities. The period starts when the reporting period ends and lasts until the results are announced. The dates are published in the financial calendar at storaenso.com/investors.

Internal control and risk management related to financial reporting

Internal control over financial reporting

The system of internal control related to financial reporting in the Stora Enso Group is based upon the framework issued by the Committee of Sponsoring Organisations (COSO) and comprises five principal components of internal control: the control environment, risk assessment, control activities, information and communication, and monitoring.

The internal controls related to financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with applicable laws and regulations, generally accepted accounting principles and other requirements for listed companies.

Control environment

The control environment sets the tone of the organisation, influencing the control consciousness of employees. It is the foundation for all other components of internal control, providing discipline and structure.

The Board has the overall responsibility for setting up an effective system of internal control and risk management. The roles and responsibilities of governance bodies are defined in the corporate governance policy of the Company.

Responsibility for maintaining an effective control environment and operating the system for risk management and internal control of financial reporting is delegated to the CEO. The internal control in the Company is based on the Group's structure, whereby the Group's operations are organised into divisions and various support and service functions. Group functions prepare and the CEO and GLT issue corporate guidelines that stipulate responsibilities and authority, and constitute the control environment for specific areas, such as finance, accounting, investments, purchasing and sales. The Company has proper processes to ensure the reliability of the Company's financial reporting and disclosure processes.

The Company has a formal code of conduct and other policies regarding acceptable business practice, conflicts of interest and expected standards of ethical and moral behaviour. These policies are translated into relevant languages. Standard requirements have been defined for internal control over financial reporting and self-assessment is used as a tool to facilitate the evaluation of controls in individual business units and support functions.

The management expects all employees to maintain high moral and ethical standards and those expectations are communicated to employees through internal communication channels and are reinforced through training.

Risk assessment

Risk assessment is the identification and analysis of relevant risks to the achievement of objectives, forming a basis for determining how the risks should be managed. In the Company the major risks affecting internal control over financial reporting have been identified in a baseline risk assessment and at different levels, such as Group, division, unit or function and process. The assessment of risk includes risks related to fraud and irregularities, as well as the risk of loss or misappropriation of assets. Information on development of essential risk areas and executed and planned activities in these areas are communicated regularly to the Financial and Audit Committee.

Control activities

Control activities are the policies and procedures in place to ensure that management directives are carried out and that necessary action are taken to address risks related to the achievement of the organisation's objectives. Control activities are aimed at preventing, detecting and correcting errors and irregularities and occur throughout the organisation, at all levels and in all functions. They include a range of activities such as approvals, authorisations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties as well as general computer controls.

Information and communication

The Company's information and communication channels support completeness and correctness of financial reporting, for example, by making internal instructions and policies regarding accounting and financial reporting widely known and accessible to all employees concerned, as well as through regular updates and briefing documents regarding changes in accounting policies and reporting and disclosure requirements. Subsidiaries and operational units make regular financial and management reports to the management, including analysis and comments on financial performance and risks. The Board receives financial reports monthly. The Company has internal and external procedures for anonymous reporting of violations related to accounting, internal controls and auditing matters.

Monitoring

The Company's financial performance is reviewed at each Board meeting. The Financial and Audit Committee handles and the Board reviews all Interim Reports before they are released by the CEO. The annual financial statements and the Report of the Board of Directors are reviewed by the Financial and Audit Committee and approved by the Board. The effectiveness of the process for assessing risks and the execution of control activities are monitored continuously at various levels. Monitoring involves both formal and informal procedures applied by management and processes owners, including reviews of results in comparison with budgets and plans, analytical procedures, and key performance indicators.

The Company has a separate internal auditing organisation. The role, responsibilities and organisation of Internal Audit are described under Other Supervisory Bodies and Norms.

Compliance

Stora Enso is committed to taking responsibility for its actions, to complying with all applicable laws and regulations wherever it operates, and to creating and maintaining ethical relationships with its customers, suppliers and other stakeholders. Stora Enso's Code of Conduct was revised in 2015 and sets forth the company game rules. In 2011 the company established its Business Practice Policy to complement the Code of Conduct, which further sets out Stora Enso's approach to ethical business practices and describes the processes for reporting on violations thereof. No matter who they are or where they are, all employees are expected to comply with

the Code of Conduct and Business Practice Policy. Continuous e-learning, face-to-face training and sign-off are organised in order to ensure that these are part of the everyday decision-making and activities at Stora Enso.

The Ethics and Compliance Self-Assessment Tool (T.E.S.T) was established in 2015 to give Stora Enso divisions a better overview of the progress their units are making in policy implementation, compliance measures taken, and possible gaps and risks in compliance. T.E.S.T is run twice a year; the first round was successfully finished in June and the second round by the end of December.

In order to enhance the supervision and monitoring of legal and regulatory compliance-related policies and issues, in 2012 Stora Enso established its Ethics and Compliance Board, which is described in more detail on page 9. Division Compliance Forums in each business Division were established in 2015. The Forums consist of heads of key divisional functions, and they have an important role in monitoring and overseeing ethics and compliance related issues within the divisions. The first meetings were held in August, covering the results from T.E.S.T and what can be done to improve the policy knowledge and implementation.

Remuneration statement

Decision-making procedure

The shareholders at the AGM decide the remuneration of the Board members (including the remuneration of the members of the Board committees). The proposals for the AGM concerning the number of members of the Board of Directors, the members of the Board, remuneration for the Chairman, Vice Chairman and members of the Board and the remuneration for the Chairman and members of the committees of the Board are prepared by the Company's Shareholders' Nomination Board, which is described in more detail on page 2.

The Board has a Remuneration Committee which is responsible for recommending, evaluating and approving executive nominations and remuneration (including reviewing and recommending the CEO's remuneration), evaluating the performance of the CEO, and making recommendations to the Board relating to management remuneration issues generally, including equity incentive remuneration plans.

The Board appoints the CEO and approves his/her remuneration. The CEO approves the remunerations of other executives after they have been reviewed by the Remuneration Committee.

Main principles of remuneration

Remuneration principles

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 long-term incentives (shares when applicable)
- Long-term employee benefits (pension, medical and health benefits)
- Other benefits (car, housing, etc. when applicable)

The Group Leadership Team 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.

Stora Enso's full remuneration policy is presented at storaenso.com/investors/governance/remuneration

Board member remuneration

Remuneration of the Board of Directors is decided by the shareholders at the AGM. Remuneration is paid to non-executive members only. The AGM in 2015 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 2016

- for the Chairman of the Board of Directors EUR 170 000
- for the Vice Chairman of the Board of Directors EUR 100 000, and
- for other members of the Board of Directors EUR 70 000 each.

The Board members shall use approximately 40% of their annual Board member remuneration to purchase Stora Enso's R shares from the public market and the purchases shall be carried out during the two weeks following the AGM. 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 Chairman of the Financial and Audit Committee EUR 20 000, and
- for the members of the Financial and Audit Committee EUR 14 000 each,
- for the Chairman of the Remuneration Committee EUR 10 000, and
- for the members of the Remuneration Committee EUR 6 000 each,
- for the Chairman of the Sustainability and Ethics Committee EUR 10 000, and
- for the members of the Sustainability and Ethics Committee EUR 6 000 each.

Remuneration report and main principles of management remuneration

Management remuneration and share interests

The Group Leadership Team remuneration table on the page 14 includes the remuneration paid to GLT members during the year, including the share awards that vested in that year. The Company recommends and expects the CEO and 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 total GLT remuneration in 2015 amounted to EUR 11.0 (EUR 10.7) million. There were 12.8 (9.1) full time equivalent (FTE) GLT members during 2015, and the total compensation per FTE decreased to EUR 858 000 (1 175 000). The total number of GLT members was thirteen (eleven) at year end 2015. Jari Latvanen joined GLT at 1 January, Markus Mannström and Gilles van Nieuwenhuyzen joined on 16 March 2015 and Noel Morrin on 1 April. Two GLT members left during the year, Juha Vanhainen on 15 March and Terhi Koipijärvi on 31 March.

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.

The ordinary annual salary review was effective, as normal, from 1 March. The outcome of the financial targets relating to the Short Term and Long Term Incentive programmes for performance year 2014 were reviewed and confirmed by the Remuneration Committee beginning of 2015.

Shown in Note 21 Employee variable compensation and equity incentive schemes (Financial Report 2015) are details of share awards programmes and incentive schemes for the management and staff of Stora Enso.

Executives other than CEO

Short Term Incentive (STI) programmes for management

GLT members have STI programmes with up to a maximum of 50% of their annual fixed salary, payable the year after the performance period. The STI for 2015 was based 70% on financial measures and 30% on Individual Key Targets for the CEO, CFO and Division Heads, while based 60% on financial measures and 40% on Individual Key Targets for other GLT members.

The financial success metrics in the STI programme are EBITDA and Working Capital Ratio. The Individual Key Targets are based on Stora Enso's balanced scorecard approach, where they are defined as relevant in the position within the categories of Customer, People, Sustainability and Special Projects.

Long Term Incentive (LTI) programmes for management

Since 2009 Stora Enso has launched new share programmes each year. The 2009 to 2013 Performance Share programmes vested in portions over three years, based on annually defined targets set by the Remuneration Committee. The 2014 and 2015 programmes have three year targets and vest in only one portion after three years. In Performance Share programmes launched since 2012, the absolute maximum vesting level is 100% of the number of shares awarded. Three quarters (75%) of the awards under the 2015 programme is in Performance Shares, where shares will vest in accordance with performance criteria determined by the Remuneration Committee of the Board. One quarter (25%) of the award under the 2015 programme is in Restricted Shares, for which vesting is subject to continued employment.

Under the 2015 Performance Share programme, GLT members (in GLT at year end) received awards of 435 054 shares assuming the maximum vesting level during the three-year vesting period (2015–2017) is achieved.

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 (Financial Report 2015). 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 on executives (GLT members at settlement date) from previous awards derived from Restricted Share programmes and Performance Share programmes amounted to 171 570 having a cash value at the 1 March 2015 (15 April 2015 for one GLT member) settlement date of EUR 1 492 913 based on the share price at that date.

Chief Executive Officer – Karl-Henrik Sundström

The CEO has been employed since 1 August 2012 and assumed the position as CEO on 1 August 2014. His contract was approved by the Board on his appointment. It 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. Benefits include a company car and pension provisions. The CEO's pension plan consists of collectively agreed pension plan in Sweden (ITP2) and a defined contribution (DC) top up pension plan. Contributions to the DC plan in the interval 20–30 Income Base Amounts (IBA; one IBA was 58 100 SEK in 2015) is 23%, contributions above 30 IBA is 35% for the salary the CEO had prior to assuming this position and 39% on the salary increase amount received when assuming the position as CEO. 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 2015 was based 70% on financial measures and 30% on Individual Key Targets.

Long Term Incentive (LTI) programmes for CEO

The CEO participates in a number of share based LTI programmes. The 2013 Performance Share programme vest in portions over three years, based on annually defined targets set by the Remuneration Committee. The 2014 and 2015 programmes have three year targets and vest in only one portion after three years. Three quarters (75%) of the awards under the 2014 and 2015 programmes are in Performance Shares, where shares will vest in accordance with performance criteria determined by the Remuneration Committee of the Board. One quarter (25%) of the award under the 2014 and 2015 programmes are in Restricted Shares, for which vesting is only subject to continued employment.

The CEO received an award under the 2015 LTI programme of 105 912 shares. The grant value EUR 908 725 is based on the share price at grant date and assuming maximum vesting level during the three-year vesting period is achieved. The CEO received shares from previous awards of Restricted Share programmes and Performance Share programmes, which amounted to 43 290 shares having a cash value at the 1 March 2015 settlement date of EUR 371 428 based on the share price of EUR 8.58 at that date.

GROUP LEADERSHIP TEAM REMUNERATION

Year Ended 31 December

EUR thousand	2015			2014			
	CEO	Others ¹⁾	GLT Total	CEO	Former CEO	Others	GLT Total
Remuneration							
Annual salary	932	3 846	4 778 ⁴⁾	384	655	3 019	4 058
Local housing (actual costs)	-	132	132	-	-	102	102
Other benefits	25	605	630	9	8	198	215
Termination benefits	-	475	475	-	-	880	880
Short Term Incentive programme	232	650	882 ³⁾	-	847	656	1 503
Long Term Incentive programme	371	1 493	1 864 ³⁾	-	549	1 543	2 092
	1 560	7 201	8 761	393	2 059	6 398	8 850
Pension Costs							
Mandatory Company plans	61	983	1 044	25	-	620	645
Stora Enso voluntary plans	537 ²⁾	629	1 166	106	316	828	1 250
	598	1 612	2 210	131	316	1 448	1 895
Total Compensation	2 158	8 813	10 971	524	2 375	7 846	10 745

¹⁾ The amounts include payments related to Terhi Koipijärvi until 31 March and Juha Vanhainen until 15 March. Payments related to the new GLT member Markus Mannström are included from 16 March, while Noel Morrin is included from 1 April and Gilles van Nieuwenhuyzen from 16 March.

²⁾ The 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 unfunded liability for the CEO amounts to EUR 1 113 thousand.

³⁾ The pay-outs in March 2015 for Short term Incentive and Long Term Incentive were based on 2014 results. Disclosed amounts are included for the executives who were GLT members at the time of the payment.

⁴⁾ Annual salary for executives is disclosed only for the period during which they were GLT members.

GROUP LEADERSHIP TEAM SHARE INTERESTS

Executives in Office at the Year End	R Shares Held ¹⁾	Performance Share Awards	Restricted Share Awards
Juan Carlos Bueno	-	91 027	23 442
Johanna Hagelberg	1 220	29 247	10 718
Kati ter Horst	9 578	55 093	16 415
Lars Häggström	19 474	61 117	16 072
Jari Latvanen	-	34 304	11 435
Ulrika Lilja	13 355	24 584	8 195
Per Lyrvall ²⁾	34 965	55 776	15 042
Markus Mannström	18 860	30 832	8 428
Noel Morrin	5 970	21 395	30 006
Gilles van Nieuwenhuyzen	-	35 934	11 978
Seppo Parvi	5 440	47 199	19 379
Karl-Henrik Sundström ³⁾	83 499	171 352	47 267
Jari Suominen	15 540	42 737	12 945
Total, Serving Officers⁴⁾	207 901	700 597	231 322

¹⁾ None of the GLT members holds A shares.

²⁾ Spouse holds 1 257 shares.

³⁾ 41 700 of the shares are held by a related party (Alma Patria AB).

⁴⁾ 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 2015

The following Executive Officers also Served in 2015	Shares Held when GLT Membership Ended	Performance Share Awards when GLT Membership Ended	Restricted Share Awards when GLT Membership Ended	Effective Date of GLT Membership Ending
Terhi Koipijärvi	2 774	6 375	1 625	31 March 2015
Juha Vanhainen	91 640	-	-	15 March 2015
	94 414	6 375	1 625	

BOARD REMUNERATION AND COMMITTEE MEMBERSHIPS AS DECIDED BY AGM IN 2015¹⁾

Board Members at 31 December 2015	Board EUR	Financial and Audit Committee EUR	Remuneration Committee EUR	Sustainability and Ethics Committee EUR
Gunnar Brock	170 000 ²⁾	14 000	10 000 ²⁾	
Juha Rantanen	100 000	20 000 ²⁾	6 000	
Anne Brunila	70 000			10 000 ²⁾
Elisabeth Fleuriot	70 000			6 000
Hock Goh	70 000			
Mikael Mäkinen	70 000	14 000		
Hans Stråberg	70 000		6 000	
Richard Nilsson	70 000	14 000		6 000

¹⁾ 40% of the Board remuneration in 2015 was paid in Stora Enso R shares purchased from the market and distributed as follows: to Chairman 7 616 R shares, Vice Chairman 4 480 R shares, and members 3 136 R shares each. The Company has no formal policy requirements for the Board members to retain shares received as remuneration.











²⁾ Chairman

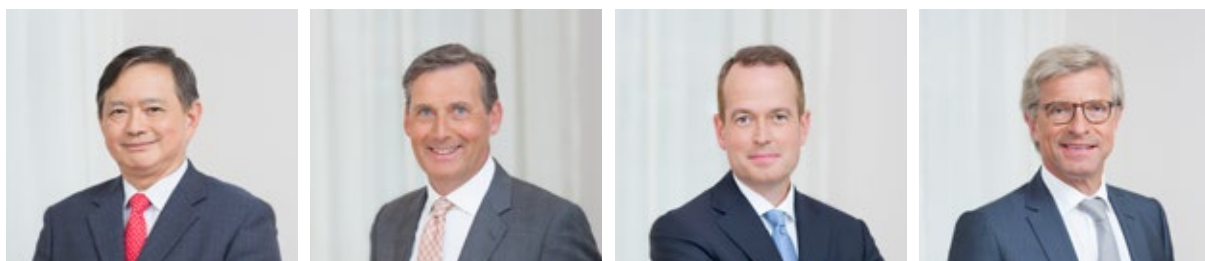
BOARD REMUNERATION

EUR	2015 ¹⁾	2014
Chairman	170 000	170 000
Vice Chairman	100 000	100 000
Board Member	70 000	70 000

¹⁾ 40% of the Board remuneration in 2015 was paid in Stora Enso R shares purchased from the market and distributed as follows: to Chairman 7 616 R shares, Vice Chairman 4 480 R shares, and members 3 136 R shares each. The Company has no formal policy requirements for the Board members to retain shares received as remuneration.

Members of the Board of Directors

				
	Gunnar Brock	Juha Rantanen	Anne Brunila	Elisabeth Fleuriot
	1950, M.Sc. (Econ.)	1952, M.Sc. (Econ.)	1957, D.Sc. (Econ.)	1956, M.Sc. (Econ.)
Position	Chairman of Stora Enso's Board of Directors since March 2010, member since March 2005. Member of the Financial and Audit Committee and Chairman of the Remuneration Committee since March 2010. Member of the Nomination Board.	Vice Chairman of Stora Enso's Board of Directors since March 2010, member since March 2008. Member of the Financial and Audit Committee since March 2010 and Chairman since April 2015. Member of the Remuneration Committee since April 2014. Member of the Nomination Board.	Member of Stora Enso's Board of Directors since April 2013. Chairman of the Sustainability and Ethics Committee since April 2013.	Member of Stora Enso's Board of Directors since April 2013. Member of the Sustainability and Ethics Committee since April 2015.
Board memberships	Chairman of the Board of Mölnlycke Healthcare AB and Rolling Optics. Member of the Board of Total SA, Investor AB, Stockholm School of Economics, GreenGold Capital AB, Stena AB and Syngenta International AG. Member of the Royal Swedish Academy of Engineering Sciences (IVA).	Member of the Board of Crisis Management Initiative – the Antisaari Centre, Suomen Messut – Finnexpo, Onvest Oy, Stalatupe Oy and Teknikum Oy. Chairman of the Supervisory Board of Gasum Oy.	Chairman of the Board of Aalto University Foundation as of 13 January 2016 (previously Vice Chairman). Member of the Board of Sampo Plc, Kone Plc, Sanoma Plc, the Research Institute of the Finnish Economy ETLA and the Finnish Business and Policy Forum EVA.	Member of the Board of Directors of Carlsberg Company.
Principal work experience and other information	President and CEO of Atlas Copco Group 2002–2009, President of Thule International 2001–2002, President and CEO of Tetra Pak Group 1994–2000, President and CEO of Alfa Laval 1992–1994.	President and CEO of Outokumpu Group 2005–2011, President and CEO of Ahlstrom Corporation 1998–2004, CEO of Borealis A/S 1994–1997.	Professor in Hanken School of Economics as of 2014. Executive Vice President, Corporate Relations and Strategy and Member of the Management Team of Fortum 2009–2012. President and CEO of the Finnish Forest Industries Federation 2006–2009. Director General in the Finnish Ministry of Finance 2003–2005 and several positions in the Bank of Finland 1992–2000 and the European Commission 2000–2002.	CEO of Thai Union Europe (previously MW Brands) as of 2013. 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.
Total remuneration 2015, EUR¹⁾	194 000	126 000	80 000	76 000
Board meeting attendance	7/7	7/7	7/7	7/7
Financial and Audit Committee attendance	6/6 	6/6 		
Remuneration Committee attendance	4/4 	4/4 		
Sustainability and Ethics Committee attendance			4/4 	2/2 
Shareholding²⁾	Owns 68 908 R shares in Stora Enso	Owns 9 918 R shares in Stora Enso	Owns 12 165 R shares in Stora Enso	Owns 12 165 R shares in Stora Enso
Independence from the company and significant shareholders³⁾	yes ⁴⁾	yes	yes	yes



	Hock Goh	Mikael Mäkinen	Richard Nilsson	Hans Stråberg
	1955, B. Eng (Hons) in Mechanical Engineering	1956, M.Sc. (Eng.)	1970, B.Sc (BA and Econ.)	1957, M.Sc. (Eng.)
Position	Member of Stora Enso's Board of Directors since April 2012.	Member of Stora Enso's Board of Directors since March 2010. Member of the Financial and Audit Committee since April 2013.	Member of Stora Enso's Board of Directors since April 2014. Member of the Financial and Audit Committee since April 2015. Member of the Sustainability and Ethics Committee since April 2015.	Member of Stora Enso's Board of Directors since April 2009. Member of the Remuneration Committee since March 2010.
Board memberships	Chairman of the Board of Advent Energy Limited and MEC Resources. Member of the Board of AB SKF, Santos Australia, KS Distribution Pte Ltd, Harbour Energy and Vesuvius Plc.	Currently no other board memberships.	Member of the Board of Directors of Boston-Power Inc. and Cellutech AB.	Chairman of the Board of Atlas Copco AB, Roxtec AB, Orchid First Holding AB, CTEK Holding AB and Nikkarit Holding AB. Member of the Board of Investor AB, N Holding AB, Mellby Gård AB, Hedson Technologies International AB and Consilio International AB.
Principal work experience and other information	Operating Partner of Baird Capital Partners Asia 2005–2012. Several senior management positions in Schlumberger Limited, the leading oilfield services provider, in 1995–2005.	President of Marine Rolls-Royce as of 2014. President of Cargotec Marine 2012–2013. President and CEO of Cargotec Oyj 2006–2012. Deputy CEO Wärtsilä 2004–2006, Group Vice President, Ship Power, Wärtsilä 1999–2004.	Investment Manager at FAM AB since 2008. Pulp & paper research analyst at SEB Enskilda 2000–2008, Alfred Berg 1995–2000 and Handelsbanken 1994–1995.	President and CEO of AB Electrolux 2002–2010. Several management positions at Electrolux in Sweden and the USA 1983–2002.
Total remuneration 2015, EUR¹⁾	70 000	84 000	90 000	76 000
Board meeting attendance	6/7	7/7	7/7	7/7
Financial and Audit Committee attendance		6/6 ●	4/4 ●	
Remuneration Committee attendance				4/4 ●
Sustainability and Ethics Committee attendance			2/2 ●	
Shareholding²⁾	Owns 17 948 R shares in Stora Enso	Owns 24 841 R shares in Stora Enso	Owns 10 298 R shares in Stora Enso	Owns 27 726 R shares in Stora Enso
Independence from the company and significant shareholders³⁾	yes	yes	yes/no	yes

¹⁾ Detailed description of Board Remunerations and Committee Memberships as decided by the AGM in 2015 on page 15.

²⁾ Shares held by Board members and related parties. Board members' related parties held no Stora Enso shares.

³⁾ The Board members are independent of significant shareholders of the Company with the exception of Richard Nilsson (Investment Manager at FAM AB). A significant shareholder is a shareholder that holds at least 10% of all Company shares or the votes carried by all the shares or has the right or obligation to purchase the corresponding number of already issued shares.









⁴⁾ The Board has evaluated the independence of Gunnar Brock taking into account that he has served on the Board since 2005 for a period exceeding 10 years, and has based on its overall evaluation of independence concluded Brock to be independent of the company.

The independence is evaluated in accordance with Recommendation 10 of the Finnish Corporate Governance Code of 2015. The full recommendation can be found at cgfinland.fi.

Birgitta Kantola, member of Stora Enso's Board of Directors since March 2005 until her resignation on 22 April 2015. Member of the Financial and Audit Committee since March 2005 and Chairman of the Committee since April 2009. Member of the Global Responsibility and Ethics Committee (currently Sustainability and Ethics Committee) since April 2013. Birgitta Kantola was independent of the company and the significant shareholders. Held 31 017 Stora Enso R shares when Board membership ended.

- Chairman
- Member

Members of the Group Leadership Team

				
	Karl-Henrik Sundström	Seppo Parvi	Juan Carlos Bueno	Johanna Hagelberg
	1960. B.Sc. (Business Studies)	1964. M.Sc. (Econ.)	1968. M.Sc. (Industrial Eng.)	1972. M.Sc. (Industrial Eng. & Mgmt) and M.Sc. (Eng. and Mgmt of Manufacturing Systems)
Position	Chief Executive Officer (CEO) since 2014. Member of the GLT since 2012.	Chief Financial Officer (CFO), Deputy to the CEO, Country Manager Finland. Member of the GLT since 2014.	Executive Vice President, Division Biomaterials. Member of the GLT since 2011.	Executive Vice President, Sourcing. Member of the GLT since 2014.
Board memberships, principal work experience and other information	Joined Stora Enso in 2012. Executive Vice President, Printing and Living until 2014. CFO of the company 2012–2013. CFO of NXP Semiconductors 2008–2012. Prior to that CFO and several managerial positions in Ericsson. Member of the Board of Swedbank and Sustainable Energy Angels AB.	Joined Stora Enso in 2014. 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 Chairman of the Board of the Finnish Forest Industries Federation. Member of the Board of Pohjolan Voima Oy. Member of the supervisory board of Ilmarinen.	Joined Stora Enso in 2011. EVP, Stora Enso Latin America until 2012. Vice President of DuPont Agricultural Products in Brazil 2006–2011. Prior to that several finance, sales, marketing and general business management positions in DuPont in other Latin American countries, USA, Europe, the Middle East and Africa. Chairman of the Board of Montes del Plata. Member of the Board of Veracel.	Joined Stora Enso in 2013 as SVP Sourcing, Printing and Living. 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^{1) 2)}	Owns 41 799 R shares in Stora Enso directly ³⁾	Owns 5 440 R shares in Stora Enso	Does not own any Stora Enso shares	Owns 1 220 R shares in Stora Enso
				
	Kati ter Horst	Lars Häggström	Jari Latvanen	Ulrika Lilja
	1968. MBA (International Business), M.Sc. (Marketing)	1968. B.Sc. (HR Development and Labour Relations)	1964. MBA, BBA	1975. M.Sc. (BA and Econ.)
Position	Executive Vice President, Division Paper. Member of the GLT since 2014.	Executive Vice President, Human Resources. Member of the GLT since 2010.	Executive Vice President, Division Consumer Board. Member of the GLT since January 2015.	Executive Vice President, Communications. Member of the GLT since 2014.
Board memberships, principal work experience and other information	Joined Stora Enso in 1996. Senior Vice President, Paper Sales, Stora Enso Printing and Living until 2014. Has held several managerial positions in the paper business. Member of the Board of Finnish Forest Industries Federation.	Joined Stora Enso in 2010. Head of Group HR at Nordea Bank AB 2008–2010. Prior to that several managerial HR positions in Gambro AB, AstraZeneca and Telia, and various HR positions at Eli Lilly & Co. 1995–2002, including Director of Human Resources in Latin America.	Joined Stora Enso in January 2015. CEO, Findus Nordic, Central and Eastern Europe 2010–2014. Before that, long international career within Nestlé group and several leadership positions within the food industry.	Joined Stora Enso in 2014 as Senior Vice President Communications, Stora Enso Printing and Living. Director External Communications at SSAB in Sweden 2010–2013. Prior to that several leading communications positions at OMX Stockholm Stock Exchange and Neonet.
Shareholding^{1) 2)}	Owns 9 578 R shares in Stora Enso	Owns 19 474 R shares in Stora Enso	Does not own any Stora Enso shares	Owns 13 355 R shares in Stora Enso

				
	Per Lyrvall	Markus Mannström	Noel Morrin	Gilles van Nieuwenhuizen
	1959. LL.M	1963. M.Sc. (Paper Tech.)	1958. B.Sc. (Chemistry and Biology)	Born 1959. M.Sc. (Applied Physics), MBA (INSEAD)
Position	Executive Vice President, Legal, General Counsel, Country Manager Sweden. Member of the GLT since 2012.	Chief Technology Officer. Member of the GLT since March 2015.	Executive Vice President, Sustainability. Member of the GLT since April 2015.	Executive Vice President, Division Packaging Solutions. Member of the GLT since March 2015.
Board memberships, principal work experience and other information	Joined Stora Enso as Legal Counsel in 1994. General Counsel since 2008. 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.	Joined Stora Enso in 2001. Has held several managerial positions in large investment and R&D projects within the company, most recently as General Manager of Stora Enso's Guangxi project in China. Member of the Renewable Packaging division management team 2009–2014. Member of the Board of Teollisuuden Voima Oyj. Deputy Member of the Board of Pohjolan Voima Oy.	Joined Stora Enso in April 2015. Group SVP for Sustainability & Green Support at Skanska AB 2005–2015. Group Environment Director at RMC plc 1999–2005. Prior to that he held senior roles at the UK National Environmental Technology Centre, the British NGO Business in the Community and the global chemical company ICI plc.	Joined Stora Enso in March 2015. President of the Enablers division at DuPont Nutrition & Health (formerly Danisco) 2010–2014. Prior to that senior management positions at among others the Dutch food ingredients group CSM (now Corbion), Rexam (coated films and papers), and DSM (chemicals and polymers).
Shareholding ^{1) 2)}	Owns 33 708 R shares in Stora Enso directly ⁴⁾	Owns 18 860 R shares in Stora Enso	Owns 5 970 R shares in Stora Enso	Does not own any Stora Enso shares



	Jari Suominen
	Born 1969. M.Sc. (BA)
Position	Executive Vice President, Division Wood Products. Member of the GLT since 2014.
Board memberships, principal work experience and other information	Joined Stora Enso in 1995. Senior Vice President, head of Building and Living Business Area until 2014. Has held several managerial positions in paper and wood products businesses. Member of the Board of Tornator.
Shareholding ^{1) 2)}	Owns 15 540 R shares in Stora Enso

Juha Vanhainen, Executive Vice President, Energy, Logistics, Wood Supply Operations in Finland and Sweden was a member of the Group Leadership Team until 15 March 2015.

Terhi Koipijärvi was acting Executive Vice President, Global Responsibility and an acting member of the Group Leadership Team until 31 March 2015.

¹⁾ None of the GLT members holds A shares.

²⁾ There were no shareholdings by related parties of GLT members as of 31 December 2015 with the exception of Karl-Henrik Sundström and Per Lyrvall as shown below.

³⁾ and 41 700 R shares through Alma Patria AB (related party).

⁴⁾ and 1 257 R shares through related persons (spouse).

Appendix 1

Due to differences between the Swedish and Finnish legislation, governance code rules and corporate governance practices Stora Enso's Corporate Governance deviates in the following aspects from the Swedish Corporate Governance Code:

- Rule 1.3 The company's nomination committee is to propose a chair for the annual general meeting. The proposal is to be presented in the notice of the meeting.
 - According to Finnish annual general meeting (AGM) practice, the Chairman of the Board of Directors opens the meeting and proposes the chairman. The proposed chairman is normally an attorney-at-law.
- Rule 2.1 The nomination committee is also to make proposals on the election and remuneration of the statutory auditor.
 - The Financial and Audit Committee prepares these proposals for shareholder approval in line with the Finnish Code.
- Rule 6.1 The chair of the board is to be elected by the shareholders' meeting.
 - The Board of Directors shall elect one of its members as Chairman and one of its members Vice Chairman according to Stora Enso's Articles of Association.
- Rule 9.1 The board is to establish a remuneration committee, whose main tasks are to monitor and evaluate the application of the guidelines for remuneration that the annual general meeting is legally obliged to establish, as well as the current remuneration structures and levels in the company.
- Rule 10.3 No later than two weeks before the annual general meeting, the board is also to report the results of the evaluation required by bullets two and three of Code rule 9.1 on the company's website.
 - In accordance with Finnish law, the remuneration of the CEO and management is the responsibility of the Board of Directors. The guidelines for and information on remuneration are presented in this Corporate Governance Report and the company's webpages.
- Rule 9.7 The shareholders' meeting is to decide on all share and share-price related incentive schemes for the executive management.
 - The incentive schemes are established by the Board of Directors. If the programmes include the issuance of new shares or disposal of shares held by the Company then the programme will be subject to shareholder approval. Current programmes of the Company do not include such elements.