



HR POLICY

Introduction and objectives

Metsä Group's HR operates as a unified function and supports management, managers and all employees throughout the employment life-cycle.

Long-term resource planning, competitive management and remuneration practices, systematic personnel development and functioning HR systems support line management daily in achieving responsible profitability.

The HR function is responsible for the methods, tools and expert services of Metsä Group's HR management. Its services consist of resource planning, recruitment, competence development, employment, employment conditions and labour relations, compensation and benefits, as well as wellbeing at work, occupational health care management and HR analytics.

Scope of application

This HR policy is applied in all Metsä Group companies, and the personnel of these companies are required to comply with the principles of this policy in their operations.

Policy provisions

1. Values

HR management is based on the Group's values: reliability, renewal, cooperation and responsible profitability.

2. Responsibility, Code of Conduct and diversity, equality and inclusion

Group companies and their personnel are required to act responsibly and comply with Metsä Group's Code of Conduct. The Group complies with an equality plan,

and the personnel are offered equal opportunities for career rotation and success in their work. The Group has a separate equality policy.

3. Leadership and resource planning

Leadership is developed to support profitable growth according to principles in line with our values. Leadership and managers' work is developed through Group-level key employee, management and leadership training, and development programmes.

Resource planning is based on long-term needs and is part of annual planning. It covers the organisation and personnel structure, the number of employees, and competencies. HR planning aims to anticipate external and internal resourcing needs, provide employees with opportunities for development and implement systematic job rotation within the Group.

4. Recruitment

In both internal and external recruitment, openness as well as agreed ground rules and authorisations, is followed. Open positions are primarily filled through internal recruitment. Anonymous recruitment is used to promote diversity and equal treatment.

The induction of new Metsä Group employees is based on harmonised operating models and training.

Metsä Group engages in active cooperation with educational institutions and industry associations to secure future human resources and strengthen its employer image.

5. Compensation and benefits

Metsä Group follows fair and competitive remuneration practices, which are based on both performance and job requirements.

Group companies comply with the legislation applicable to remuneration, collective agreements and local agreements. Incentive schemes aim to reward employees for good performance and to support commitment. The Boards of Directors of group companies approve the principles of the incentive schemes every year. The Group has separate guidelines on remuneration.

6. Development of personnel and organisations

Competencies, operating methods, processes and organisational structures are developed continuously and on a long-term basis in accordance with Metsä Group's strategy and the goals of its business areas. The development of personnel competence is steered through annual performance and development appraisals (PDAs) and competence evaluations. Core process competencies and leadership are developed in common programmes, Academies. To ensure competence and success at work, Metsä Group also offers varied and practical opportunities for on-the-job learning, participation in development projects and job rotation. Everyone is responsible for actively maintaining and developing their own professional skills and expertise. HR supports both employees and managers in matters related to competence development.

Wellbeing at work

At Metsä Group, wellbeing is managed based on a harmonised management process that is applied in all the operating countries. The responsibility for wellbeing at work lies with both the employer and the employees. The employer creates the framework and conditions for supporting wellbeing at work, while the employees are responsible for actively maintaining their personal wellbeing at work. Metsä Group has separate guidelines on wellbeing at work, which is applied country-specifically.

7. Termination of employment

The end of an employment contract is subject to applicable legislation, agreements and guidelines. When a contract ends due to financial and production related grounds, employees are supported in finding new employment to the extent possible and in accordance with local legislation.

8. Cooperation

Group companies comply with EU-level as well as national legislation and agreements on cooperation within enterprises. The goal is to maintain a constructive, open and active dialogue with the personnel and their representatives.

Supplementary guidelines

The following guidelines are related to or issued in the context of this HR policy:

1. Wellbeing at work
2. Compensation and benefits

Responsible parties and changes

This policy is owned by the Group's Senior Vice President, HR, and the Group's HR management team is responsible for any updates and changes to it.

Version	Date	Owner		Comments
1.0	01/2011	SVP, HR		
1.1	06/2016			v1.0 text copied to a template with two columns No changes to the content
1.2	10 November 2016			Template updated No changes to the content
2.0	20 March 2019	SVP, HR		
3.0	17 March 2023	SVP, HR		

