

# Strategy based on mission, vision and values

*Stora Enso's strategic goal is to increase the value of the company through profitable growth. Specific criteria have been set for the merger and acquisition policy. The Group wants to be the customers' first choice and constantly focuses on improving products, processes and services.*

## Single industrial group

Stora Enso is operated and managed as a single industrial group, so it benefits from synergies between divisions. Its core products are graphic and office papers, newsprint, packaging boards and wood products.

Stora Enso's strategic goal is to increase the value of the Company through profitable growth, which will be achieved by means of world-class production assets and excellent management resources, supported by mergers and acquisitions. Sales growth in excess of market growth, high productivity and cost efficiency will generate high profit growth.

## Acquisition policy based on specific criteria

Stora Enso has set specific criteria for its merger and acquisition policy. A merger or acquisition should meet Group financial targets, focus on global core products, keep the Group's assets in the top quartile, strengthen its market position and utilise asset restructuring opportunities, customer relationships and synergies. Mergers and acquisitions are undertaken in a disciplined and patient manner.

Stora Enso has identified three avenues for increasing its assets:

- Expansion in existing core products in existing markets such as Europe and the USA;

- Expansion in existing core products into new markets such as Asia, South America and Russia;
- Expansion into new branches of the forest products industry or related business segments in existing markets.

As a responsible member of the financial community and industry, Stora Enso is committed to securing the position of its shareholders by meeting strategic financial targets. The target for Stora Enso's return on capital employed (ROCE) is 13% over the cycle compared with the current WACC of 9.5%. The debt/equity ratio should be at or below 0.8.

## Customer and investor focus

Stora Enso wants to be the customers' first choice. The Group provides services that support customers' product development and enhance their value creation. It also undertakes its own continuous product development to improve existing products and production processes, and to develop new products. The aim is to achieve operational excellence and superior performance as a sustainable and socially responsible forest products company.

Dividend policy is in line with Stora Enso's emphasis on maximising total returns for shareholders. Over the cycle the Company is committed

to distributing at least one-third of its net profit. Stora Enso's goal is to be a good long-term investment for its shareholders.

## Fibre strategy

Stora Enso's fibre strategy aims to provide cost-competitive, high-quality raw materials for the Group's end products, and to ensure that operations are socially and environmentally sustainable. It identifies issues crucial to its fibre demand, availability and supply. The primary sources of raw material are wood, recovered paper and purchased pulp. Important elements of the fibre strategy are own production of pulp and wood products. Through its fibre sourcing and pulping operations, Stora Enso ensures the availability of different types of fibre from multiple sources.

## Stora Enso's corporate brand represents its identity as an integrated industrial group

Stora Enso is managed as a single industrial group based on a single strong corporate brand identity that reflects the Group's mission, vision and values. Actions of the Group and its employees promote the brand. Stora Enso is socially responsible, global in its operations and local in its commitment to customers, employees and other stakeholders, and to the communities in which it operates. ■