

Green Bond Fact Sheet

Stora Enso		Date: 19-Feb-2019	
Issue date: 20-Feb-2019 Maturity date: 20-Feb-2024 Tenor: 5			
Issuer Name	Stora Enso	Amount Issued	SEK6bn (USD604m)
Country of risk	Finland	CBI Database	Included
Issuer Type ¹	Non-financial corporate	Bond Type	Senior unsecured
Green Bond Framework	Link to Framework	Second party opinion	Sustainalytics
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input checked="" type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input checked="" type="checkbox"/> Water treatment <input checked="" type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input checked="" type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Waste management	<input checked="" type="checkbox"/> Recycling <input checked="" type="checkbox"/> Waste prevention <input checked="" type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input checked="" type="checkbox"/> Waste to energy <input checked="" type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input checked="" type="checkbox"/> Land use & agriculture	<input checked="" type="checkbox"/> Afforestation/parks <input type="checkbox"/> Land remediation <input type="checkbox"/> Sustainable agriculture <input checked="" type="checkbox"/> FSC/PEFC Forestry <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> FSC Cellulose & paper
<input checked="" type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input checked="" type="checkbox"/> Industry: process
Issue details	
Reporting	The issuer intends to report allocation proceeds and impacts on an annual basis. Impact indicators include CO2 avoided and percentage of land certified by FSC and PEFC.
Company information	Stora Enso Oyj (Stora Enso) is a Finnish forest product company producing paper and packaging solutions as well as pulp and solid wood products. Stora Enso's operations are concentrated in Europe, with most operations in Finland and Sweden, but it also has operations in China, Laos, India, Brazil, Uruguay, and the United States. The company was formed through a merger in 1998 and is headquartered in Helsinki, Finland. (source)
Firsts, records and certifications	First Finnish forest product company to enter the green bond market.
Proceeds description	<p>Proceeds will be earmarked to finance projects under sustainable forestry, renewable energy, water, waste, energy efficiency and renewable/low carbon/eco-efficient product technologies and processes.</p> <p>Eligible renewable energy projects include power generation from biomass and waste products, as well as related renewable energy infrastructure. Energy efficiency projects are expected to meet a 20% improvement threshold and cannot be related to operations running primarily on fossil fuels. In its Green Bond Framework, Stora Enso states that "where appropriate, the use of proceeds may be used to finance operating expenditures related to the projects (e.g. forest management, R&D) and will be tracked on a project or portfolio basis."</p>
Climate Bonds view	<p>The debut of the first Finnish forest products company in the green bond market is a promising development, given the country's potential for financing green assets in the land use sector. Bioenergy sources come from by-products and are hence aligned to the Climate Bonds Taxonomy.</p> <p>Operating expenditures and R&D raise a red flag as they are not aligned to the Climate Bonds Taxonomy and therefore should make up no more than 5% of the proceeds allocations to be eligible for inclusion in the CBI Green Bond Database. As the issuer has committed to track funding going to these project types, we will keep monitoring reporting to ensure the share doesn't exceed the 5% threshold.</p>
Underwriters	Nordea, DNB
Deal comments	
Credit Rating	Baa3 (Moody's)
Pricing summary	
Investors summary	

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign