

**SUPPLEMENT NO. 1 DATED 31 OCTOBER 2023 TO
BASE PROSPECTUS DATED 5 MAY 2023**



STORA ENSO OYJ

(incorporated with limited liability in Finland)

Euro 4,000,000,000

Euro Medium Term Note Programme

This Supplement No. 1 (the "**Supplement**") to the Base Prospectus dated 5 May 2023 (the "**Base Prospectus**") constitutes a Supplement to the Base Prospectus for the purposes of Article 23(1) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), and is prepared in connection with the Euro 4,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by Stora Enso Oyj (the "**Issuer**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus. The purpose of this Supplement is to incorporate the Issuer's unaudited financial information as at and for the nine months ended 30 September 2023 included in the Issuer's Interim Report Q3, January–September 2023 (the "**Q3 Interim Financial Report**") by reference into the Base Prospectus and to amend certain other sections of the Base Prospectus as specified hereinafter.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), in its capacity as competent authority under the Prospectus Regulation, to approve this document as a prospectus supplement. By approving this Supplement, the CSSF gives no undertaking as to the economic and financial opportunities of the transactions contemplated by this Supplement or the Base Prospectus or the quality or solvency of the Issuer.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

No responsibility or liability is accepted by the Arranger or any of the Dealers as to the accuracy or completeness of the information contained in this Supplement. Accordingly, no representation, warranty or undertaking, express or implied, is made by them in relation hereto.

This Supplement does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or any Dealer to subscribe for, or purchase, any Notes. Neither this Supplement nor any other information supplied in connection with the Programme or any Notes is: (i) intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer, the Arranger or the Dealers that any recipient of this Supplement should purchase any Notes.

Interim Report Q3, January–September 2023

On 24 October 2023, the Issuer published its Q3 Interim Financial Report. A copy of the Q3 Interim Financial Report has been filed with the *Commission de Surveillance du Secteur Financier* and, by virtue of this Supplement, is incorporated by reference in, and forms part of, the Base Prospectus.

Due to the publication of the Q3 Interim Financial Report, the section of the Base Prospectus entitled "*Documents Incorporated by Reference*" is amended as set forth under "*Documents Incorporated by Reference*" below.

Risk Factors

The following paragraph shall replace the fourth paragraph under the heading "*Our operations are affected by global macroeconomic conditions, and any material deterioration or downturn of the economy could have a material adverse effect on our business, financial condition or results of operations*" on page 13 of the Base Prospectus beginning with "*The worsening market outlook*":

"The worsening market outlook, which accelerated towards the latter part of the first quarter of 2023 and continued through the third quarter of 2023, may materially affect our business conditions. We expect cost pressures and market uncertainties to be significantly more challenging in 2023 compared to 2022 in all of our segments. This market situation may continue to weaken consumer confidence resulting in lower private consumption, which could adversely affect the demand for products in all of our divisions and our profitability. The current macroeconomic and market conditions pose significant challenges especially in the Packaging Materials and Wood Products divisions that suffer from low demand, prices and volumes. The challenging construction sector with a lower number of issued building permits and new housing starts and the weak outlook for the retail sectors could have an adverse effect on the demand for products in our Packaging Materials and Wood Products division. High inflation and high interest rates continue to adversely affect the construction market, weighing down on our wood products offering, while the Packaging Solutions division faces fluctuating and weak market conditions with challenged margins due to over-capacity, as the demand for corrugated packaging remains low. In June 2023, we permanently closed one of our two paper machines at our site in Anjala, Finland, which is part of the Packaging Materials division, due to prevailing weak paper demand and high input costs. Further, the Forest division is affected by a tight wood market, especially regarding pulpwood in Finland and sawlogs in Sweden. Additionally, due to weakening consumer confidence, we expect the demand for containerboard to remain weak, in addition to which consumer board has recently been showing signs of weakening demand. Should any of the above risks materialise due to market uncertainties, weakening consumer confidence, or otherwise, it could have a material adverse effect on our business, financial condition or results of operations."

The following sentence shall replace the third sentence of the second paragraph under the heading "*The failure to make successful mergers and acquisitions and divestments could have a negative impact on our competitiveness. Additional acquisitions may also expose us to new liabilities*" on page 16 of the Base Prospectus:

"For example, we recently divested three of our five paper production sites in line with our strategy, acquired De Jong Packaging Group, one of the largest corrugated packaging producers in the Benelux countries, and announced that we had initiated a sales process for a possible divestment of our consumer board production site in Beihai, China, and that we had signed an agreement to divest our biocomposite business, which is expected to be completed during the fourth quarter of 2023 (see "*Description of the Issuer–Recent Developments*")."

The following sentences shall be inserted after the fifth sentence under the heading "*We may not be able to realise some or all of the anticipated benefits of our strategic plans and investments or there*

may be delays and unexpected higher costs or other difficulties in realising such benefits" on page 17 of the Base Prospectus:

"Examples of our recent strategic investments are the acquisition of De Jong Packaging Group and the transformation of a paper line into a consumer board line at our site in Oulu, Finland. These investments are expected to strengthen our position in the segments of sustainable, renewable and recyclable packaging and packaging materials, but they also create short-term pressure on our cash flow and balance sheet in the prevailing challenging market conditions."

The following sentences shall replace the third sentence under the heading "*We may not be able to successfully implement our cost reduction and efficiency improvement measures*" on page 18 of the Base Prospectus:

"Further, during the second and third quarter of 2023 we have taken restructuring actions to protect our margins and cash flow. These measures include the permanent closure of the pulp production and lignin extraction at our Sunila site in Finland and one containerboard production line at our Ostrołęka site in Poland and the expected permanent closure of the De Hoop containerboard site in the Netherlands and the Näpi sawmill in Estonia during the fourth quarter of 2023. Further, these actions include completed change negotiations with certain of our employees within our Group functions in Finland and other ongoing change negotiations in other countries. These actions are expected to be completed by the end of 2023. Whilst certain past measures generated the targeted savings, we may not be able to realise the full intended benefits of past or future efficiency improvement measures."

The following sentences shall be inserted before the second last sentence in the last paragraph under the heading "*A significant portion of our employees and our suppliers' employees are members of labour unions and we may face labour disruptions that could interfere with our operations, and we may not be able to attract and retain key officers, managers or other key personnel, which could have a material adverse effect on our business, financial condition or results of operations*" on page 21 of the Base Prospectus:

"In connection with the restructuring actions announced by us on 15 June 2023, we have concluded change negotiations within our Packaging Materials divisions during September 2023. Some such change negotiations are still ongoing and are expected to be concluded by the end of 2023."

The following sentence shall replace the sixth sentence of the first paragraph under the heading "*Valuations of our financial and biological assets and liabilities could have a material adverse effect on our business, financial condition or results of operations*" on page 21 of the Base Prospectus:

"As at 30 September 2023, the fair value of PVO's shares was EUR 609 million, as compared to EUR 1,423 million as at 31 December 2022."

The following sentence shall replace the second sentence under the heading "*Reduced levels of capital expenditure may have an adverse effect on our business, financial condition or results of operations*" on pages 21 and 22 of the Base Prospectus:

"In 2022, our capital expenditure was EUR 778 million, and our capital expenditure forecast for 2023 is EUR 1,100–1,200 million mainly due to a consumer board investment in Oulu, Finland, but, for example, in 2020 our capital expenditure was lowered from an originally planned maximum amount of EUR 750 million to EUR 687 million as part of our profit protection programme and as part of managing the macroeconomic uncertainties."

The following sentence shall replace the third sentence under the heading "*Any downgrade in our credit ratings could adversely affect the availability of new financing and increase our cost of capital*" on page 24 of the Base Prospectus:

"On 4 August 2023, Fitch Ratings assigned Stora Enso a rating of BBB- with stable outlook¹."

Documents Incorporated by Reference

The following text shall be inserted to become the last bullet point under the heading "*Documents Incorporated by Reference*" on page 36 of the Base Prospectus:

"

- The Issuer's Interim Report Q3, January–September 2023 (the "**Q3 Interim Financial Report**"), except for the paragraphs titled "Guidance" on page 2, "Outlook" on page 3 and "Sustainability" on pages 16–18.

https://www.storaenso.com/-/media/documents/download-center/documents/interim-reports/2023/storaenso_results_q323_eng.pdf

"

The following table shall be inserted to become the first table under the heading "*Information Incorporated by Reference*" on page 36 of the Base Prospectus:

"

Interim Report Q3, January–September 2023

Results summary (except for the paragraphs titled "Guidance" on page 2 and "Outlook" on page 3)	Pages 2–3
Key figures, Production and external deliveries, and Total maintenance impact	Page 4
CEO comment	Pages 5–6
Results	Pages 7–8, 15, 30–36
Segments	Pages 9–14
Events	Pages 19–20
Financials	Pages 21–29

"

Share Capital

The following paragraphs shall replace the last paragraph under the heading "*Share Capital*" on page 109 of the Base Prospectus:

"On 15 May 2023, Stora Enso announced that a total of 266 A shares were converted into R shares during the 1–30 April 2023 conversion period. The shares were recorded in the Finnish Trade Register on 15 May 2023, and trading in the new R shares commenced on 16 May 2023.

On 15 June 2023, Stora Enso announced that a total of 490 A shares were converted into R shares during the 1–31 May 2023 conversion period. The shares were recorded in the Finnish Trade Register on 15 June 2023, and trading in the new R shares commenced on 16 June 2023.

On 20 July 2023, Stora Enso announced that a total of 880 A shares were converted into R shares during the 1–30 June 2023 conversion period. 570 of the shares were recorded in the Finnish Trade Register on 17 July 2023, and trading in the 570 new R shares commenced on 18 July 2023. 310 of the shares were recorded in the Finnish Trade Register on 20 July 2023, and trading in the 310 new R shares commenced on 21 July 2023.

On 15 August 2023, Stora Enso announced that a total of 745 A shares were converted into R shares during the 1–31 July 2023 conversion period. The shares were recorded in the Finnish Trade Register on 15 August 2023, and trading in the new R shares commenced on 16 August 2023.

On 6 September 2023, Stora Enso announced that a total of 726 A shares were converted into R shares during the 1–31 August 2023 conversion period. The shares were recorded in the Finnish Trade Register on 6 September 2023, and trading in the new R shares commenced on 7 September 2023.

On 16 October 2023, Stora Enso announced that a total of 287 A shares were converted into R shares during the 1–30 September 2023 conversion period. The shares were recorded in the Finnish Trade Register on 16 October 2023, and trading in the new R shares commenced on 17 October 2023.

As at the date of this Base Prospectus, Stora Enso has 176,231,659 A shares and 612,388,328 R shares in issue."

Recent Developments

The following paragraphs shall replace the heading "*Plan to Close Down One Paper Line at Anjala Production Site in Finland*" and the paragraph thereunder on page 112 of the Base Prospectus:

"Closure of One Paper Line at Anjala Production Site in Finland

On 6 June 2023, Stora Enso announced that it had completed the negotiations concerning the consolidation of its book paper production and the permanent closure of one of its two paper machines at its production site in Anjala, Finland. Due to prevailing weak paper demand and high input costs, Stora Enso will concentrate all book paper production to one line. With the remaining paper machine, Stora Enso will be able to continue producing its selection of book paper grades. The closure of the line producing uncoated mechanical grades will take place during the fourth quarter of 2023."

The following paragraph shall replace the first paragraph under the heading "*Recent Market Developments*" on page 113 of the Base Prospectus:

"Cost pressures and market uncertainties are expected by Stora Enso to be significantly more challenging in 2023 than in 2022, weighing on Stora Enso's results and lowering the short-term visibility in 2023 in all of Stora Enso's segments. This market situation may continue to weaken consumer confidence resulting in lower private consumption, which could adversely affect the demand for products in all of Stora Enso's divisions and Stora Enso's profitability. The current macroeconomic and market conditions pose significant challenges especially in the Packaging Materials and Wood Products divisions that suffer from low demand, prices and volumes. The challenging construction sector with a lower number of issued building permits and new housing starts and the weak outlook for the retail sectors could have an adverse effect on the demand for products in Stora Enso's Packaging Materials and Wood Products division. High inflation and high interest rates continue to adversely affect the construction market, weighing down on Stora Enso's wood products offering, while the Packaging Solutions division faces fluctuating and weak market conditions with challenged margins due to over-capacity, as the demand for corrugated packaging remains low. In June

2023, Stora Enso permanently closed one of its two paper machines at its site in Anjala, Finland, which is part of the Packaging Materials division, due to prevailing weak paper demand and high input costs. Further, the Forest division is affected by a tight wood market, especially regarding pulpwood in Finland and sawlogs in Sweden. Additionally, due to weakening consumer confidence, demand for containerboard is expected by Stora Enso to remain weak, in addition to which consumer board has recently been showing signs of weakening demand. On the other hand, customer destocking is expected to come to an end in the Packaging Materials and Biomaterials divisions, which may support a slight recovery in these divisions in 2024. The Biomaterials division also sees some signs of improvement in the pulp market, with rising spot prices and decreasing global pulp inventories, after plunging from record highs in 2022."

The following paragraphs shall be inserted as the last paragraphs under the heading "*Recent Developments*" on page 113 of the Base Prospectus:

"Restructuring Actions to Improve Long-term Competitiveness and Profitability

On 15 June 2023, Stora Enso announced that it was planning restructuring actions to strengthen the Group's long-term competitiveness, improve profitability and focus capital allocation in strategic growth markets. The planned actions would include the permanent closure of the Sunila pulp production unit in Finland, the De Hoop containerboard site in the Netherlands, the Näpi sawmill in Estonia and one containerboard line at Ostrołęka site in Poland as well as change negotiations with office employees within Stora Enso's Group Functions. Stora Enso further announced that it had recently completed a majority of the change negotiations in its Packaging Materials division.

On 4 September 2023, Stora Enso announced that it had progressed with its restructuring actions, announced on 15 June 2023, aimed at strengthening the Group's long-term competitiveness and creating a decentralised and more customer centric operating model. Stora Enso further announced that it had concluded the change negotiations at its Sunila site in Finland and decided to permanently close pulp production and lignin extraction. The pilot plant for bio-based battery material would continue its operations at the Sunila site.

Stora Enso further announced on 4 September 2023, that it had permanently closed down one of the four containerboard production lines at its Ostrołęka site in Poland during the third quarter of 2023 as a consequence of the overcapacity in the European containerboard market. Stora Enso further announced that the consultation with employee representation relating to the planned closure of the De Hoop containerboard site is ongoing and is expected to be concluded during the fourth quarter of 2023. Stora Enso further announced that it had decided to permanently close its Näpi sawmill in Estonia. The closure would take place during the fourth quarter of 2023.

Stora Enso further announced on 4 September 2023, that it had concluded change negotiations regarding a reduction of office employees within its Group functions in Finland. As a result of the negotiations, approximately 80 employees within the Group functions in Finland would be laid off. The negotiations in other countries are still ongoing and are expected to be concluded by the end of 2023.

Changes in Stora Enso's Disclosure Policy

On 24 October 2023, Stora Enso announced that it would make a change in its reporting languages as of 1 January 2024. The Group's official reporting languages will be English and Finnish, and it will not publish financial reports or other regulatory content in Swedish. With this change, Stora Enso aims to ensure efficiency of its financial reporting and publication of releases.

Changes in the Group Leadership Team

On 24 October 2023, Stora Enso announced that it had appointed Ad Smit as Executive Vice President of the Packaging Solutions division and a member of the Group Leadership Team starting 1 December 2023.

On 24 October 2023, Stora Enso announced that David Ekberg would leave his position as Executive Vice President of the Packaging Solutions division on 30 November 2023 to pursue new opportunities outside of Stora Enso.

On 18 September 2023, Stora Enso announced that the Board of Directors of Stora Enso had appointed Hans Sohlström, M.Sc. (tech.) and M.Sc. (econ.), as the new President and CEO of Stora Enso as of 18 September 2023. Previously, Hans Sohlström was a member of the Board of Directors of Stora Enso, from which position he would step down the same day. The Board of Directors of Stora Enso would now have eight members."

Board of Directors and Management

Board of Directors

The heading "*Hans Sohlström*" and the paragraphs thereunder shall be removed from pages 115 and 116 of the Base Prospectus.

Group Leadership Team

The heading "*Annica Bresky*" and the paragraphs thereunder shall be removed from page 116 of the Base Prospectus.

The following paragraphs shall be inserted after the heading "*Group Leadership Team*" on page 116 of the Base Prospectus:

"Hans Sohlström

Chief Executive Officer (CEO).

Born 1964. M.Sc. (Tech.), M.Sc. (Econ.).

President and Chief Executive Officer and member of the Group Leadership Team since 2023 when he joined the Company.

Member of the Board of Uponor Corporation. Member of the Advisory Council at Nordea Bank Finland and a member of the Council of International Chamber of Commerce Finland.

Member of Stora Enso's Board of Directors between 2021 and 2023 and member of Stora Enso's Sustainability and Ethics Committee between 2022 and 2023. President and CEO of Ahlström-Munksjö Oyj between 2018 and 2022. President and CEO of Ahlström Capital between 2016 and 2018 and Rettig Group Oy between 2012 and 2016. Member of UPM-Kymmene Corporation's Group Executive Team between 2004 and 2012. Several managerial positions at UPM-Kymmene Corporation between 1990 and 2004."

The following paragraph shall be inserted before the heading "*Conflicts*" on page 119 of the Base Prospectus:

"Appointed Member of the Group Leadership Team

Ad Smit

On 24 October 2023, Stora Enso announced that it had appointed Ad Smit as Executive Vice President of the Packaging Solutions division and a member of the Group Leadership Team starting 1 December 2023.

Born 1963. B.Econ. (Marketing and Organisation).

Member of the Group Leadership Team as of December 2023. Joined the Company first as the lead of the Business Unit Western Europe within Stora Enso's Packaging Solutions division in 2023.

Prior to joining Stora Enso, CEO of De Jong Packaging Group between 2012 and 2023. Prior to that various Managing Director positions leading packaging divisions and units at Smurfit Kappa Group."

Sustainability and Ethics Committee

The following paragraph shall replace the last paragraph under the heading "*Sustainability and Ethics Committee*" on page 120 of the Base Prospectus:

"As at the date of this Base Prospectus, the members of the Sustainability and Ethics Committee are Christiane Kuehne (Chair) and Helena Hedblom. "

Shareholders' Nomination Board

The following paragraph shall replace the last paragraph under the heading "*Shareholders' Nomination Board*" on page 120 of the Base Prospectus:

"The Shareholders' Nomination Board is composed of the following members: Kari Jordan (Chair of the Board of Directors of Stora Enso), Håkan Buskhe (Vice Chair of the Board of Directors of Stora Enso), Jouko Karvinen (Chair of the Board of Directors of Solidium) and Marcus Wallenberg (Chair of the Board of Directors of FAM). The Shareholders' Nomination Board has elected Marcus Wallenberg as its Chair."

Legal Proceedings

The following paragraph shall replace the last two paragraphs under the heading "*European Commission Inspection*" on page 121 of the Base Prospectus:

"As stated by the European Commission, the fact that it carries out such inspections does not mean that the companies are guilty of anti-competitive behaviour nor does it prejudice the outcome of the investigation itself. On 15 June 2023, Stora Enso announced that the European Commission had on the same day announced that after a thorough and careful assessment, it had decided to close its investigation."

Significant or Material Change

The following paragraphs shall replace the paragraphs under the heading "*Significant or Material Change*" on page 133 of the Base Prospectus:

"There has been no significant change in the financial performance or position of the Issuer and its subsidiaries taken as a whole since 30 September 2023.

Save as disclosed (i) on pages 2 (excluding the paragraph titled "*Guidance*"), 4 and in the fourth and fifth paragraphs on page 5 of the Q3 Interim Financial Report and (ii) under "*Description of the Issuer—Recent Developments—Recent Market Developments*", there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2022."

General

Copies of this Supplement and the Q3 Interim Financial Report can be obtained from the registered office of the Issuer and the specified office of the Paying Agents in each case at the address given at the end of the Base Prospectus. In addition, such documents will be available free of charge from the principal office in Luxembourg of Banque Internationale à Luxembourg, *société anonyme*, and will also be published on the Luxembourg Stock Exchange's website (www.luxse.com).

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail. Capitalised terms used in this Supplement and not otherwise defined shall have the meanings given to them in the Base Prospectus.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

In accordance with Article 23(2) of the Prospectus Regulation, investors who have already agreed to purchase or subscribe for Notes before this Supplement is published and where the Notes have not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted, have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances. The last date for such withdrawal is 3 November 2023. Investors should contact the Issuer for the exercise of the right of withdrawal.