

# Business Practice Policy



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## 16. Update log

Date - approved by Per Lyrvall

<i>Before update</i>	<i>After update</i>

Date - approved by Pontus Selderman

<i>Before update</i>	<i>After update</i>



# Business practice policy – tool

## Expandable indexes

Click on the items in the left column indexes to expand, collapse or go to that section.

## Control Tools and Contacts

When applicable, a box titled ‘Control Tools and Contacts’ will appear on the right column to give you quick and direct access to templates, database and contacts.

## Pop up definitions

Capitalised terms with dotted underlines are defined terms. When hovering above the underlined words, a tool tip (“small popup window”) containing the term’s definition will appear. If you are using a touch screen tablet, tap on the underlined words to display the definition and tap again to close the popup window.

Green boxes throughout This Policy highlight situations where you should take active actions in order to stay compliant. As example:

### Active action

- Complete Stora Enso Code training within one month after joining Stora Enso.

Blue boxes in This Policy highlight recommended readings, including case studies and best practice advices. As example:

### Case studies and best practices

- Read here for best practice advices in relation to business entertainments.

Throughout This Policy, Legal refers to the group function of Legal in Stora Enso, whose task



is to render the Company with intellectual property support, to facilitate the ethics and compliance of Stora Enso as well as to provide high quality legal service and advice to Divisions and Group Functions. When a term 'reported to Legal', 'consult Legal' or similar is used, engagement with any member of Legal satisfies the requirement. Information about Legal and its members can be found in Weshare > About Us > About Our Group Functions > Legal.

Legal, Ethics and Compliance refers to a sub team of Legal. It is responsible for Stora Enso Code, This Policy and related policies, their implementations, ethics trainings and Legal compliance investigations. Information about Legal, Ethics and Compliance and its members can be found in Weshare > About Us > About Our Group Functions > Legal > Ethics and Compliance.



# Letter from the CEO

Dear Stora Enso Colleagues,

On our journey of transforming Stora Enso to a renewable materials growth company, we have learned about the global mega trends shaping the world around us. In this context, Stora Enso's sustainable and renewable products can provide answers and solutions to many of the challenges the world has to solve.

And there are other areas where Stora Enso can make change and contribute to a better and more sustainable world. Business Ethics forms one important part of our Sustainability Agenda. The tag line of Business Ethics in the Sustainability Agenda is "We play fair". Please take a moment and reflect upon what that means to you.

For me it has a dual meaning.

First of all, we want to play fair because compliance with laws and regulations is a license to operate in today's tough business environment. Also, I believe that playing fair is a must for the value driven organisation we want to be, it leads to successful business and fosters accountability and a good reputation.

Secondly, Stora Enso can make change happen in our supply chain and in societies where we are present, by acting as a role model company and play fair. And we don't do that only because it supports our business. As a multinational player we have a responsibility to fight corruption in all its forms, support free and fair competition and in every respect act in a responsible and transparent way.

You have in your hand (or on your screen) an excellent tool for understanding and living what we consider to be the responsible and ethical business conduct. Study it carefully and reflect on it. And please remember that no guideline in the world will answer all our questions. In those situations, ask before you act, and always apply what our moral compass "Lead" and "Do What's Right", tells you to do.

January 2, 2020

Annica Bresky



# Introduction

Stora Enso is committed to creating long-term value on an economically, socially and environmentally sustainable basis. Legal compliance and ethical business conduct are cornerstones of Stora Enso sustainability agenda, and our good reputation remains one of our most important assets today.

This Policy is designed to provide employees with more detailed guidelines on how to comply with the high level principles set out in the Stora Enso Code, and to provide a framework for what we consider responsible conduct in our daily business activities. However, no policy, however detailed, can address every situation. You should therefore aim to comply with the spirit, and not just the letters, of the Code and This Policy. As a Stora Enso employee, you should always aim to exercise good judgment and be guided by the following principles:

- Avoid any conduct that could damage or risk Stora Enso reputation;
- Act legally and transparently;
- Don't exchange information with Competitors or engage in anti-competitive agreements;
- Never engage in any kind of corrupt activities and never give or accept excessive Gifts or Hospitality; and
- Avoid any conflict of interests.

Ultimately, responsibility for ensuring that our business activities are ethical and legal rests with each and every Stora Enso employee. Each individual must feel accountable for his or her own decisions and actions. If the applicable law or regulation is different from the requirements of the Code or This Policy, you should comply with the higher standard. The same principle also applies in case there are stricter rules in separate functions or units within Stora Enso. If you are uncertain whether a particular activity is legally or ethically acceptable, you must consult with your immediate supervisor or Legal before you engage in that activity.

To ensure that all employees are familiar with the rules and regulations in our company, all new employees must complete training on the Code. In addition, employees designated as Critical Employees must complete more detailed trainings.

This Policy applies to all officers and employees - including temporary personnel - of Stora Enso throughout the world and to the members of the Board of Directors of Stora Enso, as well as all business partners of Stora Enso (as defined in This Policy).

This Policy was adopted by the CEO and supported by the Group Leadership Team. It brings together a number of policies with the aim of making it easier for employees to find relevant guidance, and includes links to further guidance with application to a more restricted group of employees. If you are looking for guidance on a particular issue and cannot find it, or are not sure what is the right course of action in any given circumstances, please contact Legal.

# 1. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

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## **We comply with applicable local, national and international laws and regulations wherever we do business.**

Compliance with all applicable local, national and international laws and regulations wherever we do business is critically important to the success of our Company. Each Stora Enso employee must be familiar with, and act in accordance with the laws, regulations, and corporate policies that are relevant to his or her job and responsibilities. If you are involved in a foreign business transaction, you must make sure that you are familiar with, and adhere to, all relevant applicable laws and regulations.

Due to the complicated regulatory framework within which we conduct our business, issues of legal compliance may arise. On occasion, there may be disagreement as to whether or not Stora Enso is in full compliance with the law. Litigation may occur. At all times, we will act responsibly and abide by the final decisions rendered by the competent courts.

Most countries have laws requiring companies to keep accurate and fair accounts, and Stora Enso is subject to specific disclosure requirements as a result of its listing on NASDAQ OMX Helsinki and NASDAQ OMX Stockholm. Stora Enso prohibits any employee from altering or destroying Company records except as authorised by policies and procedures. We also prohibit any employee from assisting or encouraging the independent accountant in destroying corporate audit records. All Stora Enso employees must accurately record and properly document all accounting entries. You must report any significant deficiencies or material weaknesses or any concerns regarding questionable accounting or auditing matters to Internal audit or Legal. For further information on our record management policy, or accounting requirements please contact Internal Audit, Group Controlling or Legal.





## 2. FRAUD AND FRAUDULENT ACTIVITIES

**We promote an ethical work environment and responsibility in business. Fraudulent activities are strictly prohibited.**

Fraud is an intentional act or omission designed to mislead another individual or entity in order to achieve some benefit for oneself or a third party. Examples of fraudulent activities include but are not limited to:

- Intentional misstatements or omissions of material financial events, transactions, or other information;
- Falsification or manipulation of accounting records or documents, financial statements or other official business records; and
- Any misappropriation or theft of company assets, resources, or employee time for personal gain.

It is our policy to ensure that any suspected incidents of fraudulent activity relating to Stora Enso are promptly reported, investigated, and, where appropriate, prosecuted. It is the responsibility of each unit to establish and maintain sufficient internal controls, which should give reasonable assurance that fraud related risks are properly identified, monitored, controlled and mitigated. Managers are required to communicate these controls to the personnel in each unit.

### Active action

- *Any suspected fraudulent activities within the Company or committed by third parties with whom Stora Enso deals with or has a relationship, such as customers and other commercial counterparties, should be reported to Legal.*



## 3. COMPETITION LAW

**We support the principles of fair competition. Price fixing, market sharing and similar anti-competitive practices are prohibited.**

The European Union's competition laws, the [US](#) antitrust laws and the equivalent laws of other countries are designed to preserve a competitive economy. We support such laws, which aim to ensure free markets and give everyone the opportunity to succeed on the basis of superior products. Infringement of competition laws is not only contrary to our principles and [This Policy](#) but can also result in large financial penalties, damages and possible criminal liability and imprisonment for individuals. Competition/antitrust law violations can also result in substantial diversion of management time and effort, and adverse publicity that damages the [Company's](#) reputation.

All [Stora Enso](#) employees and business partners should be aware of and follow the requirements and the competition laws of the countries where they carry out their business operations. In addition, all employees should be mindful that the competition laws of [in Europe](#) or the [US](#) as example may also apply to business operations that take place elsewhere.

Because of the complexity of this topic, whenever you have a competition law concern or question you should consult [Legal](#).

### 3.1 Fundamental Rules

All agreements between undertakings, decisions by associations of undertakings and concerted practices, that have as their object or effect the prevention, restriction or distortion of competition are normally prohibited under competition law (see [Section 3.2](#)).

[Stora Enso](#) must act independently both when selling to customers and when purchasing from suppliers, not try to influence the future market conduct of its [Competitors](#), and take great care when meeting with [Competitors](#). Safeguards must be considered in advance of [Competitors](#) contacts with regard to new memberships in [Trade Associations](#) (see [Section 3.2.1.5](#)), [Mill Visits](#) (see [Section 3.2.1.6](#)) and industry benchmarking (see [Section 3.2.1.7](#)). Certain [Competitors](#) contacts shall also be reported when they have already taken place (see [Section 3.2.1.8](#)).

A dominant position implies a position of economic strength, which enables an undertaking to prevent effective competition on the market and to behave substantially independently of the market. Certain behaviors by a dominant undertaking may amount to a prohibited abuse. Examples of abuse are unfair pricing, discrimination against certain customers and certain rebate schemes (See [Section 3.3](#)).



Structural changes of business such as mergers, acquisitions, divestments and establishments of joint ventures normally entail certain aspects relating to competition law (See [Section 3.4](#) and [Section 3.5](#)).

## 3.2 Prohibited Agreements, Decisions and Concerted Practices

### 3.2.1 Relations with Competitors

#### 3.2.1.1 Agreements with Competitors

Under no circumstances should Stora Enso enter into any agreement, whether written or oral, express or implied, that could be seen as having the potential to restrict competition. Examples of agreements that are particularly likely to constitute serious infringements of competition law include:

- Agreements on what prices to charge, e.g. agreements to charge the same price, apply the same discounts, adhere to a pricing formula, increase or decrease prices by the same percentage, etc.;
- Agreements allocating markets or customers, e.g. agreements not to compete with one another in a given geographic area or for a certain customer or category of customers (such as for one company to focus on direct sales and the other to focus on sales through distributors);
- Agreements on whether or not to deal with a certain supplier, customer or category of supplier/customer (e.g. agreements to collectively boycott certain suppliers seen to be charging excessive prices);
- Agreements to coordinate bids in any sale or purchasing process, e.g. in order to obtain the best prices; and
- Agreements to limit or control production, technical development or investment.

The prohibition on restrictive agreements applies to concerted practices as well as to formal agreements. This aims to prohibit situations where no formal agreement has been entered into but where a company, by direct or indirect contacts regarding business objectives, influences the market conduct of a competitor in a way that it is assumed will affect competition.

The prohibition does not only concern agreements that actually restrict competition but also agreements that are intended, by their very nature, to do so.

#### 3.2.1.2 Sharing Information with Competitors

Stora Enso employees must never participate in any discussions involving Competitively Sensitive Information, supply Competitively Sensitive Information to a Competitors or receive



Competitively Sensitive Information from a Competitors, unless otherwise permitted under This Policy or by Legal.

**“ Competitively Sensitive Information ”** means:

- Any confidential information<sup>1</sup> relating to Stora Enso or one or more Competitors on any market concerning its recent<sup>2</sup>, current or future competitive actions, strategies and/or plans, including :
  - Pricing (including actual prices as well as price lists or indicative prices, where relevant);
  - Discounts or discount policies;
  - Bidding practices or strategy;
  - Customers (including the identity of actual or potential customers, as well as categories of customers);
  - Market territories (where the Company does/does not sell or intend to sell its products);
  - Suppliers (including the identity of actual or potential suppliers, as well as categories of suppliers);
  - Terms or conditions of sale;
  - Policy or strategy regarding negotiations with customers;
  - Revenues, profits or margins;
  - Market shares;
  - Sales, marketing, advertising or promotion strategy or costs;
  - Data or views on the market, supply/demand, price trends, etc. (including but not limited to whether prices on the market(s) are too low, at what level prices should be, or how to achieve higher or more stable prices);
  - Expansion/contraction plans;
  - R&D projects, strategy or costs;
  - Production capacity, output or costs;
  - Quantities produced or sold, and inventories; and
  - Information on the internal organization of the firm;
- Any confidential information relating to Stora Enso that could be used by the recipient in making decisions on the matters indicated above, or to anticipate the strategy of Stora Enso with respect to the matters indicated above;
- Any confidential information relating to a Competitor that could be used by Stora Enso in making decisions on the matters indicated above, or to anticipate the strategy of the Competitors
- Any other confidential information relating to Stora Enso that might be used by the recipient in a manner than could reduce competition; or
- Any other confidential information relating to a Competitors that might be used by Stora Enso in a manner than could reduce competition.

Any information exchanged with regard to Competitively Sensitive Information , regardless

of the context in which it was exchanged, may amount to an infringement of competition law.

### 3.2.1.3 Public Communications and Market Signalling

Stora Enso must comply with certain regulatory and stock exchange requirements in respect of public statements. We must also be aware that public statements in respect of the markets for our products could be perceived as market signalling between competitors and could raise serious antitrust issues. Stora Enso employees must therefore comply with the following main principles:

- Public communications on Competitively Sensitive Information, such as current or future prices, inventories, capacity utilisation and downtime, should be cleared/discussed with Legal in advance;
- Public communications on Competitively Sensitive Information, such as prices, inventories, capacity utilisation and downtime, that relate to the past only, and to Stora Enso and not to Stora Enso's Competitors, are normally acceptable from a competition law point of view;
- Public communications, in the form of reports, releases and announcements, of current and future prices and other terms of trades with customers (or suppliers) or downtime should only be given when required by applicable regulatory (including civil labour law) and stock exchange requirements;
- Public communications giving an overall description or assessment of general future market trends, that are necessary to make a fair market valuation of the company (forward looking statements), are normally required by regulatory and stock exchange rules and are generally acceptable. However, efforts shall be made to ensure the generality of the information, and to avoid the perception of market signalling. Thus, it is acceptable to state that, based on historical and present factors, demand and, hence, prices currently seem to be rising. To state that prices are likely (or desired to) to rise by X% or Y amount in the future is not acceptable from a competition law point of view;
- Stora Enso spokespersons should talk about Stora Enso only, and not for the industry in general, on market related issues or suggest what would be/not be desirable from a general industry point of view (unless within the framework of Trade Associations and on acceptable political issues only; e.g. discussions in a Trade Association about the need for higher prices or lower output in the industry are not acceptable);
- Stora Enso spokespersons should not comment on the actions or business of Stora Enso's Competitors; and
- Stora Enso should refrain from contributing to market survey publications. Such contributions may only take place when cleared by Legal. Such clearance can be obtained if accurate data is contributed in good faith, if the publications collect data from sellers as well as buyers and if the published data is presented in an aggregated format not disclosing data from individual companies (or customers).



### 3.2.1.4 Buying from or Selling to Competitors of Stora Enso.

Buying from and selling to competitors present special antitrust risks related to information sharing and market signalling. In order to prevent Competitively Sensitive Information from flowing between competitors, as well as to avoid the appearance of improper information flow, special precautions must be taken whenever Stora Enso buys from suppliers or sells to buyers that compete with Stora Enso.

Selling products to, or purchasing products from, Stora Enso's Competitors should only take place for legitimate business reasons. In the context of negotiating sales to or purchases from competitors, it may be necessary to exchange some Competitively Sensitive Information. However, no information should be exchanged beyond what is necessary for the purposes of reaching a selling/purchasing agreement. When negotiating sales or purchases with a Competitor, the following principles shall apply:

- No information received from a Competitor should ever be exchanged with another Competitor;
- No information should be exchanged with a Competitor about transactions involving other customers or suppliers of Stora Enso, or about other customers or suppliers of that Competitor (including prices and volumes of other transactions);
- No information should be exchanged with a Competitor about the costs of either company. If costs need to be part of a price formula, they should be obtained from a third party source, e.g. an independent transport company in the case of transport costs;
- Where possible, it is preferable to use public reference prices to set the price, in order to avoid disclosure of each company's individual price strategies; and
- In the case of swaps of products, a unit-for-unit exchange is a way to avoid the need for sensitive price negotiations between competitors.

#### *Internal handling of competitors' information*

Stora Enso employees involved in selling products to Stora Enso's Competitors will have access to Competitively Sensitive Information, such as the price agreed. These employees must not communicate this information to any employees of Stora Enso involved in purchasing those products or involved in selling downstream products incorporating those products.

Likewise, Stora Enso employees involved in purchasing products from Competitors must not communicate any Competitively Sensitive Information available as a result of this purchase (including the price agreed) to any employees of Stora Enso involved in selling those products.

Where possible, the purchasing and selling functions for given products should be separated

and handled by different employees. If the same Stora Enso employee must handle both purchasing and selling activities, it is especially important to avoid price negotiations involving the disclosure of costs of either party or the pricing policy applicable to transactions with other external parties or other Stora Enso units. Public reference prices and third party cost information should normally be used in this situation.

In some situations, such as determining internal transfer prices that comply with tax laws, some internal communications may be necessary regarding pricing information for products sold to or purchased from Competitors. In this case, Stora Enso employees should limit information passing between selling and purchasing employees to what is strictly necessary for that purpose. In particular, wherever possible, only information about average prices that reflect general market conditions should be exchanged.

### **Active action**

- *Public communications on Competitively Sensitive Information, such as current or future prices, inventories, capacity utilisation and downtime, should be cleared/discussed with Legal in advance;*
- *Stora Enso should refrain from contributing to market survey publications. Such contributions may only take place when cleared by Legal; and*
- *Whenever you have a competition law concern or question you should consult Legal.*

### 3.2.1.5 Participating in Trade Associations

Trade Association serve an important role in business and help to develop the industry which is in the interests of other stakeholders too. However, activities within Trade Associations need to be carefully examined since Trade Associations by their very nature represent a forum for contacts between competitors and therefore present potential competition risks.

Stora Enso employees participating in Trade Association meetings (including both formal and informal discussions and communications) must fully comply with the rules on agreements with competitors, at [Section 3.2.1.1](#), and on sharing information with competitors at [Section 3.2.1.2](#).

#### *Best practices when attending a Trade Association meeting*

- Obtain an agenda before any meeting that accurately reflects the topics to be discussed. This agenda should be closely followed during the meeting;
- Ideally, each Trade Association meeting should begin with a reminder to participants that the meeting is to be conducted in compliance with the relevant competition laws, and

this should be reflected in the minutes;

- Complete minutes should be prepared of the discussions held during the Trade Association meeting. The minutes should include a complete list of attendees;
- The agenda, any other documents to be exchanged in the meeting, and the minutes of the meeting should be reviewed and finalized by counsel (e.g. of the Trade Associations if it has its own counsel) in order to ensure that they do not contain ambiguous or misleading wording that may incorrectly imply the existence of improper discussions;
- If topics are raised in Trade Associations discussions which the Stora Enso participant considers may be improper from a competition law perspective, he/she should object immediately and ask that such discussions be tabled in order for Stora Enso to confer with Legal and to allow the other participants to seek counsel from their respective Legal departments. The minutes should clearly indicate that an objection was raised by Stora Enso and that the topic, while briefly raised, was not discussed. In the event that the conversation continues despite Stora Enso's objection, the Stora Enso participant should immediately leave the meeting and ask that his/her departure from the meeting be clearly noted in the minutes;
- If the Trade Associations has its own counsel, this person should ideally attend all meetings. If the Trade Associations does not have its own counsel, Stora Enso should request that its own counsel attend the meeting if sensitive topics are on the agenda. Before making such a request, the situation should be discussed with Legal;
- Ensure that you are not part of any informal discussion on sensitive topics outside the formal meeting;
- All agendas, minutes and documents exchanged in connection with Trade Associations meetings should be preserved for at least 5 years;
- After the meeting check that the minutes accurately reflect the discussions at the formal meeting; and
- If, after a Trade Associations meeting, the Stora Enso participant is unclear whether any discussion or meeting activity may have violated competition law, he/she should discuss this with Legal level immediately.

### *Exchanging information*

Many Trade Associations exchange information amongst members on various issues, such as environmental concerns, safety, industry best practices and the like. Provided that the information is not Competitively Sensitive Information, its exchange should not normally raise competition concerns.

As a general rule, discussions and information exchanged during Trade Associations

- Activities contributing to the progress of the industry as a whole;
- Initiation of new legislation, modification of existing legislation or reaction to proposed legislation, whether at national or supranational levels; participation in industry-wide litigation;
- Reduction of tariffs and other legal barriers to exports or imports; and





- Research into the safety or other technical aspects of materials, products or product methods.

On occasion, Trade Associations may gather information on items such as past sales, costs or even prices of its members. Such information gathering will not necessarily be deemed to violate the competition rules if the information provided by the members is historical (typically at least one year old, if not older), if the information is compiled by an independent third party such as the Trade Associations itself, and if the findings are presented in an aggregated form (such that it is not possible for the recipients to identify company-specific information<sup>3</sup>).

### **Active action**

- *Any new membership of a Trade Associations in which Stora Enso's Competitors, actual or potential, are also members, must be pre-approved by Legal, Ethics and Compliance. The application should be filed [HERE](#).*

## 3.2.1.6 Visits To Mills And Other Facilities

Visits to mills and other production facilities, also including plantations, laboratories and logistic hubs, ("**Mill Visits**") can be conducted. However certain safeguards must always be in place to avoid risks of misinterpretation. Mill Visits can have perfectly legitimate reasons which ultimately benefit consumers.

*Mill Visits to Stora Enso's own facilities or to and outside the sectors in which Stora Enso is active present no antitrust risks.*

Mill Visits between competitors. While Mill Visits to or by competitors can benefit consumers they also present significant antitrust risks. Hence, Stora Enso should only visit competing mills or host visitors from competing mills when there are major potential benefits and where appropriate safeguards are in place.

- Proposals for Mill Visits to or by Competitors must be reviewed and cleared on a case by case basis by the Division Head or Business Unit Head, as applicable. Once approved by the Division Head or Business Unit Head, the proposals also need approval by Legal, Ethics and Compliance;
- Visits to competing mills by invitation from suppliers for the purpose of demonstrating supplier equipment installed at the competing mill are only allowed if the Mill Visit is part of a concrete and documented investment process;



- Stora Enso mills may only allow Competitors reasonable access to Stora Enso mills for the purpose of demonstrating supplier equipment installed at our mills if there is written confirmation from senior management at the competitor that the visit is made due to a decision on a substantial investment;
- Mill Visits to or by competing mills for the purpose of learning how to solve purely technical problems in respect of production similar for the participating mills are likely to be cleared;
- Mill Visits to or by competing mills in connection with legitimate industry or Trade Associations meetings and activities are likely to be cleared; and
- Mill Visits to or by competing mills as a tool for benchmarking of general human resources and organizational practices, health and safety issues and general environmental issues are likely to be cleared.

*Exception.* To the extent that the Competitor is a customer or supplier of Stora Enso, Mill Visits in connection with ordinary commercial contacts in respect of the customer/supplier relationship, do not require previous clearance from Legal, Ethics and Compliance. Please do, however, read [Section 3.2.1.4](#) of the BPP if you are planning to make or host such a visit.

Discussions between Stora Enso employees and employees of Competitors on Competitively Sensitive Information during a Mill Visit are prohibited. In addition, certain meetings and contacts with Stora Enso's Competitors shall be reported to Legal, Ethics and Compliance according to the rules on Competitor Contacts, read [Section 3.2.1.8](#) of the BPP for further guidance.

### **Active action**

- *Once approved by the Division Head or Business Unit Head, proposals for Mill Visits to or by Competitors must be reviewed and cleared by Legal, Ethics and Compliance. The application should be filed [HERE](#).*
- *There is, however, one exception from this general rule: If the Competitor is a customer or supplier of Stora Enso, Mill Visits that are made in connection with ordinary commercial contacts in the customer/supplier relationship do not require previous clearance. If you are planning such a visit, do however inform your Division Head or Business Unit Head, and read [Section 3.2.1.4](#) in the BPP.*

### 3.2.1.7 Industry Benchmarking

Benchmarking can be done in many ways and is the practice of comparing cost, practices, efficiencies, organizational structure, equipment or other competitive information against



other organisations. The practice has risks when competitors are involved, and certain safeguards must be in place before these activities are undertaken.

Benchmarking internally and outside the sectors in which Stora Enso is active. This type of benchmarking activity presents no antitrust risks and is encouraged.

Benchmarking with Competitors. Using publicly available information such as financial reports, press releases, media information etc., presents no antitrust risks and is encouraged. However, benchmarking with Competitors must be undertaken only when there are major potential benefits and where appropriate safeguards are in place.

- Proposals for benchmarking with Competitors must be reviewed and cleared on a case by case basis by the Division Head or Business Unit Head, as applicable. Once approved by the Division Head or Business Unit Head, the proposals also need approval by Legal, Ethics and Compliance.
- Benchmarking with Competitors will only be cleared if the benchmarking is on topics generally considered as acceptable from a competition law point of view, such as:
  - General human resources;
  - Organizational practices;
  - Health and safety issues; and
  - General environmental issues.
- Further, benchmarking with Competitors on purely technical matters (e.g. on purely technical machine or production process solutions) can be cleared if the benchmarking takes place occasionally and not as a regular event.
- In case Competitively Sensitive Information is benchmarked, the information made available to participating companies should not specifically identify individual companies or facilities or enable such information to be identified. Further, such information must be historical, at least more than six months old.
- Prospective or forward-looking data must never be used for benchmarking activities.

*Exception.* A benchmarking application is not required if a mill visit application is made for the relevant event whereby the benchmarking activity is disclosed. In addition, an application for benchmarking against competitor data via third party sources, e.g. databases, is not required if the data is (i) at least more than six months old, (ii) anonymous and (iii) aggregated, and where there is no direct contact with any competitors.

Discussions between Stora Enso employees and employees of Competitors on Competitively Sensitive Information during a benchmarking event are prohibited. In addition, certain meetings and contacts with Stora Enso's Competitors shall be reported to Legal, Ethics and Compliance according to the rules on Competitor Contacts, read [Section 3.2.1.8](#) of the BPP for further guidance.

### **Active action**

- Once approved by the Division Head or Business Unit Head, proposals for benchmarking with Competitors must be reviewed and cleared by Legal, Ethics and Compliance, prior to the benchmarking project. Applications to perform a benchmark study shall be filed [HERE](#).

There are, however, two exceptions from this general rule:

- A benchmarking application is not required if a mill visit application is made for the relevant event whereby the benchmarking activity is disclosed.
- An application for benchmarking against competitor data via third party sources, e.g. databases, is not required if the data is (i) at least more than six months old, (ii) anonymous and (iii) aggregated, and where there is no direct contact with any competitors.

### 3.2.1.8 Competitors Contacts

Each Stora Enso employee must take great care when meeting with Competitors in order to comply with the applicable competition rules. Discussions between Stora Enso employees and employees of Competitors on Competitively Sensitive Information are prohibited.

Stora Enso must act independently on the market and must not seek to influence the future market conduct of its Competitors or to ascertain in advance the future market conduct of its Competitors.

Stora Enso may speculate and make forecasts. It should not for this purpose obtain business secrets from its Competitors concerning their future plans.

It should be emphasized that Stora Enso is not only in competition on the markets where it sells but also on the markets where it purchases and shall comply with the same rules in relation to its Competitors whether acting as a seller or as a purchaser.

It is especially important that the employees of Stora Enso do not make agreements or even communicate with Competitors in relation to Competitively Sensitive Information (see [Section 3.2.1.2](#)).

#### **Active action**

- Members of Stora Enso's Group Leadership Team and members of each Division<sup>4</sup> Leadership Team shall report all meetings and contacts with Stora Enso's Competitors to Legal, Ethics and Compliance. There are, however, two exceptions

*from this general rule:*

- *To the extent that the Competitor is a customer or supplier of Stora Enso's ordinary commercial contacts in respect of the customer/supplier relationship do not need to be reported;*
- *To the extent that the contact takes place at an official trade association (or similar) meeting from which official meeting minutes reflecting the discussions are produced and distributed the contact does not need to be reported; or*
- *Other Stora Enso employees shall report contacts that they have with Competitors if the contact or meeting touches upon Competitively Sensitive Information.  
The report should be filed [HERE](#).*

### 3.2.1.9 Joint Purchasing

Joint purchasing includes any arrangement under which two or more parties agree to jointly source products or services. The joint purchasing can take many forms. It may be carried out by a jointly controlled company, by a company in which many other companies have non-controlling stakes, by a contractual arrangement or by even looser forms of co-operation. The products or services may be used by each party in the manufacture of other products or resold in their existing form.

Joint purchasing agreements can create significant benefits for consumers and markets. For example, they may create cost savings in the form of lower purchase prices or reduced transaction, transportation and storage costs, which can in turn be passed on to customers. They can also encourage suppliers to innovate and introduce new or improved products on the markets. Purchasing goods or services together with other companies can therefore be fully legitimate and a way for companies like Stora Enso to save costs, to the benefit of both shareholders and customers.

However, joint purchasing may entail considerable competition law risks if it prevents, restricts or distorts competition in any way. For example, agreements that involve the fixing of purchase prices can be a serious restriction of competition, and joint purchasing arrangements which serve as a tool to engage in price fixing, output limitation or market allocation in a selling market can be seen as disguised cartels.

Whether joint purchasing is allowed or not depends on the circumstances of each case, and a thorough competition law analysis is often required. Extra care is required where:

- The purchasing companies are competitors in one or several selling markets;
- The purchasing companies together account for a large share of the purchasing market

and/or a downstream selling market;

- There are only a limited number of suppliers of the concerned product or service, and/or the barriers to enter into the supply market are high;
- There are a low total number of competitors in the selling market, and/or few competitors outside the purchasing cooperation;
- The cooperation extends to activities other than the coordination of the conditions for purchase of the goods or service in question (i.e. to joint marketing or sales activities);
- Participating competitors reach a high commonality of costs through the joint purchasing;
- Pre-existing links exist between the participating competitors, such as other joint purchasing agreements.

### **Active action**

*If you are contemplating to engage in joint purchasing of goods and/or services with another company, please consider the information above and fill out [the form](#). Once you have submitted the form, await instructions from Legal before proceeding*

## 3.2.2 Relations with Customers, Distributors and Suppliers

The competition rules do not only apply in respect of the relationship between competitors (the horizontal level) but can also apply in relation to a company's customers, distributors and suppliers (the vertical level), either because practices include anti-competitive agreements or because they constitute an abuse of dominant position.

Special attention should be paid to the following topics:

- **Agreements restricting the right of a distributor or other buyer to determine its own selling prices.** Setting a minimum sales price is prohibited. Setting a maximum price or making recommendations is generally permitted so long as it is not indirectly a minimum price requirement;
- **Restrictions on the rights of the distributor, or other buyer, to re-sell, by reference to geographical territories or specified customers.** This rule is subject to certain exceptions. As a rule, Stora Enso's buyers should not be prohibited from selling to customers outside of their territory who contact them (i.e. "passive sales" must be allowed);
- **Long-term sale or purchase agreements.** Long term selling or purchasing agreements that cover all or a substantial part of the needs or output of a customer or a supplier (exclusivity arrangements) may by their very nature be an area of concern since such arrangements lock up the parties and restrict the possibilities of other suppliers or purchasers to do business on the market. However, there are certainly situations were

such arrangements could be justified, e.g. when the supplier has to undertake major investments in order to supply or when sponsoring a new market entrant;

- **Agreements containing exclusive supply or purchase obligations.** Exclusive obligations on a customer to only buy a type of product from Stora Enso and not from any competing manufacturer will generally be automatically allowed if (1) Stora Enso's market share in the product is less than 30% and the buyer's share of the market on which it buys the product is less than 30% and (2) the agreement is no longer than five years and not tacitly renewable beyond a period of five years. Similarly, exclusive obligations on a supplier to supply only Stora Enso may in some cases also be allowed; and
- **Where conclusion of contract is subject to acceptance of unrelated supplementary obligations.** Tying is a particular concern in markets where Stora Enso has a significant market share. A typical example of tying would be for Stora Enso to only supply a product in which it has a significant market share to a customer if the customer also buys another product for which Stora Enso has a weaker market position, unless justifiable technical or safety related circumstances are in place.

### 3.2.3 Research and Development

R&D agreements generally go along with high investment costs, long term commitments of the parties, and high expectations that such investment in time and money will eventually pay off by successful commercial exploitation of its results. Access to such results and the valid allocation/restriction of exploitation rights are thus of key importance for companies entering into such collaboration.

The following R&D agreements are unlikely to impose any competition law concerns:

- R&D agreements that relate to cooperation at an early stage, far removed from the exploitation of possible results;
- R&D agreements between non-competitors, unless there is a possibility of a foreclosure effect and one of the parties has significant market power with respect to key technology;
- The outsourcing of R&D to research institutes and academic bodies which are not active in the exploitation of the results; and
- "Pure" R&D agreements that do not extend to joint exploitation of the results, unless they appreciably reduce effective competition in innovation.

R&D agreements which may have the effect of restricting competition are those where the parties to the co-operation have market power on the existing markets and/or competition with respect to innovation is appreciably reduced.

The following R&D provisions are likely to impose competition law concerns, unless it can be demonstrated that they are indispensable to an R&D agreement:

- A restriction of the freedom of the parties to carry out R&D in a field unconnected to the agreement;
- A limitation on output or sales. There are exceptions to this: the setting of production or sales targets in the event of joint exploitation or joint distribution; specialization in the context of exploitation; and a non-compete clause during the period of joint exploitation. Further, field-of-use restrictions will not be regarded as constituting limitations of output or sales (nor as restrictions on territories or customers);
- The fixing of prices when selling the contract products or licensing the contract technologies to third parties, with the exception of fixing the prices or royalties charged to immediate customers in the event of joint exploitation or distribution;
- A restriction of the territories to which or the customers to whom the parties may passively sell the contract product or license the contract technologies, with the exception of the requirement exclusively to license the results to another party; and
- A requirement not to make any, or to limit, active sales in territories or to customers which have not been exclusively allocated to one of the parties by way of specialization in the context of exploitation.

### 3.3 Abuse of Dominant Position

The term “dominant position” implies a position of considerable economic strength, which enables an undertaking to prevent effective competition on the market by the power to behave substantially independently of its competitors and customers.

Dominance is not simply a question of a company having a large market share. Several other factors have to be taken into account. Dominance can only exist in relation to a particular product and geographical market. Market definition can be a complex task, and requires both legal and economic assessment.

There is no clear legal threshold beyond which a company is considered to be dominant. However, Stora Enso personnel should exercise special care and consult Legal in conducting its business in products where Stora Enso has a leading position or market share exceeding 25%. A company in such a position must not, without objective justification, act in a manner which constitutes an abuse.

Examples of behavior that could amount to abuse of dominant position include:

- Imposing unfair purchase or selling prices or other unfair trading conditions e.g. to charge prices that are so high that the prices have no relation to the economic value of the product supplied or so low that they are below cost, which may be assumed to be intended to drive competitors from the market;
- Limiting production, markets or technical development to the prejudice of consumers;
- Discrimination, i.e. applying dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage, if the different



- prices do not reflect the differences in costs of supplying the different customers;
- Tying, i.e. making the conclusion of contracts subject to acceptance by the other parties of supplementary obligations, which, by their nature or according to commercial usage, have no connection with the subject of such contracts;
  - Discount and rebate policies if they are loyalty rebates aiming at committing the customer to buy all or most of its requirements from the supplier. Volume rebates are allowed if the rebates reflect the suppliers' cost savings in mass production; and
  - Refusing to supply if the refusal is a part of a boycott system. There should typically be objective reasons for a refusal to supply on market terms, e.g. the financial position of the customer.

### 3.4 Mergers and Acquisitions

Competition authorities monitor and investigate mergers and acquisitions in order to make sure that they will not harm free competition, e.g. by reinforcing or creating dominant positions.

The rules on merger control vary but usually include an obligation on the merging companies to make a filing where certain thresholds are met (based on e.g. revenue, market share and asset value). The relevant authority will based on the filing investigate if the transaction is harmful for competition or not.

Merger control issues must always be referred to Legal. However, it is important for each Stora Enso employee to understand that such matters may require that the organization provides extensive information on very short notice.

#### *Information exchanges in the due diligence process*

It should be noted that information exchanges in the due diligence context have an obvious potential to raise antitrust concerns in particular where the buyer, seller or target are competitors, as exchange of confidential information may violate competition regulations (see [Section 3.2.1.2](#)).

The European Commission has stated that the exchange of market information may lead to restriction of competition in particular in situations where it is liable to enable companies to be aware of market strategies of their competitor. To this end, confidentiality agreements normally offer important assurance that the exchange of information in due diligence will not normally have an anti-competitive object or effect. Provisions that may prove particularly relevant from an antitrust perspective include (i) the prohibition against using confidential information except to evaluate the transaction, (ii) the prohibition against disclosing such information to anyone other than the parties' representatives engaged in such evaluation, and (iii) the obligation to return or destroy such information if the transaction does not proceed.

Where the parties are competitors, disclosure of Competitively Sensitive Information may violate competition law, especially if the team responsible for reviewing the information includes individuals responsible for the receiving party's commercial policy. Compromises to satisfy the receiving party's legitimate interest in evaluating the risks of the transaction, while mitigating antitrust risks, include (i) disclosing such information only in aggregated or historical form, and/or (ii) disclosing such information only to counsel, accountants or business consultants who agree (with their client's consent) not to disclose such information to the receiving party. These representatives; sometimes referred to as "clean teams", may also sign supplementary confidentiality agreements restricting the use of the information exchanged for the limited purposes of assessing the suitability of the transaction, negotiating the transaction price etc. An internal form of clean team would be a team on the receiving party's side where no one is responsible for the receiving party's commercial policy in relation to the relevant competing goods or services.

### **Active action**

- *Merger control issues must always be referred to Legal.*

## 3.5 Joint Ventures

There are many situations in which a company, looking at possible developments of its future commercial activities, will decide that it needs a partner (or more than one) to share in a particular project. The task of choosing a partner will involve careful consideration of the known abilities and resources of the companies in question. Such companies may be actual competitors already or merely potential competitors.

The degree of co-operation proposed may be quite limited, e.g. the operation of joint purchasing arrangements or shared laboratory work, or alternatively may be very extensive, e.g. a proposed merger of the parties' entire interests in a particular field with a consequential need to give up their individual business in that market in favour of a new enterprise.

For purposes of competition law, certain joint ventures are treated as a merger or acquisition and thus subject to relevant merger control rules. Other joint ventures fall outside of the merger control rules and are instead subject to the competition rules relating to agreements.

Particular guidelines can be found in relation to the following specific types of agreements:

- Agreements on research and development (see [Section 3.2.3](#)) research
- Purchasing agreements (see [Section 3.2.1.9](#))



When establishing a joint venture, it should be considered if there is a – theoretical – risk that the parents utilize the joint venture to co-ordinate their behavior on any market where the parents are competitors and in particular on any markets related to the business of the joint venture. Certain guidelines shall normally be implemented if this would be the case.

## 3.6 Investigations

### *Handling enquiries from the competition authorities*

Stora Enso's policy is to cooperate fully with investigations of competition authorities. To ensure that any investigation is conducted legally, properly and on time, and to take into account the experiences of the entire Group, any investigation or request for information should be referred to Legal immediately, and any reply should be given via Legal.

Competition authorities have far reaching rights to request information when investigating anti-competitive behaviour or assessing various kinds of mergers.

### *Handling dawn raid inspections at company premises*

An unannounced inspection by a competition authority is normally referred to as a “dawn raid” inspection.

Each Stora Enso office and production facility shall have one person to represent Stora Enso in case of a dawn raid inspection (a “Responsible Person”). In addition, at least two deputies shall be appointed by the Responsible Person. The Responsible Person shall ascertain that the identities of the Responsible Person and the deputies are kept up to date on [this list](#). If an office or production facility fails to appoint its Responsible Person, Legal, Ethics and Compliance shall make the appointment. Under no circumstances should Stora Enso's staff provide any false or misleading information to investigators, tamper with or destroy documents during an investigation, break a seal affixed by investigators or endeavor to hinder the investigation in any way.

Under EU legislation, inspectors from the European Commission have the right to:

- Enter any company premises and seal them as necessary. The European Commission can also conduct an inspection in any other premises, land or means of transport, including the private homes of directors, managers and other members of staff, if a reasonable suspicion exists that books or other records related to the business and to the subject matter of the inspection, which may be relevant to prove a serious violation of EU competition legislation, are being kept there;
- Examine and take copies of all books and other records related to the business, irrespective of the medium on which they are stored. The inspectors are, however, only entitled to obtain materials on matters that fall within the scope of the investigation;
  - If Stora Enso becomes subject to a dawn raid inspection, notes shall be made of all files and documents examined by the inspectors, whether or not the inspectors want

copies to be taken; and

- each document photocopied shall be copied in three copies: one for the inspectors, one for Stora Enso and one for Legal. Ascertain that each document is restored in its initial position after it has been copied.
- Ask any representative or member of staff for explanations on facts or documents, relating to the scope of the investigation, and to record the answers;
  - If Stora Enso becomes subject to a dawn raid investigation and the inspectors ask questions, it is normally the company (not the inspectors) that is entitled to decide who should provide the explanation. However, if the inspectors demand to speak to a specific person who logically could easily provide an explanation, such as the author of a document, the person should be made available to the inspectors.
  - If the best qualified person or the information necessary to answer a question is not available, this shall be explained to the inspectors with an offer to provide the answer later in writing.
  - If questions are answered, they should be answered as to facts but without any assessments. If the answerer is uncertain, this should be mentioned.
  - Detailed notes shall be made of all oral explanations given to the inspectors a copy of the notes taken by the inspectors shall be requested.
  - When possible a lawyer shall always be present during any form of interview with Stora Enso employees.

Search a company's IT environment (servers, desktop computers, laptops, tablets and other mobile devices) and all storage media (CD-ROMs, DVDs, USB-keys) using both the European Commission's own hardware and software and the search tools built into the company's media. This covers also private devices used for business purposes (BYOD), external hard drives, backup tapes and cloud-computing services. The inspectors may make an integral copy of a digital storage medium; and

- If the inspection is not finished during an on-site inspection, the European Commission can copy the data set, secure it in a sealed envelope and invite company representatives to be present when the sealed envelope is later opened at the European Commission's premises. Alternatively, the European Commission may decide to return the sealed envelope to the company for safekeeping until further notice. The company will receive a data carrier (e.g. a DVD) on which all final data selected by the inspectors are stored and it will be requested to sign printed lists of data items selected. Personal data, e.g. names, telephone numbers and e-mail addresses of employees, although not being the targets of the inspection, may be copied and obtained by the officials if included in business documents.

On the other hand, inspectors from the European Commission do not have the right to review and take copies of documents:

- That contain communication between Stora Enso and external lawyers. Documents to or

from external lawyers (i.e. not in-house lawyers) are often protected by attorney-client privilege. Any such documents should be clearly marked as containing attorney-client communication;

- That contain commercial secrets of a technical nature; or
- That fall outside the scope of the inspection.

Any disagreements between Stora Enso and the inspectors in a potential dawn raid investigation regarding whether e.g. a document is covered by legal privilege shall be written down in a detailed note.

The powers of national authorities are at least broadly similar to the powers of the European Commission.

### *Reception/Arrival*

In order to protect the legal interests of Stora Enso and make sure that a dawn raid inspection is conducted legally and properly, the following shall be noted:

- When inspectors arrive at company premises, they normally go to the reception desk, identify themselves and ask to see a senior manager. The receptionists or security personnel at the reception should immediately contact the Responsible Person or, in his or her absence, one of the deputies; and
- The inspectors should remain in the reception until the Responsible Person and when possible, a member of Legal come to meet them. If the inspectors believe that they are being unreasonably delayed at reception, it may result in the company being fined for failure to cooperate. Therefore the inspectors should be dealt with promptly and courteously at reception.

Under no circumstances should Stora Enso's staff provide any false or misleading information to investigators, tamper with or destroy documents during an investigation, break a seal affixed by investigators or endeavor to hinder the investigation in any way.

Detailed instructions for Responsible Person, Receptionists and other company functions on how to behave in case of a dawn raid inspection are available [HERE](#).

## 3.7 Documents

All documents (in the widest sense of the word; including letters, memos, notes, e-mails etc.) produced in the course of Stora Enso Group's business can be a target for competition authorities' review. Sometimes documents may convey the false impression that there have been contacts with Competitors on anti-competitive matters. It is therefore of great importance that all documents are written clearly and carefully in order to avoid this misinterpretation.



## Guidelines for document creation:

- Ask yourself whether anyone could interpret what you are saying as meaning something you do not intend;
- Make clear references to the source of business intelligence material. For example information on Competitors' prices received from a customer will look extremely suspicious unless the source is clearly stated (i.e. name of customer, name of individual, date etc.);
- Do not use language that falsely suggests collusive conduct such as "this pricing is in accordance with industry policy";
- Do not overstate the significance of Stora Enso's competitive position or market power or Stora Enso's product and market strategy by using such phrases as "dominant position", "this will cripple the competition" or "price leader";
- Do not understate the competitive position of Stora Enso's Competitors by using such phrases as "enormous barriers to entry/expansion";
- Do not use words suggestive of illegal or questionable behaviour such as "please destroy after reading";
- Do not speculate or comment on legality or potential illegality of any particular business conduct; and
- Do not describe as undesirable or objectionable competitive activities of Competitors or customers (e.g. customers are lost not stolen, price-cutting is not "disruptive" or "against the interests of the industry").

Documents lacking references of the source or containing careless and/or inappropriate language may make lawful conduct look suspicious, which may lead to unnecessary investigations by the competition authorities, and thereby generate significant legal costs for Stora Enso and damage Stora Enso's public reputation. The time spent in writing clearly and following these guidelines is an important part of This Policy.



## 4. CONFLICTS OF INTEREST

Business transactions must be conducted with the best interests of Stora Enso's in mind.

All employees must seek to avoid actual or apparent conflicts of interest. A conflict of interest occurs when a personal, professional or financial interest interferes, or even appears to interfere, with Stora Enso best interests.

In general, you should avoid all situations in which personal interests, outside activities, financial interests, or relationships conflict with, or even appear to conflict with, the interests of Stora Enso. A conflict of interest can make it difficult for an employee to make impartial decisions that are in the best interest of Stora Enso. Business dealings on behalf of Stora Enso must never be influenced by personal considerations or relationships.

It is impossible to describe every situation in which a conflict may arise. The basic factor in all conflict of interest situations is, however, the division of loyalty between Stora Enso interest and your own interest. Here are some examples of potential conflicts of interest:

- Outside employment: Participating in an outside job that is similar to, and may conflict with, your job at Stora Enso, or working with an actual or potential competitor, supplier or customer of Stora Enso;
- Family members and close personal relationships: Contracting with a business that is managed or owned by a family member or unmarried partner;
- Investments: Acquiring an interest in property or companies that Stora Enso may have an interest in purchasing;
- Board memberships: Acting as a corporate director, officer or consultant of another company (other than a non-profit or charitable organisation); and
- Significant ownership interests: Owning or having an interest in a supplier of goods or services to the Company, a customer or potential customer of the Company, or a competitor of the Company.

These restrictions do not prohibit you from owning a small interest in a company or fund where this interest does not allow you to influence the operations of the company or fund involved, e.g. ownership of insignificant stakes in listed companies. If you become aware of an actual or potential conflict of interest involving yourself, another employee, or a Stora Enso representative, you must immediately inform your supervisor or Legal.

### Active action

- *If you become aware of an actual or potential conflict of interest involving yourself, another employee, or a Stora Enso representative, you must immediately inform your supervisor or Legal.*







## 5. CORRUPTION

We have zero tolerance for Corruption of any kind, whether committed by Stora Enso's employees, officers, or third parties acting for or on behalf of the Company.

Corruption is the misuse of entrusted power for private gain. Bribery and Facilitation Payment are two most common forms of Corruption. Stora Enso is committed to conducting its business free from any forms of Corruption. It is also our policy to use our best endeavours to ensure that external business partners acting on our behalf are aware of and share our commitment to conducting business ethically.

Please remember that this Section 5 regarding Corruption must be read together with Section 6 Prevent Corruption Through Third Parties, Section 7 Gifts, Hospitalities and Expenses and Section 8 Rebate and Commission.

### 5.1 What are a Bribery and a Facilitation Payment?

A Bribery is one common form of Corruption. It is the offering, providing, authorising, requesting or receiving of any money, gift, loan, fee, reward or any financial or other advantage or anything of value, to or from any person as an inducement to act, or omit to act, in a way which is dishonest, illegal or a breach of trust. This means:

- It is intended as an inducement or reward for the improper performance of a relevant function by the recipient (whether or not they are a Public Official or otherwise connected with government). It does not matter whether the advantage or benefit is offered, provided, requested or received by a different person than the person who is to perform the relevant function;
- It is otherwise improper for the recipient to request or receive the relevant financial or other advantage (whether or not they are a Public Official);
- It is offered or provided to a Public Official or to a third party at a Public Official's request or with their consent or acquiescence with the intention of influencing the Public Official in their official capacity, inducing them to violate any lawful duty or inducing them to influence any government authority, in each case for the purpose of obtaining a business or any other advantage in the conduct of business or securing any other improper advantage.

Typical examples of Bribery:

- Money in the form of cash or secret Rebate, Kickback or other fraudulent or dishonest payment;
- Gifts of inappropriate value such as an expensive watch or phone;
- Hospitality of inappropriate value, e.g. all-inclusive weekend stay at luxury resort hotels;



or

- Unjustified favours, e.g. employing an unqualified relative of a Public Official or unjustified visa invitations.

A Bribery need not necessarily be of large value. It might include meals, entertainment, travel, incentive programs, signing bonuses, overpaying government suppliers, or doing business with a designated supplier who will rebate a portion of the purchase price. It might also include intangible benefits such as the provision of information or advice or assistance in arranging a business transaction or in obtaining any other benefit or advantage.

A Facilitation Payment is another form of Corruption. This is a small, informal payment made for the purpose of facilitating or accelerating a routine governmental or administrative action by a Public Official, e.g. issuing permits or releasing goods held in customs. For the sake of clarity, payments which Stora Enso is legally required (such as the payment of corporation taxes and utility charges or expenses of a tax authority incurred in conducting a tax audit) or permitted (such as the formal payment to expedite a visa process against invoices) to make to public authorities generally are permitted if they do not involve making payments directly to any particular public official. You should seek further guidance from Legal if you are in any doubt as to whether a payment should be made.

## 5.2 Zero Tolerance of Corruption

Unless your or another person's safety, health or liberty would be at risk, you must not:

- Offer, promise or give a Bribery to any person;
- Ask for or receive a Bribery from any person;
- Make a Facilitation Payment, even if such payments are common in the jurisdiction in which they are requested; or
- Agree, pay or receive Kickback or other fraudulent or dishonest payments.

## 5.3 Specific Rules in Relation to Public Official

Bribing a Public Official is a serious offence and carries particular reputational and legal risks. The definition of Public Official is very broad and includes central and local government officials and employees of public agencies and state-owned enterprises.

Unless specifically permitted or required under written applicable law, you must not offer or promise anything of value to, or for the benefit of, any Public Official in order to influence a Public Official and to obtain or retain business or a business advantage, even if this would not involve the Public Official performing his job improperly.



Section 7 sets out particular rules which you must follow when offering or receiving Public Official.

## 5.4 Political Contributions

No Stora Enso officer or employee may make a Political Contributions without the prior approval of the CEO. Political Contributions must never be used as a way of influencing a Public Official in his or her official capacity to obtain or retain business or a business advantage.

## 5.5 Donations and Sponsorships

Donations and Sponsorships must be free from any suspicion of bribery, whether direct or indirect. You must ensure that such activities are not made as an inducement for the purpose of obtaining any improper advantage or favour. All Donations and Sponsorships must comply with the “Sponsorship and Donations Policy” or its equivalent.

### Active action

- *If you are offered or receive a request for Bribery or Facilitation Payment, you must promptly make a report to Legal; and*
- *Obtain prior approval from the CEO before making any Political Contribution.*

### Case studies and best practices

- *Read the “Sponsorship and Donations Policy” or its equivalent for more information on Donations and Sponsorships.*



## 6. PREVENT CORRUPTION THROUGH THIRD PARTIES

Our business partners who provide services, either formally or informally, to Stora Enso are expected to operate with integrity. They must refrain from paying or receiving any Bribes, Facilitation Payment or Kickback on behalf of Stora Enso, or as part of their business.

### 6.1 General

In some circumstances third parties with whom we have a business relationship or which act for us (“Third Parties”) can put Stora Enso at risk of criminal liability if they bribe another person to obtain or retain business or a business advantage for Stora Enso.

The process in this Section 6 must be followed when engaging any new Third Party or when renewing the contract for any existing Third Party.

### 6.2 Critical Third Party

Critical Third Parties are Third Parties who act on our behalf, and therefore present increased bribery risks as they are in a position to obtain or retain business or a business advantage for us, e.g. because they are helping us to win business from a commercial customer or interacting with a Public Official on our behalf. The most typical Critical Third Parties include all types of agents, brokers, lobbyists and business consultants. The process in this Section 6 starts with identifying Critical Third Parties.

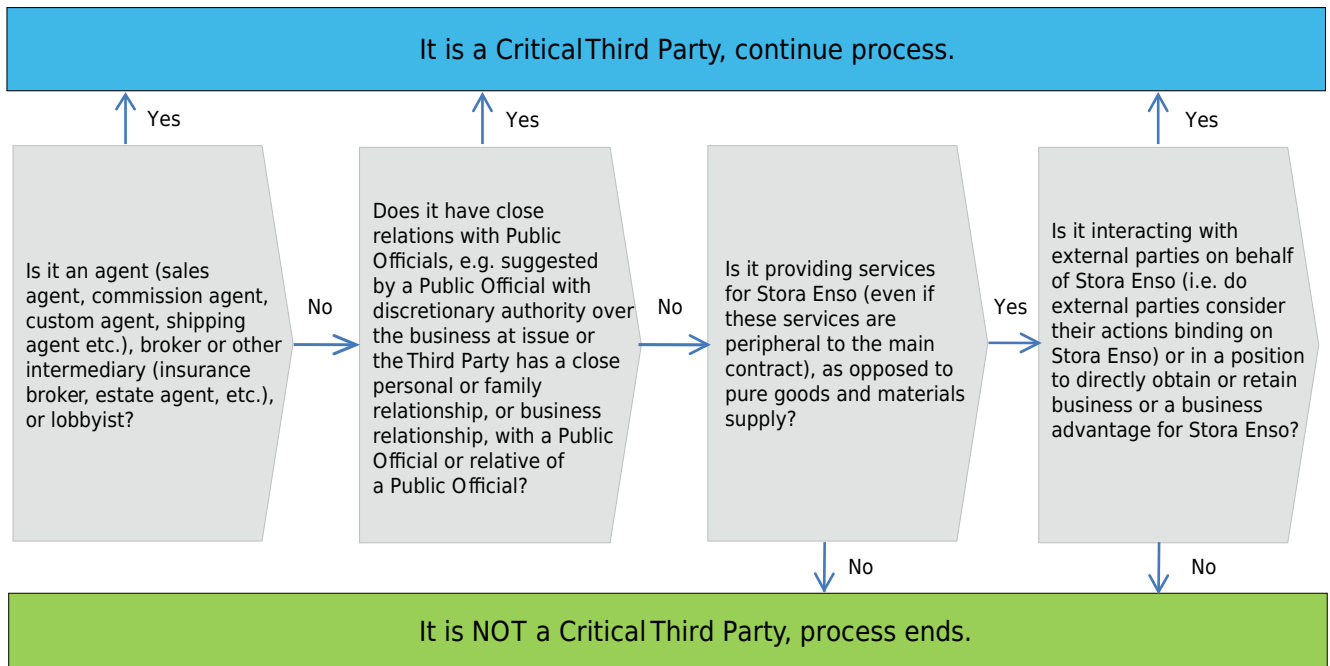
### 6.3 Process and Responsibility

#### Step 1 Assign Relationship Owner

The business responsible person for a given team / area of business shall assign responsibility for managing the process set forth in this Section 6 to a single point of contact (the “Relationship Owner”).

#### Step 2 Identify Critical Third Parties

Follow the steps below to identify whether a Third Party is a Critical Third Party :



### Step 3 Due diligence and Decision Making

Use this [GAN THIRD PARTY RELATIONSHIP TOOL](#) to assess the risk level of the Critical Third Party, conduct due diligence and make informed decision before engaging any Critical Third Party. Read [here](#) for more practical instruction about this tool.

For Critical Third Parties with long or revolving contract terms, due diligence needs to be repeated every 12 months for high risk parties, and every 24 months for medium risk parties. You will receive system notification 30 days before such time is due.

## 6.4 Mergers and acquisitions and joint venture partners

During mergers and acquisitions, the potential entities that Stora Enso may acquire or merge with may present Corruption risks if we do not take adequate procedures. A joint venture partner could also present Corruption risks if they perform services on behalf of Stora Enso and/or the joint venture. Therefore the “M&A Guideline” or its equivalent states that a risk assessment and due diligence must be performed as part of the acquisition analysis considering bribery, as well as other compliance risks.

The M&A compliance due diligence questionnaire can be found [HERE](#) and an example of anti-bribery representations which should be considered for inclusion in a shareholders agreement can be found [HERE](#).

## 7. GIFTS, HOSPITALITIES AND EXPENSES

**We compete and do business based only on quality and competence. We never provide or accept Gifts, Hospitality and Expenses ('GHE') where this is intended to influence the recipient improperly, or where it could create this impression.**

The exchange of reasonable GHE is an acceptable way to build goodwill in business relationships. However, it is also recognised that they are sometimes given with the intention of improperly influencing the recipient, and may in some circumstances amount to Bribes. Laws in different countries can vary significantly and we must also be conscious that individuals may be subject to their own internal codes or rules.

Corruption differ based on various factors including business environment, legal jurisdictions and seniority of the involved personnel. Therefore it is always wise to consult Legal if you have doubt or question about the rules stipulated in this Section 7.

### 7.1 General Principles when Providing or Receiving GHE

Any GHE offered, accepted or provided must:

- Comply with any applicable laws;
- Constitute a normal business courtesy, such as paying for a reasonable business meal;
- Not be intended to influence the recipient inappropriately, to obtain or retain business or a business advantage inappropriately, or to improperly influence or affect the outcome of a business transaction;
- Be reasonable in value and infrequent;
- Be made in an open and transparent manner and not under any circumstances in which the GHE need to be concealed; and
- Be approved as required, accurately and fairly recorded in our books and records.

The following GHE are never appropriate:

- Where the intention is to get something in return, e.g. a Kickback;
- In violation of the recipient's company policy;
- With a business partner with whom you are in ongoing business negotiations;
- Cash or a cash equivalent (such as gift cards, vouchers or similar)<sup>5</sup>; or
- Adult entertainment or any sort of event involving nudity or lewd behaviour.

As a supplementary guiding rule (unscientific, but often helpful) you can also apply the "blush test" by asking yourself how you would feel if details of the GHE were known by the CEO, your colleagues and made public in a trade magazine or local newspaper? If the result of the



blush test is anything else than perfectly fine, you should immediately reconsider the situation.

## 7.2 Receiving GHE

### 7.2.1 General rules when receiving GHE

The rules in this Section 7.2 shall always be read together with the general principles when providing or receiving GHE in Section 7.1.

Stora Enso recognizes that it is customary for our business counter parties to occasionally provide small value GHE to those with whom they do business. However, soliciting or accepting excessive GHE is a common way in which conflicts of interest can arise and an employee may put himself in a position of dependence.

Stora Enso employees may accept GHE from business counter parties, provided that the GHE:

- Is reasonable and will not affect the outcome of business transactions or influence your ability to act in the best interest of Stora Enso, e.g. in the form of discounted products or services for personal gain;
- Does not create the appearance (or an implied obligation) that the giver is entitled to preferential treatment, an award of business, better prices or improved terms of sale;
- Would not prevent you from awarding Stora Enso business to one of the giver's competitors.
- Is reasonably related to a legitimate business purpose (e.g. accompanying a customer to a local theatre/sporting event or attending a business meal).

Please remember that Stora Enso personnel must always pay their own travel and accommodation expenses when for example visiting a customer or supplier.

GHE that cannot be accepted under any circumstances must be rejected or returned to the provider. You will find a suggestion for a standard letter text for declining an offer on behalf of Stora Enso from the [HERE](#).

If you receive any GHE at an event of a ceremonial nature (e.g. a customer outing or a commemoration of a business transaction) that might not be appropriate, but it is offensive to refuse, you may accept it and then promptly report it to your immediate supervisor.

#### **Active action**

- GHE that cannot be accepted according to the rules set out above but which are not returned for any reason must be reported to your immediate supervisor.

## 7.2.2 Restrictive rules when receiving GHE from suppliers

Members to the following teams shall also adhere to a more restrictive set of rules (as explained hereunder) when receiving GHE from suppliers:

- Group Leadership Team;
- Division Leadership Team;
- Group Function Leadership Team;
- Division Operation Leadership Team; and
- Mill Management Team.

These restrictive rules are as following:

- Any GHE or any other positive special treatment from suppliers are, by default, not acceptable unless allowed otherwise hereunder;
- Gifts shall be returned politely but firmly;
- Only participate in supplier events with direct business agenda and with interest for Stora Enso. Moderate catering during such events is acceptable;
- In general, keep supplier meetings to normal work hours;
- Travelling and hotel costs of
- Stora Enso
- employees are always paid by Stora Enso;
- Stora Enso covers our employees' costs at business lunches, or keep the business relationship equal through paying every other time; and
- Suppliers should not sponsor any Stora Enso organized activities.

An employee who is in a position that could affect the result of a sourcing task is also bound by the above-mentioned rules during the sourcing process after receiving separate instruction(s) on an ad hoc basis.

### **Case studies and best practices**

- Read [here](#) for GHE practical examples of what can and cannot be accepted under the rules in this 7.2.2.

## 7.3 Providing GHE to External Company Personnel (other than Public





## Official)

While fulfilling the general principles stated above, providing modest promotional GHE may promote goodwill and serve legitimate promotional purposes. However, under certain circumstances, offering GHE to customers and business partners could violate the law, This Policy or the company policy of the recipient.

### ***Active action***

- All GHE involving external company personnel that are above the sum of EUR 200 per person (subject to lower limits stipulated locally) must be reported to and approved by your immediate supervisor before providing it. If your unit uses Concur for travel reimbursement, a request for such GHE shall be made and approved by your manager.

### 7.3.1 Specific Rules for Providing Gifts

- The rules in this Section 7.3.1 must always be read together with the general principles when providing or receiving GHE in Section 7.1;
- Whenever possible, Gift shall be Company Giveaways; and
- In exceptional cases, e.g. at the retirement day of the manager of an important customer, more expensive Gifts can be offered, but you should rarely offer Gifts that are more than EUR 200 in value. Please note that this limit does not mean that Gifts below this amount are automatically permissible or reasonable.

### 7.3.2 Specific Rules for Providing Hospitality and Expenses

- The rules in this Section 7.3.2 must be read together with the general principles when providing or receiving GHE in Section 7.1;
- You may only offer or provide Hospitality or Expenses that is consistent with generally accepted business practices and serves a valid business purpose;
- The value of the Hospitality or Expenses offered and provided must be appropriate to the underlying business purpose and must not be extravagant; and
- The Hospitality and Expenses must be offered without creating an express or implied obligation or incentive to conduct business. A representative of each company must be present.

### 7.3.3 GHE to Spouses

If you and your spouse or partner are invited to, or you plan to invite the spouse or partner of a client or customer representative to, an event at which it is a clear custom or expectation that a spouse or partner are presented, you may then accept or offer such GHE as long as the GHE complies with all the criteria set out above for the acceptance, and does not fall within any of the categories of GHE identified above as inappropriate.

It would not be appropriate to accept or offer Hospitality for a spouse or partner that includes an overnight stay or travel expenses. It is not appropriate for Gifts, other than Gifts of nominal value only, to be accepted or offered if they intend to benefit any family member.

#### **Active action**

- All GHE extended to your spouse or partner, or offered by Stora Enso to any spouse or partner of a client or customer representative must be reported to and approved by your immediate supervisor before providing or acceptance.

### 7.3.4 Specific Rules for Customer Events

The rules in this Section 7.3.4 must be read together with the general principles when providing or receiving GHE in Section 7.1.

Customer Events are a type of GHE. They normally include travelling, accommodation and other Hospitality. Where Customer Events are of significant value, such as events including travelling and over-night accommodation, the following rules must be observed:

- There must be a clear business objective for the trip, e.g. to visit and demonstrate a mill or to visit a customer and demonstrate how Stora Enso products are used etc. It is permissible to arrange different kinds of customer activities in combination with the trip, but the main focus should be on business related topics. The event must never be an “excuse” to arrange extensive travelling and hospitality. Document such objective and send it to Legal, Ethics and Compliance;
- Arrangements under which customers will qualify for participation as a result of a certain volume of business (sometimes known as “customer loyalty events”), present considerable bribery risks and should be avoided;
- Where the proposed guests are Public Officials, Stora Enso must send a written invitation letter to the public officials, with a clear statement that: “We note that the applicable laws or Code of Conduct may require written confirmation or approval from the

department/public authority you work for, before you accept our invitation to the customer events. Should you require any information to obtain this confirmation or approval, including but not limited to the costs or expenses of the event, please feel free to contact us.”;

- Whenever possible, ask the employer of private sector guests to provide a declaration that the acceptance of the Hospitality will not be in breach of any corporate code or rules that apply to the guest, and that the guest has obtained any necessary approvals;
- The ratio of Stora Enso staff to customers must be high, at a minimum of 1:2. Such a ratio will indicate that there will be very good opportunities to network and improve customer relations;
- Record details of the trip, including costs and identity of the guests (including their level of seniority), agenda and meeting minutes, and ensure that there is a procedure in place to avoid the same guests being offered similar trips, or other significant hospitality which would appear excessive if aggregated. Keep the approvals and declarations on file;
- Include a seminar on ethics. This would achieve a number of purposes: it would be a way of communicating Stora Enso anti-bribery, and ethical policy to its customers; it would provide added business justification for the trip; and, where customers are encouraged to give (non-attributable) feed-back, it could be helpful in Stora Enso monitoring and review of its own anti-bribery procedures. Customers could be invited to present on their own ethical codes. The session should be recorded in the minutes; and
- Keep the cost of trips under review, and ensure that excessive or lavish hospitality is avoided. The total cost for each customer representative must never exceed EUR 1,500. Customer Events where the cost per guest exceeds EUR 750 must be reported to and approved by the Division head. Please note that these limits do not mean that Hospitality below these amounts is permissible or reasonable. Any expense paid on behalf of the client shall be made directly to the third party service or product provider, and must not be paid by the client first and reimbursed in cash to the client.

### **Active action**

- *Ensure that all the general principles when providing or receiving GHE in Section 7.1 and the specific rules for Customer Events in this Section 7.3.4 are followed;*
- *Ensure the total cost for each customer representative does not exceed EUR 1,500; and*
- *Customer Events where the cost per guest exceeds EUR 750 must be reported to and approved by the Division head. If your unit uses Concur for travel reimbursement, a request for such GHE shall be made and approved by your manager.*



## 7.3.5 Specific Rules for Hunting Activities

### 7.3.5.1 Invitation

Stora Enso organizes hunting activities with representatives of our customers, wood suppliers and business partners (the “Guests”), and these are divided into two categories:

- A **“Type A Hunting Activity”** is a hunt where Stora Enso carries costs related to the organization of the hunt such as hunting consultants and drivers (Sw: drevkarlar) and where Stora Enso also provides food and refreshments during the activity. At a typical Type A Hunting Activity the Guests arrive in the afternoon of day one followed by an activity with business related content and light dinner. The following day includes breakfast, hunting, a modest lunch in the forest and a business activity in connection with the dinner in the evening. The Guests leave after breakfast on day three; and
- A **“Type B Hunting Activity”** is a one day hunt, where Stora Enso does not carry any costs related to the organization of the hunt except for land lease costs or the like. At a Type B Hunting Activity the Guests arrive in the morning and the day is spent hunting and includes a modest lunch in the forest. In connection with the lunch a business presentation is made. The Guests leave when the hunt is concluded in the afternoon.

When inviting Guests you must:

- Use the specified invitation template;
- Direct invitations to Guests employed by a legal entity, to a wider group of people and not to selected individuals (allowing the company or CEO to select those who will attend). However, invitations can be extended directly to individuals who own forest privately, either as a private person or as the single owner of a privately held company (Sw: enskild firma);
- In the case of a Type A Hunting Activity , ensure that the Guest or the supervisor, as the case may be, confirms that the participation in the Hunting Activities is in accordance with applicable internal regulations;
- Not issue “Plus-one-invitations” i.e. invitations which include a spouse or a friend of the Guest ;
- Not extend invitations in connection with ongoing business negotiations without approval. If an invitation is to be extended in connection with business negotiations, the matter must be discussed with and pre-approved in writing by Legal, Ethics and Compliance ; and
- Never invite Public Officials unless pre-approved in writing by Legal, Ethics and Compliance.

### 7.3.5.2 Extent of GHE

- Travel to and from the Hunting Activities and accommodation must be paid for by the Guest, but Stora Enso may assist with bookings and reservations if required. Stora Enso may pay reasonable costs for shorter transportation during the Hunting Activities ;
- Meals (breakfast, lunch and dinner) during the Hunting Activities may be paid for by Stora Enso, provided that the expenses are reasonable;
- The value of the Hunting Activities for the Guest must be proportionate to the professional relevance of the Hunting Activity. Type A Hunting Activity must always include an activity with business related content in the afternoon of day one (2 - 3 hours) and in connection with the dinner in the evening of day two (e.g. a business related presentation in connection with the dinner) and also allow the Stora Enso personnel to interact with the Guests for informal business discussions. A Type B Hunting Activity must include a business presentation in connection with the lunch;
- Gifts to the Guests shall be limited to the Company Giveaways and shall be of modest value;
- Costs and arrangements in excess of these rules must always be borne by the Guest ;
- Details about the Hunting Activities must be documented and filed in order to ensure transparency, compliance with Stora Enso internal regulations and to avoid that the same invitees are being invited to the Hunting Activities on a repeated and regular basis; and
- The documentation requirement includes (i) specified costs, (ii) the identity of invitees and Guests, (iii) a copy of the invitation and agenda, and (iv) meeting minutes of activities of business related content.

#### **Active action**

- *Ensure that all the general principles when providing or receiving GHE in Section 7.1 and the specific rules for Hunting Activities in this SECTION 7.3.5 are followed;*
- *If an invitation is to be extended in connection with business negotiations, the matter must be discussed with and pre-approved in writing by Legal, Ethics and Compliance;*
- *Obtain pre-approval from Legal, Ethics and Compliance before inviting any Public Officials; and*
- *Send documents required in this Section 7.3.5 to Legal, Ethics and Compliance whenever they become available.*

### 7.4 Providing GHE to Public Officials

## 7.4.1 General Rules

The rules in this Section 7.4.1 must be read together with the general principles when providing or receiving GHE in Section 7.1.

When dealing with Public Officials, even small, bona fide, legitimate GHE may be misinterpreted as illegal bribes. Nothing of value must ever be offered or provided for the purpose of retaining or obtaining business or some other advantage.

It is acceptable to provide ordinary business courtesy Hospitality of nominal value, such as tea and coffee, a sandwich lunch where the Public Official is attending a meeting at your office or other non-excessive Hospitality when hosting a visit from a Public Official. If you are hosting a visit from a very senior Public Official such as a government Minister, it is acceptable to provide a level of Hospitality that is appropriate to his status. There should never be any suggestion, or perception, however, that the provision of Hospitality is intended to influence the Public Official. For the sake of clarity it should be noted that Hospitality offered to Public Officials (as well as to private individuals) may never be exchanged for cash.

Public Officials are frequently subject to their own strict guidelines or codes, or to legislation. Where feasible, you should take steps to ascertain what the guidelines or applicable legislation permits or requires and ensure that any Gifts or Hospitality you offer complies with such guidelines or legislation.

For example, if you know that a member of parliament is required to declare any Gifts he receives over a certain value, and to decline Gifts over another value, you should avoid offering a Gift that is worth more than the higher value. If you give a Gift which is over the first value you should check that disclosure / registration requirements are complied with to the best of your ability. If the records are not publicly available you should ask the individual (or his office) to confirm that the necessary requirements have been met.

### **Active action**

- *Obtain pre-approval from Legal, Ethics and Compliance before providing GHE to any Public Official that does not meet the criteria listed in this Section 7.4.1, with the exception of GHE of very low value (e.g. a pen or notebook to use at a meeting, tea, coffee etc.).*

### **Case studies and best practices**

- Read [HERE](#) for GHE cases studies and best practice advices.

## 8. REBATE AND COMMISSION

We must ensure that payment of Rebates (and other retrospective refunds or credits) and Commission (and other sales service fees) are based on legally valid agreements or other valid grounds, against genuine sales or services, paid to the correct party and are of proportionate value.

### 8.1 Rebate and Discount

#### 8.1.1 Principles

The primary difference between a Rebate and a Discount is that a Rebate is given after payment and a Discount is deducted before the payment.

#### 8.1.2 Setup and Exception

Rebates or other similar credits must be awarded to the legal entity which will be invoiced for the relevant supply of goods (the “**Customer**”). A reference to the contract and the sales invoices must be included in the credit note for the Rebates or other similar credits.

It is prohibited to award Rebates to another party than the Customer (“**None Customer Party**”), unless all requirements in the below paragraph have been fulfilled. For the avoidance of doubt, a related company, e.g. the Customer’s headquarter company is a None Customer Party, and Rebates to such company shall follow the rules herein.

A Rebate can be paid to a None Customer Party if:

- It is agreed in writing that the beneficiary of the payment is the Customer, and not the None Customer Party.
- The credit note indicates that the beneficiary of the payment is the Customer, and not the None Customer Party.
- The Customers have in writing authorised the payment to be made to the None Customer Party, with the effect of full discharge of liability for Stora Enso.

#### **Active action**

- *Ensure that you have fulfilled all the requirements in this Section 8.1.2 before making any payment of Rebates to a None Customer Party.*



## **Case studies and best practices**

- Read the “Common Rebate Guideline” or its equivalent for more detailed information and case studies.

## 8.2 Commission and Other Sales Services Fees

### 8.2.1 Principles

Commission and service fees paid for other sales or marketing services must not be used to circumvent the rules regarding Rebates to Customers. Payments of inappropriate Commission and other sales services fees can be interpreted as Bribes or illegal Kickback.

### 8.2.2 Commission

A Commission, also known as agency fee, broker fee etc., is a reimbursement for the services provided by an Agent, usually on a percentage basis of the sales value but can also be flat fees or calculated in other methods (“Commission”). An agent is a person or entity who negotiates and/or concludes contracts with Customers on Stora Enso behalf (“**Agent**”). Agents do not acquire ownership of the products sold (the contract for sale of the products is made between Stora Enso and the Customer) and the Agents generally have no contractual liability to the Customer, as opposed to a Distributor who takes title of the goods and then further sells to their own customers (“**Distributor**”). Services provided by an Agent include without limitation to:

- Create, facilitate and/or promote sales of goods;
- Maintain at its own cost or risk stocks of the contract goods;
- Undertake responsibility towards third parties for damage caused by the product sold;
- Take responsibility for Customers’ non-performance of the contract;
- Pay for the costs of transporting the goods; and
- Directly or indirectly, be under an obligation to invest in sales promotions.

#### 8.2.2.1 Payment of Commission

A Commission can only be paid if:

- It is made to an Agent;



- It is for the actual services the Agent has provided and;
- It is on market terms.

The market terms of a Commission depends on various facts as e.g. the product, the volume and the market where the Agent operates. As a consequence a fair and appropriate Commission level varies from case to case. The responsible sales person shall ensure that Commission fulfills the requirements listed in this Section 8.2.2.1.

An Agent is always a Critical Third Party . Before appointing an Agent you must follow the Critical Third Party procedures set out in Section 6 of This Policy.

## 8.2.3 Sales Services Fees

Business partners other than Agents can also provide sales services to Stora Enso, either in addition to other businesses they have with Stora Enso (e.g. a Distributor can purchase goods from us and provide other sales services) or as a standalone service (e.g. market consultants). The fee is usually a fixed amount but can also be based on sales volume or other terms.

### 8.2.3.1 Payment of Sales Services Fees

Sales services fees can only be paid if:

- It is for the actual services provided; and
- It is on market terms.

#### **Case studies and best practices**

- *Read the “Common Rebate Guideline” or its equivalent for more detailed information and case studies; and*
- *Ensure that you use agency agreement template when engaging Agents, and use distributor agreement template when engaging Distributors. Consult Legal if you have questions or need these templates.*



## 9. MONEY LAUNDERING, TERRORIST FINANCING AND TAX HAVENS

Please read this Section 9 together with Section 10 Trade Sanctions.

### 9.1 Money Laundering and Terrorist Financing

We are committed to complying fully with all applicable anti-money laundering and terrorist financing laws throughout the world.

Money laundering is the process through which an individual or organisation seeks to make the proceeds of criminal activity appear legitimate. The term “money laundering” is also sometimes used to refer to the handling of any benefit that arises from acquisitive crimes, such as theft, fraud or tax evasion. Stora Enso strictly prohibits knowingly engaging in transactions that facilitate money laundering and terrorist financing or that otherwise result in the unlawful diversion of assets. We are committed to conducting business only with customers who are involved in legitimate business activities, with funds that are derived from legitimate sources.

Stora Enso’s employees play an integral role in helping the Company detect customer relationships and transactions that may involve money laundering and terrorist financing. Participating in such relationships and transactions could seriously jeopardise the Company’s integrity and reputation.

Before entering into a supplier or customer relationship and throughout the supplier/customer relationship measures need to be taken and questions asked in order to identify any of the following events or activities, which may indicate that money laundering and/or terrorist financing is taking place:

- A customer, agent, or proposed business partner who is reluctant to provide complete company identify information or who provides suspicious information;
- Requests to make or accept payment in cash;
- Structuring of transactions to avoid record keeping or reporting obligations;
- Unusually favorable payment terms;
- Orders or purchases that are inconsistent with a customer’s normal business;
- Requests to make payments to, or accept payments from, third parties;
- Unusual funds transfers to or from countries that are unrelated to the transaction;
- Unusually complex deal structures, or payment patterns that reflect no real business purpose; or
- Transactions involving banks in Tax Haven Countries (as defined in [Section 9.2](#)) or unlicensed money remitters.

Should you become aware of any suspicious activity, you must immediately raise your



concern with Legal. You should not proceed with any relationship or transaction that you believe raises any money laundering concerns until those concerns have been investigated and addressed by Legal, and you have been given confirmation that you may proceed with the relationship or transaction.

### Active action

- *Should you become aware of any suspicious activity, you must immediately raise your concern with Legal.*

## 9.2 Business with Counter Parties in Tax Haven Countries

Stora Enso shall make business with a counter party in a Tax Haven Country only if the counter party runs such business with a legitimate purpose and sufficient substance.

For a variety of business reasons a supplier or customer might establish a legal entity in more than one country. There might be also proper business reasons for owning a company in a country, which offers beneficial tax treatments or where its administration is reluctant to exchange tax relevant information with other countries. For the purpose of this Policy, Stora Enso has listed certain particularly tax sensitive countries (“Tax Haven Country”) which can be found [HERE](#), and will be changed from time to time. Engagement with a counter party domiciled in a Tax Haven Country is permitted only after a successful substance test. Payments to a bank account located in a Tax Haven Country are never permitted if the contracting party in question is not domiciled in the Tax Haven Country.

It is not forbidden to run an operation or a company in a Tax Haven Country, or supply or to buy goods or services from a counter party which is domiciled in a Tax Haven Country. However, as some companies use Tax Haven Countries for tax fraud, money laundering or other illegal schemes, there are increased risks for Stora Enso to be alleged to have supported or even collaborated in an illegal activity should we do business with these counter parties. In addition to the potential juridical consequences, an involvement in tax fraud, money laundering or similar might also lead to reputational damages for Stora Enso. To keep Stora Enso’s high ethical standards and to avoid any involvement in illegal activities, Stora Enso’s shall make business with a counter party (customer or supplier) in a Tax Haven Country only if the counter party runs business in such Tax Haven Country with a legitimate purpose and sufficient substance.

Process and instructions for the substance test are as following:

- Identify the counter party in a Tax Haven Country In case the potential counter party is

located in a Tax Haven Country or the contract indicates that the transaction shall relate to a branch located in a Tax Haven Country, a substance test shall be initiated.

- Fill in the substance test form

Have the potential counter party fill in the substance test form [HERE](#). This is a self-assessment to be executed by the potential counter party, requiring descriptions of the nature of its operations and necessary information to verify the substance.

- Assessment

The completed substance test form shall be reviewed and assessed by the operational entity which plans to enter into business relationship with the counter party (in particular sourcing or sales). The four-eyes-principle shall be applied during such review. The guidance for assessing the substance test can be found [HERE](#). Consult Group Taxes should you have any question or need supports.

In case it is obviously or there are signs of activities which might be noncompliant with our standards, Stora Enso's companies should not enter into business relationship with those companies.

- Engagement

It is permitted to engage a counter party which is domiciled in a Tax Haven Country only after a successful substance test.

- Continuing business relationship

In case there is a continuing business relationship with a counter party domiciled in one or several of the Tax Haven Countries , the substance test shall be made every 2 years.

### Active action

- *Before engaging with a counter party domiciled in Tax Haven Countries , conduct the substance test, and only proceed with the engagement after a successful substance test.*
- *Make substance test for counter parties domiciled in one or several of the Tax Haven Countries every 2 years.*
- *Payments to a bank account located in a Tax Haven Country are never permitted if the contracting party in question is not domiciled in the Tax Haven Country.*



## 10. TRADE SANCTIONS

We are committed to comply fully with all applicable Sanction Programs throughout the world.

### 10.1 Background and Purpose

The international community, including the UN the EU and US, impose a wide variety of trade sanction programs against violators of internationally recognized human rights and principles of law (“Sanction Programs”). These Sanction Programs are typically targeted at (i) specific countries territories; (ii) persons, entities and/or organisations. (the significant majority of whom are set out on certain lists, which are referred to below as the (“Blacklists”); as well as (iii) types of products and/or activities. Sanction Programs also prohibit activities which are intended to circumvent or evade the imposed restrictions.

Please note that compliance with applicable Sanction Programs is not only important for Stora Enso as a company, but also for individual employees, since in some jurisdictions breaches of them may lead to criminal liability and the imposition of fines on individual employees in a personal capacity.

Due to the different objectives that are pursued by those who impose the Sanction Programs, the contents and scope of the Sanction Programs vary considerably, and some restrict a greater range of activities than others. However, one or more of the following features is typically present in most Sanction Programs:

- Prohibitions on providing funds, goods or services to (or for the benefit of) the targets on the Blacklists;
- Restrictions on exports to, or imports from, a particular jurisdiction of sanctioned products and/or activities;
- Restrictions on transferring or receiving funds; and
- Travel bans on listed individuals who are (or who were) part of, or who were associated with, a regime in a targeted jurisdiction.

This Section has been designed to ensure compliance with UN, EU and US sanctions only. It should be noted, however, that other local Sanction Programs may also be applicable which impose different requirements (e.g. Sanction Programs in Russia, China and Brazil). It is the responsibility of the person who is responsible for a specific engagement or transaction with a business partner (either through direct handling or by management) to ensure that the business transactions in question remain compliant with the local Sanction Programs as applicable.

## 10.2 Responsibility

The head of each Division and Group Function has the responsibility to establish governance and/or appoint persons to perform the required actions contemplated in this Section. The persons so appointed accordingly are responsible for ensuring that the relevant engagement or transaction involving any Tier 1 Countries and Other Tier 2 Countries (as elaborated further in this Section) is not in breach of any of the Sanction Programs.

As of April 6, 2021, all direct and indirect business that connects with Tier 1 Countries shall be discontinued unless otherwise approved by the CEO or the CFO. In practice, this means that no new orders shall be accepted or processed. Orders that are already accepted can continue to be fulfilled.

Legal, Ethics and Compliance is responsible for providing appropriate trainings and day-to-day advice in relation to sanctions-related matters. Should you have any question or training needs under this Section, please contact Legal, Ethics and Compliance (e.g. via the contact details available in this webpage or from the Company's intranet).

### *Active action*

- *The head of each Division and Group Function shall establish governance and/or appoint persons to perform the required actions in relation to Sanction Programs contemplated in this Section.*
- *The persons so appointed accordingly are responsible for ensuring that the relevant engagement or transaction is not in breach of any of the Sanction Programs by applying the rules in this Section before Stora Enso entering into or renew any engagement or transaction that involves any Tier 1 Countries Countries and Tier 2 Countries (as elaborated further in this Section).*
- *As of April 6, 2021, all direct and indirect business that connects with Tier 1 Countries shall be discontinued unless otherwise approved by the CEO or the CFO. In practice, this means that no new orders shall be accepted or processed. Orders that are already accepted can continue to be fulfilled.*

## 10.3 Scope

Any commercial activity or transaction between Stora Enso and a third party is subject to the rules in this Section. The most common examples are:

- Direct sales with customers and distributors;



- Agency agreement or agreement with similar intermediaries for the purpose of solicitation of sales or sourcing;
- Direct sourcing with suppliers including without limitation to raw materials, equipment, parts and services;
- Financing, funding and similar;
- Merger and acquisitions, purchase and selling of equity and similar; and
- Joint development, studies and researches.

## 10.4 Business with Tier 1 Countries or Tier 2 Countries

### Step 1 - Identify connections with Tier 1 Countries or ("Tier 2 Countries")

There are stringent sanctions against certain critical countries and territories being, as at the date of this Section being last updated, Cuba, Iran, North Korea, Syria and the territory of Crimea ("Tier 1 Countries"). The list of the Tier 1 Countries will change from time to time, therefore please make sure to visit this Section online to always have the latest list of the Tier 1 Countries . As of April 6, 2021, all direct and indirect business that connects with Tier 1 Countries shall be discontinued unless otherwise approved by the CEO or the CFO. In practice, this means that no new orders shall be accepted or processed. Orders that are already accepted can continue to be fulfilled.

In addition to the above, as at the date of this Section being last updated there are one or more EU, US and/or UN Sanction Programs set upon the following countries: Afghanistan, Belarus, Bosnia and Herzegovina, Burundi, Central African Republic, Democratic Republic of the Congo, Egypt, Guinea, Guinea-Bissau, Iraq, Lebanon, Libya, Montenegro, Myanmar, Palestine, Russia, Serbia, Somalia, South Sudan, Sudan, Tunisia, Ukraine, Venezuela, Yemen, and Zimbabwe ("Tier 2 Countries"). The list of the Tier 2 Countries will change from time to time, therefore please make sure to visit this Section online to always have the latest list of the Tier 2 Countries .

Check whether there is a match with one of the Tier 1 Countries or the Tier 2 Countries in the following respects:

- Check the items in the following table:

	<i>The country of the nationality (in case the contracting party is an individual person) or the place of registration (in case the contracting party is an individual person is an entity)</i>	<i>The country where it is physically located/has presence in any form</i>	<i>Otherwise has material operations (e.g. a company registered in Sweden and having an office in Iran)</i>
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<i>The direct contracting party</i>			
<i>The end customers known to Stora Enso</i>	<i>Iran - Tier 1 country (example)</i>		
<i>Any other persons or entities which are known to be materially involved in the business activity concerned (e.g. all forms of agents, shipping companies and similar)</i>			

- The country of place of registration of the banks and similar financing institutions involved;
- To the knowledge of Stora Enso , the country or countries where any goods and/or services would be delivered to or from; and
- To the knowledge of Stora Enso , the country or countries where any payment would be made to or received from.

If there is no match with either any of the Tier 1 Countries or any of the Tier 2 Countries , you do not need to continue here and can continue with the business transaction as appropriate.

### Step 2 - Business connected with Tier 1 Countries

Should there be any match with any of the Tier 1 Countries , click [HERE](#) to fill in and submit a separate form to Legal, Ethics and Compliance, and do not proceed with the potential engagement or transaction without approval from Legal, Ethics and Compliance and the head of the Division. As of April 6, 2021, all direct and indirect business that connects with Tier 1 Countries shall be discontinued unless otherwise approved by the CEO or the CFO. In practice, this means that no new orders shall be accepted or processed. Orders that are already accepted can continue to be fulfilled.

### Step 3 - Business connected with Tier 2 Countries

Should there be any match with any of the Tier 2 Countries , check the following names using the digital tool (Link to the tool and instructions to use are available [HERE](#)):

- the direct contracting party;
- the end customers known to Stora Enso ; and
- any other persons or entities which are known to be materially involved in the business activity concerned (e.g. all forms of agents, shipping companies and similar);

Should there be any match, click [HERE](#) to fill in and submit a separate form to Legal, Ethics



and Compliance, and do not proceed with the potential engagement or transaction without approval from Legal, Ethics and Compliance and the head of the Division.

If there is no match, before proceeding with the potential engagement or transaction, click [HERE](#) to fill in and submit a separate confirmation form to Legal, Ethics and Compliance to confirm the following (these items will also appear during the workflow):

<i>That all the steps required in this Section have been gone through and followed accordingly, and none of the steps require you to fill in and submit a separate form other than the current one to Legal, Ethics and Compliance.</i>
<i>To the extent that the customer's bank name is made aware to Stora Enso, such bank has been checked using the digital tool (Link to the tool and instructions to use are available <a href="#">HERE</a>) and no match has been found.</i>
<i>That the standard contractual protections (included hereunder) are included in all contracts or offers relating to the potential engagement or transaction, without deviation or such deviation has been approved by Legal, Ethics and Compliance.</i>

## Standard contractual protections

"The [Purchaser/Agent] represents and covenants (on an on-going basis) that neither it, nor any of its subsidiaries (nor, to its knowledge, any director, officer of it or any of its subsidiaries) is a person that is, or is owned or controlled by a person that is, the expressly targeted by any economic or financial sanctions or trade embargoes implemented, administered or enforced by the United Nations Security Council, the European Union, any Member State of the European Union, the United Kingdom or the United States of America (collectively, "Sanctions"), or located, organised or resident in a country or territory that is, or whose government is, targeted by country-wide or territory-wide Sanctions (being, currently, Cuba, Iran, North Korea, Syria and Crimea).

The [Purchaser/Agent] undertakes: (i) to comply with all Sanctions and export controls that are applicable to it and its business; (ii) not to sell, supply or transfer any goods supplied by [Stora Enso entity] under this Agreement to any third party recipient, or to engage in any other activity, that would result in a violation of applicable Sanctions or export controls by any person; (iii) to inform [Stora Enso entity] without delay in the event that it becomes aware of any event or matter that would or that might result in a violation of applicable Sanctions or export controls by the [Purchaser/Agent] or by [Stora Enso entity]; and (iv) to indemnify and hold harmless [Stora Enso entity] from and against any loss, liability, claim, proceeding, action, fine, cost and damages of whatever nature that [Stora Enso entity] or entities under the control of Stora Enso Oyj may incur or sustain by reason of [Purchaser/Agent] being in breach of the representations, covenants and undertakings given hereunder.

Notwithstanding anything to the contrary in this Agreement, [Stora Enso entity] has the right



to terminate the delivery and/or any related agreements (including this agreement) with immediate effect and without any liability towards the [Purchaser/Agent] in the event that [Stora Enso entity] (acting reasonably) considers the same or any part thereof or the [Purchaser/Agent's] actions would or might result in a violation of applicable Sanctions or export controls by any person.”

#### *Active action*

- *The persons appointed by the head of each Division and Group Function shall ensure that the steps listed above are performed and cleared before Stora Enso entering into or renew any engagement or transaction that involves any Tier 1 Countries or Tier 2 Countries .*

## 10.5 System check

The Legal, Ethics and Compliance team, in together with the Financial Delivery function is responsible for the setup and operation of the digital solutions to screen all active business partners as they were inputted into the relevant Stora Enso's enterprise resource management systems against the Blacklists. Should there be any match, the Legal, Ethics and Compliance team has the authority to inform the relevant business unit to stop the transaction in question immediately in all aspects until further notice.

## 10.6 Other suspicious behaviours

Taking into consideration the fact that a sanction target may be unlikely to provide requested information in a complete and accurate form, all the information received about a potential business partner (and, where applicable, an end user) should be reviewed carefully and diligently. The following is a non-exhaustive list of circumstances which you should be alert to and which might indicate a potential sanctions compliance issue with a proposed transaction:

- The potential business partner is reluctant to offer information about the end-user/end-use;
- The potential business partner is willing to pay cash for a very expensive item when the terms of sale would normally call for financing;
- The potential business partner has limited or no business background;
- The potential business partner is unfamiliar with the product's performance characteristics but still wants the product;
- Delivery dates are vague, or deliveries are planned for out of the way destinations;
- A freight forwarding firm is listed as the product's final destination;



- The shipping route is abnormal for the product and destination;
- The packaging is inconsistent with the stated method of shipment or destination;
- The potential business partner is reluctant to give you details about their directors or ownership structures without a convincing justification.
- When questioned, the potential business partner is evasive and/or unclear about whether the product is for domestic use or for export/re-export; or
- The actions of the potential business partner are in violation of any Stora Enso guidelines, for example the rebate policy.

The above list is not comprehensive, and you should remain alert to any other circumstances that give rise to a suspicion that a proposed transaction is (or might be) contrary to sanctions.



## 11. SAFEGUARDING CORPORATE ASSETS AND CORPORATE IDENTITY

**We deal with Company, products and resources responsibly and appropriately and use them only for their intended business purposes.**

Safeguarding Stora Enso's assets, both tangible and intangible (such as intellectual property rights), as well as its proprietary information – is vital to our business success. Stora Enso's assets should be used to achieve Stora Enso's business goals, and should be protected to preserve their value. Remember that we hold the assets of our Company in trust for Stora Enso shareholders. Limited personal use is permissible only to the extent that such use does not conflict with the interests of Stora Enso, This Policy, or Stora Enso other policies and guidelines. All Company assets and proprietary information must be returned to Stora Enso at the completion of your employment with Stora Enso.

As an employee of Stora Enso:

- You are responsible for the proper use and protection of proprietary and confidential information belonging to Stora Enso or entrusted to the company by others. Such confidential information includes, but is not limited to, price-sensitive information, trade secrets, such as know-how, formulae, and processes, sales figures, marketing plans and strategy.
- You are responsible for the security of, authorised access to and proper use of Stora Enso's physical and intangible assets under your control and of third parties' assets in your care.
- You should not disclose proprietary or confidential information to anyone outside Stora Enso without the express permission of your manager or without execution of a non-disclosure agreement prior to the disclosure. Never discuss confidential information in public places — such as elevators, restaurants, or airports — where it may be overheard.
- Your obligation to protect Stora Enso confidential information continues even after you leave your employment.

### **Case studies and best practices**

- *Read the "Stora Enso Information Risk Management Policy" or its equivalent for more detailed information.*



## 12. INSIDE INFORMATION

Stora Enso expects all its employees to act in the way required of Insiders. All unpublished information relating to Stora Enso's present and future business operations shall be kept strictly confidential.

It is illegal in many countries to use Inside Information to make a profit, or avoid a loss, in the trading of public securities, including Stora Enso securities or the securities of other public companies, where there is likelihood that a reasonable investor would consider the Inside Information important in making an investment decision. All Stora Enso employees are prohibited from disclosing Inside Information improperly, regardless of how that information was obtained. Inside Information can be obtained at work, in meetings, at seminars or by accident, such as overhearing someone else's conversation.

*Adhering to the insider regulations is always a personal responsibility.*

Anyone who has unpublished information that is likely to affect Stora Enso share price is an Insider. The misuse or unlawful disclosure of Inside Information is always prohibited and may be sanctioned by law regardless of how Inside Information has been obtained or of the position of the person possessing Inside Information.

### Insider lists

When a large project such as a merger or acquisition is under preparation, persons who are involved in the project and receive Inside Information shall be recorded in project-specific Insider lists that are established when Inside Information arises. The General Counsel or the Assistant General Counsel will decide case-by-case in which projects such a register shall be established. Persons included in a project-specific register are informed by letter or e-mail.

In addition to insider lists, also other confidentiality lists may be used for the purpose of controlling the flow of information regarding projects that do not involve Inside Information but may nonetheless be of a sensitive nature.

### *Restriction on trading*

It is not allowed to use Inside Information to gain economic benefit from securities transactions for oneself or for a third party. It is therefore important to ensure that no transactions with Stora Enso securities are carried out at a time when the manager or employee is in possession of Inside Information.

The prohibition may also concern the trading in securities of other companies of which Stora Enso employees possess Inside Information, e.g. a listed company that is Stora Enso's counterparty in a merger or acquisition. Persons entered into such a project-specific insider list are always prohibited from trading for as long as the project continues.



Stora Enso's recommendation is that the Company shares are bought as long-term investments. If you are unsure whether you can trade with Company securities, you may ask the General Counsel or Assistant General Counsel or person in charge of insider lists, whether in the opinion of the Company you are not allowed to trade. However, keep in mind that Insiders themselves are responsible for their transactions with Stora Enso's securities.

### *Case studies and best practices*

- *Read the "Stora Enso Insider Guidelines" or its equivalent for more detailed information.*



## 13. REPORTING REQUIREMENT AND COMPANY RESPONSE

**As an employee of Stora Enso, you are requested to report concerns about potential violations of the Stora Enso Code or This Policy promptly.**

If you see or suspect misconduct:

- Make a report immediately or as soon as practicable. To make a report, we encourage you to speak directly to your own supervisor, Human Resources or Legal, Ethics and Compliance.

### **Speak Up Hotline**

If this is not possible, you may alternatively report certain concerns, particular on topics such as suspicions of bribery or financial wrongdoing through Stora Enso's confidentiality reporting line "**Speak Up Hotline**". "Speak Up Hotline" can be contacted 24 hours a day, 7 days a week. For more information on this service

see: <https://www.storaenso.com/en/sustainability/code-of-conduct>

### **Zero tolerance on retaliation**

If you voice a concern or report misconduct in good faith – or participate in the investigation of a report of suspected misconduct – you are following our Stora Enso Code and This Policy. Under no circumstances will Stora Enso tolerate retaliation against you. Any person who engages in retaliation is subject to disciplinary action by Stora Enso, including termination of employment.

### **Questions about policies**

If you have any questions about This Policy and related policies and guidelines:

- Contact your own supervisor first, or
- Send your questions to [code@storaenso.com](mailto:code@storaenso.com) (please note that this email should only be used for asking questions, not reporting misconduct or suspicions of misconduct.)
- You can also send questions to Legal, Ethics and Compliance.





## 14. ENFORCEMENT

**We intend to enforce This Policy strictly and vigorously.**

All employees must comply with This Policy. Employees who are suspected of having breached This Policy will be investigated. Employees who have violated This Policy are subject to applicable disciplinary action, up to and including termination of employment.

## 15. Definitions

Bribe or Bribery is an offer or receipt of any money, gift, loan, fee, reward or other advantage to or from any person as an inducement to act, or omit to act, in a way which is dishonest, illegal or a breach of trust.

Blacklists lists of Sanction Programs targets in [Section 10](#).

Donation is a gift made on behalf of or in the name of Stora Enso for bona fide charitable purposes, i.e., contributions given to a charitable or not-for-profit organisation for which no benefit is received, or expected to be received, by Stora Enso.

Stora Enso Code is a summary of the essence of all Stora Enso's policies, principles and guidelines relating to Stora Enso's operations, available at Company intranet.

Commission has the meaning set out [in Section 8.2](#).

Company means Stora Enso OYJ, its affiliates and subsidiaries.

Company Giveaways means nominal gifts bearing Stora Enso logos or other signs representing Stora Enso.

Competitively Sensitive Information has the meaning set out in [Section 3.2.1.2](#).

Competitor means a company active on the same relevant market as Stora Enso or a company which, within a short period of time, is likely to enter the same relevant market as Stora Enso.

Corruption is the misuse of entrusted power for private gain.

Critical Country has the meaning set out in [Section 10](#).

Critical Employees are a group of employees defined by their position who shall receive more in depth compliance trainings.

[ps2id id='critical-third-party' target='']Critical Third Parties has the meaning set out [in Section 6.2](#).

Customer means the legal entity named in the sales contract.

Customer Event is a type of GHE which includes travel, accommodation and Hospitality.

Discount is a deduction from the face amount of an invoice, made in advance of payment and agreed in the sales contract. It may sometimes be given on a separate credit note, in which case the instructions on payment of rebates are to be followed. A discount is included in the net sales value in financial accounts. The primary difference between a Discount and a



Rebate is that a Rebate is given after payment and a Discount is deducted in advance of payment.

Expenses are travel or other related expenses paid for or by a prospective or existing client, customer of business partner, which are not included as part of a normal commercial agreement. Expenses can include costs related to travelling to view a manufacturing or reference facility or travelling to a customer event.

EU means the European Union.

Facilitation Payment is an informal, unofficial payment to a [Public Official](#) to encourage him or her to carry out services that you have a right to receive even without such payment, or to expedite a routine task. It is also known as a gratuity or a “grease” payment. It is a payment to expedite or secure performance of routine, non-discretionary tasks, such as obtaining permits, licences, or other official documents, processing governmental papers, such as visas and work orders, providing police protection, mail pick-up and delivery, providing phone services, power and water supply and loading and unloading cargo.

GHE means Gifts, Hospitalities and Expenses.

Gifts are typically items offered or given as a mark of friendship or appreciation, in order to promote a company’s brand, or in order to mark an occasion or festival. A Gift can consist of goods as well as services.

Group Controlling is the group function with the same name.

Group Taxes is the group function with the same name.

Guest has the meaning set out [in Section 7.3.5.](#)

Hospitality includes entertaining, meals, receptions, tickets to entertainment, social or sports events etc., and travel or other related expenses paid for or by a prospective or existing client, customer of business partner, which are not included as part of a normal commercial agreement. Occasion where the giver is not present at the entertainment or event is a Gift rather than Hospitality. For example, if a business counter party gives a Stora Enso employee two tickets to a concert, and no one from the business counter party’s company is attending, this is to be treated as a Gift (applying the appropriate thresholds and rules for Gifts) rather than Hospitality.

Hunting Activity means both Type A Hunting Activity and Type B Hunting Activity, as set out [in Section 7.3.5.](#)

Insider means anyone who has unpublished information that is likely to affect the Stora Enso’s share price.

Inside Information is information relating to Stora Enso that has not been made public and



which can affect the value of Stora Enso shares or any other publicly traded Stora Enso securities. The effect may be positive or negative.

Internal Audit is the group function with the same name.

Kickback is giving back a portion of a contract payment to a business partner's employee, or utilising techniques such as subcontracts, purchase orders or consulting agreements to channel payments to government officials, to employees, their relatives or business associates.

Legal, is a Group Function in Stora Enso, whose task is to render the Group with intellectual property support, to facilitate the ethics and compliance of Stora Enso as well as to provide high quality legal service and advice to Group, divisions and functions.

Legal, Ethics and Compliance, is a sub function of Legal. Legal, Ethics and Compliance is responsible for our Codes and related policies, implementation, ethics training and legal compliance investigations.

Mill Visits are visits to mills and other production facilities.

None Customer Party has the meaning set out [in Section 8.1](#).

Offshore Bank [is a bank located outside the country of residence of the depositor, typically in a low tax jurisdiction \(or tax haven\) that provides financial and legal advantages.](#)

[ps2id id='public-official' target='']Political Contributions are any contribution made in money or in kind, to support a Political Organisation or Individual. Contributions in kind can include gifts of property or services, advertising or promotional activities endorsing a political party, the purchase of tickets to fundraising events and contributions to research organisations with close associations with a political party.

Political Organisations or Individuals include political parties, election committees, party affiliated organisations, party aligned research bodies, and party aligned pressure or lobby groups, party officers and candidates.

include:

- Any officer, employee or representative of, or any person otherwise acting in an official capacity for or on behalf of a government authority;
- Employees of government-owned or government-controlled entities;
- A legislative, administrative or judicial official, regardless of whether elected or appointed;
- An officer of, or individual who holds a position in, a political party;
- A candidate for political office; or
- An person who otherwise exercises a public function for or on behalf of any country.



In practice, this can include civil servants, inspectors, members of a political party, employees of a state university, judges, customs and imigrations officials, ambassadors and embassy staffs, and law enforcement personnel. This list is not exhaustive. If you have any questions or concerns, please ask Legal.

Rebate (sometimes referred to as a bonus) is a return of a portion of a purchase price by a seller to a buyer, after the invoice has been paid in full. A rebate can be conditional or unconditional. A rebate is usually given in the form of a credit note. The rebate may be performance-based (e.g. linked to sales volume), and may be agreed or promised in the original sales contract, in a separate letter or in a specific rebate contract. It is included in the net sales value in financial accounts. A rebate is distinguished from a Discount in that a Rebate is given after payment and a Discount is deducted in advance of payment.

Red Flag Issues are suspicious circumstances or incidents which indicate possible bribery or corruption.

Relationship Owner means the person assigned to manage the relationship with a [Critical Third Party](#).

Responsible Person has the meaning set out [in Section 3.6](#).

Sanction Programs trade sanction programs against violators of internationally recognized human rights and principles of law, see in [Section 10](#).

Sponsorship is the supporting of an event, activity, person or organisations financially or with products or services and utilising the publicity of the sponsoring target. Both parties benefit from the cooperation.

Stora Enso means Stora Enso OYJ, its consolidated affiliates and subsidiaries.

Tax Haven Country has the meaning set out [in Section 9.2](#).

Third Party has the meaning set out [in Section 6.1](#).

This Policy means this Business Practice Policy.

Tier 1 Countries as at the date of this Section being last updated, Cuba, Iran, North Korea, Syria and the territory of Crimea, see in [Section 10](#).

Tier 2 Countries As at the date of this Section being last updated, Afghanistan, Belarus, Bosnia and Herzegovina, Burundi, Central African Republic, Democratic Republic of the Congo, Egypt, Guinea, Guinea-Bissau, Iraq, Lebanon, Libya, Montenegro, Myanmar, Palestine, Russia, Serbia, Somalia, South Sudan, Sudan, Tunisia, Ukraine, Venezuela, Yemen, and Zimbabwe, see in [Section 10](#).

Trade Association, [also known as an industry trade group, business association or sector association](#), means an organization founded and funded by businesses that operate in a



specific industry.

Type A Hunting Activity has the meaning set out [in Section 7.3.5](#). Type B Hunting Activity has the meaning as set out [in Section 7.3.5](#). UN means the United Nations.

US means the United States of America.