



RepRisk Benchmarking Brief

# Stora Enso OYJ

# What is the Benchmarking Brief?

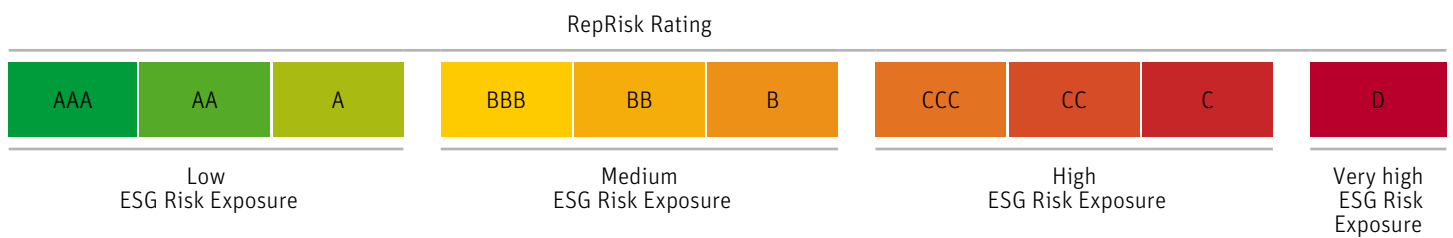
## The RepRisk Benchmarking Brief

The RepRisk Benchmarking Brief is a corporate benchmarking report. It assesses your company’s exposure to environmental, social, and governance (ESG) risks, and benchmarks it with a customizable peer list. The Brief is a data-driven strategy and decision-making tool designed for board members and executives, investor relations and corporate affairs professionals, as well as CSR and sustainability teams.

## The RepRisk Rating

The cornerstone of the Benchmarking Brief is the RepRisk Rating – a proprietary risk metric, ranging from AAA to D, that captures and quantifies a company’s risk exposure related to ESG issues. It combines a company’s own ESG risk exposure with the ESG risk exposure of the countries and sectors in which the company has been exposed to risks.

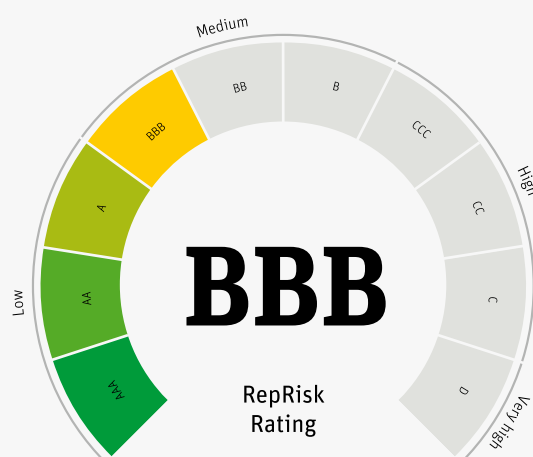
The RepRisk Rating facilitates corporate benchmarking and ESG integration, and provides decision support in risk management, compliance, investment management, and procurement. Based on RepRisk’s strict, rules-based methodology, the Rating is updated daily for all companies in the RepRisk ESG Risk Platform.



# ESG Risk Exposure

Company: Stora Enso OYJ

The current RepRisk Rating of Stora Enso OYJ is BBB, denoting a medium risk exposure. The timeframe of this report is the last two years (September 2016 to August 2018).

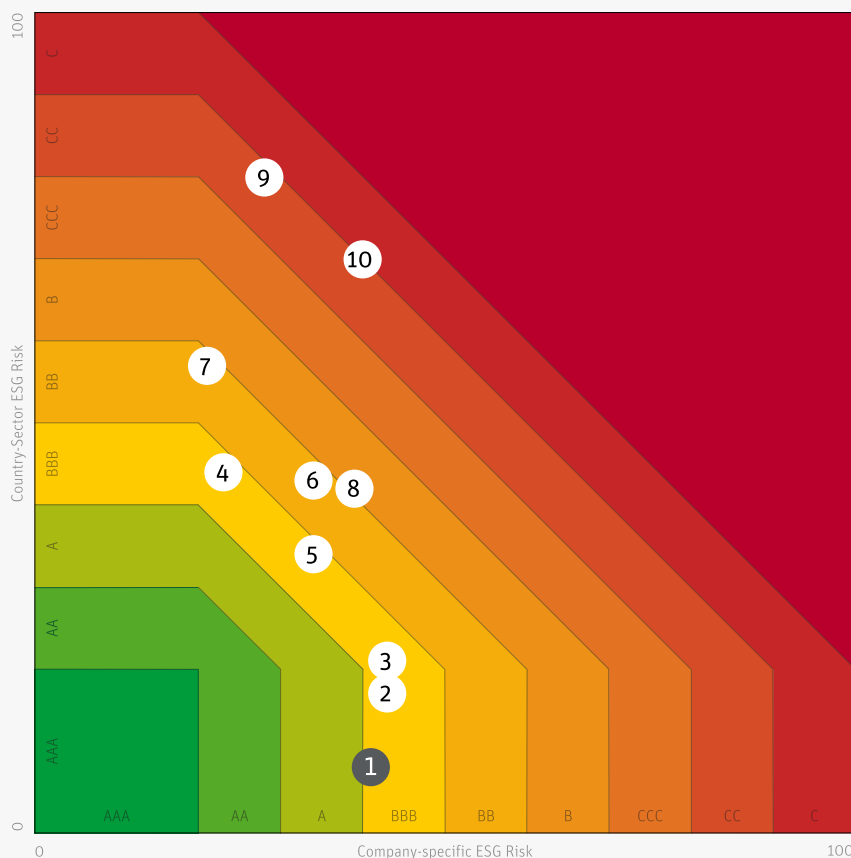


Top ESG Issues	Top ESG Topic Tags	Top countries with ESG risk exposure
1. Violation of national legislation	1. Land grabbing	1. Finland
2. Fraud	2. Negligence	2. Sweden
3. Anti-competitive practices	3. Endangered species	3. Brazil
4. Impacts on landscapes, ecosystems, and biodiversity	4. High conservation value forests	4. Switzerland
5. Occupational health and safety issues	5. Hydropower (dams)	5. Denmark

The next pages provide further details on the RepRisk Rating, the top ESG Issues and top ESG Topic Tags of Stora Enso OYJ and its peers, as well as about the countries where Stora Enso OYJ has been exposed to ESG risks.

# Peer benchmarking ESG Risk Exposure

Company: Stora Enso OYJ



The overall ESG risk exposure of a company is measured by the RepRisk Rating. The RepRisk Rating is made up of two factors:

The **Company-specific ESG Risk** captures the exposure due to risk incidents reported specifically about the company (X-axis). This risk is measured by the company's RepRisk Index (RRI), RepRisk's proprietary measure of ESG risk exposure.

The **Country-Sector ESG Risk** measures the company's international risk exposure taking into consideration its sector and the location of the company's headquarters, as well as the countries where the company has been exposed to ESG risk incidents (Y-axis).

Both of these risk metrics range from zero to 100. The higher the value, the higher the risk exposure.

Company and Ranking	RepRisk Rating	Company-specific ESG Risk	Country-Sector ESG Risk
1 Stora Enso OYJ	BBB	41	8
2 UPM-Kymmene OYJ	BBB	43	17
3 International Paper	BBB	43	21
4 Samling Global	BBB	23	44
5 Holzindustrie Schweighofer GmbH	BBB	34	34
6 Celulosa Arauco y Constitucion	BB	34	43
7 Vicwood Group	BB	21	57
8 Empresas CMPC	B	39	42
9 Societe Industrielle et Forestiere du Congo	CC	28	80
10 Veracel Celulose	C	40	70

# ESG Issues

Company: Stora Enso OYJ

The heat map below highlights the ESG Issues that have been mostly associated with Stora Enso OYJ in the last two years. The Issues are highlighted in relation to both the number and severity of the risk incidents.

The 28 ESG Issues in the heat map comprise the core of RepRisk’s research scope. These Issues were selected and defined in accordance with the key international standards related to ESG, such as the World Bank Group Environmental, Health, and Safety Guidelines, the IFC Performance Standards, the OECD Guidelines for Multinational Enterprises, and the ILO Conventions. In particular, the scope covers the Ten Principles of the UN Global Compact (UNGC).

Environmental Environmental Footprint	Social Community Relations	Employee Relations	Governance Corporate Governance
Climate change, GHG emissions, and global pollution	Human rights abuses, corporate complicity	Forced labor	Corruption, bribery, extortion, money laundering
Local pollution	Impacts on communities	Child labor	Executive compensation issues
Impacts on landscapes, ecosystems, and biodiversity	Local participation issues	Freedom of association and collective bargaining	Misleading communication, e.g. “greenwashing”
Overuse and wasting of resources	Social discrimination	Discrimination in employment	Fraud
Waste issues		Occupational health and safety issues	Tax evasion
Animal mistreatment		Poor employment conditions	Tax optimization
			Anti-competitive practices

**Cross-cutting Issues:** always in combination with one of the ESG Issues above

Controversial products and services

Products (health and environmental issues)

Violation of international standards

Violation of national legislation

Supply chain issues

● Low risk ● Medium risk ● High risk ● Very high risk

# ESG Topic Tags

Company: Stora Enso OYJ

Product sample

The heat map below highlights the ESG Topic Tags that have been mostly associated with Stora Enso OYJ in the last two years. The Topic Tags are highlighted in relation to both the number and severity of the risk incidents.

The 57 ESG Topic Tags in the heat map are part of RepRisk’s research scope. Topic Tags are specific and thematic ESG “hot topics” that are an extension of RepRisk’s core research scope of 28 ESG Issues. Topic Tags are a dynamic concept, with the list expanding over time in response to emerging trends.

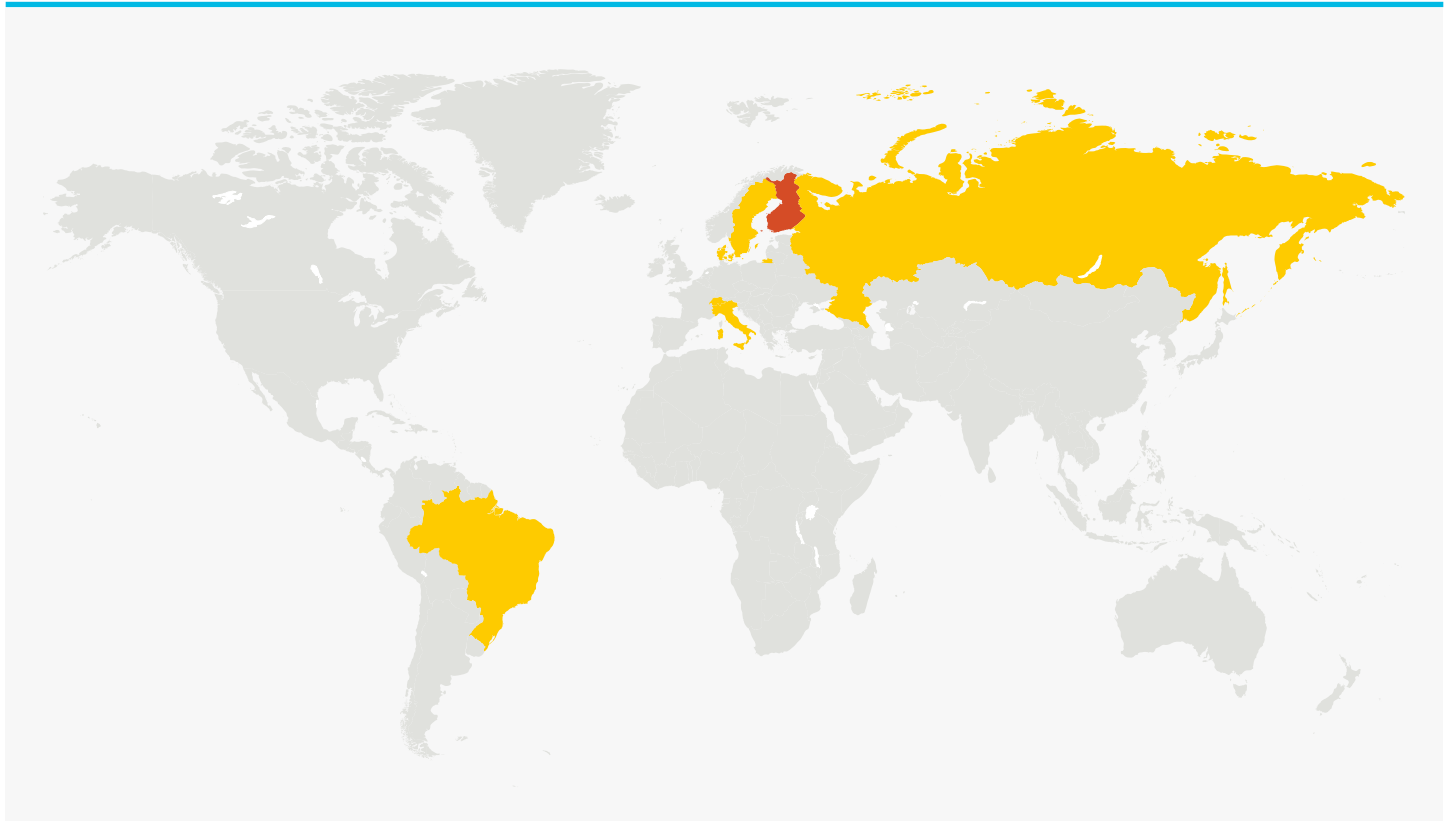
Abusive/Illegal fishing	Agricultural commodity speculation	Alcohol	Animal transportation
Arctic drilling	Asbestos	Automatic and semi-automatic weapons	Biological weapons
Chemical weapons	Cluster munitions	Coal-fired power plants	Conflict minerals
Coral reef	Cyberattack	Deep sea drilling	Depleted uranium munitions
Diamonds	Drones	Endangered species	Forest burning
Fracking	Fur and exotic animal skins	Gambling	Gender inequality
Genetically modified organisms (GMOs)	Genocide/Ethnic cleansing	High conservation value forests	Human trafficking
Hydropower (dams)	Illegal logging	Indigenous people	Involuntary resettlement
Land grabbing	Land mines	Marijuana / Cannabis	Migrant labor
Monocultures	Mountaintop removal mining	Negligence	Nuclear power
Nuclear weapons	Offshore drilling	Oil sands	Palm oil
Pornography	Predatory lending	Privacy violations	Protected areas
Rare earths	Sand mining and dredging		

● Low risk ● Medium risk ● High risk ● Very high risk

# Country ESG Risk Exposure

Company: Stora Enso OYJ

In the last two years, ESG risk incidents for Stora Enso OYJ have been detected in 7 countries. The map below highlights these countries in relation to both the number and severity of the risk incidents.



## Country & Territory ranking

1. Finland	●	6. Italy	●
2. Sweden	●	7. Russian Federation	●
3. Brazil	●		
4. Switzerland	●		
5. Denmark	●		

● Low risk ● Medium risk ● High risk ● Very high risk

# Peer benchmarking ESG Issues

Company: Stora Enso OYJ

Product sample

The two tables in this section compare Stora Enso OYJ and its peers according to their key ESG Issues in the last two years.

The table below displays the top five ESG Issues of Stora Enso OYJ in the last two years and benchmarks the peers on these Issues. The Issues are highlighted in relation to both the number and severity of the risk incidents.

## Benchmarking on *Stora Enso OYJ's* top ESG Issues

Company and Ranking	Violation of national legislation	Fraud	Anti-competitive practices	Impacts on landscapes, ecosystems, and biodiversity	Occupational health and safety issues
1. Stora Enso OYJ	●	●	●	●	●
2. UPM-Kymmene OYJ	●	●	●	●	●
3. International Paper	●	●	●	●	●
4. Samling Global	●	●	●	●	●
5. Holzindustrie Schweighofer GmbH	●	●	●	●	●
6. Celulosa Arauco y Constitucion	●	●	●	●	●
7. Vicwood Group	●	●	●	●	●
8. Empresas CMPC	●	●	●	●	●
9. Societe Industrielle et Forestiere du Congo	●	●	●	●	●
10. Veracel Celulose	●	●	●	●	●

● Low risk ● Medium risk ● High risk ● Very high risk



# Peer benchmarking ESG Issues

Company: Stora Enso OYJ

The table below displays the top five ESG Issues that have been the most prevalent among the group of selected peers in the last two years and benchmarks Stora Enso OYJ and the peers on these Issues. The Issues are highlighted in relation to both the number and severity of the risk incidents.

## Benchmarking on the *peers'* top ESG Issues

Company and Ranking	Impacts on landscapes, ecosystems, and biodiversity	Violation of national legislation	Impacts on communities	Local pollution	Anti-competitive practices
1. Stora Enso OYJ	●	●	●	●	●
2. UPM-Kymmene OYJ	●	●	●	●	●
3. International Paper	●	●	●	●	●
4. Samling Global	●	●	●	●	●
5. Holzindustrie Schweighofer GmbH	●	●	●	●	●
6. Celulosa Arauco y Constitucion	●	●	●	●	●
7. Vicwood Group	●	●	●	●	●
8. Empresas CMPC	●	●	●	●	●
9. Societe Industrielle et Forestiere du Congo	●	●	●	●	●
10. Veracel Celulose	●	●	●	●	●

● Low risk ● Medium risk ● High risk ● Very high risk

# Peer benchmarking ESG Topic Tags

Company: Stora Enso OYJ

The two tables in this section compare Stora Enso OYJ and its peers according to their key ESG Topic Tags in the last two years.

The table below displays the top five ESG Topic Tags of Stora Enso OYJ in the last two years and benchmarks the peers on these Topic Tags. The Topic Tags are highlighted in relation to both the number and severity of the risk incidents.

## Benchmarking on *Stora Enso OYJ's* top ESG Topic Tags

Company and Ranking	Land grabbing	Negligence	Endangered species	High conservation value forests	Hydropower (dams)
1. Stora Enso OYJ	●	●	●	●	●
2. UPM-Kymmene OYJ	●	●	●	●	●
3. International Paper	●	●	●	●	●
4. Samling Global	●	●	●	●	●
5. Holzindustrie Schweighofer GmbH	●	●	●	●	●
6. Celulosa Arauco y Constitucion	●	●	●	●	●
7. Vicwood Group	●	●	●	●	●
8. Empresas CMPC	●	●	●	●	●
9. Societe Industrielle et Forestiere du Congo	●	●	●	●	●
10. Veracel Celulose	●	●	●	●	●

● Low risk ● Medium risk ● High risk ● Very high risk

# Peer benchmarking ESG Topic Tags

Company: Stora Enso OYJ

The table below displays the top five ESG Topic Tags that have been the most prevalent among the group of selected peers in the last two years and benchmarks Stora Enso OYJ and the peers on these Topic Tags. The Topic Tags are highlighted in relation to both the number and severity of the risk incidents.

## Benchmarking on the peers' top ESG Topic Tags

Company and Ranking	Indigenous people	Illegal logging	Monocultures	Protected areas	Endangered species
1. Stora Enso OYJ	●	●	●	●	●
2. UPM-Kymmene OYJ	●	●	●	●	●
3. International Paper	●	●	●	●	●
4. Samling Global	●	●	●	●	●
5. Holzindustrie Schweighofer GmbH	●	●	●	●	●
6. Celulosa Arauco y Constitucion	●	●	●	●	●
7. Vicwood Group	●	●	●	●	●
8. Empresas CMPC	●	●	●	●	●
9. Societe Industrielle et Forestiere du Congo	●	●	●	●	●
10. Veracel Celulose	●	●	●	●	●

● Low risk ● Medium risk ● High risk ● Very high risk

# About RepRisk

RepRisk is a leading research and business intelligence provider, specializing in ESG and business conduct risks.

As a premium due diligence solution, RepRisk helps clients prevent and mitigate business conduct risks related to their operations, business relationships, and investments.

Since 2006, RepRisk leverages artificial intelligence and human analysis to translate big data into actionable analytics and metrics. With daily updates, universal coverage, and curated adverse data on companies, projects, sectors, and countries, RepRisk offers a suite of a powerful risk management and compliance services.

Headquartered in Zurich, Switzerland, RepRisk serves clients worldwide, enabling them to reduce blind spots and shed light on risks that can have reputational, compliance, and financial impacts on a company.

For more information, please visit [www.reprisk.com](http://www.reprisk.com).

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