

# Stora Enso

## Accelerating circular transition



The renewable materials company

# Stora Enso: Accelerating circular transition

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# Introduction

## This is Stora Enso

Stora Enso is a global leader in renewable materials. As a reliable and trusted partner, we design and deliver competitive, high-quality packaging materials and solutions, made from fresh and recycled fibres. With our customers, we reimagine packaging and co-create renewable material alternatives that make a difference. Together, we accelerate the transition to a circular bioeconomy.

## About this circularity plan

In an ever-evolving landscape marked by rapid advances in science, technology, and changing regulations, Stora Enso has established its first circularity plan. The plan outlines our approach to embedding circularity principles across the value chain, with a focus on resource efficiency, renewable materials, circular product design, and partnerships. The plan also presents our new target for material circularity, marking a step forward in our sustainability journey.

By following the first version of the Global Circularity Protocol and concentrating on high-impact areas within our direct control, we are taking a phased approach that allows our practices to evolve with emerging global standards, ensuring continuous progress and alignment.

Just as the Greenhouse Gas Protocol has been driving consistency in carbon performance over the years, Stora Enso anticipates that the Global Circularity Protocol will, over time, provide similar standardisation of measurement for material efficiency and value chain impact. Leveraging the Global Circularity Protocol will also help to reduce emissions, as defined by the Greenhouse Gas Protocol and our own stated climate targets.

## External reporting requirements

Stora Enso reports in accordance with the European Sustainability Reporting Standards (ESRS), with its Sustainability Statement published as part of the Board of Directors' Report. Progress on the target set in this plan is disclosed annually in the Sustainability Statement, under ESRS E5 Resource use and circular economy. The Sustainability Statement is subject to independent third-party assurance.

The impacts, risks, and opportunities considered in this plan align with Stora Enso's double materiality assessment, the results of which are disclosed annually in the Sustainability Statement.

### The evolution of global sustainability standards

In this publication, Stora Enso follows the first version of the Global Circularity Protocol for Business (GCP), introduced in 2025. Much like the Greenhouse Gas Protocol – which has taken over two decades to evolve into today's standardised reporting framework and is still being refined – the GCP is at the beginning of a similar journey. Version 1.0 serves as a foundational baseline that is expected to mature through real-world application and corporate-testing, eventually becoming the universal standard for circularity.

### Renewable and circular

Terms renewable and circular are complementary but distinct within the GCP: renewable resources naturally replenish, while circular materials can be recycled into functionally equivalent materials. Together, they reduce reliance on finite resources and keep materials in use.



## CEO message

# Advancing circularity for a resilient future

At Stora Enso, accelerating the transition towards a circular bioeconomy is a priority. By utilising the first version of the recently launched Global Circularity Protocol in our long-term approach on circularity, we are taking decisive action while embracing a phased approach – prioritising the most impactful areas within our direct control and refining our actions as global standards and best practices evolve.

Circularity is more than a guiding principle – it is a foundation of our business model and a key driver of our growth, competitiveness, and long-term value creation. As resource scarcity intensifies globally, efficiency is not only an economic imperative but also a cornerstone of sustainability. We recognise the need for a fundamental shift in how we value, use, and manage materials. Our planet's resources are finite, and that must be reflected in our approach to economic growth and resource utilisation.

Our commitment to circularity strengthens both our sustainability efforts and our financial resilience. Responsible resource management and operational excellence go hand in hand with financial performance and long-term value creation for our customers, shareholders, and society at large.

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***“Circularity is a strategic driver of Stora Enso’s growth, competitiveness, and long-term value creation.”***

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To further demonstrate our commitment, we are introducing a new target for circularity: achieving 90% material circularity in our own operations by 2030. The target is set to drive continuous improvement across the organisation, reducing environmental impact, and supporting our customers in achieving their own sustainability goals.

As we look to the future, we remain committed to innovation, responsible growth, and engagement across our value chain to accelerate the transition to a circular bioeconomy. We will continue to invest in research and development, exploring new technologies that enable us to deliver even greater value with fewer resources. Together, we can build a more resilient, circular future for generations to come.

**Hans Sohlström**  
President and CEO, Stora Enso



# Circularity at a glance

Stora Enso's strategy leverages circularity as a driver for value creation, utilising renewable materials to accelerate the transition to a circular bioeconomy. By integrating circular design, operational efficiency, and value chain collaboration, the Group strengthens business resilience, reduces climate and nature impacts, and supports long-term stakeholder value.

## Principles for action

### Product design

A competitive product portfolio supports asset performance and management of material flows. Circularity and recyclability are embedded in product development, focusing on increasing recycled content, technical recyclability, loop counting, and compatibility with established recycling systems. Stora Enso co-develops solutions with customers to ensure products deliver value throughout their lifecycle.

### Circular supply

Renewable materials are the foundation of Stora Enso's raw material sourcing. Enhancing traceability and transparency across the supply chain is vital to reduce impacts on climate and nature.

### Circular production

Operational efficiency is advanced through investments in innovative processes and technologies that improve yield, maximise the value of raw materials and side streams, and minimise waste. Stora Enso continuously refines production to increase material utilisation rates and direct residuals to higher-value applications in line with the waste hierarchy.

### Use in circular value chains

Stora Enso collaborates across the value chain to enhance collection, sorting, and recycling infrastructure, ensuring that materials are recovered and recycled at scale and used in high-value applications where economically and ecologically viable. Collaboration with partners and research initiatives supports the development of new uses for side streams and waste, driving system-level change toward a circular bioeconomy.

## Key figures on circularity

(31 December 2025)

Target of 90% material circularity by 2030

**79%**

Share of technically recyclable products

**94%**

Share of third-party certified wood in total wood supply

**84%**

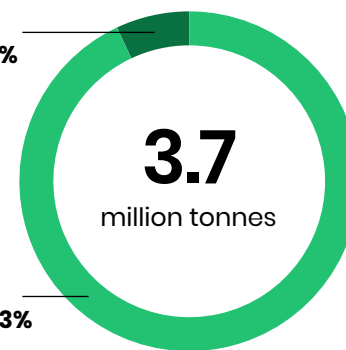
Share of waste prepared for reuse

**92%**

## Resource inflows by material type, %

Technical materials, 7%

Biological materials, 93%



### Biological materials

Wood	91,0%
Purchased pulp, paper and board	1,7%
Starch	0,3%

### Technical materials

Recycled board and paper	3,5%
Chemicals	2,2%
Pigments and fillers	1,2%
Plastics	0,2%

## Action enablers

### Capital allocation

Stora Enso's investments in low-carbon technologies and circular solutions enables it to develop products that meet the growing demand for renewable materials. This positions Stora Enso to access new markets and customer segments seeking climate-smart alternatives, particularly in packaging.

### Value chain collaboration

Circularity is ensured through value chain partnerships - nobody owns the full material loop. Collaborative innovation and data sharing across the value chain enable system-level change and accelerate the transition to a circular bioeconomy.

### Advocacy

Stora Enso supports circularity principles globally, nationally, and regionally. It actively engages in policy development and industry alliances to advocate for fair recognition of the climate and nature benefits of renewable materials, supporting policies that drive market transformation and sustainable growth.

### Governance

To ensure a stable path towards net zero and increased circularity, Stora Enso has strengthened its governance on systematic action. The Board of Directors holds oversight on target attainment and delivery. This ensures that the Group remains responsive to global development and scientific advancements.

# Ambition and foundation

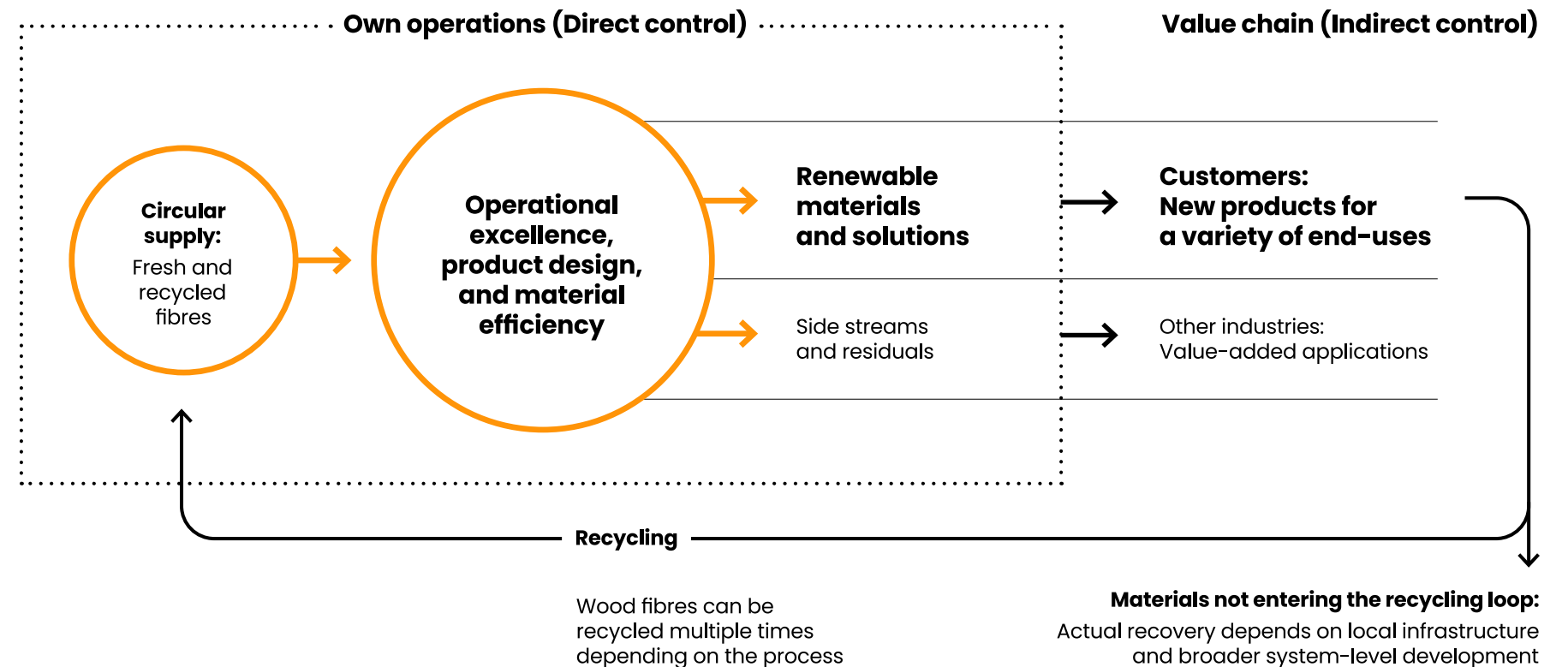
## The Renewable Materials Company

Stora Enso aims to accelerate the transition to a circular bioeconomy. The Group creates value by embedding circular principles across the value chain to reduce impact on climate and nature, while driving margin expansion and capital efficiency.

- **Wood supply:** Stora Enso is sharpening its strategic focus to strengthen leadership in renewable materials and drive long-term stakeholder value, with greater emphasis on packaging. Following the planned demerger of its Swedish forest assets, it continues to focus on ensuring a responsible and reliable wood supply.
- **Operations:** Stora Enso's strong performance culture is built on continuous improvement and empowers teams to drive operational excellence and resource efficiency across all industrial units. By focusing on enhanced performance, the Group aims to maximise sustained value creation.
- **Products:** Growth is driven by competitive portfolio and innovation. Stora Enso replaces non-renewable materials with renewable alternatives that are engineered to match technical performance while remaining recyclable. Key customer segments include packaging converters, food and beverage producers, brand owners and retailers, and e-commerce.
- **Value chain:** To ensure long-term resilience, the Group works on systemic circularity. Through industrial collection and sorting initiatives, Stora Enso secures secondary fibre flows and mitigates resource dependency on virgin materials.

## Stora Enso advances circular transition through renewable materials

**Interconnected sustainability issues:** Operational efficiency and the substitution of fossil-based materials with renewable alternatives contribute to lower climate and nature impacts across the value chain.



## Key drivers and dependencies

Stora Enso's long-term business environment is shaped by global megatrends – climate change, resource scarcity, biodiversity loss, and shifting consumer preferences – creating both opportunities and challenges. Regulatory drivers, technological innovation, and market demand for renewable materials are accelerating change, while uncertainties persist around evolving legislation, cost pressures, technological disruption, and resource availability.

Stora Enso takes a comprehensive approach to circularity, focusing on both resource inflow and product and fibre recovery across its value chain. By integrating circular principles into its strategy and operations, the company aims to create long-term value and mitigate risks.

### Interconnected sustainability issues

Advancing circularity is essential for achieving net zero and minimising environmental impacts. The urgent challenges of climate change, biodiversity loss, and resource scarcity highlight the need to shift from a linear to a circular economy. Currently, only approximately 7%<sup>1</sup> of global material inputs are recycled back into the economy, emphasising the importance of collaboration to enhance circularity and improve recycling infrastructure.

Stora Enso acknowledges the scientific consensus of climate change and biodiversity loss being strongly interconnected. Reports from the Intergovernmental Panel on Climate Change and The Intergovernmental Science–Policy Platform on Biodiversity and Ecosystem Services provide clear evidence of human-driven climate change and accelerating ecosystem degradation, posing significant risks to society and business.

<sup>1</sup> The Circularity Gap Report 2025

### Growing market demand

Stora Enso's strategy is aligned with the global shift toward a low-carbon, circular bioeconomy. Increasing consumer demand for sustainable products, along with evolving regulations, is driving market growth for renewable and circular materials and offering competitive advantages through resource efficiency, renewability, and product differentiation.

Market insights, based on AFRY and company information, suggest the global virgin consumer board market to grow by approximately 3–4% annually by 2030 from 2024 (compound annual growth rate). Stora Enso is addressing this opportunity through strategic investments, innovation, and product development. A key initiative is the new production line in Oulu, Finland, which will enhance the company's capacity to deliver high-value renewable packaging materials. This facility is projected to reach full capacity by 2027.

While market growth presents significant opportunities, Stora Enso notes the importance of operating within planetary boundaries. By prioritising resource efficiency and renewable inputs, it aims to decouple growth from environmental impact.

### Customer expectations

Customer expectations are shaped by climate change, interconnected sustainability issues, and rising consumer awareness. As a result, customers demand renewable, and recyclable packaging that supports e-commerce and enables differentiation. They also seek smart features such as connected packaging or lightweight designs to reduce carbon footprints and costs. Stora Enso supports its customers by leading in quality, innovation, and sustainability. The Group's targets support customers achieve their sustainability and circularity goals, offering products that reduce environmental impact and meet evolving regulatory requirements.

### Regulatory development

Due to Stora Enso's strong presence in Europe, regulations on existing products and services are considered almost certain in the medium term as the European Union is implementing the EU Green Deal and related legislation. Recent legislation has focused on emission reduction, deforestation, biodiversity, and the circular economy, all central to the company strategy. Product requirements will also influence future market access, demand, and development.

The new EU Packaging Regulation impacts how companies design, use, and transport packaging. The rules will define how packaging must be designed for recycling, setting clear standards for materials and components. The Packaging and Packaging Waste Regulation (PPWR) will also address, for example, substances of concern, use of recycled plastic, and reuse, while restricting market access for certain single-use plastic packaging. Stora Enso actively engages with industry stakeholders and EU institutions to help shape fair and practical implementation.

Further changes to EU rules on single-use plastic packaging could either limit or strengthen the position of fibre-based solutions. Broad restrictions on fibre-based composite materials would pose business challenges, while the shift away from plastics creates strong growth opportunities for renewable and circular packaging. Stora Enso actively contributes to policy discussions to ensure proportionate, science-based outcomes that recognise the environmental

benefits of fibre-based packaging. The direction and timing of these regulations are key external factors in the Group's circularity agenda.

### Dependencies

#### Value chain

Collaboration across the value chain is essential, as no single actor owns the full material loop alone. Transitioning from a linear to a circular value chain necessitates revised approaches for developing and implementing solutions at every stage. Full supply chain transparency and data exchange are required to substantiate circularity claims and enable high-value material cycles. The actual recyclability depends on product design and collective actions of suppliers, customers, and partners to strengthen collection, sorting, and processing networks.

Shifting from a linear to a circular value chain encourages localisation through integrated production facilities, while also enabling new high-value material flows that support cascading principles when economically and ecologically feasible.

#### Raw material

Stora Enso is dependent on its upstream value chain for raw materials. Supply chain disruptions, increasing raw material costs or availability of materials, goods and services may adversely affect the Group's profitability.

Stora Enso's products rely on wood as their primary raw material. Growing market demand for biomass is increasing competition for resources, making responsible sourcing, traceability, and sustainable forest management critical for supporting forest regeneration over the long-term. While increasing the share of recycled fibres is possible, some applications still require virgin fibre to meet performance and regulatory standards.

#### Recycling infrastructure

The scalability of circular outflow is dependent on the capacity, efficiency, and regional coverage of external recycling infrastructure. Even products designed for technical recyclability rely on the availability and effectiveness of collection, sorting, and processing facilities to achieve actual recycling rates at scale.

# Action

In 2026, Stora Enso set a new target to achieve 90% material circularity in its own operations by 2030. This target is an evolution towards a more holistic view on circularity, and builds on the previous target of technical recyclability, which is included as a component of the material circularity target.

As highlighted by the Global Circularity Protocol, the pursuit of a fully circular value chain is not an end goal in itself, but rather a means to advance towards net zero emissions and reduce overall impacts on nature. To realise this commitment, Stora Enso's implementation strategy focuses on product design and optimising material flows within its own operations, while also addressing the most significant material flows throughout its value chain.

## Implementation strategy

As underscored by the Global Circularity Protocol, material use and its impacts are shaped by interactions across four interconnected systems: corporate, environmental, economic, and social. This plan provides an assessment of Stora Enso's current position on circularity at Group level. The new material circularity target enables to identify areas of progress and systematically prioritise actions across the organisation.

### Renewable raw material

Stora Enso's core raw material is wood, which forms the basis of its renewable fibre-based products sourced from sustainably managed forests. The company uses both virgin and recycled fibre. Over 90% of the total resource inflows are based on biological materials, including wood, purchased pulp, paper and board, and starch. Most of the products are FSC<sup>1</sup> or PEFC<sup>2</sup> certified, or receive other verification for responsible chain-of-custody and due diligence. Stora Enso's broad network of private forest owners provides tactical flexibility in wood sourcing, together with owned plantations and leased forest land.

1 Stora Enso Communications' FSC® trademark license number is FSC-N001919  
2 Stora Enso PEFC trademark license number is PEFC/02-44-22

### Operational and material efficiency

Optimising the use of wood and other raw materials is fundamental to long-term success. Stora Enso advances resource efficiency through innovative processes and technologies that minimise waste and maximise the value derived from each raw material and production side stream. Innovations and research and development efforts in light-weighting and fibre optimisation enhance product performance, reduce environmental impact, and increase material efficiency.

In 2025, Stora Enso ramped up a new consumer packaging board line in Oulu, Finland, using patented fibre-processing technology to produce stronger, lighter boards with less material. The investment shows how operational innovation boosts competitiveness while reducing environmental impact. Improving efficiency remains key to easing nature- and climate-related pressures.

Stora Enso continuously refines processes to increase yield and material utilisation, supported by collaborative research aimed at improving wood conversion efficiency and identifying alternatives to biomass burning. Advances in process technology and energy management deliver cost savings and environmental benefits.

At the same time, the company repurposes side streams and process residuals into, for example, bioenergy, fertilisers, soil materials, and lignin-based products. Through collaboration with suppliers to improve material quality and develop new by-product applications, Stora Enso advances circularity and operational efficiency across the value chain, replacing finite resources with innovative, renewable solutions.

## Design for recovery

Stora Enso contributes to the circular economy by developing products and solutions that help customers meet growing demand for sustainable options. Through close customer collaboration, the Group designs products to deliver value throughout their lifecycle.

Circularity and recyclability are embedded in product development, ensuring fibre quality is maintained across multiple cycles, raw material use is minimised, and materials are widely accepted in recycling streams. Research and development efforts focus on reducing polymer content in barrier coatings to further enhance recyclability. While technical recyclability can be improved, challenges remain with pigment and mineral use and some barriers still require plastics. Considering the barrier recycling challenge, the ReMatCh (Recycled Material Challenge) initiative seeks to create circular solutions for board material by using polymer barrier coatings.

## Circular recovery systems

Stora Enso advances circular recovery systems and actual recycling by partnering across the value chain to strengthen the collection, sorting, and recycling of post-consumer paper and packaging materials. Key initiatives include operating a state-of-the-art beverage carton recycling facility in Ostrołęka, Poland, and collaborating with industry leaders like Tetra Pak to recover and recycle both fibre and non-fibre fractions.

To enable circularity at scale, Stora Enso participates in cross-industry alliances such as 4Evergreen to improve fibre-based packaging recyclability and leads innovation projects like Woodcircles, which demonstrates the reuse of waste wood in construction. These efforts underscore Stora Enso's commitment to building robust circular recovery systems and driving value chain transformation.

### Circular design principles

- Approach to circular product design starts from customer needs, focusing on functional products that deliver performance while preserving material value throughout their lifecycle.
- Circularity is integrated from the initial design stage, underscoring how design decisions drive material efficiency, recyclability, and long-term value creation.
- Priority is given to renewable and circular materials, helping customers reduce reliance on non-renewable resources and advance their circularity goals.
- Products are designed to support recycling and cascading use, helping keep materials in circulation at their highest value and reduce waste.
- Circularity is further advanced through circular business models and collaboration with customers and partners to enable system-level solutions.



## Material circularity: Impact levers

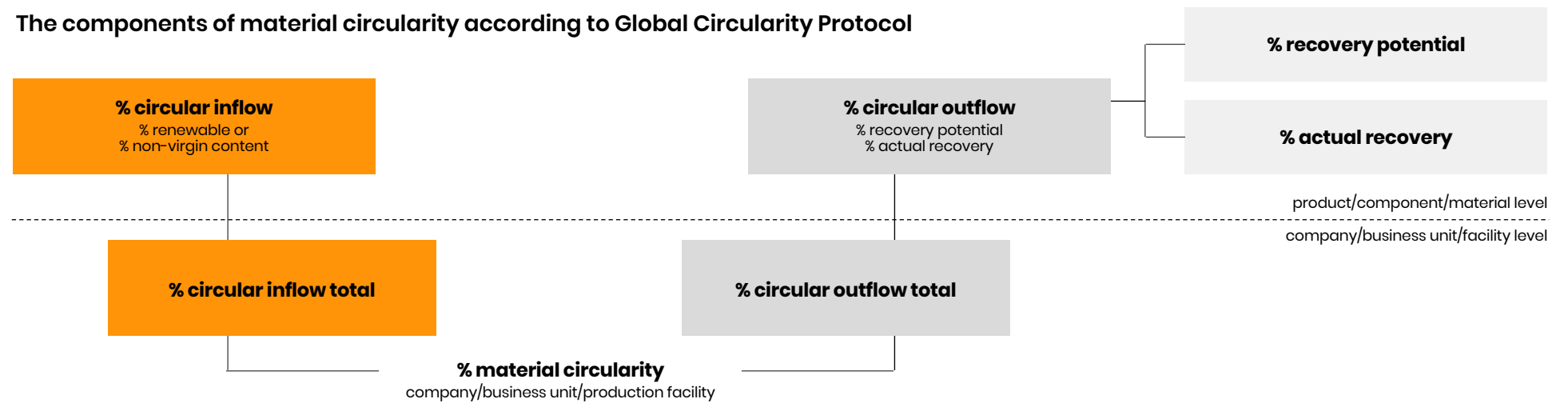
By setting a target on material circularity, Stora Enso is an early adopter of the metrics in the Global Circularity Protocol. The target is intended to drive continuous improvement in resource circularity across the operations and business model. This ensures that circularity will improve alongside financial performance.

Stora Enso has identified key areas to drive material circularity and during 2026 will focus on further assessing their potential. The accounting methodology is disclosed in the section Accountability.

### Focus areas and impact levers for material circularity

<p><b>Product design</b> – contributes to recovery potential</p> <p>A competitive product portfolio supports asset performance and management of material flows. Circularity and recyclability are embedded in product development, focusing on technical recyclability, loop counting, increasing recycled content, and compatibility with established recycling systems. Stora Enso co-develops solutions with customers to ensure products deliver value throughout their lifecycle.</p> <p><b>Impact levers:</b></p> <ul style="list-style-type: none"> <li>• Developing product portfolio and maintaining a high level of technical recyclability</li> <li>• Increasing recycled content in products</li> <li>• Participation in research and innovation projects to find opportunities for recycling improvements</li> </ul>	<p><b>Circular supply</b> – contributes to circular inflow</p> <p>Renewable materials and recycled fibres are Stora Enso’s main raw material. Enhancing traceability and transparency across the Group’s supply chain is vital to reduce impacts on climate and nature.</p> <p><b>Impact levers:</b></p> <ul style="list-style-type: none"> <li>• Increasing the share of certified biological materials</li> <li>• Increasing the share of recycled materials</li> </ul>
<p><b>Circular production</b> – contributes to actual recovery</p> <p>Operational efficiency is advanced through investments in innovative processes and technologies that improve yield, maximise the value of raw materials and side streams, and minimise waste. Stora Enso continuously refines production to increase material utilisation rates and direct residuals to higher-value applications in line with the waste hierarchy.</p> <p><b>Impact levers:</b></p> <ul style="list-style-type: none"> <li>• Developing material value of residuals</li> <li>• Further processing of side streams, or directing them to external processing, to be used as new end products</li> <li>• Improving waste management and material utilisation rate of waste in line with waste hierarchy principles, i.e. less energy recovery of waste</li> </ul>	<p><b>Use in circular value chain</b> – contributes to actual recovery</p> <p>Stora Enso collaborates across the value chain to enhance collection, sorting, and recycling infrastructure, ensuring that materials are recovered, recycled at scale, and applied in high-value applications. Collaboration with partners and research initiatives supports the development of new uses for side streams and waste, driving system-level change toward a circular bioeconomy.</p> <p><b>Impact levers:</b></p> <ul style="list-style-type: none"> <li>• Developing partnerships and identifying new business opportunities</li> <li>• Providing valuable material streams to be used as raw materials in other industries</li> </ul>

### The components of material circularity according to Global Circularity Protocol



# Engagement

Transitioning from a linear to circular economy requires new models of collaboration. Stora Enso engages with partners across the value chain to advance circular solutions, with a foundation that starts from design for recycling.

## Customers

Stora Enso actively engages with customers through dialogue and joint development projects to ensure solutions remain aligned with evolving needs and circularity objectives. It designs and co-develops solutions through close customer relationships to improve recyclability, material efficiency, and the long-term value of fibre. In addition, Stora Enso carries out joint projects with customers to advance recyclability at scale.

Regular life-cycle assessments evaluate environmental impacts across the value chain and provide customers with science-based data for informed decision-making. Capacity-building activities further support customers in integrating circular design principles and improving sustainability performance across their own operations.

## Value chain

Stora Enso collaborates with partners across the value chain to enhance collection, sorting, and recycling infrastructure for recyclable products. Together with its suppliers, the company works to identify and adopt alternative inputs that improve material efficiency and support recyclability across products and processes. Stora Enso also collaborates with partners to find new ways to generate value from side streams and by-products, turning residual materials into beneficial resources within circular systems.

To support system-level improvements and develop industry practices, Stora Enso actively participates in industry associations and collaborative initiatives. Capacity-building and knowledge-sharing activities with partners across the value chain are aimed at promoting circular design, responsible resource use, and collective progress toward a circular bioeconomy.

## Advocacy

Stora Enso actively monitors and anticipates political and policy developments, maintaining dialogue with governments, legislators, and industry associations to promote a stable policy environment for a sustainable and competitive future. The Group's Corporate and Regulatory Affairs team engages with legislative processes both directly and through trade associations at regional, national, and international levels.

Given Stora Enso's strong presence in Europe, the implementation of the EU Clean Industrial Deal – focusing on issues such as competitiveness, decarbonisation, and circular economy – is central to Stora Enso's strategy.



# Accountability

Stora Enso’s circularity target is established following the Global Circularity Protocol, and is set within the boundary of direct operational control. The annual progress against the target is disclosed as part of the Group’s Sustainability Statement. For further details on Stora Enso’s circularity metrics, see Sustainability Statement, ESRS E5.

The Global Circularity Protocol defines four scope categories describing the operational boundaries of material flows across the value chain.

- Scope A: Flows to and from the environmental system (direct control)
- Scope B: Flows entering and exiting the organisation (direct control)
- Scope C: Flows across the end-to-end value chain (indirect control)
- Scope D: Flows into and within other parts of the economic system (indirect control)



## Metrics and targets

### Circularity target according to direct operational control

	2030 target	Baseline 2025
<b>% material circularity</b>	<b>90 %</b>	<b>79 %</b>
% circular inflow		81 %
% circular outflow (excl. actual recovery of main products)		78 %

#### Accounting principles

The circularity target is set within the boundary of Stora Enso’s direct operational control, excluding the actual recovery of its main products. According to the Global Circularity Protocol, this corresponds to scopes A and B, while C and D are excluded.

The share of material circularity (% material circularity) is the weighted average of the ‘% circular inflow’ and the ‘% circular outflow’, and it reflects Stora Enso’s ability to close material loops.

The **circular inflow** indicates the proportion of material entering Stora Enso’s boundaries that originates from circular sources. The circular share consists of materials that are either certified renewable (FSC/PEFC) or recovered (e.g. Paper for Recycling, other recycled materials). The share of circular inflow is accounted based on Stora Enso’s total material inflow. Material flows lacking complete data on their origin (e.g. recycled/renewable content) are considered as linear.

The **circular outflow** comprises the recovery potential (the proportion of Stora Enso’s main products that can be recovered) and the actual recovery (the share of materials leaving the organisation that are recovered at the end of their lifecycle). In the share of circular outflow, the recovery potential is decided based upon technical recyclability of the main products as they leave the organisation. The second component of circular outflow, actual recovery, includes by-products, side streams, and waste. The actual recovery of side streams is accounted for using actual data from production sites. Due to the high uncertainties and absence of direct operational control, the actual recovery of the main products (i.e. pulp, paper, board and timber) is excluded from the indicator in the target setting. Material flows lacking complete data on their destination are considered as linear.

Stora Enso estimates that it covers a clear majority of its total material inflows and outflows, meeting the Global Circularity Protocol requirement to account for at least 67% of material flows (by spend or volume). The accounting excludes machinery and equipment, packaging materials for final products, fuels, and water.

### Share of material circularity according to Global Circularity Protocol

	Baseline 2025
<b>% material circularity</b>	<b>70 %</b>
% circular inflow	81 %
% circular outflow	58 %

#### Accounting principles

To enable comparability across companies and industries, Stora Enso also discloses its material circularity in line with the Global Circularity Protocol. In this approach, the actual recovery of the main products is included in the share of circular outflow. According to the Global Circularity Protocol, this corresponds to scopes A, B and C, while D is excluded.

The **circular inflow** follows the accounting principles disclosed in the left column.

When accounting for the **circular outflow**, the recovery potential follows the principles disclosed in the left column. The second component of circular outflow, actual recovery, is based on estimates as actual data on the material recovered at the end of their life is not available. The actual recovery of main products is estimated using business-to-business industrial flow data and European recovery rate estimates for each main product group, except timber products, for which Eurostat statistics on non-hazardous wood waste are applied, as data on actual material recovery is not available. The actual recovery of by-products, side streams, and waste follow the accounting principles disclosed in the left column. Material flows lacking complete data on their destination are considered as linear.

Given the reliance on proxies in estimating the actual recovery of main products, there is an uncertainty margin of ±5%. The estimates, judgments, and assumptions are reviewed regularly and updated when deemed necessary.

Consistent with accounting within direct operational control, Stora Enso estimates that its accounting of the metric according to Global Circularity Protocol covers a clear majority of total material inflows and outflows. This meets the Global Circularity Protocol requirement to account for at least 67% of material flows (by spend or volume). The accounting excludes machinery and equipment, packaging materials for final products, fuels, and water.

# Governance

Circularity forms the foundation of Stora Enso’s business model and strategy and is embedded in the company’s governance framework, where it guides decisions across all operations. The Board decides on significant matters relating to strategy, sustainability, investments, organisation, and finance. Progress towards sustainability targets is reported through the annually published Sustainability Statement, which is approved by the Board. Meanwhile, company management is responsible for developing and proposing practical pathways to achieve the 2030 targets.

## Management responsibilities

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• Supervises the operation and management of Stora Enso.</li> <li>• Decides on significant matters relating to strategy, sustainability, investments, organisation, and finance.</li> <li>• Reviews strategic and operational risks</li> <li>• Responsible for overseeing the proper supervision of accounting and the control of financial and sustainability matters.</li> <li>• Approves the double materiality assessment, Sustainability Statement, sustainability targets, and resilience plans, including this Circularity Plan.</li> </ul>
<b>Chief Executive Officer (CEO)</b>	<ul style="list-style-type: none"> <li>• Responsible for the day-to-day management of the Company and supervising decisions regarding key investments, personnel and other important operational matters.</li> </ul>
<b>Group Leadership Team (GLT)</b>	<ul style="list-style-type: none"> <li>• Assists the CEO in supervising the Group and Business Area performance against agreed targets and portfolio strategy, ensuring the availability and value-creating allocation of Group funds and capital, and overseeing statutory, governance, compliance, and listing issues and policies.</li> </ul>

## Driving circularity across the organisation

### Business Areas

Each Business Area is accountable for managing its respective line of business and is structured to address all relevant business matters. Business Areas drive operational excellence and resource efficiency across all industrial units, focusing on enhanced performance. The CEO provides oversight by leading monthly performance reviews, including innovation initiatives, with each Business Area, as well as through Group Leadership Team meetings.

### Innovation and R&D

Innovation and R&D secure Stora Enso’s long-term competitiveness and growth by translating strategic ambitions into differentiated products and processes. Acting as the group-wide partner for securing, improving, and expanding Stora Enso’s current area of business through improved or new products, the team works across the full value chain – from materials science and product development to process innovation, piloting, and external partnerships. A core focus is driving circularity across the organisation by advancing fibre circularity and performance, designing renewable material solutions, and achieving regulatory readiness, while embedding circular design principles into product portfolios and Business Area roadmaps.

### Transformation and value creation actions

Transformation work is organised both at Group level and within each Business Area, following a systematic approach aimed at improving financial performance and strengthening ways of working and company culture. This approach promotes a systematic way of identifying new value-creation opportunities and

driving continuous improvement to support profit growth. The transformation actions cover operational efficiency, commercial excellence, cost management, and sourcing improvements, and are integrated into daily business operations.

Each Business Area is responsible for its own transformation activities, while the Group Transformation Office coordinates the overall programme. In 2026, sustainability initiatives are formally integrated into the transformation work and governance.

### Sustainability

Sustainability function provides subject-matter expertise and support to Business Areas and other functions across the organisation. The function links circularity to the other sustainability issues of climate and biodiversity. The function reports to the Executive Vice President for Strategy and Sustainability, who reports directly to the CEO and is a member of the Group Leadership Team. The CEO holds ultimate responsibility for the successful implementation of the company’s sustainability agenda.

## Update frequency and reporting

This Circularity Plan will be updated regularly to ensure continued relevance. The frequency may vary, with updates expected whenever the Group changes its implementation strategy or makes significant business model adjustments affecting the baseline, targets, or expected outcomes.

Stora Enso reports according to European Sustainability Reporting Standards and its Sustainability Statement is published as part of the Board of Directors Report. Progress against this plan is reported annually in the Sustainability Statement disclosure ESRS E5).

## Just transition

Stora Enso's transition to a circular bioeconomy is central to climate mitigation, resource efficiency, and long-term resilience. Guided by just transition principles, the company ensures fairness, inclusiveness, and respect for human rights. Social risks and potential adverse impacts are mitigated and managed throughout operations and value chains, with particular focus on identifying environmental and social hotspots.

Stora Enso is committed to respecting human rights in line with the United Nations Guiding Principles on Business and Human Rights. The company's approach and key objectives for environmentally and socially responsible business practices are set out in its Sustainability and Human Rights Policies.

### People and skills in the transition

Stora Enso systematically integrates workforce and skills planning to ensure employees are equipped to meet evolving business requirements. The company promotes reskilling and upskilling to support safe, efficient, and high-quality operations, while maintaining a strong focus on occupational safety, decent working conditions, and constructive social dialogue. Employee capabilities are essential for future growth and underpin a strong performance culture focused on attracting, developing, and retaining talent to meet future skills needs.

### Fair and responsible value chains

Stora Enso manages circular value chains to prevent the transfer of environmental or social risks upstream, downstream, or across regions. Potential environmental and social hotspots are mapped, and human rights and environmental due diligence are integrated into sourcing, production, processing, and recovery activities.

Stora Enso promotes responsible sourcing of raw materials, most of which is wood, with emphasis on transparency and traceability. Supplier and partner engagement focuses on labour conditions, health and safety, and compliance with responsible business standards. Risk-based sustainability due diligence is applied across the Group's operations and value chain, including attention to vulnerable and informal workers, especially in labour-intensive, post-consumer material collection and sorting within Paper for Recycling supply chains.

Downstream considerations include product safety, durability, and lifecycle impacts to support informed customer decisions.

### Communities and local impacts

Stora Enso integrates the assessment of local economic and community impacts into project planning and decision-making. Human rights impacts are identified and addressed through Environmental and Social Impact Assessment processes for new projects or significant changes to facilities and plantations, including consultation and information sharing with affected stakeholders to prevent adverse impacts on their rights. Air, water, and soil emissions are managed through regulatory permitting, monitoring, and local environmental management systems.

Stora Enso is committed to respecting community and Indigenous peoples' rights related to land and natural resource use, mainly concerning forests and plantations. Land and natural resource rights must be acquired only through an adequate due diligence process. Engagement with communities or their representatives occurs at various project stages through consultation, participation, and information sharing, with effective grievance mechanisms available and accessible for both internal and external stakeholders to raise potential concerns or violations.

Stora Enso's operations and business model are aligned with circular economy principles. The Group's recent investments have been focused on enhancing value creation through renewable materials, with a strong focus on packaging, supporting long-term economic activity in the communities where it operates.



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