

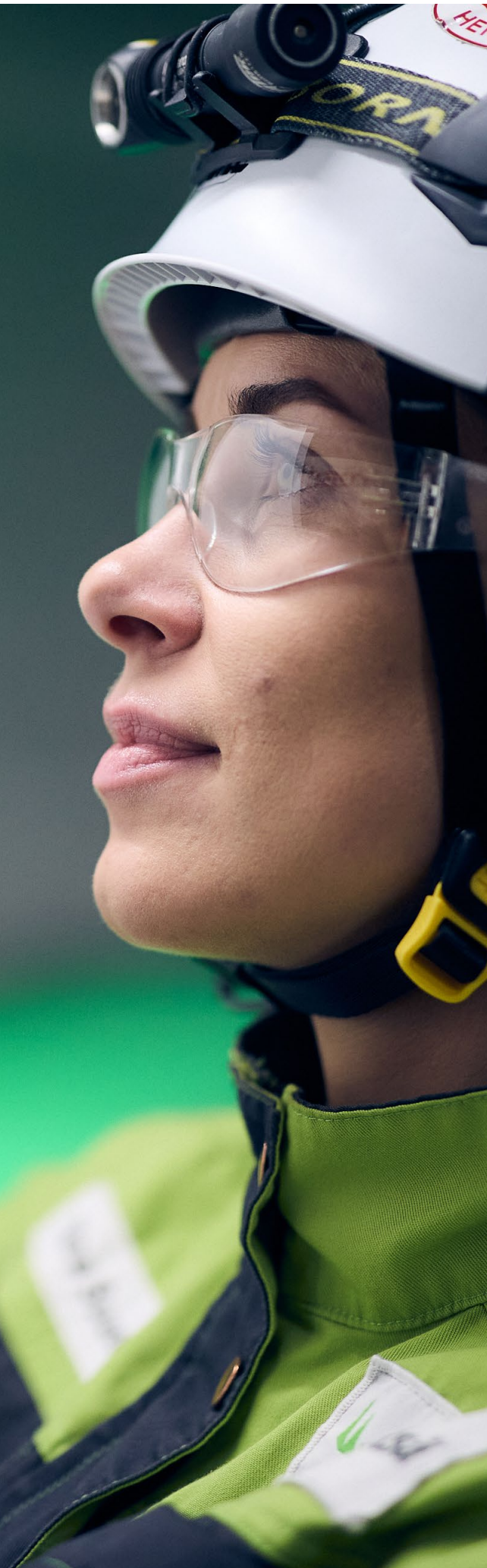
Metsä Board  
Annual Review 2024





Together with our customers and partners,  
we continuously develop solutions to replace  
fossil-based packaging materials and improve  
packaging recyclability.

Our goal is to achieve fossil-free production and  
products by 2030, supporting our customers in  
reaching their sustainability targets.



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**Metsä Board Sustainability Review 2024** presents Metsä Board's key sustainability objectives and achievements in 2024. The review will be available in March 2025.

# This is Metsä Board

## High-quality and lightweight fresh fibre paperboards

We focus on high-quality and recyclable fresh fibre board made of renewable wood fibre, which is mainly used in consumer packaging and retail packaging solutions. Good availability of Northern European wood fibre and high self-sufficiency in pulp and energy enable the growth and development of our paperboard business.

## Targeted investments for sustainable growth

Population growth, urbanisation and plastic replacement will increase the demand for fibre-based packaging materials in the long term. We respond to this demand with sustainable growth investments and innovative packaging solutions. With mill-specific investments we improve our competitiveness and accelerate our goal of fossil-free production and products by the end of 2030.

## We are part of Metsä Group

Metsä Group is largest purchaser of wood in Finland and responsible for Metsä Board's wood procurement. As part of Metsä Group, we are committed to the *principles of regenerative forestry*. Our self-sufficiency in pulp is secured by our 24.9% ownership in Metsä Fibre, the global leading producer of market softwood pulp.

## Strong position in a growing market

We are a leading producer of folding boxboard and white kraftliners in Europe, and globally the biggest producer of coated white kraftliners. In the USA, we are the largest supplier of folding boxboard. The global demand for paperboards is expected to grow at an annual rate of slightly over 4%.

(Source: Smithers Information Ltd.).

## Paperboards with low carbon footprint

Our products promote the circular economy and help our customers to reduce the use of plastic. Lightweight paperboards produced resource-efficiently with mainly fossil-free energy enable reduction of the carbon footprint of packaging.

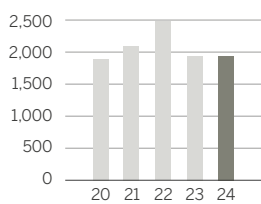


[Read more](#)

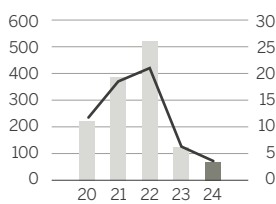
<b>METSÄ GROUP</b>	The parent company Metsäliitto Cooperative is composed of more than 90,000 Finnish forest owners.		Sales EUR <b>5.7</b> billion	Comparable operating result EUR <b>203</b> million	Personnel <b>9,600</b>
	Wood Supply and Forest Services	Wood Products <b>METSÄ WOOD</b>	Pulp and sawn timber <b>METSÄ FIBRE</b>	Paperboard <b>METSÄ BOARD</b>	Tissue and greaseproof papers <b>METSÄ TISSUE</b>
<b>OWNERSHIP</b> Metsäliitto Cooperative 100%	Metsäliitto Cooperative 100%	Metsäliitto Cooperative 50.1% Itochu Corporation 25.0% <b>Metsä Board 24.9%</b>	Metsäliitto Cooperative 52% (69% of votes) The company is listed on Nasdaq Helsinki	Metsäliitto Cooperative 100%	
<b>SALES</b> EUR 2.4 billion	EUR 0.6 billion	EUR 2.3 billion	EUR 1.9 billion	EUR 1.2 billion	
<b>PERSONNEL</b> 700	1,700	1,500	2,300	2,500	
<b>METSÄ SPRING</b> Innovation company					

# Financial development

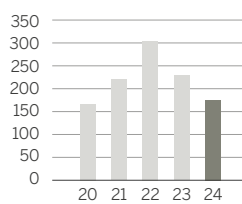
**SALES**  
EUR million



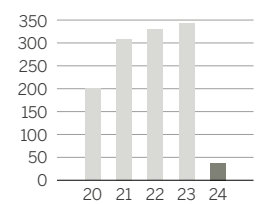
**COMPARABLE OPERATING RESULT**  
EUR million  
% of sales



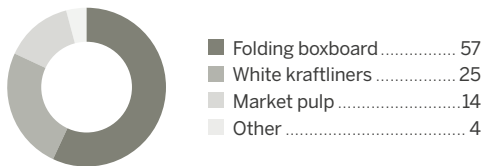
**TOTAL INVESTMENTS**  
EUR million



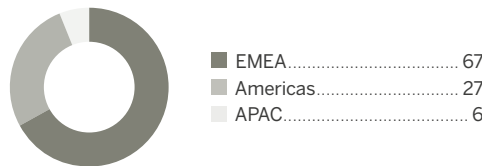
**CASH FLOW FROM OPERATIONS**  
EUR million



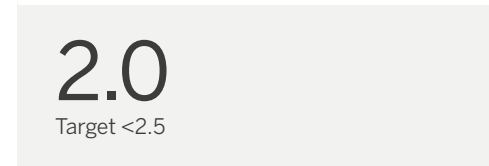
**SALES SPLIT BY PRODUCT**  
% of sales



**SALES SPLIT BY REGION**  
% of sales



**INTEREST-BEARING NET DEBT/ COMPARABLE EBITDA**



We are **2,290** Metsä Board employees in **17** countries

We have **8** production units in Finland and Sweden. Our main market areas are Europe and North America

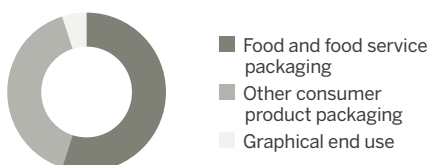
Our customers include international brand owners, packaging converters, manufacturers of corrugated products and merchants

Paperboard capacity **2.3** million tonnes/year

Pulp and BCTMP capacity **1.7** million tonnes/year

We are committed to the ambitious and science-based 2030 sustainability targets that enable fossil free production and products and help our customers to contribute to their own goals. Read more about *sustainable development and our goals*.

**END USE OF FOLDING BOXBOARD**



**END USE OF WHITE KRAFTLINERS**



Source: Metsä Board

# Focus on profitability

**In 2024, we continued implementing our strategy through investments and development projects. In the current challenging market situation, securing the competitiveness and profitability is increasingly important. We have a strong foundation based on top professionals, high-quality products, and a solid financial position.**

## Volatility in the market

The year 2024 started positively, as paperboard demand picked up from the previous year's record low level. In the second half of the year, activity slowed down, and our total paperboard deliveries, roughly 1.5 million tonnes, remained below our capacity. Similar to the previous year, we adjusted our production at several mills to match low demand. Despite the slight increase in consumer purchasing power, demand for fresh fibre paperboards continued to be curbed by cautious purchasing behaviour and consumption focusing on services rather than products. The paperboard market has also been impacted by the strong growth in Asian paperboard capacity and increased paperboard imports, especially to Turkey, the Middle East and South America.

Volatility was also seen in the pulp market. In Europe, demand was clearly stronger in the first half of the year compared to the second half. In China, market pulp purchases were at a near standstill from summer to early autumn. The increase in softwood market pulp prices was not enough to compensate for the negative impact of low delivery volumes and high production costs, and this was also reflected in the profitability of our associated company, Metsä Fibre.

## The second consecutive challenging year

In 2024, our sales were EUR 1.9 billion, and our comparable operating result was EUR 69 million. Our return on capital employed was around 3%, compared to our target of at least 12%. In addition to muted sales, our profitability was negatively affected by high-cost level, for which we must continue to prepare. The price level of pulpwood, our main raw material, has nearly doubled over the last three years. The supply of northern pulpwood has decreased considerably due to the discontinuation of wood imports from Russia, while wood consumption has at the same time increased.

In 2024, unexpected events beyond our control also weighed on our results. In the first half of the year, political strikes in Finland stopped the transport of goods to our mills, and we had to halt production at nearly all our Finnish mills. In March, a gas explosion

occurred at Metsä Fibre's Kemi bioproduct mill, shutting down the integrated mill's pulp production for several weeks, which affected our linerboard production. Thanks to our organisation's professional action and cooperation with Metsä Group mills, we restarted linerboard production faster than expected and minimised the negative impact on our customers.

Our financial position remains solid, although the ratio of net debt to comparable EBITDA rose to 2.0. However, this was mainly due to weaker profitability. The Board of Directors proposes that we pay a dividend of EUR 0.07 per share for 2024, which corresponds to 98% of our net result.

## Investments targeted at sustainable growth

In 2023, we completed two significant investments in Husum and Kemi, which increased our annual paperboard capacity by 240,000 tonnes. This capacity is expected to be fully available to the market as of 2026. In 2024, we also decided not to invest in Kaskinen, where a pre-feasibility study was underway for a new folding boxboard mill with an annual capacity of 800,000 tonnes. Our decision was due to the high cost level, which clearly exceeded our original estimate and meant that the investment no longer met our financial targets. However, the pre-feasibility study results were useful for the investment programme we launched in 2024 to modernise the Simpele board mill. We are also planning investments at our other mills to improve the competitiveness of our products and mills and achieve fossil-free production by the end of 2030.

## Ensuring profitability and competitiveness is increasingly important

To secure profitability, we have adjusted our production to match weaker demand and have temporarily laid off some of our personnel. We have focused on the customer relationships that benefit most from the performance and added value offered by our premium paperboards. We have invested in the maintenance of our mills and made targeted investments to further improve our



” We have proven evidence of low carbon footprint of our paperboards, which is becoming increasingly important for our customers.

competitiveness. Our high self-sufficiency in pulp and energy also offers us a significant advantage. However, our profitability is currently unsatisfactory, and we must continue our efforts to improve it. It is a key priority to ensure that all our production units are cost-competitive in the prevailing market and economic situation.

Heading into 2025, we announced our plans to shut down the Tako board mill and improve operational efficiency at the Kyro board mill. We have initiated change negotiations at both mills. No decisions concerning the mill's shutdown and personnel reductions will be made until the change negotiations have been concluded.

### **Long-term growth drivers remain strong**

In line with our strategy, we aim to grow in fibre-based packaging materials and renew our industrial operations. Population growth, urbanisation and plastic replacement remain strong trends that will increase long-term demand for fibre-based packaging. We will also continue our efforts to advance sustainability. Our aim of fossil-free production and products by the end of 2030 will also help our value chain operators achieve their sustainability targets. We have

proven evidence of low carbon footprint of our paperboards, which is becoming increasingly important for our customers. International brand owners wish to reduce the use of plastic in their packaging materials and improve the recyclability of packaging. Our products and services help them in reaching their goals. Last year, our Excellence Centre in Äänekoski hosted a record number of customer cooperation projects aiming to improve the sustainability and performance of packaging. Lightweight, high-quality fresh fibre paperboard is well positioned to respond to increasing regulation.

I feel confident about Metsä Board's future. We have previously demonstrated our ability to tackle challenges in a changing operating environment and create added value for our various stakeholders. I want to thank Metsä Board's employees for a job well done and all our customers, shareholders and other partners for their trust and good cooperation.

**Mika Joukio**  
CEO

# Our strategy highlights solutions that promote circular economy

Our competitiveness is based on premium products and services, as well as on the efficiency of our industrial operations. Our strategy emphasises packaging solutions that promote circular economy, replacing use of plastic. In 2024, we implemented our strategy and vision through a number of measures.

<h2>Purpose</h2> <p>Advancing the bioeconomy and circular economy by efficiently processing northern wood into first-class products.</p>	<h2>Vision</h2> <p>Preferred supplier of innovative and sustainable fibre-based packaging solutions, creating value for customers globally</p>	<h2>Strategy</h2> <p>We grow in fibre-based packaging materials and renew our industrial operations.</p>
<h2>Values</h2> <p>Reliability • Cooperation • Responsible profitability • Renewal</p>		

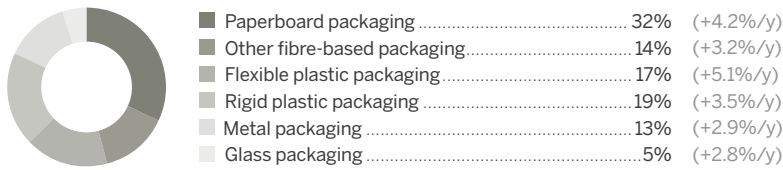
## Strategic programmes

We have five strategic programmes. Each programme has objectives and concrete measures that contribute to our growth in fibre-based packaging materials and the renewal of our industrial operations.

STRATEGIC PROGRAMME	TARGET	MAIN ACTIONS IN 2024
<b>Premium supplier</b>	High-quality and reliable products and services with excellent customer experience	<ul style="list-style-type: none"> <li>- Sale of Husum and Kemi's new paperboard capacity</li> <li>- Improving supply chain resilience</li> <li>- Customer satisfaction, Net Promoter Score of 33</li> </ul>
<b>Effective innovation</b>	Developing packaging solutions, lightweighting packaging and reducing plastic	<ul style="list-style-type: none"> <li>- Customer workshops in Äänekoski, 49 workshops in total</li> <li>- Improving quality of folding boxboard produced at Simpele mill</li> <li>- Pre-engineering to improve performance of Kyro mill's barrier boards</li> </ul>
<b>Safe and efficient operations and organic growth</b>	Continuous improvement of occupational safety and operational efficiency, growth investments	<ul style="list-style-type: none"> <li>- Targeted programmes to improve occupational safety</li> <li>- Implementation of Simpele mill investment plan and planning of future investments</li> </ul>
<b>Leader in sustainability</b>	Fossil-free production and products by 2030	<ul style="list-style-type: none"> <li>- Definition and prioritisation of planned investments to achieve target of fossil-free production and products</li> <li>- Renewed turbine of Kyro bioenergy plant</li> </ul>
<b>Motivated people</b>	A diverse, equal and inclusive culture with well-being at work and continuous skills development	<ul style="list-style-type: none"> <li>- Anonymous recruitment as main recruitment method</li> <li>- Personnel survey combined with ethics barometer</li> <li>- Metsä Group's internal academy trainings</li> </ul>

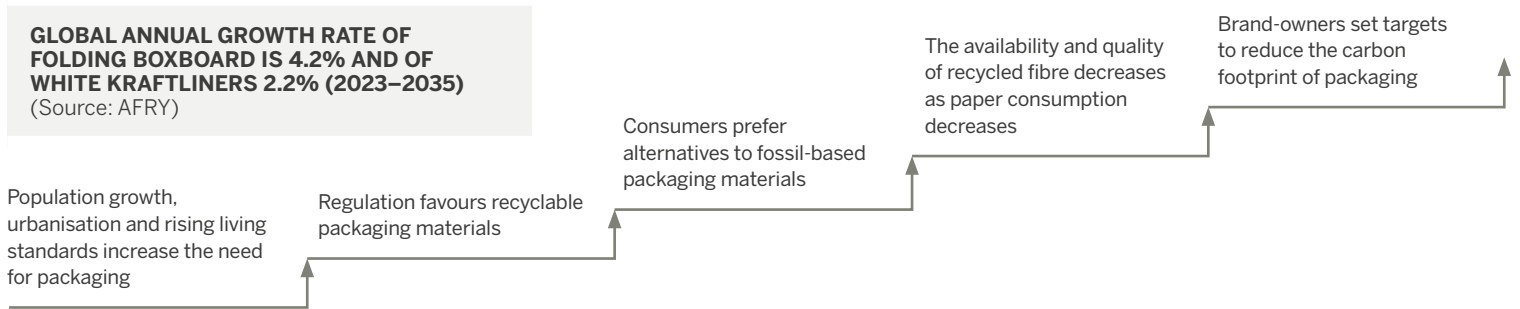


## PACKAGING MATERIALS AND ANNUAL GROWTH



**THE GLOBAL PACKAGING MARKET VALUE IS USD 1.175 BILLION AND IT IS GROWING BY 3.9% PER YEAR (2023–2028)** (Source: Smithers)

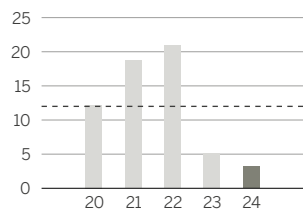
## THE DEMAND OUTLOOK FOR LIGHTWEIGHT FRESH FIBRE PAPERBOARDS IS GOOD IN THE LONG TERM



## Financial targets and dividend policy

### COMPARABLE RETURN ON CAPITAL EMPLOYED, %

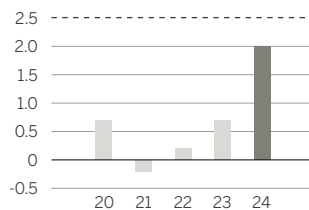
Target > 12%  
Actual 2024: 3.2%



In 2024, profitability was weakened by lower prices for folding boxboard, as well as several unexpected events beyond our control. The cost level remained high.

### INTEREST-BEARING NET DEBT / COMPARABLE EBITDA

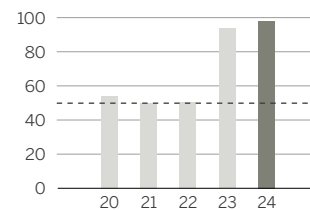
Target < 2.5  
Actual 2024: 2.0



Our financial position remains solid. The ratio of interest-bearing net debt to EBITDA has risen due to weaker profitability.

### DIVIDEND / NET RESULT

Target: at least 50%  
Actual 2024: 98%



In 2024 we renewed our dividend policy. Metsä Board's target is to distribute an annual dividend of at least 50% of the result for the financial period over time, taking into account the company's future investment and development needs.

## Sustainable and profitable investments

With targeted investments, we plan to implement our strategy to grow in fibre-based packaging materials, increase the production and resource efficiency of our mills, and reduce the carbon footprint of our products. Over the past three years, we have completed significant development and growth investments that have increased our production capacity and improved the cost competitiveness of our production units. We expect the investments to significantly improve our profitability in the coming years.

In 2024, we also decided not to invest in a new board mill in Kaskinen. The cost of the planned investment was significantly higher than our initial estimate, and the investment would not have achieved the profitability targets that were set. At the same time, we announced that we will launch several other investments to improve competitiveness that will support our targets for fossil-free production and reduce the use of plastic in packaging.

# We create value and well-being for several stakeholders

We are continuously looking for opportunities to grow profitably and sustainably, and to generate value for our stakeholders with our operations. We help our customers achieve their sustainability targets with our paperboards and our expert services that support the circular economy.

## Resources

### People and partnerships

- Around 2,300 employees in 17 countries
- 60 apprentices, around 270 summer employees, thesis workers and trainees
- Active cooperation with local communities and educational institutions

### Production and supply chain

- Approximately 3,100 suppliers
- 8 production units in Finland and Sweden
- Deliveries to around 90 countries

### Natural resources

- 6.8 million m<sup>3</sup> of sourced wood of which 92% is certified
- Total energy consumption 8.3 TWh of which 89% is fossil-free
- Water withdrawals 106 million m<sup>3</sup>
- 335,000 tonnes of purchased pigments, binders, other raw materials and packaging materials

### Intangible assets

- R&D expenditure EUR 7.4 million
- An Excellence Centre in Äänekoski, Finland, and a satellite centre in Norwalk, the United States
- Recognition for premium quality paperboards

### Economic capital

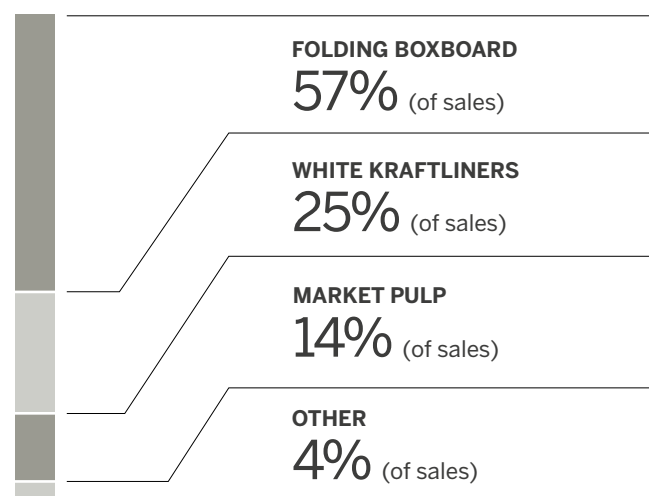
- Capital invested EUR 2.4 billion
- Approximately 64,000 shareholders in B series and 11,000 in A series

## Business model

We produce resource-efficient fresh fibre paperboards from renewable raw materials, which support the principles of the circular economy and offer an alternative to fossil-based packaging materials. We are part of Metsä Group, and benefit from its unique value chain, from pure northern fibre to premium end products. We have high energy self-sufficiency, and our holding in our associated company Metsä Fibre ensures our over self-sufficiency in pulp. Our production is located in Finland and Sweden, and we have sales around the world. Our main markets are Europe and North America.

### OUR SALES IN 2024

EUR **1,939** million



Reported figures are from 2024

## Outputs

### Products and services

- 1.5 million tonnes of premium fresh fibre paperboards
- 1.1 million tonnes of pulp and BCTMP
- 5 service entities that generate benefits throughout the packaging value chain (360 Services)
- Common stock service improves availability and enables fast delivery to the customer

### Emissions and waste

- 277,087 tonnes of greenhouse gas emissions from our own operations (Scope 1, Scope 2 market-based)
- 1,789,138 tonnes of greenhouse gas emissions from the value chain
- 95% of the used water is returned to the waterbodies. All process water is treated carefully
- 167,000 tonnes of by-products and waste most of which is used as materials or energy

<sup>1)</sup> based on third-party verified EPD reports, life cycle database values for alternative packaging materials and a series of life cycle and carbon footprint calculations carried out for customers in 2024.

[→ Read more](#)

<sup>2)</sup> 70% of our non-fibre suppliers and the logistics operators related to our customer deliveries, measured as a share of our total purchases, set themselves targets in accordance with the SBTi by 2024.

<sup>3)</sup> The Board's proposal to AGM: A dividend of EUR 0.07/share from 2024

## Impacts

### Customers

- Recyclable products with low carbon footprint <sup>1)</sup>
- Innovative and material-efficient packaging solutions that help reduce the use of plastic
- Customer satisfaction NPS (Net Promoter Score) 33

### Suppliers

- EUR 1.7 billion purchases from suppliers
- 99% of suppliers are committed to the Supplier Code of Conduct
- 24% of target group suppliers have set their own SBTi targets <sup>2)</sup>

### Personnel

- EUR 202 million paid to employees as wages and benefits
- 99% of the personnel have completed the Code of Conduct training

### Shareholders

- A sustainable investment; several recognitions from ESG evaluations conducted by third parties
- EUR 25 million distributed to shareholders of the parent company as dividends <sup>3)</sup>
- 3.2% comparable return on capital employed

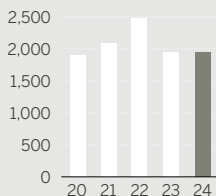
### Common value creation

- Taxes paid EUR 23 million
- Total investments EUR 175 million
- Aiming for 100% fossil-free products and production, with science-based targets

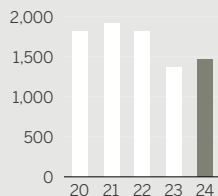
[→ Further information on taxes on p. 178](#)

# Key figures

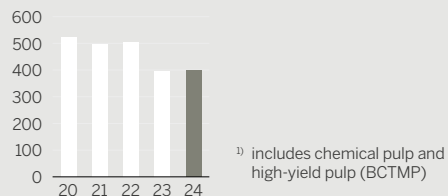
## SALES EUR million



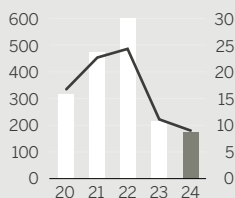
## PAPERBOARD DELIVERIES 1,000 tonnes



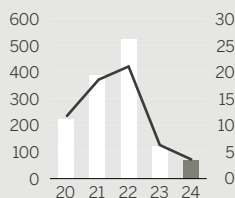
## METSÄ BOARD'S MARKET PULP DELIVERIES <sup>1)</sup> 1,000 tonnes



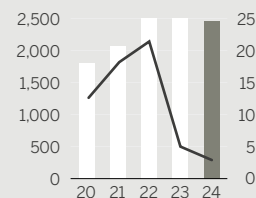
## COMPARABLE EBITDA EUR million, % of sales



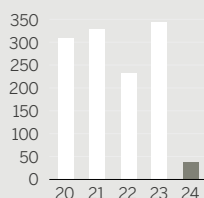
## COMPARABLE OPERATING RESULT EUR million, % of sales



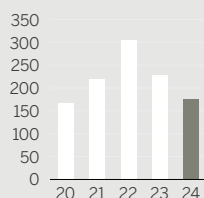
## CAPITAL EMPLOYED, EUR million RETURN ON CAPITAL EMPLOYED, %



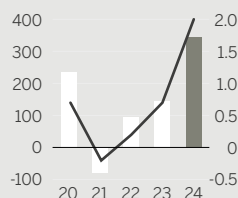
## CASH FLOW FROM OPERATIONS EUR million



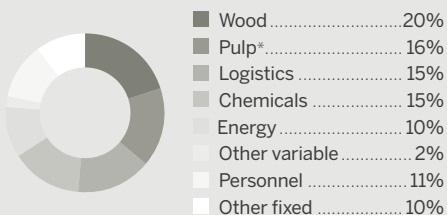
## TOTAL INVESTMENTS EUR million



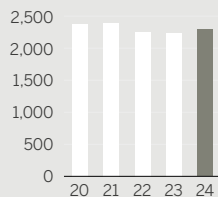
## INTEREST-BEARING NET DEBT, EUR million INTEREST-BEARING NET DEBT / EBITDA, COMPARABLE



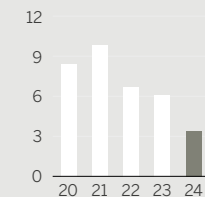
## TOTAL COSTS 2024 EUR 1.7 billion



## PERSONNEL AT THE END OF PERIOD



## TOTAL RECORDABLE INJURY FREQUENCY (TRIF) per million hours worked



\*) Pulp: Metsä Board purchases all external pulp from its associated company Metsä Fibre, of which Metsä Board owns 24.9%. Metsä Fibre's pulp cost structure in 2024: wood 57%, chemicals 11%, logistics 9%, energy 5%, personnel and other fixed 17%.

Development of key figures per share can be found on page 176.

# Report of the Board of the Directors and financial statements

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\* part of the Report of the Board of Directors

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# Report of the Board of Directors 2024

## Metsä Board's business

Metsä Board produces recyclable premium fresh fibre paperboards and is Europe's largest producer of folding boxboard and white kraftliners. The company's folding boxboard is mainly used to package consumer products such as food and pharmaceuticals, while its white kraftliners are mainly used for various packaging needs in the retail sector. Metsä Board's main market areas are Europe and North America.

The company also produces chemical pulp and bleached high-yield pulp (BCTMP), which are used in its own paperboard production, with some sold as market pulp. Metsä Board owns 24.9% of its associated company Metsä Fibre, a global leader in the production of long-fibre market pulp.

In 2024, Metsä Board's total paperboard capacity was around 2.3 million tonnes, and its pulp and BCTMP capacity was 1.7 million tonnes.

The company covers its energy consumption with its own production and supplementary purchases from the market. Most of the electricity consumption is covered by the company's own production and by electricity purchased from Pohjolan Voima and Metsä Fibre. Metsä Board has a 2.6% holding in Pohjolan Voima, from which it purchases electricity at cost price.

## Strategy and financial targets

According to its strategy, Metsä Board aims to grow in fibre-based packaging materials and renew its industrial operations. The company implements its strategic programmes, including growth and development investments, to improve the mills' production and resource efficiency and reduce the carbon footprint of products. Metsä Board's production is located near the most important raw material, high-quality northern fibre. The company's high self-sufficiency in pulp and energy offers a competitive advantage.

Metsä Board's decision-making is guided by financial and sustainability targets. The company focuses on the continuous improvement of cost-effectiveness and on customer accounts which benefit from the high performance of the company's products and services. The objective is to distribute a competitive dividend and retain a strong balance sheet.

### Financial targets and dividend policy

Metsä Board aims for a comparable return on capital employed of at least 12%. In 2024, the realisation was 3.2% (2023: 5.1%)

Another target is for the ratio of interest-bearing net liabilities to comparable EBITDA (rolling 12 months) to be a maximum of 2.5. In 2024, the actual value was 2.0 (2023: 0.7).

In 2024, Metsä Board revised the company's dividend policy. According to the new dividend policy, Metsä Board aims to distribute a dividend of at least half the result for the financial period over time, taking the company's

future investment and development needs into account. According to the previous dividend policy, Metsä Board aimed to distribute at least 50% of the result for the financial period in dividends every year. For 2024, the Board of Directors proposes a dividend of EUR 0.07 per share, corresponding to 98% of the result for the financial period. (2023: EUR 0.25 per share, 94% of the result)

## Business environment

### Paperboards

Population growth, urbanisation and replacing plastic are global trends that will increase demand for fibre-based packaging in the long term. Consumer preferences favour fossil-free packaging materials, and several brand owners are committed to ambitious targets to reduce plastic use in their packaging. Premium fresh fibre paperboards are lightweight and fully recyclable, making them a very suitable match for the EU's more stringent regulation. The carbon footprint of material-efficient fresh fibre paperboards mainly produced with fossil-free energy is also smaller than that of many other packaging materials.

In the first half of 2024, demand for paperboards picked up from the record-low level of 2023 caused by considerable inventory adjustments in the value chain. However, growth subsided towards the end of the year. Slowing inflation and decreasing interest rates have boosted consumers' purchasing power to some extent, but consumers remain cautious in their purchase decisions. In addition, consumption focuses on products rather than services.

The folding boxboard market has been shaken by strong growth in Asian paperboard capacity and the resulting increase in paperboard imports, especially to the EMEA region and South America.

In 2024, European folding boxboard producers' deliveries to Europe increased from the previous year. Meanwhile, the deliveries of white kraftliners remained stable. The market prices of white kraftliners were stable, while those of folding boxboard declined from the previous year.

Metsä Board accounted for 32% (32) of the overall deliveries of European folding boxboard producers and for 55% (50) of exports from Europe.

At the end of 2024, Metsä Board accounted for 38% of folding boxboard production capacity and for 33% of white kraftliner production capacity in Europe.

(Sources: Fastmarkets FOEX, Fastmarkets RISI, Pro Carton, Cepi Containerboard, websites of benchmark companies)

### Market pulp

Metsä Board and its associated company Metsä Fibre sell mainly long-fibre market pulp to Europe and Asia.

Demand for market pulp in Europe was stronger in the first half of the year than in the second. In China, demand for market pulp was at the normal level in early and late 2024, but at a near standstill from the summer to

## Key figures

	2024	2023	2021
Sales, EUR million	1,938.6	1,941.9	2,479.6
EBITDA, EUR million	175.9	214.6	614.6
comparable, EUR million	175.0	216.0	602.8
EBITDA, % of sales	9.1	11.1	24.8
comparable, % of sales	9.0	11.1	24.3
Operating result, EUR million	62.3	120.8	531.5
comparable, EUR million	69.0	122.2	520.7
Operating result, % of sales	3.2	6.2	21.4
comparable, % of sales	3.6	6.3	21.0
Result before taxes, EUR million	51.4	120.9	524.9
comparable, EUR million	58.2	122.6	514.6
Result for the period, EUR million	39.4	101.6	461.3
comparable, EUR million	44.6	103.8	451.4
Earnings per share, EUR	0.07	0.27	1.15
comparable, EUR	0.09	0.27	1.13
Return on equity, %	2.0	4.7	22.5
comparable, %	2.3	4.8	22.0
Return on capital employed, %	2.9	5.0	21.4
comparable, %	3.2	5.1	20.9
Equity ratio <sup>1)</sup> , %	64	67	66
Net gearing <sup>1)</sup> , %	18	7	4
Interest-bearing net liabilities/comparable EBITDA	2.0	0.7	0.2
Shareholders' equity per share <sup>1)</sup> , EUR	4.91	5.35	5.86
Interest-bearing net liabilities <sup>1)</sup> , EUR million	344.9	144.0	94.5
Total investment, EUR million	175.4	228.7	304.1
Net cash flow from operations, EUR million	37.8	342.8	232.0
Personnel <sup>1)</sup>	2,290	2,240	2,248

<sup>1)</sup> at the end of the period

## Delivery and production volumes

1,000 tonnes	2024	2023	2021
Delivery volumes			
Folding boxboard	992	906	1,208
White kraftliner	480	467	609
Metsä Board's market pulp <sup>1)</sup>	400	394	503
Metsä Fibre's market pulp <sup>2)</sup>	618	684	717
Production volumes			
Folding boxboard	1,044	859	1,272
White kraftliner	484	450	605
Metsä Board's pulp <sup>1)</sup>	1,123	996	1,409
Metsä Fibre's pulp <sup>2)</sup>	652	685	731

<sup>1)</sup> Includes chemical pulp and high-yield pulp (BCTMP).

<sup>2)</sup> Equal to Metsä Board's 24.9% holding in Metsä Fibre.

early autumn. In China, market pulp demand has been reduced by paper and paperboard producers' production curtailments.

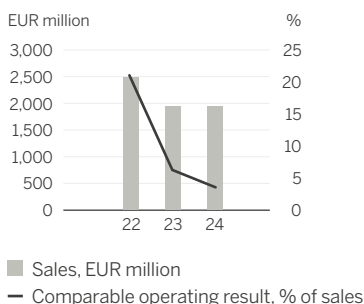
In 2024, the supply of long-fibre market pulp was restricted by the political strikes in Finland, Metsä Fibre's planned and unplanned production shutdowns, global bottlenecks in logistics, and the capacity shutdowns carried out in 2023.

In Europe, the market price of long-fibre pulp (PIX) increased rapidly in the first half of 2024, declining slightly in the second half. In China, the price level of long-fibre pulp remained at nearly the same level as the previous year. The market prices of short-fibre pulp decreased sharply in the second half of the year in both China and Europe.

## Sales and result

Metsä Board's sales were EUR 1,938.6 million (1,941.9). Folding boxboard accounted for 57% (59) of sales, while 25% (24) of sales came from white kraftliner, 14% (13) from market pulp, and 4% (4) from other operations. By region, 67% (66) of sales came from EMEA, 27% (27) from Americas and 6% (7) from APAC.

### SALES AND COMPARABLE OPERATING RESULT-%



The comparable operating result was EUR 69.0 million (122.2), and the operating result was EUR 62.3 million (120.8). Items affecting comparability totalled EUR -6.7 million in the financial period. They comprised a write-down of EUR -7.6 million for the prefeasibility study of the Kaskinen folding boxboard mill, EUR -0.5 million for the sale of the discontinued sales company in Russia and EUR 1.4 million for items related to the business of the associated company Metsä Fibre.

Total paperboard deliveries were 1,472,000 (1,373,000) tonnes, of which 65% was delivered to the EMEA region, 31% to the Americas, and 4% to the APAC region. Metsä Board's deliveries of market pulp were 400,000 (394,000) tonnes, of which 78% was delivered to the EMEA region, and 22% to the APAC region.

The gas explosion at Metsä Fibre's Kemi bioproduct mill was estimated to have a negative impact of roughly EUR 40 million, and the political strikes in Finland were estimated to have a negative impact of roughly EUR 25 million, on Metsä Board's comparable operating result in January–December. The comparable operating result for July–December includes EUR 30.5 million in insurance compensation received in relation to the gas explosion. All these figures include the impact from Metsä Fibre's share of the result.

In January–December, the comparable operating result was weakened especially by the lower average price of folding boxboard. In turn, profitability improved due to higher paperboard delivery volumes. The average market pulp prices were higher than in the previous year.

Exchange rate fluctuations, including hedges, had a positive impact of approximately EUR 5 million on the result compared to the comparison period.

Chemicals and energy costs decreased, but wood costs increased. Logistics costs and fixed costs were higher than in the previous year.

Unused emissions allowances were sold for approximately EUR 35 million (55) in the financial period.

Depreciation increased due to the significant investments at the Husum and Kemi paperboard mills, which were completed in 2023.

The associated company Metsä Fibre's share of Metsä Board's comparable result in January–December was EUR -10.2 million (28.2). Metsä Fibre's comparable operating result was weakened by the gas explosion at the Kemi bioproduct mill and the political strikes in Finland. Profitability was also negatively affected by high wood costs and depreciation that increased from the previous year. Average market pulp prices increased but the average prices of other end products such as electricity and pulp production by-products decreased.

Financial income and expenses totalled EUR -10.8 million (0.1), including foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging instruments, totalling EUR -2.8 million (2.6).

The result before taxes was EUR 51.4 million (120.9). The comparable result before taxes was EUR 58.2 million (122.6). Income taxes amounted to EUR -12.0 million (-19.3).

Earnings per share were EUR 0.07 (0.27), and comparable earnings per share were EUR 0.09 (0.27). The return on equity was 2.0% (4.7), and the comparable return on equity was 2.3% (4.8). The return on capital employed was 2.9% (5.0), and the comparable return on capital employed was 3.2% (5.1).

## Cashflow

Net cash flow from operations in January–December 2024 was EUR 37.8 million (1–12/2023: 342.8). Working capital increased by EUR 96.3 million (a decrease of 105.8). Working capital increased due to higher production and sales volumes. Cash flow for the financial period includes a dividend of EUR 9.8 million from the associated company Metsä Fibre (EUR 82.8 million).

## Balance sheet and financing

Metsä Board's equity ratio at the end of the review period was 64% (31 December 2023: 67) and the net gearing ratio was 18% (7). The ratio of interest-bearing net liabilities to comparable EBITDA in the previous 12 months was 2.0 (0.7).

At the end of the financial period, interest-bearing liabilities totalled EUR 527.4 million (31 December 2023: 438.1). Non-euro-denominated loans accounted for 9.2 % of loans, and floating-rate loans for 40.9 %, the rest being fixed-rate loans. The average interest rate on liabilities was 2.7 %



(2.6), and the average maturity of non-current liabilities was 2.2 years (3.1). The interest rate maturity of loans was 19.8 months (30.6).

Interest-bearing net liabilities totalled EUR 344.9 million (31 December 2023: 144.0).

The available liquidity was EUR 382.6 million (31 December 2023: 491.6), consisting of the following items: liquid assets and investments of EUR 182.6 million; and a syndicated credit facility (revolving credit facility) of EUR 200.0 million. Of the liquid assets, EUR 179.2 million consisted of short-term deposits with Metsä Group Treasury, and EUR 3.4 million consisted of cash funds and investments. In addition to items reported as liquidity, the liquidity reserve is complemented by Metsä Group's internal short-term credit facility of EUR 150 million and a EUR 200 million commercial paper programme, of which EUR 30 million was issued at the end of the review period.

The fair value of other non-current investments was EUR 219.7 million (31 December 2023: 254.4). The change in value was related to the change in the fair value of Pohjolan Voima Oyj's shares.

An average of 7.9 months of the net foreign currency exposure was hedged, including the hedging of the balance sheet position of trade receivables and trade payables.

Metsä Board has investment grade credit ratings from S&P Global and Moody's Investor Service. Metsä Board's rating by S&P Global is BBB-, with a stable outlook. The company's rating by Moody's is Baa2, with a stable outlook.

## Investments

In 2024, overall investments totalled EUR 175.4 million (1–12/2023: 228.7), with growth and development investments accounting for 71%, and maintenance investments for 29%. Of total investments, the company's own property, plant and equipment amounted to EUR 163.8 million (223.0), and leased property, plant and equipment to EUR 11.6 million (5.7).

In 2023, two significant investments were completed at the Kemi and Husum paperboard mills, which will increase Metsä Board's annual paperboard capacity by approximately 240,000 tonnes. The total value of the investments was EUR 340 million, divided across 2022–2024.

Metsä Board Group companies are parties to legal proceedings concerning disputes related to obligations and liabilities under delivery contracts for major investment projects. In addition, these investment projects involve outstanding disputes, which may also lead to the initiation of new arbitration or litigation.

### Renewal of the Simpele paperboard mill

Metsä Board is renewing the folding boxboard machine at its Simpele mill to improve the quality of folding boxboard, increase production efficiency and enable the replacement of fossil fuels in paperboard production. The renewal will also increase the mill's annual production capacity by around 10,000 tonnes. The value of the investment is approximately EUR 60 million. It will be spread across 2024–2026. The investment is expected to be completed in the second half of 2025.

### Renewal of the Husum port concept

Due to the growing logistics volumes of the Husum integrated mill, the Husum port concept has been renewed. The value of the investment, mainly consisting of new warehouse capacity, was approximately EUR 20 million, and it was completed in 2024.

### ERP investment

As part of Metsä Group, Metsä Board is modernising its ERP system. The investment will gradually improve Metsä Group's operational efficiency and ability to create new data-driven functions in areas such as business management and customer support. Metsä Wood, Metsä Group's wood products industry, successfully deployed the system in early 2025. Metsä Board's share of the total value of the ERP investment is at least EUR 80 million, and the schedule for the system's deployment will be specified during the first quarter of 2025.

### Planned investments

Metsä Board is planning development investments at its current mills to further improve the competitiveness of its mills and products and support its target of fossil-free production by the end of 2030.

The following phases of the investment programme aimed at modernising the Simpele paperboard mill involve renewals to mechanical pulp production and paperboard finishing, as well as a new power plant. At the Kyro board mill, plans are being made to improve the performance of barrier boards and expanding end-use areas. The total cost of investments in the Simpele and Kyro paperboard mills is expected to be EUR 250 million in the next ten years. At the Husum pulp mill, plans are continuing for the renewal of the drying machine and the fibre line.

At the Husum integrated mill in Sweden, a programme is underway to introduce new products on the current white kraftliner production line (BM 2). The goal is to find innovative solutions for the growing food and food service packaging segment.

Metsä Board will regularly report on the progress of the investments in its interim reports and in separate releases if required.

## R&D activities

In the circular economy for fibre-based packaging material, Metsä Board's task is to provide markets with premium fresh fibre paperboards as resource efficiently as possible, help replace fossil-based materials and reduce the carbon footprint of packaging. Ensuring and developing the recyclability and compostability of paperboards is of key importance.

Reducing the weight of paperboard is one of the focal areas of Metsä Board's product development. Apart from the use of fossil free energy in production, the light weight of paperboard plays a significant role in reducing the carbon footprint. In 2024, a carbon footprint report comparing different paperboard grades in medical packaging, validated by a third party, was published, according to which, Metsä Board's paperboards enabled a carbon footprint considerably smaller than that of grades representative of European paperboards on average.

The development of bio-based barrier coating for end uses in food packaging is another focal area in product development. At the Kyro board

mill, an investment programme was launched in 2024 to improve the performance of barrier boards and expand end use areas.

The amount of plastic was successfully reduced in the PE-coated folding boxboard produced at Husum without compromising the paperboard's barrier properties.

Pre-engineering for the folding boxboard mill in Kaskinen aimed for world-class production efficiency and a further decrease in raw material, energy and water consumption per tonne produced. The investment was called off, but the results of the pre-engineering work have been used in the renewal of the Simpele board mill, launched in 2024. The pre-engineering results will also serve other projects still in the planning phase, such as the development of Kyro barrier boards.

Jointly with Soilfood, Metsä Board is studying the utilisation of fibre-based side streams from paperboard mills in animal bedding. Novel bedding fibres are a renewable alternative for peat, commonly used as animal farms.

Metsä Board's Excellence Centre in Äänekoski offers an active collaboration environment for the research, innovation and testing of packaging materials and solutions. In 2024, the Excellence Centre hosted 49 development workshops, organised jointly with customers, focusing on topics such as reducing the environmental impacts of packaging. Some of the workshops were organised virtually.

Metsä Group and Fortum's ExpandFibre cooperation project concluded in 2024. It was part of Business Finland's challenge for leading companies and received a funding decision in 2020. Metsä Board's share in the project involved the development of the packaging sector, and the work benefited from the Excellence Centre's cooperation network and barrier board development work.

In 2024, Metsä Board's research and development expenses totalled EUR -7.4 million (-7.3), or 0.4% (0.4) of sales. The costs include direct expenses, excluding depreciations and operational investments.

## Most significant risks and uncertainties

Metsä Board's risk management is systematic and proactive, and it assesses and manages business-related risks, threats and opportunities. The company's Board of Directors is responsible for the company's risk management and approves its risk management policy. Metsä Board systematically assesses its strategic, operational and financial risks. Key risks are accounted for in the planning processes and they are prepared for with management measures. In addition, the Corporate Management Team reviews the most significant risks as part of its management team work.

Risks that exceed Metsä Board's risk-bearing capacity have been transferred with insurance, derivatives and other contracts to insurance companies, banks and other counterparties. Significant damage risks are covered with the Group's property and interruption, liability, transport damage and credit insurance policies.

Identified risks and the means by which they are managed are reported to the company's Board of Directors and the Board of Directors' Audit Committee at least twice a year. The following risks and uncertainties with a potential impact on Metsä Board's business operations and profitability were identified in the risk assessments carried out in 2024.

## Strategic risks

### Development of the world economy

The uncertainty surrounding global development and growth continues. Especially in the euro area, economic growth has remained quite weak despite the recovery, and it is clearly slower than growth in the US. Consumers' low confidence in the economy and weaker purchasing power have reduced the demand for consumer products. In 2024, slowing inflation and decreasing interest rates boosted consumers' purchasing power to some extent, but consumers are still cautious in their purchase decisions, and consumption focuses on services. If prolonged, the situation may reduce the demand for Metsä Board's products and negatively affect the company's profitability.

In 2024, central banks cut their interest rates – more so in Europe than in the US. While interest rate cuts are expected to continue, rates may also remain at the current level or even increase. This could have negative impacts on the economy, the most significant of which are a continued weak growth outlook and a prolonged risk of recession, and a further decrease in consumers' purchasing power. All of these factors may have an unfavourable impact on demand for Metsä Board's products, business continuity or the company's profitability.

### Changes in the competitive and operating environment

Metsä Board operates in an industry where the balance between supply and demand, and any changes to it, affect the demand for and prices of end products. An increase in competitors' capacity or the expansion of product ranges may reduce the price level and negatively affect Metsä Board's profitability.

Paperboard imports from Asia to the Middle East, Türkiye and South America have rapidly increased. This has also affected the market balance in Europe. If paperboard imports increase faster than demand, they could also cause an imbalance in the company's other market areas and affect the prices of end products and the company's profitability. Any significant changes in exchange rates may influence products' market balance and companies' competitiveness.

Changes in regulation, such as the EU's climate and environmental policy and tighter new requirements to limit carbon dioxide, sulphur or other emissions, may weaken Metsä Board's profitability or hamper business continuity. The acceptability of single-use food and food service packaging involves regulatory risks.

### Geopolitical risks

The US accounts for more than a fifth of Metsä Board's sales. The import tariffs planned by the country's new administration, aimed at protecting the domestic economy and companies, could weaken Metsä Board's relative competitiveness and thus the profitability of the paperboard business.

Russia's continued military aggression in Ukraine has maintained global geopolitical tension and has had a negative impact on the economy. The impact of Russian sanctions and countersanctions, as well as the risks caused by the crisis, affect areas such as the costs and availability of production inputs, energy infrastructure and cybersecurity.

The ongoing conflict in the Middle East is causing uncertainty in the global business environment, and its prolongation or extension may have a negative impact on world trade, the supply chain and raw material prices.

Any other potential changes in the industrial and trade policies of leading industrialised countries, the materialisation of geopolitical risks or an escalation of geopolitical risks may lead to more extensive measures restricting trade or the use of international sanctions. The possible consequences of these include a further slowdown in the recovery and growth of the global economy, and even a curtailment of global trade flows. Any sanctions and restrictions on international trade may affect the demand for Metsä Board's products and the company's profitability.

### **Pulp price risk**

Metsä Board is more than self-sufficient in pulp through its 24.9% holding in Metsä Fibre. The market price of pulp strengthening (weakening) by 10% would have a positive (negative) impact of roughly EUR 50 million on Metsä Board's operating result. This sensitivity includes the impact on the holding in Metsä Fibre. In the global pulp market, structural changes in customers' pulp use, increasing competition and new production capacity may have a negative impact on the demand and price trend of market pulp.

### **Impact of the Chinese economy**

China is an important market area especially for Metsä Board's associated company Metsä Fibre, as nearly half its market pulp is sold to China. Chinese economic growth has slowed down due to challenges in the country's real estate market and tight corporate regulation. Domestic consumer demand is also weak, and central government's recovery measures have not halted the slowdown in growth. In addition, demographic factors and increasing geopolitical tension, especially between China and the US, may affect China's future economic development. Should relations between the EU and China deteriorate, or the Chinese economy and consumer demand slow down further, these may have a negative impact on the demand for market pulp or paperboards on the Chinese market. Problems in China's industrial sector may increase the problems and costs of global delivery chains.

### **Sustainability**

Sustainability-related risks and their impacts on the company are separately discussed in this report's Sustainability statement.

## **Operational risks**

### **Cost and availability risks of raw materials**

Significant or unforeseen changes in the prices of Metsä Board's most important raw materials – wood, energy and chemicals – and any problems with their availability, may reduce profitability, threaten business continuity, and put the implementation and profitability of planned development investments at risk.

The discontinuation of wood supply from Russia has made the pulpwood market situation in the Baltic Sea area tighter and has led to a steep increase in the price of wood. Challenges in the availability of wood could affect production continuity and thus the sales of the company's products and its profitability. Should the conflict in the Middle East spread, it may affect the price of oil and natural gas. Changes in the prices of electricity, natural gas or chemicals, or challenges in their availability, as well as changes in the prices of emission allowances, may have a negative impact on Metsä Board's profitability.

In addition, the availability of transport capacity and a steep increase in market prices may negatively affect the company's profitability. Attacks on ships in the Red Sea are hampering sea transports between Europe and Asia, causing additional costs and delays in deliveries. Prolonged instability in the region's safety situation may have a negative impact on the product deliveries of Metsä Board and its associated company Metsä Fibre.

Changes in exchange rates may affect the costs of some production inputs. The Group aims to hedge against these risks by making long-term supply agreements and related derivatives contracts.

### **Concentration of operations in a limited geographical area**

Seven of Metsä Board's eight production units are located in Finland, and one of them is located in Sweden. Finland has a history of labour disputes in both the forest industry and the distribution chain of forest industry products. These may have a negative impact on production volumes and customer deliveries and weaken the company's competitiveness and profitability. Labour disputes in Sweden may also interfere with Metsä Board's production and customer deliveries and have a negative impact on the company's business operations.

### **Continuity risks**

The continuity of mills' production may be impacted by large-scale fires or explosions, significant equipment malfunctions, serious accidents, extreme weather phenomena and environmental damage, for example. In addition, labour disputes, cyberattacks and malware, and the ensuing long-term malfunctions in IT systems, employees falling ill due to infectious diseases, availability issues concerning the most important raw materials and disruptions in the logistics chain may suspend the entire business or parts of it.

Interruptions in production or the supply chain may influence the continuity of customer service and delivery reliability. If such interruptions continue for a long time, the resulting financial losses may be substantial and result in the permanent loss of customers. To protect itself against these risks, the company has prepared contingency plans and obtained insurance protecting property and business.

The amount and costs of property damage and business interruption, as well as the approval of related compensation, may involve uncertainties. The availability and pricing of renewable insurance may involve uncertainty and possible additional costs.

### **Business development**

The development and growth of Metsä Board's business requires strategic choices that involve risks. The uncertainties in question involve the selection and timing of growth investments, for example, as well as the development of sales and the customer portfolio. The growth of the paperboard business and the introduction of new production to the market are dependent on successful sales. The commercialisation of new products involves uncertainties that, should they be realised, could have a negative impact on the demand for Metsä Board's products and the company's profitability. Increasing sales on a global scale also involves cost and exchange rate risks.

The business is also developed by modernising the production technology, efficiency programmes, product development and harmonising business processes. If development projects and investments significantly exceed their costs, or if their completion is delayed or their production

or commercial objectives are not met, this could negatively affect the company's profitability.

### Corporate and security risks

Risks to corporate security include shortcomings and neglect in personal safety and security and safety at work and in the management of financial misconduct, any negative information manipulation and cyber threats, threats affecting the supply chains, and the adequacy of internal control. A cyberattack on information systems could lead to a leak of sensitive information and damage the company's reputation. Operating processes related to corporate security and the guidelines, training and internal control related to the management of threat factors are developed continuously, and exercises on the management of crisis situations are organised on a regular basis.

### Personnel availability and retention

Metsä Board pays attention to ensuring the availability and retention of competent personnel through various personnel development programmes and successor plans, and by investing in its employer image. Metsä Board also prepares for retirements and other personnel risks through the promotion of multiple skills and work ability as well as through job rotation.

### Liability risks

Metsä Board's business involves liability risks, such as contractual, environmental and product liability risks. Liability risks are managed by way of efficient business processes, contract training, management practices, quality control and transparent operations. Some of the operational liability risks have been hedged with insurance policies.

### Business ethics

Risks related to business ethics are discussed in this report's Sustainability statement.

## Financial risks

### Financial and exchange rate risks

As a result of potential financial market disturbance, the operations of credit and bond markets may become more difficult, which may affect the company's ability to acquire long-term debt financing at a competitive price. The financial risks are managed in accordance with the treasury policy approved by Metsä Board's Board of Directors. The purpose is to hedge against considerable financial risks, balance cash flow and give the business enough time to adjust to changing conditions.

Metsä Board sells its products in several countries and is therefore susceptible to fluctuations in exchange rates. The US dollar strengthening by 10% against the euro would have a positive impact of approximately EUR 85 million on Metsä Board's annual operating result. Correspondingly, the Swedish krona strengthening by 10% would have a negative impact of approximately EUR 55 million. The British pound strengthening by 10% would have a positive impact of approximately EUR 15 million. The impact of weakened exchange rates would be the opposite. The sensitivities do not include the impact of hedging.

### Credit risks

The management of credit risks related to commercial operations is the responsibility of Metsä Board's executive management and Metsä Group's centralised credit control. Metsä Board's management determines the limits on credit extended to customers and the applicable terms of payment in cooperation with the centralised credit control. As a rule, credit insurance covers nearly all credit risks. Metsä Board's customer credit risk was at a normal level in 2024. The main principles of credit control are defined in the credit guidelines of the risk management policy approved by the company's Board of Directors.

Metsä Board's financial risks and their management are described in more detail in Note 5.6 (Management of financial risks) to the consolidated financial statements in the 2024 Annual Review.

## Shares and trading

Metsä Board has two series of shares. Each series A share entitles its holder to twenty (20) votes at a General Meeting of Shareholders, and each series B share entitles the holder to one (1) vote. All shares carry the same right to receive a dividend. Metsä Board's shares are listed on the Nasdaq Helsinki.

At the end of December 2024, closing price of Metsä Board's B share on the Nasdaq Helsinki was EUR 4.24. The share's highest and lowest prices were EUR 8.11 and EUR 3.97, respectively. Correspondingly, the closing price of the A share was EUR 5.60; the share's highest and lowest prices were EUR 9.62 and EUR 5.40, respectively.

In January–December, the average daily trading volumes of the B and A shares on the Nasdaq Helsinki were around 379,200 shares and around 2,000 shares respectively. The total trading volume of the B share was EUR 603 million, and the total trading volume of the A share was EUR 4 million.

At the end of December 2024, the market value of all Metsä Board shares was EUR 1.6 billion, of which the market value of the B shares and the A shares accounted for EUR 1.4 billion and EUR 0.2 billion respectively.

Metsä Board's major shareholder Metsäliitto Cooperative holds approximately 52% of Metsä Board's shares and approximately 69% of votes. As Metsä Board is an entity controlled by Metsäliitto Cooperative, Metsäliitto Cooperative's ownership also includes the 466,496 own shares held by Metsä Board.

International and nominee-registered investors held approximately 9% (9) of all shares

## Governance

Metsä Board's statutory administrative bodies are the Annual General Meeting, the Board of Directors and the CEO. The Board of Directors has general authority and, accounting for the scope and quality of the company's operations, it is responsible for matters that are strategic, far-reaching and unusual in nature, and therefore not part of the company's day-to-day business operations. The company's operational management is handled by the CEO, supported by the Corporate Management Team, the members of which are not members of the Board of Directors. The tasks and responsibilities of the different corporate bodies are determined in accordance with the Finnish Limited Liability Companies Act.

Metsä Board's Board of Directors has nine members, four of whom are women. A majority of Board members (six of nine) are independent of both the company and its biggest shareholders. Three members of the Board of Directors are not independent of Metsäliitto Cooperative. During the 2024 financial period, the Board of Directors held a total of 15 meetings, at which the attendance of Board members was 96% (97 in 2023).

## Resolutions of the Annual General Meeting and the Board or Directors' authority to issue shares

The 2024 Annual General Meeting (AGM) was held on 26 March 2024 in Espoo. The AGM supported all the proposals made by the Board of Directors.

The General Meeting resolved that a dividend of EUR 0.25 would be distributed per share. The dividend was paid on 9 April 2024.

The AGM resolved to remove the requirement to publish the notice of a general meeting in a Finnish newspaper of general circulation from the Articles of Association. The AGM also resolved to fully remove the section on matters discussed at a general meeting and the section concerning the auditor deeming them to be unnecessary provisions in the Articles of Association

The AGM resolved to keep the annual remuneration of the members of the Board of Directors unchanged, so that the Chair would be paid EUR 99,000, the Vice Chair EUR 85,000, and ordinary members EUR 67,000 per year. The AGM resolved that approximately half the annual remuneration would be paid in the company's series B shares to be acquired from public trading. The transfer of such shares is restricted for a two-year period. Meeting fees were increased to EUR 1,000 (from EUR 800) for each meeting of the Board of Directors and its Committees that a member attends. Meeting fees are paid in cash. Furthermore, the AGM resolved to keep the monthly remuneration paid to the Chair of the Audit Committee unchanged at EUR 900.

The AGM confirmed the number of members of the Board of Directors as nine (9) and elected the following persons as Board members: Raija-Leena Hankonen-Nyblom, MSc (Economics); Erja Hyrsky, MSc (Economics); Ilkka Hämälä, MSc (Engineering); Mari Kiviniemen, MSocSc (Economics); Jussi Linnaranta, MSc (Agriculture and Forestry); Jukka Moisio, MSc (Economics); Mikko Mäkimattila, MSc (Agriculture and Forestry); Juha Vanhainen, MSc (Engineering); and Leena Craelius, MSc (Economics). The term of office of the members of the Board of Directors expires at the end of the next AGM.

At its first meeting, the Board of Directors elected Ilkka Hämälä as its Chair and Jussi Linnaranta as its Vice Chair. The Board of Directors made the following decisions on committees: Raija-Leena Hankonen-Nyblom was elected Chair of the Audit Committee, and Leena Craelius, Mari Kiviniemi, Jukka Moisio and Juha Vanhainen were elected members of the Audit Committee. Ilkka Hämälä was elected Chair of the Nomination and HR Committee, and Erja Hyrsky, Jussi Linnaranta and Mikko Mäkimattila were elected as members of the Committee.

The AGM resolved to authorise the Board of Directors to decide on the issuance of shares, the transfer of treasury shares and the issuance of

special rights referred to in chapter 10, section 1 of the Finnish Companies Act. The authorisation applies to B-shares. By virtue of the authorisation the Board is entitled to issue up to 35,000,000 new B-series shares, including shares to be issued pursuant to rights entitling to shares. The number of shares corresponds to approximately 10% of all current shares. The authorisation is effective until 30 June 2025.

The AGM resolved to authorise the Board to decide on the repurchase of the company's own series B shares. The number of the company's own shares to be repurchased under the authorisation will not exceed 1,000,000 series B shares, which corresponds to approximately 0.3% of all shares in the company. The authorisation is effective until 30 June 2025.

## Near-term outlook

The overall demand for consumer products and fresh fibre paperboards is influenced by the development of consumers' purchasing power and general purchasing behaviour. Paperboard capacity, which is growing faster than demand, may cause imbalances, especially in the European paperboard market.

In January–March 2025, Metsä Board's paperboard delivery volumes are expected to increase from the previous quarter (10–12/2024: 342,000 tonnes). Sales prices in local currencies are expected to remain stable.

Total costs, excluding pulp costs, are expected to remain at the previous quarter's level.

There are no planned annual maintenance shutdowns at the mills in January–March.

Demand for softwood market pulp is expected to remain stable in Europe and China. Pulp capacity closures and restrictions related to the availability of wood raw material in North America, announced last year, will continue to reduce the supply of softwood market pulp. Demand for sawn timber is expected to remain at the current level.

Associated company Metsä Fibre's result share is expected to improve from the previous quarter.

In January–March 2025, exchange rate fluctuations, including the impact of hedges, will have a flat impact on the result compared to October–December 2024 and slightly positive impact compared to January–March 2024.

## Board of Directors' proposal for the distribution of profits

The distributable funds of the parent company on 31 December 2024 were EUR 479.0 million, of which the retained earnings for the financial year are EUR 268.4 million.

The Board of Directors proposes to the Annual General Meeting convening on 20 March 2025 that a dividend of EUR 0.07 per share be distributed for the 2024 financial period.

The proposed dividend corresponds to 98% of the earnings per share for 2024. The amount of dividend totals approximately EUR 25 million.

The dividend will be paid to shareholders who are registered in the company's shareholders register held by Euroclear Finland Oy on the dividend payment record date of 24 March 2025. The Board of Directors proposes 31 March 2025 as the dividend payment date.

# Sustainability statement

## General disclosures

## Reporting principles

### Sustainability statement reporting principles

#### Basic information

Metsä Board Corporation and its subsidiaries form a forest industry group ("Metsä Board" or "group"). Metsä Board's business operations comprise folding boxboards, white kraftliners and market pulp. Reporting covers the entire group and all the companies in which the group directly or indirectly holds more than 50% of the votes unless otherwise stated in connection with the disclosed information. Metsä Board owns 24.9% of its associated company Metsä Fibre Oy ("Metsä Fibre"), and financial reporting includes the share of Metsä Fibre's net results and equity corresponding to this holding. The scope of consolidation is the same as that in the financial statements. The consolidation principles are discussed in greater detail in the consolidated financial statements under *7. Group structure*. In sustainability reporting, the share corresponding to this holding is not included in Metsä Board's sustainability information. Instead, Metsä Fibre is accounted for as part of the value chain. For example, Metsä Fibre's Scope 1 and Scope 2 emissions are accounted for in the emissions from Metsä Board's value chain (Scope 3). Metsä Board is part of Metsä Group, which publishes a Sustainability statement encompassing all of Metsä Group.

In Metsä Board's Sustainability statement, reporting mainly focuses on the Metsä Board Group. As Metsä Board follows Metsä Group's policies and processes and uses Metsä Group's shared services, reference is made to Metsä Group in some cases. Production unit-specific key figures related to the environment and employees are disclosed on page 97.

The Sustainability statement is published annually as part of the Report of the Board of Directors. The reporting period coincides with that of financial reporting – that is, the financial period from 1 January 2024 to 31 December 2024.

#### Basis for preparation

The Sustainability statement is prepared in accordance with sustainability reporting standards (European Sustainability Reporting Standards, ESRS) referred to in Chapter 7 of the Accounting Act and with the Article 8 of Taxonomy Regulation. The progress made in Metsä Board's 2030 sustainability targets is also reported in this Sustainability statement.

The disclosed sustainability matters and key figures are based on a double materiality assessment updated in 2024. The reporting requirements of the European Sustainability Reporting Standards that are material to the company's operations, products and stakeholders were chosen based on the materiality assessment. Further information about the materiality assessment and its results is provided on pages 26–28.

The reporting principles for metrics related to each topic are described at the end of each section. Of the metrics, the greatest uncertainty concerns calculations involving the use of default coefficients such as greenhouse gas emissions or carbon storage coefficients. Estimates have been used to calculate Scope 3 emissions. The reporting principles for Scope 3 emissions are discussed on pages 50–51. Moreover, a breakdown

of the capital expenditure for actions or the expenditure's allocation to the promotion of different areas is not presented for all investments, as some of the expenses are indirect and are incurred as part of other investments. In these cases, the total value of the investment is reported.

The Sustainability statement has been assured (limited assurance) by KPMG Oy Ab, an independent third party. Assurance was conducted in accordance with the ISAE 3000 international assurance standard (Revised).

Comparative metrics were not assured as part of the 2024 assurance. This applies to comparative data for 2018, 2022 and 2023.

The reported ESRS information, Metsä Board's own metrics and their location in the Sustainability statement are indicated in the content index. The index also presents the ESRS indicators identified as being non-material for Metsä Board.

On its website, Metsä Board has separately published content indices that comply with the requirements of the SASB Pulp & Paper Products industry standard and the TCFD and TNFD recommendations. TCFD and TNFD information is not included in the scope of assurance. SASB information, excluding the share of grid electricity and the amount of energy sold, is based on Metsä Board's Sustainability statement, which is assured by a third party (limited assurance).

### Risk management and internal controls of sustainability reporting

Metsä Board's sustainability reporting complies with Metsä Group's common principles and processes for statutory reporting, risk management and internal control.

In sustainability reporting, internal control is based on risk identification, analysis and a focus on the most material risks identified, as well as the best practices of internal control. Metsä Group's internal control unit and internal control processes, as well as its risk management process, comply with the principles of the COSO (ERM) framework. The sustainability reporting control environment emphasises the company's values, management's commitment to sustainable operations, a corporate culture emphasising ethics and sustainability, policies promoting sustainable operations, centralised business processes, professional employees, and transparent operations.

Metsä Board's Chief Financial Officer, supported by the sustainability function, is in charge of the implementation of sustainability reporting. In its sustainability reporting, the company uses Metsä Group's head office support functions, especially financial services.

The risks identified in sustainability reporting include the accuracy of information and the timing of reporting. To ensure that the disclosed information is accurate and appropriately timed, Metsä Group has defined and adopted a governance model that specifies the roles and responsibilities in sustainability reporting. Metsä Group has included the capacities required to produce the disclosed information in the common business processes that Metsä Board and Metsä Group's other business areas and head office functions follow in their operations.

The owners of business processes ensure that the process environment can transparently produce the required information for disclosure. The responsibility for the accuracy of content, as well as compliance with reporting schedules and the provision of material to Metsä Group Accounting, is assigned to the roles in Metsä Group's business areas and service functions specified in the governance model.

To ensure the accuracy and timeliness of disclosed information, internal controls have been adopted in Metsä Group as part of the common business processes. Their systematic monitoring is part of the internal control unit's reporting.

The internal control unit reports on the efficiency of the sustainability reporting controls according to the specified schedule in compliance with the common governance model and process followed in internal control. The results of internal control are monitored, and control is supervised quarterly by Metsä Group's business and service operations and the management team for process development, twice a year by the Group's Executive Management Team, and once a year by the Audit Committee. Internal audit inspects sustainability reporting controls and internal control practices as part of its audit work.

## Sustainability governance and strategy

### The role of, information provided to and sustainability matters addressed by the administrative, management and supervisory bodies

This Sustainability statement provides details about sustainability governance. Further information about the general duties, composition, diversity and experience of the administrative and supervisory bodies, as well as the processes of internal control, internal audit and risk management, is available in the *2024 Corporate Governance Statement*.

#### Good governance

In its governance, Metsä Board complies with Finnish laws, especially the Limited Liability Companies Act, the company's Articles of Association, and rules and regulations issued under the law, as well as the rules and recommendations of Nasdaq Helsinki as applicable to listed companies. As

a Finnish listed company, Metsä Board complies with the Corporate Governance Code for Finnish listed companies, effective as of 28 November 2024, which was issued by the Securities Market Association and contains recommendations on good governance. The Code is available at [www.cgfinland.fi/en](http://www.cgfinland.fi/en). Metsä Board does not currently depart from the Code's recommendations.

The Board of Directors and the CEO are in charge of Metsä Board's administration. At Metsä Board, good governance is ensured with clear management and leadership, internal control, and internal auditing. External auditing is handled by the company's auditor.

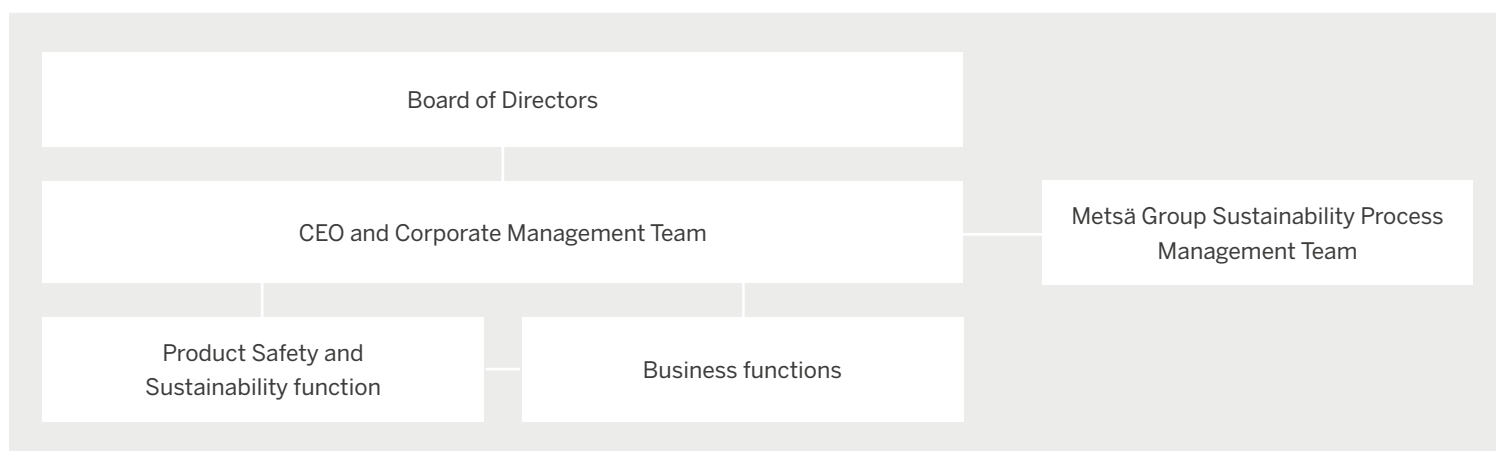
The goal of internal control is to ensure the achievement of the company's goals and targets; the economical, appropriate and efficient use of resources; the reliability and correctness of financial and other management information; compliance with external regulations and internal policies; sufficient security of operations, information and property; and adequate and appropriately arranged manual and IT systems to support operations.

Metsä Group's internal audit assists the Board in its supervisory role and supports Metsä Board and its management in achieving the company's targets by providing a systematic approach to assessing and improving the effectiveness of risk management, control, governance and management processes. The processes and tasks of Metsä Board's internal control and audit are described in greater detail in Metsä Board's Corporate Governance Statement.

The Board of Directors' tasks include approving the key business policies and orders aimed at ensuring Metsä Board's compliance with the law and the company's internal business principles.

All the Board members have gained significant experience of good governance from their previous duties in operative management and/or as Board members in a listed company or another large corporation. The Board members annually complete training on the company's insider guidelines.

### Sustainability governance at Metsä Board



## Sustainability governance at Metsä Board

Sustainable and ethical operations, as well as compliance with the law, are the foundation of Metsä Board's business operations. The Board of Directors, CEO and Corporate Management Team are responsible for sustainability matters. Metsä Board's operating methods are based on Metsä Group's Code of Conduct and policies adopted by Metsä Board's Board of Directors. The company's sustainability targets are based on Metsä Board's strategy, the materiality assessment of sustainability matters and Metsä Group's sustainability targets.

The seven themes guiding sustainability work, the 2030 sustainability targets, and the summary and process of the materiality assessment are described under Material sustainability-related impacts, risks and opportunities.

The impacts, risks and opportunities related to sustainability, as well as their management methods, are described in the Sustainability statement's sections on the environment, social responsibility and governance, and in the Report of the Board of Directors, under Most significant risks and uncertainties.

### Board of Directors and its committees

Metsä Board's Board of Directors is the company's highest body overseeing sustainability. The duties and responsibilities of the Board of Directors and the CEO are determined in accordance with the Limited Liability Companies Act and the company's rules. In addition, the Board of Directors has approved written Rules of Procedure which define the Board of Directors' duties in greater detail, including the assessment, supervision and decision-making concerning sustainability-related impacts, risks and opportunities. The Rules of Procedure of the Board of Directors and its committees are reviewed annually and updated as required.

In 2024, the Board had nine (9) members, of whom 56% were men (5), and 44% were women (4). Of the nine (9) Board members, 89% (8) were independent of the Company, and 67% (6) were independent of a major shareholder of the Company.

The Board as a whole has extensive experience of good corporate governance, international business and management, either in operational or fiduciary positions in various industries, including the forest industry, forestry, engineering, the steel industry, the food industry and auditing. In addition, a majority of the Board members have experience in pulp, board and/or paper products.

To ensure the efficient management of the Board's duties, the Board of Directors has appointed an Audit Committee and a Nomination and HR Committee from among its members. They prepare the decisions made by the Board and support the Board in the duties assigned to it.

The Board of Directors approves the Metsä Group Code of Conduct and policies, including the procurement, HR, antitrust, quality, risk management, contracts, legal, data protection, information security, taxation, communication, equality, environmental and corporate security policies, which guide the company's operations and internal control. Metsä Board's Board of Directors approves the company's sustainability targets as part of the company's strategy and supervises their achievement. The policies and targets are updated if any changes that must be addressed take place in the operating environment.

Sustainability is incorporated into Metsä Board's strategy, long-term business and investment plans, risk assessments and annual action plans approved by the Board of Directors. Reviews related to various fields of

sustainability prepared by Metsä Board's acting management and Metsä Group's specialists are regularly discussed at the Board of Directors' meetings. The reviews provide the Board members with information about the company's main sustainability-related impacts, risks and opportunities, and the progress made in the company's sustainability targets. The reviews also ensure that the Board of Directors has up-to-date insight and competence in sustainability matters. The Audit Committee plays a key role in sustainability matters, and especially in assessing the accuracy and transparency of the Sustainability statement.

In the 2024 financial period, the Board of Directors convened 15 (2023: 15) times. In the 2024 financial period, the Board's Audit Committee convened five (2023: 5) times.

In the 2024 financial period, sustainability-related topics discussed at the meetings of the Board of Directors and its committees included:

- An environmental review
- A sustainability review
- An occupational safety review and a separate review of the development of occupational safety
- An R&D review twice a year
- Insider training
- The long-term development plan, incl. a risk assessment
- Legal affairs review
- Application of the Corporate Sustainability Due Diligence Directive
- The company's key sustainability figures, 2030 sustainability targets, and the most significant risks and uncertainties related to environmental, employee and social matters
- The annual plan for internal auditing and the audit report
- The Corporate Governance Statement
- A compliance review
- A cybersecurity and information security review
- The internal control monitoring report, including key sustainability controls and their results
- A risk management review
- Calculation of value chain emissions and related development work
- The sustainability reporting process and observations by the auditor.

### The expertise and skills of Board members regarding sustainability

The sustainability-related expertise and skills of Metsä Board's Board members are ensured with regular sustainability, environmental and regulation reviews in accordance with the annual cycle, which provide the Board members with information about material impacts, risks and opportunities related to the company's sustainability, and the progress made in the company's sustainability targets. In addition, the Board members annually participate in training concerning insider regulation. The reviews are mainly presented by the company's and Metsä Group's internal specialists in various fields. If required, the Board of Directors and its committees can also acquire third-party expertise in sustainability matters. Several Board members have many years of experience in sustainability-related impacts risks and opportunities concerning the company's branch of industry and its products, which they have acquired from operative duties or positions of trust.



## CEO and Corporate Management Team

Metsä Board's CEO is in charge of the implementation of sustainability measures in accordance with the Board's instructions. Once a year, the CEO reports to the Board on material impacts, risks and opportunities related to sustainability and on the progress made in achieving sustainability targets by presenting a sustainability review and a separate environmental review to the Board, either alone or jointly with the company's sustainability specialists. In addition, the CEO presents an occupational safety review to the Board of Directors and jointly with the SVP, Development, an R&D review twice a year. The CEO reports to the Board without delay on all sustainability-related risks with a significant impact on the company.

In 2024, the Corporate Management Team had six (6) members, of whom 83% were men (5), and 17% were women (1). The representation of employees in the company's management is organised so that the management team of each of the company's production units includes one employee representative.

The company's Corporate Management Team prepares sustainability-related matters before the CEO presents them to the Board of Directors and for its part, supervises the implementation of the approved sustainability measures and sustainability-related impacts, risks and opportunities regularly at its meetings.

Of the Corporate Management Team's members, the SVP, Development is responsible for research and product development, and for business development and sustainability. The SVP, Development reports monthly to the Corporate Management Team on topical sustainability-related matters that affect the company. Metsä Board's and Metsä Group's sustainability specialists present a review of sustainability matters to the Corporate Management Team twice a year. The SVP, Development participates in the management team of Metsä Group's sustainability process and reports the results of sustainability measures to the team quarterly.

The SVP, Development manages Metsä Board's product safety and sustainability function, which includes the company's Product Safety and Sustainability Director and several specialists. The team works in close cooperation with production, wood supply, procurement and logistics, HR, marketing and sales, communications, investor relations, finance, and legal affairs. Wood supply and procurement are centrally handled in Metsä Group.

In turn, the company's CFO heads Metsä Board's Risk Committee, which handles sustainability risks as part of the company's general risk assessment.

The Corporate Management Team regularly discusses reviews related to occupational safety, the environment, energy, information security, current regulation and compliance. In addition, the Corporate Management Team discusses the internal control monitoring report, including sustainability controls and their results, twice a year.

## Integration of sustainability-related performance in incentive schemes

At Metsä Board, remuneration is based on the following principles:

- Ensuring sustainable and responsible business operations
- Ensuring performance and profitable growth
- Supporting competence development and renewal
- Consistency, competitiveness and transparency.

To ensure the sustainability and responsibility of its business, Metsä Board uses remuneration to support the achievement of its strategic, operational

and sustainability targets. The company encourages activities in line with its values and interests – responsible profitability, reliability, renewal and cooperation. At least one sustainability target is included in the annual performance-based remuneration of every Metsä Board employee. The target-setting model will continue to encourage the continuous assessment and improvement of sustainability matters.

The principles of Metsä Board's remuneration and the overall remuneration of the administrative, management and supervisory bodies are described in greater detail in the *2024 Remuneration Report* and *Remuneration Policy*.

The Board of Directors approves the CEO's salary and remuneration, as well as the principles applied to the remuneration of other members of the Corporate Management Team. The Board of Directors also approves the structure, target group, principles and indicators of the company's remuneration schemes and the relevant target values for the indicators. The Board of Directors' Nomination and HR Committee assists the Board in handling matters related to the remuneration, terms of employment and rewarding of management and prepares the Board's decisions concerning management remuneration. The CEO decides on the compensation of other Corporate Management Team members in cooperation with the Chair of the Board of Directors and in accordance with the principles approved and guidelines issued by the Board. The remuneration of the Board of Directors is not linked to Metsä Board's performance.

In 2024, the maximum level of remuneration available in the CEO's short-term incentive system was, accounting for Metsä Group's EBIT multiplier, 75% of the fixed annual salary. The reward is based on Metsä Board's operating result (50% weighting) and the strategic targets defined by the Board of Directors (50% weighting), including the sustainability targets, as well as the realisation of Metsä Group's EBIT multiplier. In 2024, the CEO's sustainability targets were related to occupational safety and strategic programmes, the goals of which include reducing fossil-based CO<sub>2</sub> emissions, promoting the use of fossil-free raw materials and reducing process water use in production. The weighting of the CEO's occupational safety target was 10%, and its realisation was 132%.

In 2024, the maximum level of remuneration available in the short-term incentive system for other Corporate Management Team members was, accounting for Metsä Group's EBIT multiplier, at most 50% or 62.5% of the fixed annual salary. The reward is based on Metsä Board's operating result (50% weighting) and the targets of its own responsibility area, including sustainability targets (50% weighting), as well as the realisation of Metsä Group's EBIT multiplier. In 2024, the sustainability targets of other Corporate Management Team members were related to occupational safety, wellbeing at work, fossil-free products and production, the development of recyclable, compostable and bio-based products, and strategic programmes, the goals of which include reducing fossil-based CO<sub>2</sub> emissions, promoting the use of fossil-free raw materials and reducing process water use in production. The weighting of sustainability targets was on average 16% for the other Corporate Management Team members, and their realisation was on average 102%.

## Business model, value chain and strategy

### Business model and value chain

Metsä Board uses renewable raw materials to produce premium resource-efficient fresh fibre paperboards that support the principles of the circular economy and offer an alternative to fossil-based packaging

materials. The company is Europe's leading producer of folding boxboard and white kraftliners, and the world's largest producer of coated white kraftliners. In 2024, folding boxboard accounted for 57% of turnover, while 25% of turnover came from white kraftliner, 14% from market pulp, and 4% from other operations.

Metsä Board employs approximately 2,400 people in 17 countries. The number of employees by country is presented under *S1 – Own workforce*. The company's eight production units are in Finland and Sweden, close to its main raw material, wood fibre from northern forests.

Metsä Board's folding boxboard is mainly used in consumer product packaging like food and pharmaceutical packaging. The end uses of white kraftliners are related to various packaging needs in the retail sector. The company produces chemical pulp and bleached high-yield pulp (BCTMP), which are used in its own paperboard production, with some sold as market pulp.

Metsä Board sells paperboard and market pulp worldwide. The company's main market areas are Europe and North America. Key customer groups include international brand owners, paperboard converters, manufacturers of corrugated products and the retail sector. Metsä Board supports paperboard sales with a service mix that helps customers deal with various packaging challenges such as reducing the carbon footprint of packaging and plastic use, and improving production efficiency.

In addition to its own pulp production, a 24.9% holding in its associated company Metsä Fibre secures the company's self-sufficiency in pulp and ensures the high and consistent quality of its end products. The company covers its energy consumption with its own production, electricity purchased from its associated company Metsä Fibre and electricity purchased at cost price from Pohjolan Voima, in which Metsä Board has a 2.6% holding. Metsä Board's energy self-sufficiency is around 90%.

The procurement of other raw materials and services is centrally handled by Metsä Group's procurement and logistics unit, which strives, through its procurement process, to ensure that partners operate sustainably. Relationships with goods and service suppliers are discussed under section *G1 – Business conduct*. The resources used by Metsä Board and the company's output are discussed under section *E5 – Resource use and circular economy* and in the Annual Review, under *Value creation*.

Metsä Board is part of Metsä Group, the parent company of which is Metsäliitto Cooperative, owned by approximately 90,000 Finnish forest owners. Metsä Board does not own forests. The procurement of wood raw material is handled centrally through Metsä Group from forests that are regenerated after felling, and where attention is paid to biodiversity. Further information about biodiversity is disclosed in section *E4 – Biodiversity and ecosystems*. In Finland, most of the wood is acquired from Metsäliitto Cooperative's owner-members, who together own 32% of all Finnish forests. In Sweden, wood is mainly procured from Norra Skog's owner-members, who own around 10% of all the productive forest land in Sweden. Norra Skog has a 30% holding in Husum Pulp AB, Metsä Board's subsidiary, which owns the Husum pulp mill.

## Strategy

According to its strategy, Metsä Board aims to grow in fibre-based packaging materials and renew its industrial operations. The company implements its strategic programmes, including growth and development investments, to improve the mills' production and resource efficiency and reduce the carbon footprint of products. The Leader in Sustainability strategic programme focuses on achieving completely fossil-free production and products by the end of 2030. The goals of the Efficient Innovation programme include reducing the weight of paperboard and developing recyclable products. The company's resource-efficient, fresh fibre paperboards are already used to replace fossil-based materials and reduce the carbon footprint of packaging. Metsä Board's sustainability targets and the progress made on them are described in greater detail on page 29.

The company's decision-making is guided by financial and sustainability targets and long-term shareholder value growth. Metsä Board focuses on the continuous improvement of cost-effectiveness and sustainability, and on customers who benefit from the high performance of the company's products and services. The company's long-term goal is to achieve at least a 12% comparable return on capital employed and keep the ratio of interest-bearing net liabilities and comparable EBITDA below 2.5.

## Interests and views of stakeholders

Metsä Board interacts with its key stakeholders and develops its operations based on stakeholder feedback. Stakeholder interaction is carried out at different organisational levels. For example, regular dialogue is conducted with customers and investors to build trust and learn about their views and needs. Dialogue with local communities is often conducted at the mill level and with policymakers, while stakeholder cooperation is centrally handled in the Corporate Affairs unit of Metsä Group's Group services. In 2024, Metsä Group introduced a new Group-level operating model for stakeholder engagement, in which all the stakeholder feedback concerning sustainability is collected twice a year. The feedback is analysed and compiled into a report concerning the weaknesses, strengths, risks and opportunities of Metsä Group's operations in terms of sustainability. This process will enable an increasingly systematic identification and active engagement of key stakeholders and the collection and processing of stakeholder feedback. The process will also ensure that the feedback is taken into account in operational development and decision-making. The process is coordinated by Metsä Group's Corporate Affairs unit. Stakeholder feedback is used in risk management and as a basis for new cooperation projects, examples of which are included in section *S3 – Affected communities*. In the process, stakeholders' main messages and key feedback are regularly reported to Metsä Board's Corporate Management Team, which ensures that the results are taken into account in the company's operations. Stakeholder feedback is also used in the annual double materiality assessment and the 2030 target setting, which is based on the materiality assessment. The materiality assessment is discussed in greater detail under Material sustainability-related impacts, risks and opportunities.

# Interests and views of stakeholders

This table includes a summary of Metsä Board's key stakeholders, and of how themes important to them are considered in the company's strategy and business model.

Stakeholder	Stakeholder engagement	Themes important to stakeholders	Impact on operations, business model and strategy
<b>Own workforce</b>	<ul style="list-style-type: none"> <li>Employee survey and Pulse survey</li> <li>Cooperation with employee representatives</li> <li>Safety and health at work and related observations</li> <li>Compliance and Ethics Channel</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Diversity, equality and inclusion (DEI)</li> <li>Competence development and good leadership</li> <li>Working conditions and other work-related rights</li> <li>Organisation's resilience</li> </ul>	<ul style="list-style-type: none"> <li>Certified safety management systems</li> <li>Metsä For All vision</li> <li>Anonymous recruitment</li> <li>Metsä Group's academies and other training</li> <li>Development of leadership and key capabilities</li> <li>Measures determined based on the employee survey</li> </ul>
<b>Customers, consumers and end-users</b>	<ul style="list-style-type: none"> <li>Continuous dialogue and cooperation</li> <li>Events and training</li> <li>Customer experience surveys</li> <li>Customer feedback forms</li> <li>Sustainability assessments</li> <li>Contact forms on web pages</li> </ul>	<ul style="list-style-type: none"> <li>Information about product performance and sustainability</li> <li>Product safety and quality</li> <li>Sustainable forest management and biodiversity</li> <li>Climate change mitigation across the value chain</li> <li>Climate change adaptation</li> </ul>	<ul style="list-style-type: none"> <li>Products replacing fossil-based materials and recyclable products</li> <li>Carbon footprint of products and the use and development of life-cycle calculation</li> <li>Strategy of regenerative forestry</li> <li>Resource-efficient production</li> <li>Product safety and quality, and certified management systems</li> <li>Up-to-date product information</li> </ul>
<b>Shareholders, analysts and other capital market representatives</b>	<ul style="list-style-type: none"> <li>Continuous dialogue and cooperation</li> <li>Investor meetings and events coordinated by the company and/or brokerage firms, including mill visits</li> <li>Financial reporting and releases</li> <li>Annual General Meeting</li> <li>Cooperation with external assessors and credit rating agencies</li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation across the value chain</li> <li>Climate change adaptation</li> <li>Paperboard as a replacement for plastic</li> <li>Biodiversity and availability of wood raw material</li> <li>Human rights and diversity</li> <li>Management of sustainability risks and good governance</li> <li>Impact of sustainability regulation on the demand for paperboard and availability of wood raw material</li> </ul>	<ul style="list-style-type: none"> <li>Investments in fossil-free production and products, and the improvement of the mill's production and resource efficiency</li> <li>Forest certification and regenerative forestry</li> <li>Metsä For All vision</li> <li>Sustainability targets in management remuneration</li> <li>Definition and management of sustainability risks and assessment of financial impacts</li> </ul>
<b>Suppliers and workers in the supply chain</b>	<ul style="list-style-type: none"> <li>Supplier days</li> <li>Cooperation forums for occupational safety</li> <li>Cooperation survey for suppliers</li> <li>Sustainability working group activities with partner suppliers</li> <li>Continuous dialogue and cooperation</li> <li>Compliance and Ethics Channel</li> </ul>	<ul style="list-style-type: none"> <li>Safety and health</li> <li>Working conditions and other work-related rights</li> <li>Climate change mitigation across the value chain</li> <li>Climate change adaptation</li> <li>Biodiversity</li> <li>Circular economy</li> </ul>	<ul style="list-style-type: none"> <li>Certified safety management systems</li> <li>Proactive model for combating the grey economy in construction projects</li> <li>Strategy of regenerative forestry</li> <li>Joint sustainability targets with partner suppliers</li> <li>Measures defined based on the cooperation survey for suppliers</li> <li>Assessment of suppliers' sustainability as part of the selection process and cooperation</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>Open house and other events at production units</li> <li>Consultation of local communities in investment projects</li> <li>Cooperation days</li> <li>Compliance and Ethics Channel</li> </ul>	<ul style="list-style-type: none"> <li>Local impacts of mills such as noise, dust and odour nuisance</li> <li>Climate change mitigation and climate change adaptation</li> <li>Biodiversity</li> <li>Promotion of employment, livelihood and entrepreneurship; tax revenue</li> </ul>	<ul style="list-style-type: none"> <li>Inclusive cooperation and decision-making</li> <li>Resource-efficient and fossil-free production, waste-free production</li> <li>Best available techniques</li> <li>Regenerative land-use policies and biodiversity plans at mills</li> </ul>
<b>Indigenous peoples (the Sámi)</b>	<ul style="list-style-type: none"> <li>Bilateral meetings</li> <li>Cooperation days</li> <li>Compliance and Ethics Channel</li> </ul>	<ul style="list-style-type: none"> <li>Rights of indigenous peoples</li> <li>Safeguarding traditional livelihoods</li> <li>Climate resilience of northern nature</li> <li>Free, prior and informed consent</li> <li>Intergenerational and experimental knowledge of indigenous peoples alongside scientific knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Inclusive cooperation and decision-making</li> <li>Engagement of suppliers knowledgeable about the rights of the Sámi</li> <li>When planning and implementing wood supply and forestry work, measures are taken to locally ensure that the reindeer herding of the Sámi is not jeopardised. The conditions for the reindeer herding of the Sámi are safeguarded with agreements and regular audits of our wood suppliers</li> </ul>
<b>Policymakers</b>	<ul style="list-style-type: none"> <li>Public hearings</li> <li>Bilateral meetings</li> <li>Events, seminars and panels</li> <li>Forest and mill visits</li> <li>Compliance and Ethics Channel</li> </ul>	<ul style="list-style-type: none"> <li>Circular bioeconomy</li> <li>Climate change mitigation and climate change adaptation</li> <li>Biodiversity</li> <li>Logistics and public infrastructure</li> <li>New products and innovation</li> <li>Renewal, investments and jobs</li> <li>Solutions-oriented cooperation</li> </ul>	<ul style="list-style-type: none"> <li>New investments</li> <li>Resource-efficient and fossil-free production, waste-free production</li> <li>Products replacing fossil-based materials and recyclable products</li> <li>Strategy of regenerative forestry</li> <li>Regenerative land-use policies and biodiversity plans at mills</li> <li>Funding programme for nature projects</li> </ul>
<b>Lobbying and industrial associations</b>	<ul style="list-style-type: none"> <li>Bilateral meetings</li> <li>Events, seminars and panels</li> <li>Cooperation days</li> <li>Forest and mill visits</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable products</li> <li>Climate change mitigation and climate change adaptation</li> <li>Biodiversity</li> <li>Safeguarding biodiversity</li> <li>Advocacy cooperation</li> <li>Wellbeing of the industry, value chain and operators</li> </ul>	<ul style="list-style-type: none"> <li>Products replacing fossil-based materials and recyclable products</li> <li>Resource-efficient and fossil-free production</li> <li>Strategy of regenerative forestry</li> <li>Regenerative land-use policies and biodiversity plans at mills</li> <li>The wood processing industry's biodiversity roadmap and further measures</li> </ul>
<b>Researchers, educational institutions and students</b>	<ul style="list-style-type: none"> <li>Cooperation projects</li> <li>Cooperation events</li> <li>Forest and mill visits</li> <li>Recruitment events</li> <li>Thesis assignments and traineeships</li> <li>Surveys</li> </ul>	<ul style="list-style-type: none"> <li>Research and development cooperation</li> <li>Education, training and competence</li> <li>Investments and jobs</li> <li>Learning, training and education</li> <li>Working life</li> <li>Diversity, equality and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Joint research and development projects</li> <li>Strategy of regenerative forestry</li> <li>Regenerative land-use policies and biodiversity plans at mills</li> <li>Funding programme for nature projects</li> <li>Education and training cooperation, and partnerships</li> <li>Jobs and traineeships</li> <li>Student guidance and induction</li> </ul>
<b>NGOs</b>	<ul style="list-style-type: none"> <li>Bilateral meetings</li> <li>Project cooperation</li> <li>Cooperation days</li> <li>Compliance and Ethics Channel</li> </ul>	<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Climate change mitigation and climate change adaptation</li> <li>Forest protection and old-growth forests</li> <li>Forestry methods</li> <li>Forestry's impact on waterbodies</li> </ul>	<ul style="list-style-type: none"> <li>Strategy of regenerative forestry</li> <li>Regenerative land-use policies and biodiversity plans at mills</li> <li>Funding programme for nature projects</li> <li>Forest protection (incl. METSO programme)</li> <li>The wood processing industry's biodiversity roadmap and further measures</li> </ul>

# Material sustainability-related impacts, risks and opportunities

## The identification and assessment of material impacts, risks and opportunities

### Process

Metsä Board's sustainability-related material impacts, risks and opportunities have been identified in a double materiality assessment based on the principles of the company's risk management process. The risk management process complies with the COSO Enterprise Risk Management methodology. The key goal is to identify and assess the risks, threats and opportunities potentially significant to the implementation of the company's values and strategy and to the achievement of long-term targets, as well as to identify and assess the company's impacts on society and the environment. In addition to the company's own operations, the

identification and assessment of impacts, risks and opportunities encompasses the upstream and downstream value chain and any other parties that the company's operations affect. Metsä Board's risk management process and its responsibilities are described in greater detail in the 2024 Corporate Governance Statement.

The double materiality assessment is conducted annually, and it is linked to the annual risk management cycle to make risk identification, assessment and prioritisation, and the definition of management measures part of the annual planning process. The double materiality assessment is discussed and approved by Metsä Board's Corporate Management Team as part of the risk management review in the last quarter. Internal control also monitors and reports on sustainability risks and the control environment to Metsä Board's Corporate Management Team and Audit Committee in accordance with Metsä Group's internal control governance model and the annual cycle. The control of sustainability risks is planned, described and implemented on a risk basis in business processes.

### Material sustainability topics

Theme	Topic	Sub-topic	Materiality	2030 target
<b>E – ENVIRONMENT</b>				
1. Safeguarding biodiversity and the ecological sustainability of forest use	E1 Climate change	Climate change mitigation	12	√
		Climate change adaptation	8	√
2. Mitigating climate change and reducing emissions	E2 Pollution	Energy	9	√
		Pollution of air, water and soil	5	
3. Resource efficiency and sustainable production	E3 Water and marine resources	Microplastics	5	
		Water	6	√
	E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	10	√
		Impacts on the state of species and the extent and condition of ecosystems	11	√
		Impacts and dependencies on ecosystem services	10	√
E5 Resource use and circular economy	Resources inflows, including resource use	7	√	
	Resource outflows related to products and services	10		
		Waste and side streams	8	√
<b>S – SOCIAL RESPONSIBILITY</b>				
4. Respecting everyone	S1 Own workforce	Equal treatment and opportunities for all	9	√
		Health and safety	11	√
5. Promoting safety and wellbeing at work	S2 Workers in the value chain	Other working conditions	6	√
		Other work-related rights	5	
		Equal treatment and opportunities for all	9	√
		Health and safety	11	√
	S3 Affected communities	Other working conditions	9	√
		Other work-related rights	7	√
S4 Consumers and end-users	Communities' economic, social and cultural rights	7		
	Rights of indigenous peoples	9		
		Personal safety of consumers and end-users	8	
		Information-related impacts on consumers and end-users	6	
<b>G – GOOD GOVERNANCE AND CORPORATE CULTURE</b>				
6. Doing the right thing, innovation and open-minded cooperation	G1 Business conduct	Corporate culture	8	√
		Corruption and bribery	6	
7. The significance of forest-based bioeconomy to society		Management of relationships with suppliers, including payment practices	8	√
		Protection of whistle-blowers	5	
		Political influence and lobbying activities	7	

## Methodology

The assessment identifies any potential impacts, risks and opportunities for each sub-topic and sub-sub-topic of the ESRS. If no material impacts, risks or opportunities are identified, the sub-topic or sub-sub-topic is assessed to be non-material. Impacts, risks and opportunities are assessed across the value chain.

Likelihood and financial risks and opportunities are assessed using a scale defined in Metsä Board's risk management process, which is the same for all business risks. Impact assessment was added to the scale to account for double materiality. The final assessment of impacts is based on their scale, scope, duration and remediability. The assessment table is presented in this section. Remediability is assessed on the following scale: short-term (less than one year), medium-term (1–5 years), long-term (5–10

years), very long-term (10–30 years) and irremediable. The very long-term option was included to illustrate the nature of the forest sector more accurately. The final size of the impact, risk or opportunity is determined by multiplying its likelihood by its financial or external impact.

## Development of the double materiality assessment

Metsä Board conducted its first double materiality assessment in 2022 by collecting the views of external and internal stakeholders of the company's real and potential impacts, risks, and opportunities through interviews and surveys. The stakeholders interviewed included the company's own employees, as well as its customers, investors, goods and service suppliers, and NGOs. Based on the material collected, the impacts, risks and opportunities were prioritised in management workshops.

## Assessment scale for impacts, risks and opportunities

Likelihood	Annual	Very likely	5	5	10	15	20	25
	In the next three years	Likely	4	4	8	12	16	20
	In the next six years	Possible	3	3	6	9	12	15
	In the next ten years	Unlikely	2	2	4	6	8	10
	Unlikely in the next ten years	Very unlikely	1	1	2	3	4	5
			1	2	3	4	5	
<b>Financial impact</b>			Very limited	Limited	Moderate	Significant	Very significant	
<b>Reputation</b>			Local mention, quickly forgotten	Local harm to reputation, impact on local operations	Short-term national concern, long-term impact on reputation	Long-term national concern, significant change in market share, significant operations restricted	Long-term national concern, decisive change in market share	
<b>Impact on the wellbeing of society, nature and other stakeholders</b>			Very limited impact on individuals and/or the local environment	Limited impact on a group of people and/or the regional environment	Moderate short-term impact on society and/or the environment	Significant short-term impact on society and/or the environment	Severe long-term impact on society and/or the environment	
			<b>Impact</b>					

Based on the 2022 assessment, seven themes guiding sustainability work were determined. They are described in the summary of the materiality assessment on page 26.

The strategic 2030 sustainability targets were updated based on these themes. The framework of the European Sustainability Reporting Standards was not yet used to classify sustainability themes in the first assessment.

The classification of impacts, risks and opportunities into topics, sub-topics and sub-sub-topics in accordance with the EU's sustainability reporting standards was included in the 2023 assessment. As part of the work carried out in 2023, an assessment scale was drawn up.

The 2024 assessment was further developed from 2023 by introducing a more detailed classification, a more specific definition of financial impacts, a review of climate scenarios and an assessment of human rights impacts conducted by an external party.

## Stakeholder engagement

Since 2024, stakeholder feedback has been collected and analysed across Metsä Group twice a year. The results of the analysis are used in the materiality assessment especially to survey whether all the material impacts, risks and opportunities have been identified internally and to strengthen the internal recognition of impacts, risks and opportunities. The themes important to stakeholders are in line with the identified impacts, risks and opportunities. Stakeholder engagement and how themes important to stakeholders are addressed in the company's strategy and business model are described under *Interests and views of stakeholders*.

## The identification and assessment of material impacts, risks and opportunities related to the environment

The material impacts, risks and opportunities related to the environment have been identified and assessed using key information and methods for each topic. These include material such as the climate risk analysis conducted in 2024, risk assessments of production units and environmental impact assessments. The identification and assessment process is described for each topic under the relevant section: *E1 – Climate change*, *E2 – Pollution*, *E3 – Water and marine resources*, *E4 – Biodiversity and ecosystems* and *E5 – Resource use and circular economy*.

## Assessment of human rights impacts

In the reporting year, an external partner carried out an assessment of human rights impacts at Metsä Board. The assessment was based on internal specialist interviews, interviews with external stakeholders, Metsä Board's documentation and literature from public sources. External stakeholder interviews were conducted with raw material and goods suppliers, the trade union, and the Sámi Parliament. Human rights impacts were

assessed based on their likelihood, scope, remediability and scale. The assessment was conducted in compliance with the UN Guiding Principles on Business and Human Rights. The impacts were assessed using the same scale employed in the company's general risk assessment, and the identified impacts were included in the sustainability materiality assessment. The assessment identified and evaluated the direct and indirect impacts across the value chain and in the affected communities, as well as the groups potentially at a higher risk of being affected by the identified impacts. The identified impacts were validated in internal workshops, and the results were presented to Metsä Board's Corporate Management Team. After the assessment of human rights impacts, a human rights due diligence process was drawn up for Metsä Board, and further development measures related to human rights impacts were defined for the coming years.

## 2024 results

The results of the materiality assessment are presented alongside the description of the materiality process on page 26. Sub-topics classified as moderate (a value of 5–9) or high (a value of 10–25) were determined as material sub-topics. The table does not include sub-topics of low materiality.

Based on the results of the materiality assessment, Metsä Board's key sustainability matters include climate change, biodiversity, the environmental impacts of products, and the occupational safety of the company's own workforce and value chain workers. No specific functions or areas requiring a more comprehensive risk assessment were identified in the materiality assessment. In the value chain, the main themes are related to the company's own production, wood supply and products.

The main themes did not change from 2023. Compared with 2023, the following were the most significant changes in the assessment:

- Climate change adaptation was assessed to be less material based on the 2024 climate risk analysis of physical risks, which indicated that the location of Metsä Board's production units is a strength in a changing climate.
- Based on a more detailed assessment of financial impacts and the 2024 update to the financial risk assessment scale, pollution-related business risks especially were considered to be less material.
- Following the assessment of human rights impacts, the equal treatment and opportunities for all workers in the value chain were highlighted as a new material theme.
- In the assessment, a sharper division was made between corporate culture and corruption and bribery. The root causes and impacts related to these themes are often similar, which makes it challenging to separate the themes.

# Metrics and targets

TARGET	2030 TARGET	2024 ACTUAL	2024 PROGRESS	UN SDG
<b>E – ENVIRONMENT</b>				
<b>1. Securing biodiversity and ecologically sustainable forestry</b>				
MG: Retention trees on regeneration felling sites, %	100	97	●	13, 15
MG: High biodiversity stumps on harvesting sites, %	100	98	●	13, 15
MG: Spruce as the only tree species after young stand management, %	0	26	●	13, 15
MG: Measures promoting biodiversity, number	10,000	6,586	●	13, 15
<b>2. Mitigating climate change and reducing emissions</b>				
Improvement in energy efficiency from the 2018 level, %	+ 10	0.9	●	7, 12, 13
Fossil-based carbon dioxide emissions (Scope 1 and Scope 2 market-based), t	0	251,708	●	12, 13
Share of target group suppliers with targets set in accordance with the SBTi by 2024 (Scope 3), %	70	24	●	13
Fossil-free raw materials and packaging materials, share of dry tonnes, %	100	98.9	●	9, 12
MG: Amount of forest regeneration and young stand management from the 2018 level, %	+30	18	●	13, 15
MG: Amount of forest fertilisation from the 2018 level, %	+50	-22	●	13, 15
MG: Share of continuous cover forestry in peatland forest regeneration, %	30	15	●	13, 15
MG: Amount of carbon stored in wood products from the 2018 level, %	+30	-25	●	12, 13
<b>3. Resource efficiency and sustainable production</b>				
Reduction in process water use per produced tonne from the 2018 level, %	-35	-11	●	6, 12
Process waste delivered to landfills, t	0	267	●	12
<b>S – SOCIAL RESPONSIBILITY</b>				
<b>4. Respecting everyone and doing the right thing</b>				
Anonymous recruitment for vacancies open to all, %	100	99.2	●	5, 8
Women in management positions, %	>30	23	●	5, 8
<b>5. Promoting safety and wellbeing at work</b>				
Total recordable incident frequency, own employees (TRIF)	0	3.4	●	8
Employee commitment	AAA	A+	●	5, 8
<b>G – GOVERNANCE</b>				
<b>6. Innovation and open-minded cooperation and 7. The significance of forest-based bioeconomy to society</b>				
Ethics index	100	79	●	5, 8
Traceability of raw materials, share of total purchases, %	100	97	●	9, 12
Share of certified wood fibre, %	>90	92	●	15
Suppliers' commitment to the Supplier Code of Conduct, share of total purchases %	100	99.0	●	8, 12
Supplier assessments and audits of core suppliers, %	100	79	●	8, 12
MG: Joint sustainability target with partner suppliers, %	100	100	●	12, 13

MG: The target has been set at the level of Metsä Group. Targets will be reached by the end of 2030. For example, fossil fuels will be abandoned by 31 December 2030. Metsä Board's target of "0 accidents at work" also applies to service suppliers. In the future, service suppliers will be included in the performance figure. The 2024 ethics index is not directly comparable with those of previous years, as the content of statements affecting the index has been revised. The targets for different topics are described in greater detail in the topic-specific sections of this Sustainability statement.

Progress in 2024 compared with the previous year.

Exceeds target (significant progress) ●

On target (progress as planned) ●

Short of target (no progress or weaker progress) ●

# Due diligence process

This table presents the core elements of the due diligence process and the paragraphs in the Sustainability statement providing further details about each topic.

<b>CORE ELEMENTS OF DUE DILIGENCE</b>	<b>PARAGRAPHS IN THE SUSTAINABILITY STATEMENT</b>
<b>a) Embedding due diligence in governance, strategy and business model</b>	<p><i>The role of the administrative, management and supervisory bodies in identifying and managing sustainability impacts, risks and opportunities</i></p> <p><i>Interests and views of stakeholders and the related identification process</i></p>
<b>b) Engaging with affected stakeholders in all key steps of the due diligence</b>	<p><i>Interests and views of stakeholders and the related identification process</i></p> <p><i>Stakeholder engagement in the materiality assessment</i></p> <p><i>S1 Engaging with the workforce and workforce representatives about impacts</i>  <i>S2 Engaging with value chain workers about impacts</i>  <i>S3 Engaging with affected communities about impacts</i>  <i>S4 Engaging with consumers and end-users about impacts</i></p>
<b>c) Identifying and assessing adverse impacts</b>	<p><i>The identification and assessment of material impacts, risks and opportunities</i></p> <p><i>E1, E2, E3, E4, E5, S1, S2, S3, S4, G1 The identification and assessment of material impacts, risks and opportunities</i></p> <p><i>G1 Mechanisms for identifying, reporting and investigating concerns</i></p> <p><i>G1 Prevention and detection of corruption and bribery</i></p>
<b>d) Taking actions to address those adverse impacts</b>	<p><i>E1, E2, E3, E4, E5, S1, S2, S3, S4 Actions</i>            Through actions, adverse impacts and risks are managed, and opportunities are promoted.</p> <p><i>G1 Relationships with goods and service suppliers</i></p> <p><i>G1 Prevention and detection of corruption and bribery</i></p>
<b>e) Tracking the effectiveness of these efforts and communicating</b>	<p><i>Metrics and targets</i>            The effectiveness of actions is measured and communicated using Metsä Board's strategic 2030 sustainability targets</p> <p><i>E1, E2, E3, E5 The identification and assessment of material impacts, risks and opportunities</i>            The environmental permit and the related monitoring programme set the minimum requirements for the observation of environmental impacts</p> <p><i>E4 Impact metrics related to changes in biodiversity and ecosystems</i></p> <p><i>S1, S2, S4 Actions</i></p> <p><i>S3 Engaging with affected communities about impacts</i></p> <p><i>G1 Relationships with goods and service suppliers</i></p>



# ESRS content index

The ESRS content index lists the disclosure requirements that Metsä Board has followed in preparing its sustainability statement and where they can be found.

ESRS INDICATOR	LOCATION & COMMENT
<b>ESRS 2 – General Disclosures</b>	
BP-1 – General basis for preparation of sustainability statements	<i>Reporting Principles</i>
BP-2 – Disclosures in relation to specific circumstances	<i>Reporting Principles</i>
GOV-1 – The role of the administrative, management and supervisory bodies	<i>The role of, information provided to and sustainability matters addressed by the administrative, management and supervisory bodies</i>
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	<i>The role of, information provided to and sustainability matters addressed by the administrative, management and supervisory bodies</i>
GOV-3 – Integration of sustainability-related performance in incentive schemes	<i>Integration of sustainability-related performance in incentive schemes</i>
GOV-4 – Statement on due diligence	<i>Due diligence process -table</i>
GOV-5 – Risk management and internal controls over sustainability reporting	<i>Risk management and internal controls over sustainability reporting</i>
SBM-1 – Strategy, business model and value chain	<i>Business model, value chain and strategy</i>
SBM-2 – Interests and views of stakeholders	<i>Interests and views of stakeholders</i>
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	<i>S1, S2, S3, S4 Material impacts, risks and opportunities -tables; S1, S2, S3, S4 The identification and assessment of material impacts, risks and opportunities</i>
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	<i>Risk management and internal controls over sustainability reporting; Material sustainability-related impacts, risks and opportunities; E1, E2, E3, E4, E5 The identification and assessment of material impacts, risks and opportunities</i>
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	<i>Material sustainability-related impacts, risks and opportunities</i>
Policies MDR-P – Policies adopted to manage material sustainability matters	<i>E1, E2, E3, E4, E5, S1, S2, S3, S4, G1 Policies</i>
Actions MDR-A – Actions and resources in relation to material sustainability matters	<i>E1, E2, E3, E4, E5, S1, S2, S3, S4 Actions</i>
Metrics MDR-M – Metrics in relation to material sustainability matters	<i>E1, E2, E3, E4, E5, S1, G1 metrics tables; E1, E2, E3, E4, E5, S1, G1 Reporting principles for metrics</i>
Targets MDR-T – Tracking effectiveness of policies and actions through targets	<i>E1, E2, E3, E4, E5, S1, S2, S3, S4, G1 Metsä Board's 2030 sustainability targets</i>
<b>ESRS E1 – Climate Change</b>	
E1-1 – Transition plan for climate change mitigation	<i>E1 Transition plan for climate change mitigation and adaptation</i>
E1-2 – Policies related to climate change mitigation and adaptation	<i>E1 Policies</i>
E1-3 – Actions and resources in relation to climate change policies	<i>E1 Actions</i>
E1-4 – Targets related to climate change mitigation and adaptation	<i>E1 Metsä Board's 2030 sustainability targets; E1 GHG emissions reduction targets -table; E1 Reporting principles for metrics</i>
E1-5 – Energy consumption and mix	<i>E1 Energy consumption and combination of energy sources -table; E1 Energy generation -table;</i>
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	<i>E1 GHG emissions -table; E1 GHG intensity -table</i>
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	<i>Metsä Board does not have carbon capture or offsets.</i>
E1-8 – Internal carbon pricing	<i>E1 Financial effects</i>
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	<i>E1 Financial effects Anticipated financial effects reported partly as qualitative information.</i>
<b>ESRS E2 – Pollution</b>	
E2-1 – Policies related to pollution	<i>E2 Policies</i>
E2-2 – Actions and resources related to pollution	<i>E2 Actions</i>
E2-3 – Targets related to pollution	<i>E2 Targets</i>
E2-4 – Pollution of air, water and soil	<i>E2 Emissions to air -table; E2 Emissions to water -table; E2 Environmental permit deviations at Metsä Board's mills -table; E2 Reporting principles for metrics</i>
E2-5 – Substances of concern and substances of very high concern	<i>Metsä Board does not cause emissions of substances of concern or very high concern.</i>
E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities	<i>E2 Financial effects Anticipated financial effects reported partly as qualitative information.</i>

ESRS INDICATOR	LOCATION & COMMENT
<b>ESRS E3 – Water and Marine Resources</b>	
E3-1 – Policies related to water and marine resources	E3 Policies Metsä Board does not use marine resources.
E3-2 – Actions and resources related to water and marine resources	E3 Actions
E3-3 – Targets related to water and marine resources	E3 Metsä Board's 2030 sustainability target; E3 Reporting principles for metrics
E3-4 – Water consumption	E3 Water withdrawals and consumption and wastewater discharges -table; E3 Reporting principles for metrics
E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	E3 Financial effects Anticipated financial effects reported partly as qualitative information.
<b>ESRS E4 – Biodiversity and Ecosystems</b>	
E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	E4 Transition plan and consideration of biodiversity and ecosystems in the strategy and business model
E4-2 – Policies related to biodiversity and ecosystems	E4 Policies
E4-3 – Actions and resources related to biodiversity and ecosystems	E4 Actions
E4-4 – Targets related to biodiversity and ecosystems	E4 Metsä Group's 2030 sustainability targets for wood supply; E4 Reporting principles for metrics
E4-5 – Impact metrics related to biodiversity and ecosystems change	E4 Areas valuable to biodiversity in the vicinity of Metsä Board's production units E4 Impact metrics related to changes in biodiversity and ecosystems
E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	E4 Financial effects Anticipated financial effects reported partly as qualitative information.
<b>ESRS E5 – Resource Use and Circular Economy</b>	
E5-1 – Policies related to resource use and circular economy	E5 Policies
E5-2 – Actions and resources related to resource use and circular economy	E5 Actions
E5-3 – Targets related to resource use and circular economy	E5 Metsä Board's 2030 sustainability target; E5 Reporting principles for metrics
E5-4 – Resource inflows	E5 Inflows of material and energy streams -table; E5 Reporting principles for metrics
E5-5 – Resource outflows	E5 Outflows of material and energy streams -table; E5 Waste use and disposal -table; E5 Reporting principles for metrics
E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	E5 Financial effects Anticipated financial effects reported partly as qualitative information.
<b>ESRS S1 – Own Workforce</b>	
S1-1 – Policies related to own workforce	S1 Policies
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	S1 Engaging with own workers and workers' representatives about impacts
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	S1 Processes to remediate negative impacts and channels for the company's own employees to raise concerns; G1 Mechanisms for identifying, reporting and investigating concerns
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1 Actions
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1 Metsä Board's 2030 sustainability targets; S1 Reporting principles for metrics
S1-6 – Characteristics of the undertaking's employees	S1 Employees by gender -table; S1 Employees by country -table; S1 Employees by contract type, broken down by gender -table; S1 Employees by contract type, broken down by country -table; S1 Employee turnover and recruitment -table; S1 Reporting principles for metrics
S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	S1 Non-employee workers in company's own workforce -table; S1 Reporting principles for metrics
S1-8 – Collective bargaining coverage and social dialogue	S1 Collective bargaining coverage and social dialogue -table; S1 Policies; S1 Engaging with own workers and workers' representatives about impacts
S1-9 – Diversity metrics	S1 Gender distribution in management -table S1 Age distribution of employees -table; S1 Reporting principles for metrics
S1-10 – Adequate wages	S1 Policies
S1-11 – Social protection	S1 Social protection -table; S1 Reporting principles for metrics
S1-12 – Persons with disabilities	Non-material. Most Metsä Board employees are production workers with specific limitations regarding disabilities. It was assessed that there is no need to discuss disabilities as separate part from other diversity matters in Metsä Board's case.

ESRS INDICATOR	LOCATION & COMMENT
<b>ESRS S1 – Own Workforce</b>	
S1-13 – Training and skills development metrics	S1 Training and skills development -table
S1-14 – Health and safety metrics	S1 Health and safety -table; S1 Policies; S1 Actions; S1 Reporting principles for metrics
S1-15 – Work-life balance metrics	S1 Policies; S1 Family-related leave -table; S1 Reporting principles for metrics
S1-16 – Compensation metrics (pay gap and total compensation)	S1 Total remuneration ratio of women and men -table; S1 Total remuneration -table; S1 Reporting principles for metrics
S1-17 – Incidents, complaints and severe human rights impacts	S1 Incidents, complaints and severe human rights impacts; S1 Incidents, complaints and severe human rights impacts -table; S1 Reporting principles for metrics
<b>ESRS S2 – Workers in the Value Chain</b>	
S2-1 – Policies related to value chain workers	S2 Policies
S2-2 – Processes for engaging with value chain workers about impacts	S2 Engaging with value chain workers about impacts;
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	S2 Processes to remediate negative impacts and channels for value chain workers to raise concerns; G1 Mechanisms for identifying, reporting and investigating concerns
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	S2 Actions; S2 Processes to remediate negative impacts and channels for value chain workers to raise concerns
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2 Targets; G1 Metsä Board's 2030 sustainability targets; G1 Reporting principles for metrics
<b>ESRS S3 – Affected Communities</b>	
S3-1 – Policies related to affected communities	S3 Actions
S3-2 – Processes for engaging with affected communities about impacts communities about impacts	S3 Engaging with affected communities about impacts
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	S3 Processes to remediate negative impacts and channels for affected communities to raise concerns; G1 Mechanisms for identifying, reporting and investigating concerns
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	S3 Actions; S3 Processes to remediate negative impacts and channels for affected communities to raise concerns
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S3 Targets
<b>ESRS S4 – Consumers and end-users</b>	
S4-1 – Policies related to consumers and end-users	S4 Policies
S4-2 – Processes for engaging with consumers and end-users about impacts	S4 Engaging with consumers and end-users about impacts
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	S4 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns; G1 Mechanisms for identifying, reporting and investigating concerns
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	S4 Actions; S4 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S4 Targets
<b>ESRS G1 – Business Conduct</b>	
G1-1– Business conduct policies and corporate culture	G1 Policies; G1 The identification and assessment of material impacts, risks and opportunities; G1 Mechanisms for identifying, reporting and investigating concerns
G1-2 – Management of relationships with suppliers	G1 Relationships with goods and service suppliers; G1 Payment practices
G1-3 – Prevention and detection of corruption and bribery	G1 Prevention and detection of corruption and bribery; G1 Mechanisms for identifying, reporting and investigating concerns
G1-4 – Confirmed incidents of corruption or bribery	G1 Incidents of non-compliance with good governance or ethical corporate culture -table; G1 Mechanisms for identifying, reporting and investigating concerns
G1-5 – Political influence and lobbying activities	G1 Political influence and lobbying activities
G1-6 – Payment practices	G1 Payment practices; G1 Reporting principles for metrics

## Datapoints that derive from EU legislation

A list of data points from cross-cutting and topical standards derived from EU legislation and their locations.

ESRS INDICATOR	LOCATION & COMMENT	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
<b>ESRS 2 – General disclosures</b>					
GOV-1 Board's gender diversity paragraph 21 (d)	<i>The role of, information provided to and sustainability matters addressed by the administrative, management and supervisory bodies</i>	x		x	
GOV-1 Percentage of board members who are independent paragraph 21 (e)	<i>The role of, information provided to and sustainability matters addressed by the administrative, management and supervisory bodies</i>			x	
GOV-4 Statement on due diligence paragraph 30	<i>Due diligence process -table</i>	x			
SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Not material.	x	x	x	
SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Not material.	x		x	
SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not material.	x		x	
SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not material.			x	
<b>ESRS E1 – Climate change</b>					
E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	<i>E1 Transition plan for climate change mitigation and adaptation</i>				x
E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	<i>E1 Reporting principles for metrics</i>		x	x	
E1-4 GHG emission reduction targets paragraph 34	<i>E1 Metsà Board's 2030 sustainability targets; E1 Transition plan for climate change mitigation -table; E1 Reporting principles for metrics</i>	x	x	x	
E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	<i>E1 Total energy consumption by energy source -table</i>	x			
E1-5 Energy consumption and mix paragraph 37	<i>E1 Energy consumption and combination of energy sources -table</i>	x			
E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	<i>E1 Energy consumption and combination of energy sources -table</i>	x			
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	<i>E1 GHG emissions -table</i>	x	x	x	
E1-6 Gross GHG emissions intensity paragraphs 53 to 55	<i>E1 GHG intensity -table</i>	x	x	x	
E1-7 GHG removals and carbon credits paragraph 56	Not material.				x
E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Not material.			x	
E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	Not material.		x		
E1-9 Location of significant assets at material physical risk paragraph 66 (c)	Not material.		x		
E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	Not material.		x		
E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Not material.			x	

ESRS INDICATOR	LOCATION & COMMENT	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
<b>ESRS E2 – Pollution</b>					
E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	E2 Actions; E2 Emissions to air -table; E2 Emissions to water -table	x			
<b>ESRS E3 – Water and marine resources</b>					
E3-1 Water and marine resources paragraph 9	E3 Policies	x			
E3-1 Dedicated policy paragraph 13	Not material.	x			
E3-1 Sustainable oceans and seas paragraph 14	Not material.	x			
E3-4 Total water recycled and reused paragraph 28 (c)	E3 Water withdrawals and consumption and wastewater discharges -table	x			
E3-4 Total water consumption in m <sup>3</sup> per net revenue on own operations paragraph 29	E3 Water withdrawals and consumption and wastewater discharges -table	x			
<b>ESRS E4 – Biodiversity and ecosystems</b>					
IRO 1 - E4 paragraph 16 (a) i	E4 The identification and assessment of material impacts, risks and opportunities	x			
IRO 1 - E4 paragraph 16 (b)	E4 The identification and assessment of material impacts, risks and opportunities	x			
IRO 1 - E4 paragraph 16 (c)	E4 The identification and assessment of material impacts, risks and opportunities	x			
E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Not material.	x			
E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Not material.	x			
E4-2 Policies to address deforestation paragraph 24 (d)	E4 Policies	x			
<b>ESRS E5 – Resource use and circular economy</b>					
E5-5 Non-recycled waste paragraph 37 (d)	E5 Waste use and disposal -table	x			
E5-5 Hazardous waste and radioactive waste paragraph 39	E5 Waste use and disposal -table Metsä Group's operations do not produce radioactive waste.	x			
<b>ESRS S1 – Own workforce</b>					
SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	S1 Policies	x			
SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	S1 Policies	x			
S1-1 Human rights policy commitments paragraph 20	S1 Policies	x			
S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 paragraph 21	S1 Policies			x	
S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	S1 Policies	x			
S1-1 Workplace accident prevention policy or management system paragraph 23	S1 Policies	x			
S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	S1 Processes to remediate negative impacts and channels for the company's own workers to raise concerns; G1 Mechanisms for identifying, reporting and investigating concerns	x			
S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	S1 Health and safety -table	x		x	
S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	S1 Health and safety -table; S1 Reporting principles for metrics	x			
S1-16 Unadjusted gender pay gap paragraph 97 (a)	S1 Total remuneration ratio of women and men -table	x		x	
S1-16 Excessive CEO pay ratio paragraph 97 (b)	S1 Total remuneration -table				
S1-17 Incidents of discrimination paragraph 103 (a)	S1 Incidents, complaints and severe human rights impacts -table	x			
S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	S1 Incidents, complaints and severe human rights impacts -table	x		x	

ESRS INDICATOR	LOCATION & COMMENT	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
<b>ESRS S2 – Workers in the value chain</b>					
SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	<i>S2 The identification and assessment of material impacts, risks and opportunities</i>	x			
S2-1 Human rights policy commitments paragraph 17	<i>S2 Policies</i>	x			
S2-1 Policies related to value chain workers paragraph 18	<i>S2 Policies</i>	x			
S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	<i>S2 Policies</i>	x		x	
S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 paragraph 19	<i>S2 Policies</i>			x	
S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	<i>S2 Actions</i>	x			
<b>ESRS S3 – Affected communities</b>					
S3-1 Human rights policy commitments paragraph 16	<i>S3 Policies</i>	x			
S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	<i>S3 Policies</i>	x		x	
S3-4 Human rights issues and incidents paragraph 36	<i>S3 Actions</i>	x			
<b>ESRS S4 – Consumers and end-users</b>					
S4-1 Policies related to consumers and end-users paragraph 16	<i>S4 Policies</i>	x			
S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	<i>S4 Policies</i>	x		x	
S4-4 Human rights issues and incidents paragraph 35	<i>S4 Actions</i>	x			
<b>ESRS G1 – Business Conduct</b>					
G1-1 United Nations Convention against Corruption paragraph 10 (b)	<i>G1 Policies</i>	x			
G1-1 Protection of whistle-blowers paragraph 10 (d)	<i>G1 Mechanisms for identifying, reporting and investigating concerns</i>	x			
G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	<i>G1 Incidents of non-compliance with good governance or ethical corporate culture -table</i>	x		x	
G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	<i>G1 Incidents of non-compliance with good governance or ethical corporate culture -table</i>	x			

# E – Environment

## The EU Taxonomy

### General

The Taxonomy is a classification system for the financial market based on Regulation (EU) 2020/852, valid as of the beginning of 2022, listing economic activities sustainable in terms of climate and the environment. The goal of the Taxonomy is to channel money to sustainable investments so that the EU can achieve the ambitious emissions reduction targets it has set for itself.

The Taxonomy does not currently include technical screening criteria for Metsä Board's main business operations, the paperboard and market pulp businesses.

### Taxonomy reporting

The Taxonomy defines six main environmental objectives against which the company's different economic activities are assessed. These environmental objectives are: (a) climate change mitigation; (b) climate change adaptation; (c) sustainable use and protection of water and marine resources; (d) transition to a circular economy; (e) pollution prevention and control; and (f) protection and restoration of biodiversity and ecosystems. Taxonomy-eligible activities have been assessed against the environmental objective to which each activity contributes most substantially. In addition, an assessment has been made to determine that the activities do no harm to any other environmental objectives. In the Taxonomy, the share of revenue, capital expenditure, and operating expenditure are reported for economic activities. Taxonomy alignment reports the extent to which business activities support environmental objectives. An economic activity is considered taxonomy-aligned if it contributes substantially to one of the defined environmental objectives and causes no significant harm to the other environmental objectives. In addition, the activity must meet minimum social safeguards.

Metsä Board has carried out its assessment of taxonomy eligibility and taxonomy alignment based on the EU Taxonomy Regulation, the Climate Delegated Act and the best interpretation of the currently available guidelines issued by the European Commission. Metsä Board's specialists in each topic have assessed whether the economic activity indicated in the Taxonomy meet the criteria of taxonomy alignment. For each economic activity, the assessment considered the criteria for 'substantial contribution' and 'no significant harm' to determine taxonomy alignment. Minimum safeguards were examined at the Group level. Metsä Board was also supported by external specialists in the assessment.

In Metsä Board's opinion, the company meets the Taxonomy's minimum social safeguards, which cover human rights, corruption and bribery, fair competition and taxation. The Group has reviewed each of these from two perspectives: the presence of relevant processes; and the addressing of non-compliance. In its assessment, Metsä Board has detected no incidents of non-compliance or defects in the process. In the reporting year, a human rights impacts assessment was conducted at Metsä Board. It is described on page 28. The human rights due diligence process is described in greater detail under this Sustainability statement's sections *S – Social responsibility* and *G – Governance*. Policies on anti-corruption and fair competition are

included in Metsä Group's Code of Conduct. Corruption and bribery are discussed in greater detail in this Sustainability statement under *G1 – Business conduct* and taxation in the notes to the financial statements under *Taxes*. In addition, section *G1 – Business conduct* covers Metsä Board's practices concerning fair competition.

### Reporting principles

The IFRS-compliant accounting principles followed for the consolidated financial statements are also applied to calculate the key figure for Metsä Board's turnover. The overall turnover used to calculate the key figure corresponds to the turnover disclosed in the consolidated financial statements. The accounting principles used for turnover are discussed in Note 2.2 to the consolidated financial statements.

Capital expenditure includes additions to tangible and intangible fixed assets, including any additions to right-of-use assets recognised based on long-term lease agreements. Any increase in goodwill recognised for acquisitions is not included in the capital expenditure specified in the Taxonomy. These items are handled in accordance with IAS 38 Intangible Assets, IAS 16 Property, Plant and Equipment, and IFRS 16 Leases. Additions to intangible assets are presented in Note 4.1, and additions to property, plant and equipment in Note 4.2, to the consolidated financial statements.

Operating expenses include research and development costs recognised as expenses, and the maintenance costs of production units and property, supplemented by the costs of waste management and short-term lease agreements. The reported expenses include both external service costs and the wages, including indirect employee costs, of the company's own employees responsible for the listed activities. In the group's income statement, the operating expenditure specified in the Taxonomy is included in materials and services, employee expenses and other operating expenses. Operating expenses are disclosed in Note 2.4 to the consolidated financial statements.

The numerator for turnover, capital expenditure and operating expenses encompasses the items related to the assets or processes of economic activities in the scope of the Taxonomy. To avoid double counting, external turnover has been included in the Taxonomy operations only once. In addition, measures have been adopted to ensure that capital expenditure and operating expenses are kept separate for each operation.

### CE 3.2 Renovation of existing buildings

Taxonomy-eligible capital expenditure includes the renovation of existing buildings, including renovation investments in Metsä Board's real estate. This activity encompasses renovations with a value in excess of EUR 100,000, as renovation projects below are considered normal service and maintenance expenses.

Taxonomy-eligible capital expenditure includes renovation work at the Äänekoski, Kyro, Simpele, Kemi, Joutseno and Husum production units.

Taxonomy-eligible operating expenditure includes operating expenditure for renovations carried out on the buildings in the Tako and Husum mill areas.

### CCM 4.20 Cogeneration of heat/cool and power from bioenergy

In the activity of cogeneration of heat/cool and power from bioenergy, taxonomy-eligible turnover is generated from the sale of heat produced at the Simpele power plant. The taxonomy-aligned turnover for the activity

includes the sale of heat produced at the Kyro power plant to nearby areas, as well as the sale of heat and electricity from the Husum pulp mill.

Taxonomy-eligible capital expenditure related to activity include maintenance investments made at the Simpele power plant. The taxonomy-aligned capital expenditure for the activity include an investment in a new turbine at the Kyro power plant and investments in a new recovery boiler and turbine at the Husum pulp mill.

Taxonomy-eligible operating expenses consist of maintenance costs for the Simpele power plant. The taxonomy-aligned operating expenses include maintenance costs for the Husum pulp mill and the Kyro power plant.

#### CCM 4.24 Production of heat/cool from bioenergy

Taxonomy-eligible capital expenditures under the activity include maintenance investments made in the Kaskinen chemical recovery plant, and the taxonomy-aligned capital expenditures include maintenance investments made in the Kaskinen power plant.

The activity's taxonomy-eligible operating expenses include maintenance costs for the Kaskinen chemical recovery plant, and the taxonomy-aligned operating expenses consist of maintenance costs for the Kaskinen power plant. Due to the climate risk analysis conducted in 2024, the operation of the Kaskinen power plant was taxonomy-aligned for the first time in the reporting year. More information about the climate risk analysis can be found in section E1 – Climate change.

### Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year 2024	Year		Substantial contribution criteria								DNSH criteria ('Does not significantly harm')								
	Code	Turnover	Proportion of turnover, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
<b>Economic activities</b>		EUR million	%	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Cogeneration of heat/cool and power from bioenergy	CCM 4.20.	2.7	0%	Y	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL	Y	Y	Y	Y	Y	Y	Y	0%		
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>2.7</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0%</b>		
Of which enabling		0.0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which transitional			0%	0%													0%		
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Cogeneration of heat/cool and power from bioenergy	CCM 4.20.	0.7	0%	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL								0%		
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>0.7</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>0%</b>		
<b>A. Turnover of Taxonomy eligible activities (A.1+A.2)</b>		<b>3.4</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>										
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>Turnover of Taxonomy-non-eligible activities</b>		<b>1,935.2</b>	<b>100%</b>																
<b>TOTAL</b>		<b>1,938.6</b>	<b>100%</b>																



Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year 2024	Year		Substantial contribution criteria							DNSH criteria ('Does not significantly harm')							Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2023	Category enabling activity	Category transitional activity
	Code	CapEx	Proportion of CapEx, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards			
Economic activities		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Cogeneration of heat/cool and power from bioenergy	CCM 4.20.	11.2	6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	10%		
Production of heat/cool from bioenergy	CCM 4.24.	0.2	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>11.4</b>	<b>7%</b>	<b>7%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	Y	Y	Y	Y	Y	Y	Y	<b>10%</b>		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which transitional			0%	0%													0%		
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Cogeneration of heat/cool and power from bioenergy	CCM 4.20.	0.5	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Production of heat/cool from bioenergy	CCM 4.24.	0.0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Renovation of existing buildings	CE 3.2.	3.8	2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1%		
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>4.3</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>	<b>0%</b>								<b>2%</b>		
<b>A. CapEx of Taxonomy eligible activities (A.1+A.2)</b>		<b>15.7</b>	<b>9%</b>	<b>7%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>	<b>0%</b>								<b>12%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>CapEx of Taxonomy-non-eligible activities</b>		<b>159.7</b>	<b>91%</b>																
<b>TOTAL</b>		<b>175.4</b>	<b>100%</b>																

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year 2024	Year		Substantial contribution criteria							DNSH criteria ('Does not significantly harm')							Proportion of Taxonomy aligned (A.1) or eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity
	Code	OpEx	Proportion of OpEx, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards			
Economic activities		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Cogeneration of heat/cool and power from bioenergy	CCM 4.20.	6.9	5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4%		
Production of heat/cool from bioenergy	CCM 4.24.	1.7	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>8.6</b>	<b>6%</b>	<b>6%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	Y	Y	Y	Y	Y	Y	Y	<b>4%</b>		
Of which enabling		0.0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which transitional			0%	0%													0%		
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Cogeneration of heat/cool and power from bioenergy	CCM 4.20.	2.4	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3%		
Production of heat/cool from bioenergy	CCM 4.24.	0.3	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
Renovation of existing buildings	CE 3.2.	0.5	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1%		
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>3.2</b>	<b>2%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>6%</b>		
<b>A. OpEx of Taxonomy eligible activities (A.1+A.2)</b>		<b>11.8</b>	<b>9%</b>	<b>8%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>10%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>OpEx of Taxonomy-non-eligible activities</b>		<b>124.4</b>	<b>91%</b>																
<b>TOTAL</b>		<b>136.2</b>	<b>100%</b>																

Template 1 for the economic activities of certain energy sectors – Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
<b>Fossil gas related activities</b>		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

# E1 – Climate change

## Material impacts, risks and opportunities related to climate change mitigation and energy

Impacts	Risks and opportunities for Metsä Board	Management	Analysis from the perspective of IPCC's 1.5 °C and 4.3 °C scenarios*
<b>Greenhouse gas emissions in own operations</b>			
<p>↑ Metsä Board is a nationally significant producer of renewable energy. The renewable bio-based fuels used by Metsä Board mainly consist of wood-based production side streams and logging residue.</p>	<p>↑ <b>Market opportunity:</b> By producing and consuming renewable energy, Metsä Board can replace fossil-based energy sources. Renewable energy already accounts for 74% of the energy used in Metsä Board's production (Scope 1 and Scope 2). Most of the energy generated at Metsä Board is used in the company's own production.</p>	<ul style="list-style-type: none"> <li>Metsä Board has set as its sustainability targets the improvement of energy efficiency and the transition to entirely fossil-free fuels, as well as fossil-free purchased electricity and heat, by the end of 2030. To achieve these targets, each of the company's production units has a roadmap on the required actions.</li> </ul>	<ul style="list-style-type: none"> <li>Thanks to its large share of renewable energy and resource efficiency, Metsä Board can already offer customers products with a competitive carbon footprint. The competitive advantage is greater in the 1.5 °C scenario, in which the carbon footprint influences purchase decisions more than in the 4.3 °C scenario.</li> </ul>
<p>↔ The company's biogenic carbon dioxide emissions are classified as carbon-neutral.</p>	<p>↑ <b>Regulatory opportunity:</b> EU regulation recognises biogenic carbon capture and reuse as raw material as a key technology in climate change mitigation, and seeks to create market drivers and incentives for investments.</p>	<ul style="list-style-type: none"> <li>Active dialogue with policymakers and other stakeholders develops the operating environment. Political influence is discussed in greater detail under <i>GI – Business conduct</i>.</li> </ul>	<ul style="list-style-type: none"> <li>In the long term, Metsä Group has a considerable opportunity to create BECCU business and introduce bio-based products replacing fossil-based materials on the market. This opportunity is greater in the 1.5 °C scenario than on the 4.3 °C track.</li> </ul>
<p>↓ Metsä Board's production causes climate-warming greenhouse gases. However, Scope 1 and Scope 2 carbon dioxide emissions have reduced notably from the 2018 level.</p>	<p>↓ <b>Regulatory risk:</b> Regulation sets significant requirements for new production technology reducing emissions or affects the status of biogenic carbon dioxide emissions in terms of climate neutrality. This may cause changes in the pricing of energy and greenhouse gas emissions, increasing expenses in both production and transport.</p>	<ul style="list-style-type: none"> <li>Metsä Group has continued its study initiated in 2023 concerning technological and business opportunities for capturing biogenic carbon dioxide and reusing it as raw material for bioproducts (BECCU).</li> </ul>	<ul style="list-style-type: none"> <li>The climate neutrality of biogenic carbon dioxide is a key driver in BECCU value chain investments. Should the classification change, it could negatively affect companies' investment appetite, making the 1.5 °C scenario more difficult to achieve.</li> <li>Regulatory impacts, as well as risks and opportunities, are smaller in the 4.3 °C scenario.</li> </ul>
<b>Greenhouse gas emissions in the upstream and downstream value chain</b>			
<p>↓ The emissions caused by the long transport distances of Metsä Board's upstream and downstream value chain and some products (Scope 3) generate climate-warming greenhouse emissions.</p>	<p>↑ <b>Market opportunity:</b> Metsä Board's main raw material, wood, is mainly procured from Finnish and Swedish forests, keeping transport distances moderate.</p> <p>↓ <b>Regulatory and market risk:</b> Regulation and customer requirements increase the demands to reduce greenhouse gas emissions in the value chain. A comprehensive identification, accurate measurement and reduction of climate impacts is more challenging in the value chain than in the company's own operations. For example, 31% of Scope 3 emissions come from the end-of-life treatment of sold products.</p>	<ul style="list-style-type: none"> <li>During the financial year, the calculation of Scope 3 emissions was further developed.</li> <li>Suppliers are encouraged to set emissions reduction targets. In addition, joint emissions reduction projects are agreed with suppliers. They are related to Metsä Group's strategic target of setting joint sustainability targets with partner suppliers.</li> <li>By 2030, Metsä Group's Wood Supply aims to have reduced fossil-based carbon dioxide emissions from wood supply in Finland by 30% from the 2022 level.</li> <li>Active dialogue with policymakers and other stakeholders develops the operating environment.</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory and market risks and opportunities are greater in the 1.5 °C scenario than in the 4.3 °C scenario.</li> <li>In the 4.3 °C scenario, the value chain's motivation to produce and share information about emissions is low, making it more difficult to measure Scope 3 emissions and commit the value chain to emissions reductions than in the 1.5 °C scenario.</li> </ul>
<b>Carbon balance of forests</b>			
<p>↔ Metsä Group provides its parent company Metsäliitto Cooperative's owner-members with forest management services that support regenerative forestry, promoting carbon storage in commercial forests. Metsä Group is developing a calculation to verify the impact of wood supply and forest management on the carbon balance. In Finland, wood is mainly procured from owner-members' forests, and owner-members own 32% of Finnish forests.</p>	<p>↑ <b>Market opportunity:</b> Awareness of regenerative forestry increases and further boosts customers' and other stakeholders' trust in Metsä Board. Wood is Finland's most significant processed natural resource, providing a good basis for the bioeconomy and circular economy, and innovations based on a renewable raw material.</p> <p>↔ <b>Market and regulatory opportunity and risk:</b> The development of voluntary carbon markets and EU regulation concerning the certification of carbon removals provide opportunities for improving forests' carbon storage and tree growth through active forest management. However, the growth of voluntary carbon markets involves a risk of reduced wood raw material availability.</p> <p>↓ <b>Regulatory risk:</b> Regulation concerning the use of forests as carbon sinks and storage restricts felling volumes. Legislation will become fragmented, and it will fail to account for local conditions or all the other ecosystem services apart from carbon storage. This will lead to the partial optimisation of forest management from the perspective of ecosystem services.</p> <p>↓ <b>Market risk:</b> Consumers will become increasingly critical of forest use because they associate wood consumption with the decrease in the carbon sinks and storage of forests. The size of this risk will be influenced by Metsä Group's success in its regenerative forestry target and in mainstreaming related measures.</p>	<ul style="list-style-type: none"> <li>Metsä Group's regenerative forestry strategy aims to measurably strengthen the state of nature by 2030. As part of regenerative forestry, strategic sustainability targets have been set for wood supply, the achievement of which increases carbon storage in commercial forests and promotes forest biodiversity.</li> <li>The forest is quickly renewed after regeneration felling so that it can begin storing carbon more rapidly from the atmosphere.</li> <li>The calculation and reporting of the carbon balance of forests is being developed in cooperation with forest owners and partners.</li> <li>Resource-efficient use of raw materials avoids waste in production. The goal is to use all production side streams.</li> <li>Active dialogue with policymakers and other stakeholders develops the operating environment and increases awareness of regenerative forestry.</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory and market risks and opportunities are greater in the 1.5 °C scenario than in the 4.3 °C scenario.</li> <li>In the 4.3 °C scenario, information about forests' carbon balance and products' biogenic carbon storage is underutilized, weakening opportunities to extensively optimise the climate benefits of wood-based value chains and the related market opportunities.</li> </ul>

Impacts	Risks and opportunities for Metsä Board	Management	Analysis from the perspective of IPCC's 1.5 °C and 4.3 °C scenarios*
<b>Products</b>			
↑ Metsä Board uses mainly fossil-free raw materials and packaging materials	↑ <b>Regulatory opportunity:</b> Regulation that acknowledges that forest industry products can replace materials made from fossil-based raw materials, and/or the production of which generates substantial amounts of fossil-based emissions.	<ul style="list-style-type: none"> <li>The main raw material of products is renewable wood. The goal is for all raw materials and packaging materials to be fossil-free by 2030.</li> <li>The use of fossil-free energy and the resource efficiency of products reduce their carbon footprint.</li> <li>The continuous development of the carbon footprint calculation of Metsä Board's products.</li> <li>Metsä Board cooperates with Metsä Group's R&amp;D organisation in themes concerning fossil-free raw materials and the circular economy.</li> <li>New forest-based bioeconomy and circular economy business concepts are sought and developed in cooperation with partners.</li> <li>Active dialogue with policymakers and lobbying associations to develop product-related legislation.</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory and market opportunities are greater in the 1.5 °C scenario than in the 4.3 °C scenario.</li> <li>In the 4.3 °C scenario, the carbon footprints of products and the biogenic carbon stored in products no longer steer customer's choices. The market introduction of new bio-based products is more difficult in this scenario than in the 1.5 °C scenario.</li> </ul>
↑ Metsä Board produces fibre-based products that can be used to replace fossil-based products and are recyclable, retaining biogenic carbon in the cycle.	↑ <b>Market opportunity:</b> Metsä Board's long-term work to promote resource efficiency and fossil-free operations and products helps Metsä Board's customers achieve their own climate change mitigation targets. Climate benefits are verified with life-cycle calculations. Consumers favour easily recyclable packaging made from a renewable fossil-free raw material. Metsä Group has an ongoing development project related to biogenic carbon capture that is an important component in the development of a hydrogen economy and can provide a sustainable raw material for various products.		
	↓ <b>Regulatory risk:</b> Regulation that does not identify the climate benefits of products based on renewable wood raw material but primarily focuses on promoting recycled raw material.		

## Physical risks related to climate change adaptation and their management

Risks for Metsä Board	Management	Analysis from the perspective of IPCC's 1.5 °C and 4.3 °C scenarios
<b>Acute hazards</b>		
↑ An analysis of the physical risks of production units conducted in 2024 indicated that the physical risks of Metsä Board's production units are clearly below average, which supports the company's competitiveness in a changing climate.	Metsä Board prepares for the risks arising from extreme weather phenomena at both the company and mill levels. Examples of such measures include sufficient wood reserves, controlling water levels with dam arrangements, and ensuring power supply in exceptional situations. The supply chain is preparing for alternative partners or transport routes.	The impacts of risks are considerably higher in the 4.3 °C scenario than in the 1.5 °C scenario.
↓ Storms, drought and floods cause disruptions in production or complicate the transport of raw materials and products.		
<b>Chronic hazards</b>		
↑ Metsä Board's mills are not located in or do not withdraw water from areas at high overall water risk, which supports the company's competitiveness in the face of climate change.	All Metsä Board production units are located by abundant surface water reserves. Metsä Board's mills are not located in areas at high overall water risk, which supports the company's competitiveness in the face of climate change (WRI Aqueduct Water Risk Atlas). Metsä Board's goal of reducing process water use and enhancing the recycling of water within the process reduces the water risk.	The impacts of risks are considerably higher in the 4.3 °C scenario than in the 1.5 °C scenario.
↓ The increased frequency of droughts weakens the availability of the process and cooling water needed by mills and causes production breaks.		
↓ Harvesting conditions weaken due to a lack of snow and frost and because of increased precipitation.	Metsä Group's wood supply always considers weather conditions and related changes in harvesting. Wood is harvested only in suitable conditions. If required, wood terminals can be used to smooth out any variation caused by harvesting conditions Metsä Group engages in active technological development to adapt to climate change (planning and harvesting technology).	Temperatures are rising at a different pace in different parts of the world due to climate change. In the 4.3 °C scenario, the long-term (2050) increase in Finland is expected to be 6–7 degrees. The impacts of risks are bigger and more likely in the long term than the short term.
↓ During their life-cycle, Finnish forests will be faced by a considerable temperature increase. As a result, the risk of storms, floods, snow, forest fires, drought and pest insects will increase. Emissions from peatland forests will increase as temperatures rise. Changes will also occur in the prevalence of tree species, and alien species will cause problems in the forest.		

- ↑ Positive impact on the environment and society or on Metsä Board's business
- ↓ Negative impact on the environment and society or on Metsä Board's business
- ↔ Neutral impact on the environment and society or on Metsä Board's business

\* The 1.5 °C scenario corresponds to RCP 1.9, in which global warming resulting from climate change remains at or below 1.5 degrees centigrade. The 4.3 °C scenario corresponds to RCP 8.5, in which global warming resulting from climate change averages 4–5 degrees centigrade (by 2050)

## Metsä Board's 2030 sustainability targets

	2030 target	2024	2023	2022	2018
Fossil-based carbon dioxide emissions (Scope 1 and Scope 2 market-based), t	0 tn	251 708	183 600	391 220	577 875
Share of target group suppliers with targets set in accordance with the SBTi by 2024 (Scope 3) <sup>1</sup> , %	70%	24	19	15	4.3
Improvement in energy efficiency from the 2018 level, %	+10%	+0.9	-5.8	+2.7	2.36 MWh/t
Fossil-free raw materials and packaging materials, share of dry tonnes, %	100%	98.9	98.8	98.8	-
<b>Metsä Group's 2030 sustainability targets</b>					
MG: Amount of carbon stored in wood products from the 2018 level, %	+30%	-25	-21	-12	1,651,505 t
MG: Amount of forest regeneration and young stand management from the 2018 level, %	+30%	+18	+14	+2.8	33,265 ha
MG: Amount of forest fertilisation from the 2018 level, %	+50%	-22	-26	-	9,115 ha
MG: Share of continuous cover forestry in peatland forest regeneration, %	30%	15	17	-	-

<sup>1)</sup> In contrast with the other targets, the Scope 3 target year was 2024, and the base year was 2019.

<sup>2)</sup> The wet pulp production line acquired by Metsä Board in Kemi in 2024 has not yet been factored into the water and energy efficiency target calculations.

MG: The target has been set at the level of Metsä Group.

Comparative data has not been provided for all the new targets set in 2023. Information for 2018 is not disclosed in the case of fossil-free raw materials and packaging materials due to changes in calculation. Further details can be found under Reporting principles for metrics.

Metsä Board's 2030 sustainability targets, and their setting and monitoring, are discussed in greater detail under *Sustainability governance and strategy* and *Material sustainability-related impacts, risks and opportunities*.

The company's targets for reducing greenhouse gas emissions (Scope 1 and Scope 2) have been approved by the Science Based Targets initiative, and they meet the strictest requirements of the Paris Agreement, aimed at limiting global warming to 1.5 degrees. In 2019, Metsä Board also set the target that 70% of the suppliers belonging to the company's target group would set GHG emissions reduction targets in accordance with the SBTi by the end of 2024. In 2024, the actual figure was 24%. In accordance with the EU's Corporate Sustainability Due Diligence Directive, Metsä Board is preparing to set an absolute Scope 3 emissions reduction target and thus a total emissions reduction target (Scope 1, Scope 2 and Scope 3) in accordance with the Paris Agreement no later than 2027. The guidelines on the Directive's application and its national implementation are still underway.

### Progress in targets

- **Fossil-based carbon dioxide emissions (Scope 1 and Scope 2, market-based)** – Investments and energy efficiency measures along with a moderate production level slightly reduced Scope 1 emissions. Scope 2 emissions increased clearly from the previous year due to higher energy consumption. Nevertheless, the emissions level complied with the 2030 target plans. Overall, fossil-based carbon dioxide emissions (Scope 1 and Scope 2 market-based) have decreased by 56% from the 2018 level.
- **Share of target group suppliers with targets set in accordance with the SBTi by 2024 (Scope 3)** – In 2024, the realisation of the target was 24%. The company is preparing to set a new target.
- **Improvement in energy efficiency from the 2018 level** – In 2024, energy efficiency improved from the previous year due to higher production at mills. In addition, 17 energy efficiency projects were carried out during 2024. However, production curtailments due to the market situation kept energy efficiency development at a moderate level. Furthermore, the gas explosion at Metsä Fibre's Kemi bioproduct mill caused a long production outage at Metsä Board's Kemi board mill.
- **Fossil-free raw materials and packaging materials, share of dry tonnes** – The share of fossil-free raw materials and packaging materials

of dry tonnes remained at a good level, with nearly all the raw materials and packaging materials being fossil-free.

## The identification and assessment of material impacts, risks and opportunities

Metsä Board's climate risks were assessed in 2024 as part of Metsä Group's climate risk analysis, which covered the physical risks, transition risks and opportunities in the company's own operations and value chain. Metsä Group's internal climate risk workshops were attended by specialists and management from Metsä Board and Metsä Group's other business areas and functions. Two IPCC climate scenarios (RCP 1.9 and RCP 8.5), reports of the Finnish Meteorological Institute and scientific articles were used in the analysis. In the RCP 1.9 scenario, the increase in the world's mean temperature is limited to 1.5 °C, and in the RCP 8.5 scenario, emissions continue to increase at the current pace, and the world's mean temperature increases on average by 4.3 °C by 2100. The analysis included a short-term (less than one year), medium-term (1–5 years) and long-term (more than 5 years) review. The time horizons have been considered in terms of the production units' operating lifetime. Production units are designed to operate for a long time, and their life-cycle exceeds the time horizons employed. They are therefore not discussed in greater detail. Metsä Group's ongoing lobbying work and the related analysis of the operating environment played a key role in the assessment of transition risks. The physical climate risks of Metsä Board's production units and key supply chains were analysed by an external partner. The analysis was carried out using geolocation-based modelling and various climate scenarios. In addition to the present day, the analysis covered 2030 and 2040. The results of the analysis did not highlight any significant risks related to Metsä Board's production units. Based on this, the location of Metsä Board's production units supports the company's competitiveness in the face of climate change. The results of the climate risk and scenario analysis are presented in the table on page 45. The results of the climate risk analysis are included in the company's double materiality assessment. The materiality assessment is discussed on page 26–28.

Ensuring undisturbed and uninterrupted operations in all conditions is key in the risk assessment of production units. The assessment process of

production units' environmental risks is guided by the ISO 14001 and ISO 50001 management systems. The key identified risks are included in the company-level risk management process.

The environmental impacts of production units are assessed in connection with the environmental impact assessments of investment projects, for example. The need for environmental impact assessments is determined by the local EIA authority. Risks related to climate change have been taken into account in the environmental impact assessments of the most recent investments.

The regulatory risks associated with forest use are identified, assessed and managed in cooperation with Metsä Group's Wood Supply and the Corporate Affairs unit.

## Transition plan for climate change mitigation and adaptation

In 2024, the ability of Metsä Board's strategy to respond to climate change was examined in a climate resilience analysis carried out in connection with Metsä Group's resilience analysis. The analysis was used in drawing up a climate transition plan, supervised by Metsä Group's Corporate Affairs unit and steered by Metsä Group's Sustainability Process Management Team, which comprises directors in charge of sustainability from Metsä Group's businesses and Group Services. Metsä Board was represented by the SVP, Development. Metsä Group's Executive Management Team participated in the climate resilience analysis. Metsä Board's CEO is a member of Metsä Group's Executive Management Team. Metsä Board's Corporate Management Team approved the transition plan in 2024. The company's Board of Directors was also informed about the plan.

The resilience analysis covered Metsä Board and Metsä Group's own operations and their value chain. The strategy's resilience was assessed by comparing its adaptive change capability and transformative capability against the material climate risks identified in the risk assessment. Adaptive change capability means the gradual adaptation and mitigation actions mainly in the company's own operations. Transformative capability means actions promoting change that have a broader impact in value chains and communities, for example. The analysis indicated that investing in adaptive change capability and transformative capability strengthens Metsä Board's climate resilience. The significance of transition risks and opportunities is highlighted, especially in the scenario mirroring the Paris Agreement objectives. In turn, the high-emissions scenario emphasises physical risks. The analysis of material physical and transition risks is updated annually. The climate risk scenario analysis and its results are described on page 45. The materiality assessment is discussed on pages

26–28. Metsä Board's risk management process and its responsibilities are described in greater detail in the Corporate Governance Statement.

The weak predictability of EU legislation is a key uncertainty factor related to the resilience analysis. Adding to uncertainty is the fact that many important details are laid down in provisions separate from the text of directives and regulations. Another significant uncertainty factor is the assessment of the ability of complex natural ecosystems such as forests to adapt to climate change.

Population growth, urbanisation, climate change, biodiversity loss and digitalisation pose challenges to companies while offering them growth opportunities. The purpose of Metsä Board's business is to promote the bioeconomy and circular economy by sustainably and efficiently upgrading northern wood into premium products. According to its strategy, Metsä Board aims to grow in fibre-based packaging materials and renew its industrial operations. The company implements its strategic programmes, including growth and development investments, to improve the mills' production and resource efficiency and reduce the carbon footprint of paperboard products. At Metsä Board, climate change mitigation and adaptation and regenerative forestry as part of sustainability work have been integrated into the company's business and strategic targets. Many Metsä Board shareholders appreciate long-term climate work and continuous development. This is also important to the owner-members of Metsäliitto Cooperative, Metsä Board's largest shareholder.

The company aims to use green financing sources in the transition to fossil-free production and in other financing plans for industrial operations. Investments are financed with equity and external financing. Metsä Board uses Metsä Group's Green Finance Framework to support the financing and refinancing of environmentally sustainable investments. The Green Finance Framework, which was updated in 2024, links Metsä Group's sustainability targets increasingly closely to financing operations in accordance with recent market practices. The sustainable financing committee supervises the implementation of the finance framework. This will be further specified in next year's report.

The following table presents the key parts of the climate transition plan. The progress made in the climate transition plan's implementation is described under *Progress in targets* on page 43. Climate targets and actions are discussed in greater detail under *Targets and Actions* in this section. Strengthening the state of forest nature plays an important role in climate change adaptation. Biodiversity-related sustainability targets and actions are presented in greater detail under *E4 – Biodiversity and ecosystems*. The entire climate transition plan can be found on *Metsä Board's website*.

## Transition plan for climate change mitigation

Sub-field	Key actions and related targets
<b>Products</b>	Metsä Board's paperboards can help Metsä Board's customers, such as brand owners, achieve their own targets for climate change mitigation. Climate benefits are verified with life-cycle calculations. Transitioning to a low-carbon economy will increase demand for climate-resilient products. Paperboard can replace materials made from fossil-based raw materials and/or the production of which generates substantial amounts of fossil-based emissions. The company aims for entirely fossil-free production and packaging materials by the end of 2030. The progress made in the targets is discussed under E1 Metsä Board's 2030 Targets.
<b>Research and development</b>	<p>R&amp;D&amp;I activities play a key role in the climate transition across the value chain. Development focuses on the properties of current products, new wood-based bioproduct innovations alongside traditional forest products, and production technologies. Metsä Board continues to develop dispersion-coated paperboards that can reduce plastic use and improve packaging recyclability.</p> <p>In 2024, the technological and energy implications of wide-scale biogenic carbon capture from the flue gases of bioproduct mills were examined for the first time at Metsä Group. Should carbon capture prove viable, the forest industry could gain a new high-volume wood-based raw material as a suitable replacement for fossil-based raw materials in the chemical industry, for example.</p>
<b>Use of renewable energy, minimisation of fossil-based emissions, continuous improvement of resource efficiency and material cycles</b>	<p>Metsä Board has set itself absolute 2030 emission reduction targets for Scope 1 and Scope 2 emission categories. It aims for fully fossil-free production, which means reducing fossil-based Scope 1 and Scope 2 carbon dioxide emissions to zero by the end of 2030. After abandoning fossil fuels, only biogenic greenhouse gases are left, most of which is biogenic carbon dioxide, classified as climate neutral in the EU criteria. In addition, wood-based energy generates small amounts of biogenic methane and nitrous oxide, which, according to the ESRs definition, are included in Scope 1 and Scope 2 emissions along with fossil-based GHGs.</p> <p>To achieve the target, Metsä Board has a plan for investments and actions to replace fossil-based fuels and purchase energy from fossil-free sources. Metsä Board is also investing in the efficient use of energy, water and materials. New investments are planned with a high level of automation and the best available technology in mind. It is impossible to calculate the exact capital expenditure for climate measures because some of the costs are indirect and are incurred as part of other investments. In recent years, the key investments for achieving fossil-free production have been the renewal of the recovery boiler and turbine at the Husum pulp mill and the renewal of the turbine at the Kyro board mill. The total capital expenditure of these investments is approximately EUR 420 million. Among other things, future investments include the electrification of the mills' boilers and processes that still use fossil fuels. Metsä Board's taxonomy-aligned turnover, capital expenditure and operating expenditure are discussed in the section the EU Taxonomy. The Taxonomy's technical screening criteria do not currently cover Metsä Board's core business. Taxonomy-eligible economic activities therefore account for only a minor share of turnover and are not fully in line with the investments included in the transition plan. In 2024, Metsä Board assessed the physical climate risks of all its production units and improved its taxonomy alignment. In 2024, the company's taxonomy-aligned activities were related to the generation of heat, cooling and power from bioenergy. These activities promote the use of renewable energy in the transition plan. Metsä Board had no investments in coal, oil or gas in 2024.</p> <p>The emission reduction targets are approved by the Science Based Targets initiative (SBTi), and they support the Paris Agreement's objective of limiting global warming to no more than 1.5 °C above pre-industrial levels. The targets also contribute to the company's adaptation to a low-carbon future. No internationally recognised sector-specific decarbonisation development path is currently available for Metsä Group's industry, the forest industry. Metsä Group has not yet set any official post-2030 emission reduction targets, but planning of the 2050 1.5 °C net zero pathway in accordance with the Paris Agreement is underway, particularly regarding Scope 3 emissions. Concerning fossil-based Scope 1 and Scope 2 carbon dioxide emissions, the target is zero as soon as the end of 2030. A net zero target will be set in the near future and no later than 2027. Metsä Group will come under the scope of the EU's new Corporate Sustainability Due Diligence Directive in July 2027. The Directive requires companies to have a transition path aiming for net zero by 2050. The Directive's national implementation is underway. The EU Commission is expected to release additional guidelines on the Directive's application.</p> <p>Metsä Board does not use carbon units purchased outside the value chain to offset or balance emissions. Metsä Board follows the development of voluntary carbon markets, including the EU's regulation on carbon removal certification (CRCF). They will play a role in balancing Scope 3 residual emissions when working towards the 2050 net zero target.</p>
<b>Cooperation and impact management in the value chain</b>	<p>In accordance with the target set by Metsä Board in 2019, 70% of the suppliers belonging to the company's target group should set GHG emission reduction targets in accordance with the SBTi by the end of 2024. In 2024, 24% had done so.</p> <p>In accordance with the EU's Corporate Sustainability Due Diligence Directive, Metsä Board is preparing to set an absolute Scope 3 emissions reduction target and thus a total emissions reduction target (Scope 1, Scope 2 and Scope 3) in accordance with the Paris Agreement no later than 2027. The guidelines on the Directive's application and its national implementation are still underway. Currently, Metsä Board's Scope 3 target does not comply with the 1.5 °C trajectory. What makes determining Scope 3 emissions challenging is that while Metsä Board can produce products with an increasingly low carbon footprint by investing in new resource-efficient and environmentally efficient production units and the renewal of mills to reduce their emissions, these investments increase Scope 3 emissions.</p> <p>In late 2024, Metsä Group set as its target to reduce GHG emissions in category 4, 'Upstream transport and distribution', by 30% per tonne produced by 2030. The target's baseline year is 2022, and the target will be in force as of 2025, after which information about it will be reported in greater detail. Metsä Group has also agreed to joint sustainability targets, many of which concern reducing GHG emissions, with its partner suppliers.</p>
<b>Safeguarding nature's capacity for renewal and developing regenerative forestry</b>	Metsä Group's Wood Supply and Forest Services, which also handle Metsä Board's wood supply, provide forest services for climate change mitigation and adaptation to Metsäliitto Cooperative's owner-members as part of the regenerative forestry strategy. In Finnish forestry, wood production does not involve land-use change, as production is based on native tree species and is part of the natural forest ecosystem, which also offers various other ecosystem services. Metsä Group also promotes regenerative land use in its mill areas. Further information on biodiversity actions is provided under E4 – Biodiversity and ecosystems.
<b>Employee commitment</b>	<p>Metsä Board's Board of Directors is the company's highest body overseeing sustainability. Metsä Board's CEO is in charge of the implementation of sustainability measures in accordance with the Board's instructions. To ensure the sustainability and responsibility of its business, Metsä Board uses remuneration to support the achievement of its strategic, operational and sustainability targets. At least one sustainability target is included in the annual targets of the CEO, other Corporate Management Team members and other employees, which are used as the bases for annual bonuses.</p> <p>All Metsä Board employees complete an e-learning course on the basics of sustainability. Climate themes are a central element of the course. An important part of the strategy's implementation is the development of core competence important to the company. Metsä Group's Academy concept has been developed for this purpose. In 2024, the concept encompassed Academies for sustainability, sales, procurement, leadership and finance. Climate-related topics are of key importance in the Sustainability Academy, and they are also discussed in other academies and leadership programmes.</p>

## Policies

As part of Metsä Group, Metsä Board is committed in its environmental policy to transitioning to fully fossil-free fuels at its production units, replacing purchased electricity and heat with fossil-free alternatives, improving its energy efficiency, and finding fossil-free alternatives to all the company's raw materials and packaging materials. Policy commitments and related actions are the key measures for managing the identified impacts, transition risks and opportunities described on pages 41–42. Commitments also encompass ways to manage physical climate risks through water efficiency and sustainable forestry, for example. The environmental policy is followed worldwide by all Metsä Group companies and legal units, and the impacts of the Group's operations have been identified across the value chain. The policy is owned by the SVP, Corporate Affairs, and its implementation is handled by the heads of sustainability in each business area. The main stakeholders affected by the policy are the company's own workforce, suppliers and workers in the value chain, and local communities.

Environmental management and environmental performance are guided by the requirements of the production units' certified quality, environmental management and energy management systems. The production units systematically conduct internal and external audits in accordance with the ISO 14001 and ISO 50001 standards.

In the Leader in sustainability strategic programme, the climate focus is on reaching the strategic sustainability targets for fossil-free operations at production units, fossil-free products, and water and energy efficiency.

Forest use is guided by Metsä Group's principles for forest use and management, in which Metsä Group commits to increasing the amount of carbon bound in forests and to promoting forest biodiversity, among other things. Certified quality and environmental management systems are in use in Metsä Group's wood supply.

Suppliers are required to commit to Metsä Group's Supplier Code of Conduct or to their own equivalent codes. Among other things, the Supplier Code of Conduct encourages the setting of reduction targets for greenhouse gas emissions in accordance with the principles of the Science Based Targets initiative, and to continuously improve environmental performance and efficient energy use. Suppliers are required to adopt a certified environmental management system where applicable.

## Actions

### Greenhouse gas emissions and energy in the company's own operations

Metsä Board's plan for climate change mitigation comprises investments and measures for replacing fossil fuels with renewable fuels or fossil-free electricity at all the company's production units and power plants. The measures apply to the fuels and backup fuels used at power plants and to the process fuels used at production units. The company will also transition to fully renewable or fossil-free alternatives in its purchased energy. In addition, the company will improve the efficiency of its energy and water use through continuous development and investment. Reducing water use is a way of mitigating climate change, as process water use and wastewater treatment consume energy, causing greenhouse gas emissions. Measures related to water use are discussed under *E3 – Water and marine resources*. The measures especially affect local communities and the company's own workforce.

Production shutdowns and a production speed lower than normal reduce the energy efficiency of production units. In 2024, Metsä Board's paperboard and high-yield pulp production was restricted, among other things, by political strikes in Finland, production curtailment measures adopted to adjust to demand, and the gas explosion at Metsä Fibre's Kemi bioproduct mill. Metsä Board's Kemi paperboard mill, which produces white top kraftliner, is part of the Kemi integrated mill. While the bioproduct mill was being repaired, white top kraftliner was produced at a lower than normal production rate using dried pulp and alternative energy sources. Due to the explosion, the targets for enhancing water and energy use specified in the Kemi board mill's development programme were not fully met in 2024.

Energy efficiency was improved by the deployment of a new turbine and generator at the biopower plant of Metsä Board's Kyro board mill in 2024. Thanks to the new turbine's improved efficiency, the biopower plant's electricity self-sufficiency will increase from 30 to 50%. The investment will also increase the share of fossil-free electricity at the Kyro mill. In 2024, the investment's capital expenditure amounted to EUR 5 million.

In 2023, the first phase of the Husum pulp mill's renewal was completed, including the installation of a new recovery boiler and turbine. These improved the mill's energy efficiency. In 2024, capital expenditure of EUR 13 million was associated with the investment.

In 2024, the company launched the renewal of the Simpele folding box-board machine, which will enable fossil fuels to be replaced in paperboard production. Deployment is scheduled to take place in 2025. The total value of the investment is EUR 60 million. In the first half of the year, the Simpele mill discontinued the use of peat and replaced it with renewable energy sources.

In 2024, Metsä Group explored large-scale carbon capture. The study focused on the capture of four million tonnes of carbon dioxide at a facility the size of Metsä Group's Kemi bioproduct mill. According to the study, large-scale capture of all the carbon dioxide from a large bioproduct mill is feasible, and in the future, captured carbon dioxide can be used as raw material in the hydrogen economy, but this will require large investments, as well as capture technology and market development before profitable business can be created. Metsä Group is progressing in phases on the carbon capture project, and capture will be piloted at the Rauma pulp mill in the summer of 2025.

Future investments to further improve the efficiency of energy use, and their exact timing, will gradually become known to Metsä Board over the coming years.

### Greenhouse gas emissions in the value chain

The commitment of Metsä Board's suppliers to science-based greenhouse gas emissions (SBTi compliant) is discussed on page 43, under *Progress in targets*.

The value chain's greenhouse gas emissions are also reduced through emissions reduction targets jointly set by Metsä Group and its suppliers. The joint 2030 target of Metsä Group and VR, a logistics group, will halve emissions from transports covered by the cooperation. The joint target with Royal Wagenborg, a Dutch maritime logistics company, is to reduce products' carbon dioxide emissions from marine transports by 30% (per tonne per mile) from the 2021 level by 2030.

Logistics emissions will be continuously reduced by planning efficient routes, minimising transport distances, optimising fill rates and favouring rail connections to road connections on selected routes. For example, in



the transport of products from the Kemi paperboard mill to ports, the load size of transport units is maximised, and all fuels are fossil-free. At the Tako paperboard mill, products are transported fossil-free to the nearby terminal, and from there, shipping containers are delivered by low-emission lorries to the port. These actions particularly affect suppliers.

In 2024, the supply chain's plans and readiness for emissions reductions were surveyed in cooperation with 19 suppliers and two customers. In late 2024, Metsä Group set as its target the reduction of GHG emissions in category 4, 'Upstream transport and distribution', by 30% per tonne produced. The target's baseline year is 2022, and it is in force from 2025. Further information about target-setting is available in the transition plan.

## Carbon balance of forests

Metsä Group's principles of regenerative forestry aim for measures in wood supply and forest services with which the state of nature will begin to verifiably improve in Finland. Regenerative forestry actions will increase forests' carbon storage, biodiversity and ability to adapt to climate change. Forest certification demonstrates that the forest has been managed sustainably.

Key practical actions related to climate change mitigation include the following:

- Forests are swiftly renewed after regeneration felling. The faster and better a new forest is established, the sooner it begins to store carbon from the atmosphere. Cultured seeds and seedlings of local tree species are used in renewal whenever available. Domesticated trees grow better than naturally generated trees.
- Young stand management and thinning ensure that stands remain vital, and growth is focused on the best trees.
- Forest fertilisation improves tree growth, maintains the growth conditions of the soil and ensures the vitality of trees.
- Increasing the share of continuous cover forestry helps curb and adapt to climate change, as it minimises the GHG emissions from peatland forests. The goal of continuous cover forestry is to maintain a steady surface level of groundwater to prevent the carbon stored in peat from being released into the atmosphere and to minimise impacts on waterbodies.

Metsä Group's Wood Supply and Forest Services have strategic sustainability targets for these actions, and they are presented in the table on page 43. The actions particularly affect Metsä Group's owner-members.

## Products

The aspects most relevant in terms of the climate impact and carbon footprint of paperboard packaging are the energy used in its production and the paperboard's light weight. As Metsä Board shifts to using fully fossil-free energy in its production, the carbon footprint of the company's products will continue to decrease.

According to life-cycle assessments carried out by Metsä Board, the carbon footprint of pharmaceutical packaging made from the company's fresh fibre paperboard can be more than 50% smaller than that of recycled fibre or solid bleached board packaging of equivalent stiffness. The results of the assessment concerning the carbon footprint of pharmaceutical packaging were validated by IVL Svenska Miljöinstitutet, a Swedish research institution. The related technical background report and validation statement are available on Metsä Board's website.

Metsä Board's paperboards offer an alternative to packaging materials made of non-renewable raw materials such as plastic. According to an independent study, the carbon footprint of a cherry tomato box made of

Metsä Board's paperboard is as much as 80% smaller than that of a box made from recycled plastic (source: Natural Resources Institute Finland, 2019).

Further reducing the weight of paperboard is a priority in Metsä Board's R&D operations. Metsä Board aims to replace the fossil-based raw materials and packaging materials still in use with fossil-free alternatives by the end of 2030. The transition to fully fossil-free raw materials is being promoted collaboratively in Metsä Group's strategic R&D programme. Replacing fossil-based binders used in Metsä Board's paperboard coatings with bio-based alternatives is a key priority in pilot and mill trials. Surveys of bio-based alternatives for product packaging materials are conducted collaboratively in Metsä Group. All in all, cooperation with the scientific community and raw material providers is important. The progress of work is monitored by Metsä Group's procurement organisation. An investment decision made in 2024 will enable the use of a bio-based binder for paperboard coating at the Simpele board mill. The new equipment will be introduced in 2025. R&D work will continue for other production units. These actions primarily affect customers and consumers.

The share of fossil-free raw materials and packaging materials is presented in the table on page 43. Further information about the company's R&D operations is available under section *E5 – Resource use and circular economy* and in the Board of Directors' report under *R&D and innovation*.

## Climate change adaptation

Climate change adaptation calls for adaptation to both acute hazards such as extreme weather phenomena and chronic hazards, caused by the impacts of climate change on water availability, harvesting conditions, growth conditions of different tree species, or snow, storm, drought, forest fire, insect, and fungi damage in forests.

Metsä Board continuously prepares for the threats arising from extreme weather phenomena at both the company and mill levels. Examples of actions include controlling water levels with dam arrangements and ensuring power distribution in exceptional situations. The supply chain is preparing for alternative transport routes or partners. The company's production units are not located in areas with high water risk, which supports the company's competitiveness in the face of climate change. Metsä Board's target of reducing process water use and increasing water recycling of water within the process also reduces water risk. These actions particularly affect local communities.

Metsä Group's wood supply always considers weather conditions and related changes in harvesting. Wood is harvested only in suitable conditions. If required, wood storage can be used to smooth out variation caused by harvesting conditions. Metsä Group's regenerative forestry principles and sustainable forest management services help forests adapt to climate change and promote forest biodiversity. Regenerative forestry is discussed in greater detail under *E4 – Biodiversity and ecosystems*.

In 2024, actions related to climate change adaptation did not involve significant expenses.

## Financial effects

No material physical climate risks are associated with Metsä Board's production units. The climate scenarios used in the identification and assessment of the production units' physical climate risks are discussed in the *Identification and assessment of material impacts, risks and opportunities* section.

No such assets at Metsä Board's production units have been identified that could be subject to a material transition risk or might lose value due to regulation related to the green transition (stranded assets). Metsä Board's production still generates fossil-based carbon dioxide emissions, but the company aims for fossil-free production by 2030. After this, production will no longer be locked to fossil-based carbon dioxide emissions. However, a small amount of biogenic greenhouse gases that are included in the Scope 1 and Scope 2 framework will still be generated.

Metsä Board is not significantly involved in sectors posing a substantial transition risk, such as the coal, gas or oil industries. Metsä Board's main transition risks are related to regulation concerning forest use and wood-based energy, the potential impact of which could increase costs in the long term.

Metsä Board is in the scope of the EU Emissions Trading System (ETS). In internal carbon pricing, the average ETS emission allowance price for each year is used in the production units' profit and expense entries. In addition, shadow prices determined based on ETS prices are applied for carbon dioxide in investment calculations. No estimate has been made of the share of emissions to which shadow pricing is applied. The price is determined annually, and for investments in a specific year, the price for that year is used. The price remains the same across the investment period. The company does not disclose the carbon price or related assumptions, as it considers this to be critical and strategically sensitive information for its business.

In 2024, a total of 385,197 tonnes of free emission allowances under the EU ETS was allocated to Metsä Board's mills. The amount does not include the allocations for Kemi and Joutseno, which were not available at the time of reporting. It is expected that after 2025, free allowances will no longer be allocated to mills at which sustainable biomass incineration accounted for, on average, more than 95% of the mill's GHG emissions in 2019–2023. The EU Emissions Trading Systems is being updated, and based on current knowledge, free emission allowances will be phased out entirely after 2030. Emissions allowances are discussed in more detail in the consolidated financial statements under *Intangible assets*.

Regarding the economic opportunities of low-carbon products, Metsä Board's existing paperboard packaging especially can be used to replace fossil-based alternatives. Potential future products will be targeted at the very big global packaging market. Carbon capture opportunities can be found in larger pulp mills where carbon dioxide generated can be used in the chemical industry and hydrogen economy.

## Energy consumption and combination of energy sources

MWh	2024	2023
<b>FUELS</b>		
Oil	240,897	310,423
Gas	434,125	412,864
Coal	0	0
Waste	71,382	43,825
Peat	17,306	17,829
Wood-based fuels	5,441,356	5,010,322

### PURCHASED ENERGY

Purchased electricity and heat, renewable wood-based	595,710	667,468
Purchased electricity and heat, other renewable	67,832	7,543
Purchased electricity and heat, fossil-based	138,860	18,763
Purchased electricity and heat, nuclear power	1,214,984	1,200,337

### CONSUMPTION OF OTHER SELF-GENERATED RENEWABLE ENERGY

Consumption of self-generated hydropower	30,010	29,349
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### TOTAL ENERGY CONSUMPTION

Total energy consumption, renewable, wood-based	6,037,066	5,677,790
Total energy consumption, other renewable	97,842	36,892
Total energy consumption, fossil-based	902,570	803,704
Total energy consumption, nuclear	1,214,984	1,200,337
<b>Total energy consumed</b>	<b>8,252,462</b>	<b>7,718,722</b>

### ENERGY INTENSITY (MWh/turnover)

Energy intensity	0.004	0.004
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The 2023 figures were revised retroactively by leaving the amount of energy sold undeducted from total energy consumption. The turnover used in energy intensity calculations can be found in the consolidated financial statements under Consolidated statement of comprehensive income. Turnover is reported in euros.

## Energy consumption by energy source

%	2024	2023
Renewable, wood-based	73	74
Other renewable energy	1.2	0.5
Nuclear power	15	16
Fossil-based fuels	11	10

## Energy generation

MWh	2024	2023
Self-generated energy, renewable	4,840,823	4,491,331
Self-generated energy, fossil-based	417,213	473,304

## GHG emissions

	2024	2023	Change % (2024/2023)
<b>Scope 1 GHG emissions</b>			
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)	192,098	202,227	-5.0%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	100	100	0%
<b>Scope 2 GHG emissions</b>			
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	259,495	299,365	-13%
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	84,989	3,747	2,168%
<b>Significant Scope 3 GHG emissions</b>			
Total Gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> eq)	1,789,138	1,792,006	-0.2%
1 Purchased goods and services	485,533	479,875	1.2%
2 Capital goods	27,746	57,651	-52%
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	73,778	57,772	28%
4 Upstream transportation and distribution	300,233	282,264	6.4%
5 Waste generated in operations	727	2,919	-75%
6 Business traveling	937	813	15%
7 Employee commuting	1,926	1,889	1.9%
9 Downstream transportation	7,304	4,732	54%
10 Processing of sold products	275,061	268,042	2.6%
11 Use of sold products	1,846	890	107%
12 End-of-life treatment of sold products	563,093	582,863	-3.4%
15 Investments	50,954	52,294	-2.6%
<b>Total GHG emissions</b>			
Total GHG emissions (location-based) (tCO <sub>2</sub> eq)	2,240,731	2,293,598	-2.3%
Total GHG emissions (market-based) (tCO <sub>2</sub> eq)	2,066,225	1,997,980	3.4%

For Scope 1 and 2 emissions, neither the base year nor the target year has been reported, as Metsä Board's emission reduction target only concerns fossil carbon dioxide emissions. In 2024, Metsä Board's Scope 3 target focused on engaging suppliers within the target group. Metsä Board is preparing to set an absolute Scope 3 emission reduction target by 2027 at the latest. More information about the targets can be found in the E1 Climate Change section of Metsä Board's 2030 sustainability targets and the Climate Change Mitigation Transition Plan table.

## GHG intensity

	2024	2023
GHG intensity based on turnover, Scopes 1, 2, 3 (market-based), tCO <sub>2</sub> e / euros	0.001	0.001
GHG intensity based on turnover, Scopes 1, 2, 3 (location-based), tCO <sub>2</sub> e / euros	0.001	0.001
GHG intensity based on turnover, Scopes 1 and 2 (market-based), tCO <sub>2</sub> e / euros	0.0001	0.0001
GHG intensity based on turnover, Scopes 1 and 2 (location-based), tCO <sub>2</sub> e / euros	0.0002	0.0003
GHG intensity based on production, Scopes 1 and 2 (market-based), tCO <sub>2</sub> e / t	0.1	0.09
GHG intensity based on production, Scopes 1 and 2 (location-based), tCO <sub>2</sub> e / t	0.2	0.2

The turnover used in emissions intensity calculations can be found in the consolidated financial statements under Consolidated statement of comprehensive income. Turnover is reported in euros.

## Wood-based biogenic carbon dioxide emissions

tCO <sub>2</sub>	2024	2023
Wood-based biogenic carbon dioxide emissions	2,154,777	1,984,088

## GHG emissions reduction targets

This table presents the actions carried out and planned future actions, as well as the estimated volumes required to achieve the Scope 1 and Scope 2 emissions reduction target.

	Baseline year	Reduction target by 2030
GHG emissions (tCO <sub>2</sub> )	576,355	0
Fuel replacement		-188,900
Electrification		-560
Fuel replacement or electrification		-136,210
Transition to fossil-free purchased electricity		-237,805
Others		-12,880

Fuel replacement means replacing a fossil fuel with a fossil-free fuel. Electrification means replacing a fossil fuel by electrifying the process. The decision on fuel replacement or electrification has yet to be made for all emissions reductions. These are indicated under the category 'Fuel replacement or electrification'. The 'Others' category includes other smaller reduction measures such as energy-efficiency measures.

## Reporting principles for metrics

The amount of forest regeneration and young stand management includes, in hectares, the soil preparation and young stand management, or early cleaning and thinning, carried out by Metsä Group's Wood Supply and Forest Services. The amount of forest fertilisation includes, in hectares, the growth, boron and ash fertilisation carried out by Metsä Group's Wood Supply and Forest Services. The share of continuous cover forestry in peatland forest regeneration includes Metsä Group's Wood Supply's standing sales, as well as the group selection cutting, selection cutting and strip felling carried out to regenerate peatlands, and it is calculated based on the amount of felling. Calculated based on the area of the cuttings, the result would be 22%.

The amount of carbon stored in wood products is calculated based on Metsä Group's mechanical wood products. The carbon content is calculated using tree species-specific database factors to ensure comparable results between tonnes of wood (carbon dioxide equivalent).

The amount of fossil-free raw materials and packaging materials includes the raw materials and packaging materials of products produced by Metsä Board. The weight of raw materials is converted to dry tonnes for the target's calculation using the factors provided by the suppliers. A raw material is considered fossil-free if none of its main raw materials contains fossil-based oil. Materials that do not remain in the product, such as some process chemicals, are not taken into account in calculation.

Energy consumption encompasses all Metsä Board's production units. Metsä Board's internal heat transfer is taken into account to avoid double counting. Energy consumption is expressed as final energy consumption, which means that the efficiency factors of electricity and heat are not taken into account. Final energy consumption is obtained by summing up the fuel consumed at production units, self-generated hydropower, and the amount of purchased electricity and purchased heat. Internal logistics and the electricity purchased for buildings outside mill areas, such as warehouses and office facilities, is excluded from the calculation, as their share of total energy consumption, and thus of Scope 1 and Scope 2 emissions, is assessed to be non-material. Local factors are used to calculate the energy contained in different fuels. Metsä Board's heat consumption is mainly based on steam.

Metsä Board's main business, paperboard and market pulp, is considered a high impact climate sector. Energy intensity has therefore been calculated based on the entire company's energy consumption and turnover.

The improvement of energy efficiency is determined as specific energy consumption, meaning the ratio of energy consumption and production volume. Specific energy consumption is calculated for individual production lines, including the consumption of electricity, heat and fuels as megawatt hours (MWh). Tonnes and cubic metres are both used as units in production volume calculations. They are considered to be of equal value. The energy efficiency of Metsä Board's power plants is not taken into account in calculations. Discontinued lines are included in the calculations for as long as they are used in production. New production units are included in the calculations from the year in which their production begins.

GHG emissions include the emissions of all Metsä Board production units. In emissions calculations, Metsä Board's internal heat transfer is taken into account to avoid double counting. GHG emissions are calculated in accordance with the

GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The scope of reporting is based on operational control. Reporting covers direct GHG emissions (Scope 1) from Metsä Board's own operations, indirect GHG emissions (Scope 2) from the production of purchased energy, and indirect GHG emissions from other parts of the value chain (Scope 3), including upstream and downstream. Power plant emissions are allocated to the production units that use the energy generated by the plants.

The calculation includes all the greenhouse gases covered by the GHG Protocol (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>). Emissions have been converted into carbon dioxide equivalents.

Scope 1 emissions have been calculated from the fuels used by production units. The calculation is based on supplier-specific emission factors for fuels or on national emission factors. Diffuse emissions have been excluded. Two different methods are used for Scope 2 carbon dioxide emissions. The market-based method uses supplier-specific emissions factors, supplemented with national residual mix emission factors for untracked purchased electricity. In the location-based method, country-specific average emission factors for electricity are used. The residual mix factors and country-specific factors have been obtained from the AIB (Association of Issuing Bodies) report on emission factors. The use of emission factors always involves uncertainty, as the factors are based on average values that may not reflect the special characteristics of operations or the situation at the time. Where possible, the factors are updated with supplier-specific values.

The 2023 figures for energy consumption and GHG emissions have been revised retroactively. Scope 1 GHG emissions for 2023 have been revised from 201,984 tonnes to 202,227 tonnes. This revision was due to a mistake in the Joutseno mill's carbon dioxide emission calculations, which was detected during emission validation. In addition, a mistake was detected in the energy source ratio for 2023 purchased heat. The figure for purchased electricity and heat has been revised for renewable wood-based options from 663,692 megawatt hours to 667,468 megawatt hours, and for fossil-based options from 22,538 megawatt hours to 18,763 megawatt hours. The revised figures have a proportionate influence on the energy source distribution in the total energy consumption but not on the total energy consumption. The change in the energy sources of purchased heat also influenced Scope 2 GHG emissions, in which market-based emissions have been revised retroactively from 5,108 tonnes to 3,747 tonnes, and location-based from 300,726 tonnes to 299,365 tonnes. The revised figures also affect the actual 2023 figure for Metsä Board's 2030 sustainability target "0 tonnes of fossil-based carbon dioxide emissions", which has been revised from 184,713 tonnes to 183,600 tonnes.

In 2024, 90% of Metsä Board's purchased electricity was covered by guarantees of origin, of which 80% had been defined in purchased electricity agreements. Of all the guarantees of origin for purchased electricity:

- 75% were nuclear power certificates, long-term power purchase agreement,
- 5.1% were hydroelectric power certificates, long-term power purchase agreement,
- 9.7% were nuclear power certificates, long-term power purchase agreement.

In 2024, 3% of Metsä Board's heat purchases were covered by guarantees of origin defined in purchased heat agreements. Of the guarantees of origin, 100% were biomass certificates from Metsä Fibre's Äänekoski bioproduct mill, which is Metsä Board's only heat supplier in Äänekoski. The remaining 61% of purchased heat was acquired from Metsä Fibre at the Kemi and Joutseno integrated mills. Of this, 99% was biomass-based renewable heat.

Metsä Board's 2030 sustainability target, "0 tonnes of fossil-based carbon dioxide emissions", concerns Scope 1 and Scope 2 emissions and only encompasses fossil-based carbon dioxide emissions, excluding other greenhouse gases. In other respects, the target has been calculated in accordance with the GHG Protocol. The target does not include buildings outside the mill areas or internal logistics, as their share of emissions is assessed to be non-material. The baseline year is 2018, which was selected because it was a year of steady production, thus representing a normal year very well. The target will be reviewed at least every five years, starting from 2030.

The company's biogenic carbon dioxide emissions originate in wood-based fuels. A carbon dioxide emission factor of 396 tonnes of CO<sub>2</sub>/GWh, provided by Statistics Finland, has been used in their calculation.

The materiality of each of the 15 Scope 3 categories was determined using a spend-based materiality assessment. All the categories assessed as material were calculated. Categories in which the amount of greenhouse gases was insignificant were also included in the Scope 3 inventory. The categories included in the calculation are listed in the table on GHG emissions. Only three categories were excluded from the calculation – upstream leased assets, downstream leased assets and franchising – as they were assessed to be non-material. Metsä Board does not have significant leased assets under Scope 3 that would not already be included in Scope 1 and Scope 2. Metsä Board does not engage in franchising. All the Group's companies are included in the calculation.

The Scope 3 inventory has been calculated as tonnes of CO<sub>2</sub> equivalent, excluding biogenic CO<sub>2</sub>. The operational data used in the calculation are obtained from Metsä Group's internal systems. In the absence of accurate data, assumptions have been used. The emission factors used are mainly from global databases, including ecoinvent 3.9.1, EXIOBASE 3, DEFRA's GHG conversion factors (full set 2022) and IEA's Life Cycle Upstream Emission Factors (2023). Overall, supplier-specific emission factors have been used for 19% of Scope 3 emissions. In addition, for Category 4 'Upstream transportation and distribution,' a supplier-specific emission factor has been used for 56% of Metsä Board's operational data. For Category 1 'purchased goods and services' a supplier-specific emission factor has been used for 81% of operational data (excluding raw wood). To improve accuracy, supplier-specific emission factors are collected when available, and the emission factors are reviewed annually to ensure that the latest are in use.

Regarding purchased goods and services, in the absence of accurate data, assumptions and generalisations have been made in the selection of a suitable emission factor for specific purchase

categories or individual materials and services, for example. Assumptions have also been made for raw materials and packaging materials in the conversion of materials from different units to tonnes if average material conversion factors have been used in calculations in the absence of product-specific data.

Some of the supplier-specific emission factors in logistics only cover CO<sub>2</sub> in current calculations, but they will be updated to include other material greenhouse gases in the next few years as the international disclosure guidelines for logistics develop. Currently, many of the supplier-specific emission factors in logistics only cover TTW (tank-to-wheel) emissions. As a rule, WTW (well-to-wheel) emission factors are used if available from suppliers. In the case of suppliers and transport routes for which supplier-specific emission factors are unavailable, the library factors considered most suitable have been used. The selection of emission factors involves assumptions of the transport mode and more specific type of transport fleet based on the available activity data, for example.

In the absence of accurate data when calculating processing of sold products, assumptions have been made of the processing methods of products sold to customers. The Group's calculations are not based on primary data collected from customers. Suitable emission factors have been chosen for the assumed product processing methods.

The products' waste treatment methods have been estimated based on publicly available location-based waste treatment data, including statistics (Eurostat, state statistical offices) and studies (EPA, PEFCR, ResearchGate, MDPI), as well as the Group's information about our products' sales areas. The Group's calculations are not based on primary data collected from customers or end-users, and in the absence of accurate data, assumptions have been made on the final waste treatment methods of products sold based on the sales areas and publicly available waste treatment statistics.

According to the Scope 3 target approved by SBTi, the target group contains 70% of Metsä Board's non-fibre suppliers and logistics operators related to customer deliveries, measured as a share of total purchases.

Metsä Board's investment emissions data are based on the company's share of Metsä Fibre's Scope 1 and Scope 2 emissions, corresponding to Metsä Board's holding (24.9%) in Metsä Fibre, excluding the emissions associated with pulp raw materials procured from Metsä Fibre that have been assigned to the first category of the Scope 3 inventory.

A more detailed description of scope 3 calculation methods is available on *Metsä Group's website*.

The emission calculation for emissions under the scope of EU ETS is validated by an external party as part of emissions trade. The 2023 calculation was validated by Kiwa Inspecta. The 2024 calculation will be validated in the first half of 2025.

Metsä Board has not been excluded from the EU Paris-aligned Benchmarks.

## E2 – Pollution

### Pollution-related impacts, risks and opportunities

Impacts	Risks and opportunities for Metsä Board	Management
<b>Pollution of air, water and soil</b>		
<p>↓ In addition to GHG emissions, Metsä Board's production generates other emissions to air. Most of the emissions to air originate in the production units' and power plants' combustion process. Metsä Board's production also generates wastewater discharges. The reporting year's emissions to air and water and environmental permit deviations at production units are presented in this section's tables. Several deviations from environmental permit emission limits – especially in the same mill areas – could be harmful to the environment. The company has environmental liabilities related to former activities on industrial sites that have since been closed, sold or leased, and from decommissioned landfill sites. The emission load on small waters and waterbodies caused by Metsä Group's wood supply is discussed in section E4 – <i>Biodiversity and ecosystems</i>.</p> <p>Air, water and soil pollution may occur as a result of technical defects or human errors in Metsä Board's or its service providers' operations.</p>	<p>↓ <b>Risk:</b> Deviations in emissions may cause a liability to pay compensation and costs from corrective action. In addition, Metsä Board's reputation as a sustainable operator may suffer.</p> <p>↑ <b>Opportunity:</b> The use of the best available techniques and certified management systems are verifiable proof of the minimising of emissions to customers.</p>	<ul style="list-style-type: none"> <li>• Emissions to air are reduced with a meticulous control of the combustion processes and the purification of flue gases.</li> <li>• Emissions to water are reduced through reduced water use, more efficient processes and efficient wastewater treatment.</li> <li>• The best available techniques are used and systematically operated in production. Environmental performance is monitored continuously. Proactive measures aimed at preventing interruptions include comprehensive preventive maintenance and observations in production.</li> <li>• Any deviations in emissions and related corrective actions are immediately reported to the authorities.</li> <li>• Production is concentrated in countries where environmental legislation requirements are stringent.</li> </ul>
<b>Microplastics</b>		
<p>↑ Metsä Board's products, produced mainly from renewable raw materials, are an alternative to plastic packaging and enable the reduction of microplastics.</p>	<p>↑ <b>Opportunity:</b> Demand for Metsä Board's products increases.</p>	<ul style="list-style-type: none"> <li>• Nearly all Metsä Board's raw materials are fossil-free. Active research and development is being conducted to replace the remaining fossil-based raw materials</li> </ul>

↑ Positive impact on the environment and society or on Metsä Board's business

↓ Negative impact on the environment and society or on Metsä Board's business

## Targets

Metsä Board does not have internal targets related to pollution, but the Environmental Protection Act and the emission limits defined in the production units' environmental permits guide operations and thus encourage environmental pollution to be proactively prevented or limited to a minimum. The emissions-related permit conditions set for individual production units are also the internal targets of each production unit. In accordance with the environmental policy, negative environmental impacts are minimised and environmental efficiency is improved by developing operations in compliance with the principles of sustainability and continuous improvement.

## The identification and assessment of material impacts, risks and opportunities

The material impacts, risks and opportunities related to pollution have been identified in a double materiality assessment based on the principles of the company's risk management process. The materiality assessment is discussed on pages 26–28.

Ensuring undisturbed and uninterrupted operations in all conditions is key in the risk assessment of production units. The assessment process of production units' environmental risks is guided by the ISO 14001 and ISO 50001 management systems. The key identified risks are included in the company-level risk management process.

The pollution-related impacts of production units are assessed in connection with the environmental impact assessments of investment projects and during the environmental permit processes, for example. The need for environmental impact assessments is determined by the local EIA authority.

After an environmental impact assessment and environmental permit process, the production units operate in accordance with their

environmental permit and the company's operational management system.

Local communities have a statutory right to participate in the production units' environmental permit processes by issuing reminders and opinions related to the permit application. Reminders and opinions are taken into account in the permit process. The production units also receive feedback from local communities to which they respond, and which they record in the HSEQ system. Some production units organise open house events and town hall-style meetings where the mill's environmental matters are discussed.

## Policies

Most of Metsä Board's emissions to air originate in the pulp mills' and power plants' combustion process. The primary emissions are carbon dioxide, sulphur dioxide, nitrogen oxides and particles. Small amounts of reduced sulphur compounds are also generated at pulp mills. Their amounts are reduced with the meticulous control of combustion processes and purification of flue gases.

Wastewater discharges primarily consist of nutrients (phosphorus and nitrogen), organic substances measured as chemical and biological oxygen demand, as well as suspended solids. The wastewaters of pulp production also contain organic chlorine compounds, sodium and sulphates. Emissions to water are reduced by reducing water use, making processes more efficient and using efficient abatement technology.

The company generates very small amounts of heavy metal emissions to water and air, and most of the substances such as zinc and nickel originate from the wood raw material. Metsä Board's normal operations do not generate emissions to soil containing heavy metals.

In Metsä Group's environmental policy, Metsä Board is committed to protecting the environment and ensuring chemical safety, preventing

environmental pollution and continuously developing production processes by employing the best available methods and techniques. Metsä Group's environmental policy is followed worldwide by all Metsä Group companies and legal units, and the impacts of the Group's operations have been identified across the value chain.

In the Leader in sustainability strategic programme, the environmental focus is on implementing the planned actions aimed at reaching the strategic sustainability targets in water and energy efficiency, for example.

Environmental management and continued environmental performance are guided by the requirements of the production units' certified quality, environmental management and energy management systems. The production units' environmental management practices are described in greater detail in the company's internal environmental management policies. A key goal is to actively engage in preventive work, which is the most effective way of preventing leakage and disruptions. Production unit employees must continuously observe their work environment, actively make environmental observations and adopt immediate corrective actions if required. Regular environmental walks are carried out at Metsä Board. In addition, employees are offered training and regular info sessions on environmental topics. The production units systematically conduct internal and external audits in accordance with the ISO 14001 and ISO 50001 standards.

All Metsä Board employees have the right and responsibility to report a situation that may cause a leakage or malfunction. Any infringement of environmental permit limits and significant deviations are investigated, and corrective actions are determined. The production unit's management is always in charge of the investigations, as well as the adequacy and implementation of corrective actions.

The terms and conditions of maintenance and investment project agreements for production unit sites contain minimum requirements regarding the environment for goods and service suppliers. Suppliers are required to immediately report any observed hazards, accidents or other equivalent matters to Metsä Board's contact person. Suppliers must participate in the investigation of any environmental deviation or damage resulting from their operations, determine corrective actions and take part in compensating for the damage in accordance with the applicable law and the "polluter pays" principle. Ways of ensuring suppliers' responsibility are discussed in more detail under *G – Governance*.

## Actions

### Pollution of air, water and soil

The best available techniques (BAT) are used in production. All Metsä Board production units have a valid production unit-specific environmental permit. The environmental permit and the related programme for monitoring emissions and impacts set the minimum requirements for the observation of environmental impacts. In addition to emissions, observations typically focus on waterbodies, fish stock, air quality and noise levels. Regular risk assessments and official inspections ensure the adequate scope of observations and performance of production units. Any deviations and related corrective actions are immediately reported to the authorities. In 2024, no environmental pollution causing significant damage and corrective action occurred at Metsä Board. Environmental permits and the best available techniques are also ways to consider stakeholders living in the vicinity of production units in pollution prevention. More information

about engaging stakeholders is provided under *S3 – Affected communities*. Production processes are developed in line with continuous improvement and targets. Environmental impact assessments are conducted in process change projects if required.

All Metsä Board production units come under the scope of the EU's Industrial Emissions Directive and BAT conclusions. In addition, the main boilers of the production units' power plants come under the scope of the EU's Industrial Emissions Directive and the BAT conclusions concerning large combustion plants.

Emissions to air and water remained almost at the same level compared to the previous year. This is the result of the general market situation and production curtailments. Taxonomy-aligned turnover, capital expenditure and operating expenditure are presented starting from page 37. Self-sufficiency is described in the report of Metsä Board's Board of Directors under Balance sheet and financing. Due to the gas explosion at Metsä Fibre's Kemi bioproduct mill, the targets for enhancing water and energy use specified in Metsä Board's Kemi board mill's development programme were not fully met in 2024.

### Microplastics

Metsä Board's products do not contain microplastics, but some of the products used for industrial purposes at production units contain components classified as microplastics. For example, the Husum board mill has an extrusion coating line where food service boards especially are coated with polyethylene (PE). The waste material generated in coating is recovered and delivered to cooperation partners for reuse. In its packaging materials, Metsä Board uses plastic in addition to kraftliner to protect the ready paperboard products during storage and transport.

Metsä Board's products, produced mainly from renewable raw materials, already offer an alternative to plastic packaging and enable the reduction of microplastics. The products are described in greater detail under *E5 – Resource use and circular economy*.

### Financial effects

In 2024, Metsä Board's environmental liabilities totalled EUR 1.7 million (2.0), and its environmental expenses amounted to EUR 14.7 million (6.8). The environmental expenses consist mainly of expenses related to the use and maintenance of environmental protection equipment, expenses related to waste management and environmental insurance, and the depreciation of capitalised environmental expenses.

The company has environmental liabilities related to former activities on industrial sites that have since been decommissioned, sold or leased, and from closed landfill sites. Financial provisions for the costs of land rehabilitation work have been made in cases where it has been possible to measure the company's liability for land contamination and any post-treatment obligations. The provisions total EUR 1.7 million.

The pollution-related risks and opportunities identified in the materiality assessment are presented in the table on page 52. The likelihood of significant accidental discharges is low due to the control measures in use, and no material economic impacts such as compensation or depollution costs are known of or reasonably expected.

No significant environmental impacts, claims or compensation related to the pollution of air, water and soil were recorded in 2024, nor was any significant media visibility related to these topics seen. Environmental permit deviations are presented in the table on page 54.

## Emissions to air

tn	2024	2023
Sulphur (SO <sub>2</sub> )	184	176
Nitrogen oxides (NO <sub>x</sub> )	1,363	1,285
Particles (PM <sub>2.5</sub> )	33	55
kg	2024	
Ammonia (NH <sub>3</sub> )	59,360	

The table includes only the emissions from those production facilities that exceed the facility-specific threshold value defined in Annex II of Regulation (EC) No 166/2006. Data for the comparison year is not available.

## Emissions to water

tn	2024	2023
Nitrogen (N)	156	165
Adsorbable organic halogen (AOX)	45	47
Chemical oxygen demand (COD)	9,743	10,645
Biological oxygen demand (BOD)	635	840
Phosphorus (P)	22	23
kg	2024	
Arsenic (As)	29	
Cadmium (Cd)	148	
Chromium (Cr)	60	
Copper (Cu)	204	
Quicksilver (Hg)	31	
Nickel (Ni)	2,566	

The table includes only the emissions from those production facilities that exceed the facility-specific threshold value defined in Annex II of Regulation (EC) No 166/2006. Data for the comparison year is not available.

## Environmental permit deviations at Metsä Board's mills

Mill	Date of incident	Incident	Corrective actions
Simpele	4/2024	Wastewater nitrogen emission exceeded the permit limit	More precise nutrient dosage during shutdown at the treatment plant
Kyro	6/2024	CO <sub>2</sub> emissions exceeded the daily permit limit	Complaint to fuel supplier
Äänekoski	9/2024	Suspended solids reduction was below the permit limit	More precise process adjustment

## Reporting principles for metrics

Emissions to water and air include the material emissions from Metsä Board's production units. Emissions are also reported to the authorities.

Water discharges are determined based on laboratory measurements. Emissions to water are calculated as a combination of waterflows and concentrations. Any wastewater discharges of third parties handled in the wastewater treatment plants are excluded from reporting. Emissions to air are determined based on continuous and/or one-off measurements. The final emissions are calculated as a combination of airflows and concentrations.

Emissions are allocated to internal and external inflows by first making an assumption, based on prior measurements, of the reduction in chemical oxygen demand (COD) for each inflow, and later adjusting them to correspond to the unit's actual COD reduction. Other emissions are allocated based on the flow. At integrated mills, the amount of COD is allocated to parties using the wastewater treatment plant based on the quality of COD. Discharges fed through external (usually municipal) wastewater treatment plants are taken into account with the assumption of an 85% reduction in COD.

Limitations of measurements based on flow measurements are discussed under *E3 – Water and marine resources*.

Biological oxygen demand (BOD) and emissions of phosphorus and suspended solids are calculated based on the flow, using the following residual concentrations: BOD 10 mg/l, total phosphorus 0.5 mg/l and suspended solids 10 mg/l. Total nitrogen emissions are considered to be zero, as municipal wastewater contains excess nitrogen, and the reduction of BOD binds nitrogen to biomass, reducing the unit's total nitrogen emissions. A seven-day measuring period (BOD<sub>7</sub>) is used to determine BOD.

The metrics have not been validated by an external party.



## E3 – Water and marine resources

### Impacts, risks and opportunities related to water and marine resources

Impacts	Risks and opportunities for Metsä Board	Management
<b>Vesi</b>		
↔ <b>Water withdrawals:</b> Metsä Board's production units are located in areas at low or low-medium water risk that have large surface water reserves. Metsä Board's operations are designed so they do not affect other parties' rights or opportunities to use water. The amounts of water withdrawals are presented in the Water withdrawals and consumption and wastewater discharges table	↑ <b>Opportunity:</b> The production units' locations in areas of low water risk supports the company's competitiveness in a changing climate. Better resilience to climate change-induced weather phenomena offers cost benefits. The company's target of reducing process water use offers cost benefits, improves energy efficiency and helps minimise water risk. The reduced need for clean water and recycling of process water in production processes reduce the water load on natural waters and improve Metsä Board's reputation as a responsible operator.	<ul style="list-style-type: none"> <li>The production units are located in areas at low or low-medium water risk.</li> <li>Process development and the adoption of new techniques reduces water use and increases water recycling in the production process, decreasing the need to withdraw more raw water.</li> <li>The best available techniques are used and systematically incorporated into production. Environmental performance is monitored continuously. Actions related to water discharges are described in greater detail under <i>E2 – Pollution</i>.</li> </ul>
↔ <b>Water consumption:</b> The production process of pulp and paperboard products requires plenty of water. However, water consumption is low in relation to the volume of water used. Of all the water consumed, approximately 95% is returned to waterbodies after use, and the remaining 5% evaporates in the process or is bound to the products.	↓ <b>Risk:</b> If the company is unable to reduce its water use in line with the target, it will lose the cost benefits from reduced water use and will fail to minimise water risks. Metsä Board's reputation as a sustainable operator suffers.	
↓ <b>Wastewater discharges:</b> Metsä Board's production generates wastewater discharges. The cooling water returned to waterbodies may also have a local heating impact. The impacts, risks, opportunities and management methods related to water discharges are discussed under <i>E2 – Pollution</i> .		

↑ Positive impact on the environment and society or on Metsä Board's business

↓ Negative impact on the environment and society or on Metsä Board's business

↔ Neutral impact on the environment and society or on Metsä Board's business

### Metsä Board's 2030 sustainability target

	2030 target	2024	2023	2022	2018
Reduction in process water use per produced tonne from the 2018 level, %	-35%	-11%	+3,5%	-11%	21 m <sup>3</sup> /tn

The figures for the comparison years have been revised retroactively. The wet pulp production line acquired by Metsä Board in Kemi in 2024 has not yet been factored into the water and energy efficiency target calculations.

Metsä Board's strategic 2030 sustainability targets, and their setting and monitoring, are discussed in greater detail under *Sustainability governance and strategy* and *Material sustainability-related impacts, risks and opportunities*. The Group's target concerning water resources is based on estimates of what can be achieved with the best available techniques (BAT). The use of the best available techniques is discussed under *E2 – Pollution*.

### Progress in targets

- Reduction in process water use per produced tonne from the 2018 level** – Compared to the previous year, process water use was more efficient in 2024 due to the mill's higher production and the actions adopted. For example, water recycling was enhanced at the Kyro and Simpele mills.

## The identification and assessment of material impacts, risks and opportunities

The material impacts, risks and opportunities related to water and marine resources have been identified in a double materiality assessment based on the principles of the company's risk management process. The materiality assessment is discussed on pages 26–28.

Ensuring undisturbed and uninterrupted operations in all conditions is key in the risk assessment of production units. The assessment of production units' environmental risks is guided by the ISO 14001 and ISO 50001 management systems. The key identified risks are included in the company-level risk management process.

The production units' impacts on water resources are assessed in connection with the environmental impact assessments of investment projects and during the environmental permit processes, for example. The need for environmental impact assessments is determined by the local EIA authority. Matters considered include water withdrawal, the thermal stress caused by the water returned or the impact of wastewater on waterbodies. The impacts are also assessed in connection with process development and environmental risk mapping. Several production units have waterbody monitoring obligations and commitments. These are often regionally comprehensive long-term programmes for monitoring the long-term consequences of operations. The pulp and paper industry requires a lot of water, but in relation to the volume of water used, Metsä Board's water consumption is very low.

Metsä Board's operations are designed so they do not affect other parties' rights or opportunities to use water. Surface water accounted for nearly 100% of Metsä Board's water withdrawals. A small amount of groundwater is used mainly for hygiene and laboratory purposes. Production processes account for roughly half Metsä Board's water use, and cooling purposes for the rest. The cooling water circulates in a separate system and does not need to be treated. However, the cooling water returned to waterbodies has a local heating impact. Process water is carefully treated before it is returned into waterbodies.

All Metsä Board's production units are located in areas at low or low-medium water risk that have large surface water reserves. None of the production units withdraw water from an area of high water stress or high overall water risk (WRI Aqueduct Water Risk Atlas). Water stress indicates water demand in relation to water availability. Overall water risk indicates the risks related to water resources, taking the volume and quality of water resources and regulation in the area into account.

The physical climate risks of each Metsä Board production unit were assessed in a climate risk analysis conducted in 2024. According to the assessment, none of Metsä Board's production units have material climate risks related to drought or floods.

The engagement of local communities in the production units' operations from an environmental perspective is discussed under *E2 – Pollution*.

## Policies

The environmental policy lays the foundation for environmental targets. Resource efficiency is a key part of the policy, and in compliance with it, Metsä Board is committed to reducing its water use in line with sustainability targets.

In the environmental permits of production units, attention is paid to water resources and their adequacy. Environmental management and continued environmental performance are guided by the requirements of the production units' certified quality, environmental management and energy management systems, as well as the principles of environmental management. The production units conduct planned internal and external audits in accordance with the ISO 14001 and ISO 50001 standards.

Metsä Board does not have separate policies or practices related to seas and oceans, as it does not use sea water in its production process.

In the Leader in sustainability strategic programme, the environmental focus is on implementing the planned actions aimed at reaching the strategic sustainability targets in water and energy efficiency, for example.

Policies related to water discharges are discussed under *E2 – Pollution*.

## Actions

Metsä Board's water consumption is low in relation to the volume of water used. Of all the water consumed, approximately 95% is returned to waterbodies after use, and the remaining 5% evaporates in the processes or is bound to the products. Increasing the efficiency of water use supports the circular economy and energy efficiency and minimises emissions. Metsä Board's actions to reduce process water use in line with the 2030 sustainability target include investments in processes and wastewater treatment, as well as process development to use less water. The actions improve water recycling and reduce water withdrawal from waterbodies.

In addition to the company-level target, all production units have targets for water use, which are regularly monitored. Water use at Metsä Board's production units is presented in the table on page 97. Due to the gas explosion at Metsä Fibre's Kemi bioproduct mill, the targets for enhancing water and energy use specified in the Kemi board mill's development programme were not fully met in 2024. Other actions to enhance water use were carried out as changes to operating methods or as training for employees. The efficiency of water use was improved by measures to enhance water recycling, for example at Kyro and Simpele. More information about the renewal projects in Kyro and Simpele can be found in section *E1 - Climate Change Actions*. The capital expenditure for key actions taken in 2024 to make water use more efficient cannot be calculated, as some of the expenses are indirect and are generated as part of other investments. During the next few years, future investments related to improving water use efficiency, and the timing of such investments, will be known to Metsä Board on an ongoing basis.

The impacts, risks and opportunities, as well as management methods related to wastewater discharges, are discussed under *E2 – Pollution*.

## Financial effects

As Metsä Board's production units are located in areas at low water risk, no water-related expected economic impacts were identified in the materiality assessment or in the analysis of climate change-induced physical risks conducted as part of the materiality assessment. The production units' close proximity to abundant surface water reserves is an opportunity for the company in the management of climate-change-induced physical risks, for example. Increasing the efficiency of water use also affects energy efficiency, thus enabling cost savings.

### Water withdrawals and consumption and wastewater discharges

1 000 m <sup>3</sup>	2024	2023
<b>WATER WITHDRAWALS</b>		
Surface water	105,796	101,884
Groundwater	33	58
Total water withdrawals	105,829	101,943
<b>WATER CONSUMPTION</b>		
Water consumption	5,189	3,874
<b>WATER INTENSITY (water consumption m<sup>3</sup>/turnover)</b>		
Water intensity	0.003	0.002
<b>WASTEWATER</b>		
Wastewater discharges	48,540	45,380

The turnover used in water intensity calculations can be found in the financial statements under Consolidated statement of comprehensive income. Turnover is reported in euros.

### Reporting principles for metrics

Water withdrawals include the water withdrawn at Metsä Board's production units for production and cooling.

Water consumption is an estimate of the amount of water that has evaporated in production and wastewater treatment, and water bound in products and wastewater treatment sludge. The calculation is based on an estimate, which considers the matters mentioned above, as well as direct water withdrawal, the water contained in raw materials and the water returned to waterbodies.

Process water means the water moved from the product production process to wastewater treatment. Process water use per tonne produced is based on continuous measurements and is calculated from the process water used as cubic metres per tonne of product produced.

The figure for the reduction of process water use has been retroactively revised for the comparison years, as a mistake was found in the 2018 water figures. The figure for 2018 was revised from 20.8 m<sup>3</sup>/tonne to 20.5 m<sup>3</sup>/tonne, leading to the reduction in 2022 being revised from the previously reported -12% to -11%, and the reduction in 2023 from the previously reported +2.0% to +3.5%.

Wastewater is water returned to waterbodies after the wastewater treatment process. In addition to process water, the volume of treated wastewater includes the water from wastewater treatment.

At Metsä Board's production units, the flow of wastewater discharges is determined with continuous flow meters. The measurement of wastewater load is described in more detail on page 56.

Measurements based on flow meters carry a margin of error. However, the flow meters are regularly calibrated, and the measurement results are also controlled by the supervisory authority.

The volume of stored water is not disclosed due to non-materiality: as a rule, water is not stored.

The metrics have not been validated by an external party.

# E4 – Biodiversity and ecosystems

## Material impacts, risks and opportunities related to biodiversity and ecosystems

Impacts	Risks and opportunities for Metsä Board	Management
<b>Direct impact drivers of biodiversity loss</b>		
<p>↓ <b>Climate change:</b> Metsä Board's production generates greenhouse gases that cause global warming.</p>	<p>↓ The risks, opportunities and actions related to climate change are discussed under <i>E1 – Climate change</i>.</p>	<p>• The risks, opportunities and actions related to climate change are discussed under <i>E1 – Climate change</i>.</p>
<p>↔ The company's biogenic carbon dioxide emissions are classified as carbon-neutral.</p>		
<p>↓ <b>Pollution:</b> The emissions to water, air and soil from Metsä Board's production units can have a negative impact on species and ecosystems in the area.</p>	<p>↓ The risks, opportunities and actions related to pollution are discussed under <i>E2 – Pollution</i>.</p>	<p>• The risks, opportunities and actions related to pollution are discussed under <i>E2 - Pollution</i>.</p>
<p>↓ Wood supply causes nutrient, suspended solid, humus and metal load in small waters and waterbodies. This load results in the eutrophication or cloudiness of waterbodies.</p>	<p>↓ Metsä Board's reputation as a sustainable operator weakens especially among local communities.</p>	<ul style="list-style-type: none"> <li>• Water protection measures and actions in discharge areas are developed.</li> <li>• Continuous cover forestry is encouraged in suitable areas.</li> <li>• Fossil-based chain oils are replaced with bio-based alternatives.</li> <li>• The PEFC (Programme for the Endorsement of Forest Certification) and FSC® (Forest Stewardship Council) certification systems are promoted.</li> </ul>
<p>↓ <b>Land-use changes:</b> A new production unit takes up space from any natural environment originally on the site.</p>	<p>↓ Metsä Board's reputation as a sustainable operator weakens especially among local communities.</p>	<p>• Biodiversity plans for mills in accordance with regenerative land-use principles to ensure that the state of nature is improved in industrial environments.</p>
<p>↓ <b>Direct exploitation:</b> Metsä Board uses wood as its raw material. However, neither Metsä Board nor Metsä Group owns forests. Instead, they procure all their wood raw material from forests whose owners decide how they are used. The impact of wood supply on biodiversity and ecosystems is described in this table under Impacts on the state of species and the extent and condition of ecosystems and Impacts and dependencies on ecosystem services</p>	<p>↓ Risks are discussed under Impacts on the state of species and the extent and condition of ecosystems.</p>	<p>• Management measures are discussed under Impacts on the state of species and the extent and condition of ecosystems.</p>
<b>Impacts on the state of species and the extent and condition of ecosystems</b>		
<p>↓ Commercial forest use reduces the amount of dead wood and changes forest structure, leading to changes in species and the state of ecosystems.</p>	<p>↓ <b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Regulation that emphasises the protection of forest nature to promote biodiversity restricts felling volumes or increases wood supply costs.</li> <li>• A complex regulatory environment sets conflicting requirements for the forest industry.</li> <li>• Ecological compensation may increase the protection of commercial forests, as industries exploiting non-renewable materials strive to compensate their negative impacts. Meanwhile, the use of non-renewable materials continues.</li> <li>• Consumers view forests as protected sites and reduce their consumption of wood-based products.</li> <li>• If the state of nature continues to weaken, the acceptability of the forest industry as well as the reputation of Metsä Board and Metsä Group as sustainable operators will suffer.</li> </ul>	<ul style="list-style-type: none"> <li>• Metsä Group's Wood Supply has adopted the principles of regenerative forestry, which aim to measurably improve the state of nature by 2030. Examples of regenerative forestry actions: <ul style="list-style-type: none"> <li>- The Metsä Group Plus service that compensates forest owners for the costs incurred from safeguarding nature values</li> <li>- Diversifying tree species in forests</li> <li>- Increasing the number of old trees</li> <li>- Diversifying and adding more decaying wood</li> <li>- Increasing the structural diversity of forest stands</li> <li>- Protecting valuable habitats</li> </ul> </li> <li>• Forest certification can be used to demonstrate that the forest has been managed sustainably and responsibly. The international certification systems in use are: PEFC (Programme for the Endorsement of Forest Certification, PEFC/02-31-92) and FSC (Forest Stewardship Council, FSC-C001580).</li> <li>• Regulatory risks are managed through active dialogue with policymakers, discussed in greater detail under <i>G1 – Business conduct</i>.</li> </ul>
<p>↑ Metsä Group aims to measurably and verifiably strengthen the state of nature by 2030. If achieved, this will have a positive impact on the state of nature.</p>	<p>↑ <b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• As a result of the improved state of nature and the comprehensive management of ecosystem services, or benefits obtained from nature, forests will be better able to adapt to climate change.</li> <li>• Metsä Group's compliance with the principles of regenerative forestry and success in strengthening the state of nature will improve Metsä Board's and Metsä Group's reputation as sustainable operators.</li> </ul>	
<p>↓ The draining of peatland forests causes changes in habitats and can lead to biodiversity loss.</p>	<p>↓ <b>Risk:</b> Regulation that emphasises the special role of peatlands as large carbon reservoirs, sources of GHG emissions, and potential restoration and protection sites restricts felling volumes.</p>	<ul style="list-style-type: none"> <li>• In forestry, the goal in peatlands is to maintain the water economy and water quality of water ecosystems, as well as to protect their species. New drainage is not created, and old drainage is improved only if necessary. Bog environments suitable for active restoration will be determined and selected on a case-by-case basis. Continuous cover forestry is proposed to forest owners on suitable sites, and additional bonuses for choosing it are paid through the Metsä Group Plus service.</li> </ul>

Impacts	Risks and opportunities for Metsä Board	Management
<b>Impacts on the state of species and the extent and condition of ecosystems</b>		
<p>↓ If valuable habitats or endangered species are not identified or taken into account in wood supply and forest management, there will be fewer forests offering special biodiversity and ecological value or fewer endangered species</p>	<p>↓ <b>Risk:</b> If valuable habitats are not considered in felling practices, Metsä Group's reputation as a sustainable operator committed to regenerative forestry may be undermined.</p> <p>↓ <b>Risk:</b> The use of fresh fibre in products with a short life-cycle is associated with biodiversity loss, negatively affecting the reputation and market position of Metsä Board and Metsä Group, as well as the price of their products and their employer image. A weakened reputation as a sustainable operator may negatively affect forest owners' interest in selling wood to Metsä Group.</p>	<ul style="list-style-type: none"> <li>Metsä Board procures wood only from commercial forests. Forest certification and controlled origin require the company to consider valuable nature sites in commercial forests. Metsä Group's nature site service helps focus the protection required by the FSC on the sites most valuable in terms of nature.</li> <li>The assessment of nature risks is part of the wood trade process. A geographic information system is used to take environmental data into account, such as registers of endangered species, and data about real estate, groundwater areas, and waterbodies in planning and implementation.</li> </ul>
<p>↑ Biodiversity and the condition of waterbodies improve outside commercial forests.</p>	<p>↑ <b>Opportunity:</b> Metsä Board's and Metsä Group's reputation as sustainable operators strengthens.</p>	<ul style="list-style-type: none"> <li>Metsä Group annually funds development projects with a regional impact that improve biodiversity and the condition of waterbodies and are implemented outside commercial forests in Finland.</li> </ul>
<p>↑ Metsä Board offers consumers products based on naturally occurring tree species.</p>	<p>↑ <b>Opportunity:</b> Regenerative forestry offers a competitive advantage over competitors who use foreign tree species in their products.</p>	<ul style="list-style-type: none"> <li>In line with the principles of regenerative forestry, spruce, pine, silver birch, downy birch and aspen – all species that spread to Finland after the last Ice Age – are grown as industrial trees.</li> </ul>
<p>↑ Metsä Group will draw up biodiversity plans for its production unit sites to increase the sites' biodiversity, taking special local features into account and combining local industrial history and nature solutions.</p>	<p>↑ <b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>Metsä Board's and Metsä Group's reputation as sustainable operators strengthens.</li> <li>Metsä Board can more comprehensively monitor the environmental impact of its production units, with the built environment's biodiversity impacts included in monitoring.</li> <li>Cooperation with significant stakeholders develops in the localities of production units.</li> </ul>	<ul style="list-style-type: none"> <li>In 2023, Metsä Group launched a multi-year action plan for regenerative land use in which a biodiversity plan will be drawn up for each production unit. The project was launched as a pilot project at the mills in Kemi. The plan encompasses areas on the industrial site, as well as offsite land areas owned by the company.</li> </ul>
<b>Impacts and dependencies on ecosystem services</b>		
<p>↓ Finnish forests produce a diverse range of tangible and intangible services, with a local, regional, national and international impact. Commercial forest use reduces the amount of dead wood and number of old trees and makes forest structure more one-sided, weakening the state of species and ecosystems.</p>	<p>↓ <b>Risk:</b> If the state of forest nature deteriorates, forests become more vulnerable to weather phenomena caused by climate change.</p> <p>↓ <b>Risk:</b> The development of ecological compensation models will lead to the increased protection of commercial forests.</p>	<ul style="list-style-type: none"> <li>The goal of regenerative forestry is to develop forestry so that nature's various benefits from carbon sinks to pollinators – that is, ecosystem services – can be measured, and that wood is produced as part of a developing production model with multiple targets and based on ecosystem services.</li> </ul>
<p>↑ Metsä Group aims to strengthen the state of nature measurably and verifiably by 2030.</p>	<p>↑ <b>Opportunity:</b> As a result of the improved state of nature and the comprehensive management of ecosystem services, or benefits obtained from nature, forests can adapt better to climate change. In addition to wood production, forests offer other ecosystem services such as pollinator services, picked products, clean water, recreational use and carbon sinks. As the principles of regenerative forestry become mainstreamed, the benefits from the approach will be fully considered in the sector and in social discussions.</p>	

- ↑ Positive impact on the environment and society or on Metsä Board's business  
 ↓ Negative impact on the environment and society or on Metsä Board's business  
 ↔ Neutral impact on the environment and society or on Metsä Board's business

## Metsä Group's 2030 sustainability targets for wood supply

	2030 target	2024	2023	2022
MG: Retention trees on regeneration felling sites, %	100	97	96	95
MG: High biodiversity stumps on harvesting sites, %	100	98	92	90
MG: Spruce as the only tree species after young stand management, %	0	26	25	-
MG: Measures promoting biodiversity, number	10,000	6,586	816	-

Comparative data have not been provided for all the new targets set in 2023.  
 MG: The target has been set at the level of Metsä Group.

Metsä Group, which is in charge of Metsä Board's wood supply, has strategic 2030 sustainability targets for promoting forest biodiversity and sustainable forest use, which are indirectly related to the promotion of biodiversity and ecosystems from Metsä Board's perspective. The 2030 sustainability targets address the impacts, risks and opportunities related to biodiversity and ecosystems identified in the materiality assessment.

Metsä Group's 2030 sustainability targets concerning wood supply are part of the regenerative forestry strategy, which aims to strengthen the state of nature. The targets are aligned with the goals for curbing biodiversity loss stated by the UN, the EU and Finland. The division of forests into commercial and natural forests is also taken into account when setting targets. The targets do not include external ecological compensation, and

in the absence of suitable values, no ecological threshold values have been used in target setting to date.

The action plans for achieving the targets are scientifically justified. Forest management, support for forest biodiversity, and forest thinning make forests more vigorous and resilient against climate change-induced weather phenomena or insect damage, for example. Metsä Group also repairs and restores nature sites that have suffered from any damage. For example, management measures on sunlit slopes and in herb-rich forests support the restoration of biodiversity. The goal is to increase the number of species on sites allocated to production by diversifying tree species and adding decaying wood, for example.

## The identification and assessment of material impacts, risks and opportunities

The materiality assessment is discussed on pages 26–28.

In the materiality assessment, nature impacts, risks and opportunities were assessed in terms of the company's own operations and the value chain. The key impacts and dependencies were found to be related to the wood raw material supply chain and the company's own production units. The assessment was conducted using the LEAP approach (locate, evaluate, assess and prepare). The assessment was based on data such as information about wood supply areas, certification statistics, valuable areas in the vicinity of production units, and a list of biomes and ecosystems that Metsä Board affects, or on which its operations depend. Wood production is a key ecosystem service, or a benefit offered by nature, for Metsä Board, which is part of Metsä Group. Other benefits include pollinator services, picked products, clean water, recreational use and carbon sinks, all of which are important for business resilience. In the risk analysis, attention was paid to transition and systemic risks and physical risks. The impacts of climate change on ecosystem services is assessed under *E1 – Climate change*.

Habitats valuable to biodiversity are found in the vicinity of Metsä Board's production units. These areas have been identified within a radius of 10 kilometres of each production unit. The potential impacts of pulp mills are not expected to reach farther than this. However, the potential environmental impacts of paperboard mills are limited to an area smaller than this. Areas valuable to biodiversity encompass Natura 2000 sites, state nature reserves, private nature reserves, areas included in nature conservation programmes and key biodiversity areas. For some production units, mild impacts on these areas have been identified, and they are listed in the table later in this section. The measures for managing and reducing impacts are discussed under *E2 – Pollution*.

## Risk management as part of Wood Supply and Forest Services operations

Metsä Board's impacts, risks and opportunities related to forest biodiversity and the state of forest ecosystems take place through Metsä Group's Wood Supply and Forest Services. Metsä Group does not own forest important for its wood supply. In Finland, most of the wood is acquired from Metsäliitto Cooperative's owner-members, who together own around half of Finnish private forests and 32% of all the forests in Finland. In Sweden, wood is mainly procured from Norra Skog's owner-members, who own

around 10% of all the productive forest land in Sweden. The certified ISO 14001 environmental management system used in Metsä Group's wood supply guides operations towards environmental targets and supports risk management as part of daily operational work.

The assessment of nature risks is part of the wood trade process. The authorities are informed about harvesting plans with forest use declarations, and the authorities notify the company if any legislative requirements must be considered when carrying out harvesting. In addition to legislation, the requirements of forest certification systems are followed when planning and implementing harvesting. Metsä Group has a comprehensive, continuously maintained geospatial dataset that is used in wood trade offers and deals, and in planning and implementing harvesting. The geographic information system enables the identification of sites at risk and geospatial analyses. The geographic information system is also used to update environmental data such as registers of endangered species and data about real estate, groundwater areas and waterbodies in real time for use in work guidance.

Regulatory impacts on forest use are one of the identified risks in Metsä Group's wood supply. Regulatory risks are identified and assessed in accordance with Metsä Group's standardised risk management process, and they are regularly assessed. Risks are identified, assessed and managed in cooperation with Metsä Group's Wood Supply and Corporate Affairs.

## Risk management as part of investments and production units' operational activities

Metsä Board's production units may have negative impacts on the production unit sites' biodiversity and ecosystems due to the units' emissions and land use. The environmental impacts of production units are identified and assessed in the environmental permit process. The need for environmental impact assessments is ultimately determined by the local EIA authority. The impacts on conservation areas and Natura sites are considered in the assessment. If required, a Natura assessment is carried out in accordance with the specified procedure, and in large projects, a separate environmental impact assessment preceding the environment permit process is also carried out. After any environmental impact assessment, the production units operate in accordance with their environmental permit and the company's operational management system. The methods for identifying and managing the impacts of pollution are discussed under *E2 – Pollution*.

## Stakeholder engagement

The results of the operating model for stakeholder engagement are considered in the sustainability materiality assessment and identification of biodiversity risks. The engagement of stakeholders in wood supply is discussed under *Policies*. The engagement of local communities in the production units' operations from an environmental perspective is discussed under *E2 – Pollution*. A general description of the operating model for the engagement of stakeholders, as well as processes for managing stakeholder engagement, can be found under *S3 – Affected communities*. Stakeholders have been widely and actively engaged in the resilience analysis through regenerative initiatives such as regenerative forestry and land use.

## Areas valuable to biodiversity in the vicinity of Metsä Board's production units

Production unit	Total surface area owned	Name of area valuable to biodiversity	Protection type of area valuable to biodiversity	Distance from Metsä Board's production unit	Metsä Board's impact on the area
Kemi	11 ha*	Perämeri National Park, Kallinkangas, Kaltiojätkä herb-rich forest, Kirvesaapa	Natura 2000 sites (the National Park is also a state nature reserve)	6–10 km	Mild indirect combination impacts from eutrophication on the Perämeri National Park. The ecological state of surface waters in the area is satisfactory. No direct impacts on buffer zones and thus on the protected habitats or species. Estimated combined impact with Metsä Fibre's bioproduct mill.
Kaskinen	180 ha	Närpes archipelago, Kristiinankaupunki archipelago, Bred-mossmyran nature reserve	Natura 2000 sites (and several areas in the Närpes archipelago included in nature conservation programmes)	2–10 km	Mild indirect combined impacts from eutrophication on the Närpes and Kristiinankaupunki archipelagos 2–5 km from the production unit. The ecological state of surface waters in the area is satisfactory. No impacts on the habitat types or species forming the basis for Natura protection.

\* Metsä Group owns a total of 1,787 ha of the Kemi production unit site, and of this, 1,776 ha is in Metsä Fibre's ownership.

## Transition plan and consideration of biodiversity and ecosystems in the strategy and business model

Metsä Board's wood supply is handled by Metsä Group's Wood Supply and Forest Services. The resilience of Metsä Board's strategy and business model has been assessed by identifying material risks related to biodiversity and ecosystems and by assessing how effective Metsä Group's long-term actions aligned with the regenerative forestry and land-use principles are in managing the risks in question. The material risks and their management are presented in the table on pages 58–59. Key uncertainty factors identified in the resilience analysis include the weak predictability of EU legislation and the climate change adaptation of complex natural ecosystems, which are discussed in greater detail under *E1 – Climate change*. The implementation of the materiality assessment and the periods used in it are described on pages 26–28.

Resilience has been assessed in the company's own operations and in the value chain. The key risks related to biodiversity and ecosystems concern the wood supply chain. The resilience analysis will be specified in 2025, especially regarding the rest of the value chain. The assessment of business risks fundamental in the resilience analysis is based on the climate scenarios also used in the climate risk analysis and on the scenarios in the wood processing industry's biodiversity roadmap.

The goal of a comprehensive identification and management of ecosystem services is to prepare for both transition and systemic risks and physical risks. The key risks are related to forest use regulation and climate change-induced physical risks, among other things. Increasing biodiversity plays an important role in forests' climate change adaptation.

The goal of regenerative forestry is to develop forest management so that the various ecosystem services can be measured, and wood is produced as part of a production model based on ecosystem services. The key identified factors strengthening business resilience are:

- A production model based on native tree species, which is an important part of business resilience in terms of ecosystems, biodiversity and climate change.
- Increasing the value of the forest assets of Metsäliitto Cooperative's owner-members and transferring forests in a stronger state from one generation to the next are key elements of Metsä Group's strategy.
- The aspiration for more comprehensive identification and safeguarding of ecosystem services at the national level as well.
- With its target of strengthening the state of nature, Metsä Group contributes to international, EU and Finland biodiversity targets by providing an example from the private sector.

- The regenerating communities that emerge from dialogue, cooperation and partnerships support the overall target of regenerative forestry and land use.

The impact of climate change on the state of nature and the role played by actions improving the state of nature are discussed under *E1 – Climate change*.

## Policies

The environmental policy lays the foundation for environmental targets. The environmental policy includes a commitment to procuring wood raw material from sustainably managed forests, paying attention to economic, social and environmental matters in forest management and wood supply, preventing pollution, and continuously developing production processes using the best available methods and technologies.

## Wood supply and forest management services

Metsä Group, which handles Metsä Board's wood supply, adopted the regenerative forestry principles in 2023 as a continuation of Metsä Group's ecological sustainability programme for safeguarding biodiversity. Regenerative forestry aims for a set of measures that lead to the state of nature verifiably strengthening in Metsä Group's wood supply and in the forest services it provides across Finland. The wood supply strategy is based on wood production that does not involve land-use change, and in which the amount of native species is very high despite production. The regenerative forestry programme was approved by Metsäliitto Cooperative's Board of Directors, and it was presented to all owner-members.

Forest certification can be used to demonstrate that forests have been managed sustainably and responsibly. Forest certification has two key elements: sustainable forest management and the wood supply chain. The international certification systems used by Metsä Board are PEFC and FSC.

Metsä Group's principles for forest use and management are publicly available. All the wood is procured from either certified forests or forests that meet the requirements of controlled origin (PEFC Controlled Sources, FSC Controlled Wood). The origin of the wood is always known. The attention paid to biodiversity in forestry is comprehensively noted in certification systems. Certification systems help recognise and restrict measures harming biodiversity by defining sites that must always be saved and excluded from operations, for example.

The procurement of Metsä Board's wood does not cause deforestation. All the countries from which wood is procured have issued legislation requiring forests to be renewed after felling. The wood that Metsä Board

uses in its products is mainly procured from Finland, Sweden and the Baltic countries. A breakdown of wood supply by country is presented in the table under *G1 – Business conduct*. Metsä Group requires all its partners to comply with legislation, and operations adhere to the European Timber Regulation (EUTR), US Lacey Act and UK Timber Regulation (UKTR). In 2024, Metsä Group updated its due diligence system to comply with the requirements of the EU's Deforestation Regulation (EUDR). Wood supply is described in greater detail under *G1 – Business conduct*.

Metsä Group's Wood Supply also considers the impacts of its operations on its key stakeholders, including forest owners, mill locations and their residents, nature, and people who earn their livelihood from nature, such as indigenous peoples (the Sámi), as well as other parties interested in the environment, such as NGOs. In the home region of the Sámi, Metsä Group engages in local dialogue about the coordination of reindeer husbandry and forestry with key stakeholders such as forest owners and reindeer owners' associations. Communication with the Sámi is typically related to practical questions. Reindeer owners' associations in the home region of the Sámi have been identified as a local community to be engaged with.

## Production units

Environmental management and the maintenance of environmental performance are guided by the requirements of the production units' certified quality, environmental management and energy management systems, as well as the principles of environmental management. The production units conduct planned internal and external audits in accordance with the ISO 14001 and ISO 50001 standards.

Metsä Group has set as its target the strengthening of the state of nature in its operations by 2030, including on the sites of its production units.

Metsä Group's regenerative land-use principles guide the achievement of the targets in industrial environments. The goal is to make the improvement of biodiversity on production unit sites part of the production units' operations and reporting. The production units' biodiversity roadmaps are discussed under *Actions*.

Policies related to water use and water discharges are described under *E2 – Pollution* and *E3 – Water and marine resources*. The engagement of local communities in the production units' operations from an environmental perspective is discussed under *E2 – Pollution*.

## Actions

Actions related to climate change mitigation and adaptation, as well as pollution, are discussed under *E1 – Climate change* and *E2 – Pollution*.

## Wood supply and forest management services

Wood raw material is used as efficiently as possible, ensuring high added value and minimising the forest area needed for harvesting. The utilisation of side streams is described in greater detail under *E5 – Resource use and circular economy*.

The targets of regenerative forestry are discussed under *Policies*. In the regenerative forestry programme, monitoring systems are developed jointly with stakeholders so that the impacts of operations on the state of nature can be measured and disclosed.

Forest and nature management and the harvesting methods used are based on recent research, and Metsä Group cooperates actively with a diverse research community. Some of the key biodiversity-promoting

measures that follow the principles of regenerative forestry include the following:

- Wood is procured only from certified forests or sources of controlled origin. Metsä Group actively participates in the development of the worldwide PEFC and FSC standards. Owner-members are offered the opportunity to certify their forests under the PEFC and FSC systems, and a higher price is paid for certified wood.
- For industrial use, Metsä Group only procures tree species naturally occurring in the area – that is, spruce, pine, silver birch, downy birch and aspen. In their natural range and suitable growth sites, trees live in interaction with other species.
- Mixed forests increase forest biodiversity and forest resilience against storm and insect damage, for example. Metsä Group offers forest owners a forest regeneration service in which both spruce and pine are planted in the same area. Broad-leaved trees such as birch, which spreads to stands naturally, must also be retained in forests.
- Decaying wood is increased by retaining dead trees, preferably leaving retention trees in groups, and making high biodiversity stumps during thinning and regeneration felling.
- Nature management measures in herb-rich forests and voluntary protection of the best sites are recommended for forest owners. Nature management measures thus focus on places where they have the greatest impact on biodiversity. Protective thickets are left for animals at all stages of forest management.
- Metsä Group's nature site service helps focus the protection required by FSC on the sites most valuable in terms of nature.
- Buffer zones along waterbodies promote biodiversity and prevent the runoff of soil and nutrients. A buffer zone is a strip along the waterbody where forest management measures are performed more lightly or omitted completely.
- Continuous cover forestry is chosen on sites for which it is suited.

A very tangible example of the practical implementation of regenerative forestry measures is the Metsä Group Plus service, which is a forest management model designed for Metsäliitto Cooperative's owner-members. In the model, measures that safeguard and improve the state of forest nature more comprehensively than current standard practices are agreed in connection with wood trade and orders for young stand management. Under the model, more retention trees are left, and more high biodiversity stumps are made per hectare during felling. To accelerate the creation of decaying wood and to secure the living conditions of species that inhabit burnt environments, more retention trees will be burned. In valuable habitats and littoral forests, the service represents the highest level of requirements currently in use. Metsä Group pays a bonus per hectare for Metsä Group Plus wood to compensate any loss of wood trade income caused by the additional measures. The service was introduced in 2023, and in 2024, 21% of wood trade took place under the Metsä Group Plus agreement. The costs incurred from the service are not reported because they are sensitive information.

Metsä Group has actively participated in drawing up a biodiversity roadmap for the wood processing industry in cooperation with other operators. As part of the roadmap work, a harmonised and standardised monitoring system is being developed for measuring and monitoring the impacts on biodiversity. In 2024, Natural Resources Institute Finland drew up calculations on the state of forest nature and its development



concerning Metsä Group's own wood supply area in Finland. Moreover, model scenarios were made of the impacts that the Metsä Group Plus service has on biodiversity.

Metsä Board has identified the key legislative initiatives that may affect forest use and the production of Metsä Board's products. As part of Metsä Group, Metsä Board participates in the management of regulatory risks by actively engaging in policy dialogue and targeting its key messages based on the identified regulatory risks. Advocacy is discussed under *G1 – Business conduct*. Regenerative forestry makes business more resilient to impacts related to legislation, the markets and climate change. It also helps implement a goal-oriented action programme to decouple the weakening of natural capital and economic growth.

In the planning and implementation of wood supply and forest services, and in forest certification, attention is also paid to safeguarding the rights of indigenous peoples in the Sámi home region and its vicinity. Metsä Group requires wood suppliers to consider the Sámi culture and reindeer herding in their forestry measures through agreements and their own assurance. Wood suppliers are also audited regularly. The attention paid to local communities and indigenous peoples in forestry is discussed in more detail under *S3 – Affected communities*. Indigenous peoples are heard as part of the continuous stakeholder interaction process, which is reported to management every six months. In 2024, representatives of indigenous peoples were engaged in the human rights process, and their views were considered in the impact assessment results and the specification of development actions.

### Production unit locations

Biodiversity plans will be drawn up for the production unit sites owned by the company and the surrounding land areas in the company's ownership. The action plan was launched in Kemi, which will serve as the pilot site for the entire project. In 2025, a comprehensive plan for implementing biodiversity plans at production units will be prepared. The implementation of biodiversity plans will take one to five years, depending on the production unit, after which the maintenance of the production unit sites and the surrounding land areas will be integrated with environmental management at the production units. The planning areas encompass the mill site and its safety areas, which are often in recreational use. The special features of local nature will be taken into account in the action plan, and the living conditions of endangered species will be improved. The work carried out with an expanding cooperation network aims for internationally approved planning principles that will help improve the state of nature in the built and industrial environments independent of the sector. In 2024, there were no expenses related to biodiversity plans and measures. The amounts

spent by Metsä Board on pollution prevention actions are disclosed under *E2 – Pollution*. The amount used for actions related to biodiversity and ecosystems differs from the Taxonomy disclosures, as only a small part of Metsä Board's business is taxonomy-eligible.

Actions related to emissions to air and water discharges are discussed under *E2 – Pollution*.

### Funding programme for nature projects

Metsä Group's funding programme for nature projects annually funds regionally effective development projects that are carried out outside commercial forests in Finland and improve biodiversity and the state of waterbodies. The funding programme is detached from Metsä Group's own impacts and value chains. Projects are selected for the funding programme once a year. In the 2024 application process, 26 projects related to the management and restoration of Finnish biodiversity were selected for funding. They focused on the following areas: wetlands and aquatic bird habitats, restoration of watercourses and migratory fish, alien species, pollinators, the state of waterbodies, and traditional landscapes.

The funding for these projects totalled EUR 600,000.

### Impacts and dependencies on ecosystem services

Wood production is one of nature's key ecosystem services for Metsä Board. If the state of forest nature deteriorates, forests become more vulnerable to climate-change-induced weather phenomena and alien species. Forests' climate resilience will increase as a result of the comprehensive management of ecosystem services, or benefits obtained from nature, and regenerative forestry that improves the state of nature. The goal of Metsä Group's forest management services is to safeguard locally, nationally and internationally significant ecosystem services. Forest owner-members have greater opportunities to create added value for their forest assets the more diverse the assets are when transferred from one generation to the next.

The key resources for actions related to biodiversity and ecosystems include the employees, development activities, system development and – indirectly – the machinery used in forestry work. The key resource for forestry measures is a comprehensive geographic information system of forests in the operating area.

To remedy any environmental deviations, Metsä Group will introduce a voluntary nature compensation as part of regenerative forestry, which will overcompensate the harm to nature resulting from any legal violations. The development of the compensation model is underway, and it will be applied retroactively from 2023 to identified deviations. The compensation model is described in more detail under *S3 – Affected communities*.

## Impact metrics related to changes in biodiversity and ecosystems

The 2030 targets providing a measure of the actions are described in the table *Metsä Group's 2030 sustainability targets for wood supply*. Emissions to air and water discharges are discussed under *E2 – Pollution*. Metrics of the state of forest nature, their reliability and a harmonised monitoring system are developed as a collaborative industry effort and to achieve Metsä Group's own targets. Further information can be found under *Actions*.

## Financial effects

The risks related to biodiversity and ecosystems are presented in the table on pages 58–59. As Metsä Group does not own forest important for its wood supply, the risks related to biodiversity and ecosystems do not affect its assets. If the risks were to be realised, they would affect Metsä Board in the long term through the availability and cost of wood raw material.

## Reporting principles for metrics

The calculation of high biodiversity stumps left on harvesting sites covers the direct standing sales carried out by Metsä Group's Wood Supply and Forest Services. The harvesting sites include intermediate and regeneration felling sites. The calculation of retention trees left on regeneration felling sites covers the direct standing sales carried out. Forest certification criteria set minimum requirements for the number of retention trees. The calculation is based on the number of regeneration felling sites. Stands containing only spruce after young stand management include the young stand management work carried out. The calculation takes spruce-dominated sites into account where spruce amounts to more than 50% of the remaining trees. Spruce is considered to be the only tree species if other species account for less than 10% on the site.

The number of measures promoting biodiversity is calculated based on the measures carried out in owner-members' forests. The measures that are currently monitored include nature management measures in herb-rich forests, burned retention trees, Metsä Group's nature site service and the number of Metsä Group Plus agreements.

Metsä Group develops metrics for the state of forest nature, their reliability and a harmonised monitoring system. The development of metrics is described in more detail under *Actions*.

The metrics have not been validated by an external party.

# E5 – Resource use and circular economy

## Material impacts, risks and opportunities related to resource use and the circular economy

Impacts	Risks and opportunities for Metsä Board	Management
<b>Resource inflows, including resource use</b>		
<p>↑ Thanks to regenerative forestry, the primary renewable resources used by Metsä Board can be obtained in accordance with circular economy principles. They are a more sustainable alternative to fossil-based primary raw materials, which cannot be obtained in compliance with the circular economy.</p> <p>The impact of wood raw material on the carbon balance of forests and forest biodiversity, as well as the related risks and opportunities, are presented under <i>E1 – Climate change</i> and <i>E4 – Biodiversity and ecosystems</i>. The impacts, risks and opportunities of water and energy consumption are described under <i>E1 – Climate change</i> and <i>E3 – Water and marine resources</i>.</p>	<p>↑ <b>Opportunity:</b> Legislation that recognises the climate and other benefits of fossil-free raw materials in the production of materials and sets requirements for replacing primary fossil-based raw materials with more sustainable alternatives.</p> <p>↑ <b>Opportunity:</b> The full use of the main raw material, renewable wood. Innovations and the development of the production process can increase the added value of wood raw material and diversify the product portfolio.</p> <p>↓ <b>Risk:</b> Legislation that requires the use of recycled material in bio-based products and does not recognise the circular economy benefits offered by fresh fibres and other bio-based raw materials. Because the current business strategy focuses on fresh fibre products, this would probably have a negative impact on business. Adapting to a changed operating environment would require new investments, among other things.</p>	<ul style="list-style-type: none"> <li>• Wood raw material is utilised entirely.</li> <li>• As part of Metsä Group, Metsä Board develops industrial symbioses with other business areas creating resource use synergies.</li> <li>• R&amp;D for using side streams to develop fossil-free alternatives and make products more lightweight.</li> <li>• The continuous improvement of production processes and new mill investments further improve resource efficiency.</li> <li>• Commitment to regenerative forestry principles, the continuous development of forest management services and other active cooperation with the cooperative's owner-members. The actions are described in greater detail under <i>E1 – Climate change</i> and <i>E4 – Biodiversity and ecosystems</i>.</li> <li>• Attention is also paid to the resource efficiency of other materials and their energy use. Actions to reduce water use are described in greater detail under <i>E3 – Water and marine resources</i>, and actions to improve energy efficiency are described under <i>E1 – Climate change</i>.</li> </ul>
The impacts, risks and opportunities related to wood-based energy are described under <i>E1 – Climate change</i> .	The impacts, risks and opportunities related to wood-based energy are described under <i>E1 – Climate change</i> .	• The management of impacts, risks and opportunities related to wood-based energy are discussed under <i>E1 – Climate change</i> .
<b>Resource outflows related to products and services</b>		
<p>↑ Metsä Board's products offer customers and consumers the opportunity to use recyclable products and an alternative to products made from fossil-based raw materials.</p>	<p>↑ <b>Opportunity:</b> Legislation that favours recyclable products made from renewable resources by the forest industry instead of packaging made from materials such as fossil-based plastic offers growth opportunities.</p> <p>↓ <b>Risk:</b> Legislation that favours reusable packaging instead of recyclable, disposable packaging can reduce the demand for Metsä Board's products. If the chemical recycling of plastics is implemented at industrial scale, the use of plastics may become more acceptable, and there will be less need to replace plastics.</p>	<ul style="list-style-type: none"> <li>• R&amp;D and services increase the recyclability of products and reduce their environmental footprint.</li> <li>• Cooperation with customers and other value-chain operators is active.</li> <li>• Active engagement in social dialogue. Metsä Board's influencing and lobbying are discussed under <i>G1 – Business conduct</i>.</li> </ul>
<b>Impacts</b>		
<p>↑ Metsä Board's production side streams are converted into new products</p>	<p>↑ <b>Opportunity:</b> The utilisation of side streams offers economic benefit. Making full use of the forest industry's side streams strengthens the industry's acceptability and secures future operations.</p>	<ul style="list-style-type: none"> <li>• In cooperation with Metsä Group's other business areas, Metsä Board aims to make full use of wood raw material.</li> <li>• New applications are jointly sought for production side streams with partners. New wood construction solutions are developed jointly with customers.</li> </ul>
<p>↓ Metsä Board's production currently generates small amounts of landfill waste, causing emissions to air, water and soil. Nearly all production side streams are utilised as materials or energy. Landfill waste in the reporting year is presented in the table on Waste use and disposal. The 2030 target is 0 tonnes of process waste delivered to landfills</p>	<p>↓ <b>Risk:</b> If a purpose is not found for all side streams, the appreciation of forest industry operations will weaken, and no economic benefit will be obtained from side streams.</p> <p>↓ <b>Risk:</b> Legislation that leads to a decline in the use of forest industry side streams for bioenergy generation erodes the appreciation of forest industry operations.</p>	<ul style="list-style-type: none"> <li>• As part of Metsä Group, Metsä Board develops industrial symbioses with other business areas creating resource use synergies.</li> <li>• Metsä Board invests in cleaner process technology.</li> <li>• Metsä Group optimises the use of wood-based side streams as material and energy. The long-term goal is to increase the use of side streams as material, and one of the five strategic R&amp;D programmes aims to develop new commercialised products from industrial side streams.</li> <li>• Metsä Group has also invested in four growth companies that develop new products from side streams currently utilised as energy. Currently, the utilisation of wood-based side streams as energy plays an important role in long-term plans and in securing the availability of bioenergy.</li> </ul>

- ↑ Positive impact on the environment and society or on Metsä Board's business
- ↓ Negative impact on the environment and society or on Metsä Board's business

## Metsä Board's 2030 sustainability target

	2030 target	2024	2023	2022
Process waste delivered to landfills, t	0	267	1,164	130

Metsä Board's 2030 sustainability targets, and their setting and monitoring, are discussed in greater detail under *Sustainability governance and strategy* and *Material sustainability-related impacts, risks and opportunities*. The target of 0 tonnes of process waste delivered to landfill, presented under section E5, concerns resource outflows. The target is based on Metsä Board's intention to steer all production side streams for reuse, thus eliminating all landfill waste. This can be achieved by identifying a purpose for all process waste. In the waste hierarchy, this is categorised as waste recovery. Because the target's achievement requires all side streams to be utilised, it indirectly contributes to a product design based on the circular economy. The utilisation of side streams is discussed in more detail under *Waste and side streams*. The target is therefore indirectly related to increasing the utilisation rate of recycled materials through the use of side streams but not to the sustainable procurement and use of resources, or to the minimising of primary raw materials. Target setting complies with legislative guidance, and the target is based on the EU's Waste Directive and the targets set in it. Comprehensive system-level metrics for the circular economy are under development internationally. Metsä Board follows the development of metrics and participates in testing and development work.

The targets related to water and energy use are discussed under E1 – *Climate change* and E3 – *Water and marine resources*.

## Progress in targets

- **Process waste to landfills** – The reduction of Metsä Board's landfill waste has progressed as planned towards the 2030 target. In 2024, only a single batch of process waste was delivered to landfill.

## The identification and assessment of material impacts, risks and opportunities

The material impacts, risks and opportunities related to resource use and the circular economy have been identified in a double materiality assessment based on the principles of the company's risk management process. The materiality assessment is discussed on pages 26–28. The impacts, risks and opportunities related to Metsä Board's resource use and the circular economy have been assessed across the value chain. They are related to the procured materials, resource efficiency and side streams of the company's own production units, and product upgrading and end use. In the assessment, attention was paid to various raw materials, production units, side streams and product groups, and product packaging materials.

Ensuring undisturbed and uninterrupted operations in all conditions is key in the risk assessment of production units. The assessment process of production units' environmental risks is guided by the ISO 14001 and ISO 50001 management systems. The key identified risks are included in the company-level risk management process.

The production units' resource efficiency and waste management are considered in the environmental impact assessments of investment projects and during the environmental permit processes. The need for environmental impact assessments is determined by the local EIA authority.

After any environmental impact assessment, the production units operate in accordance with their environmental permit and the company's operational management system. The production units' waste

management is also regulated by the conditions in the environmental permits. Some production units have their own waste management area subject to an environmental permit, the environmental impacts of which are monitored and managed in accordance with the permit conditions. Risks related to waste management are assessed as part of regular risk assessments.

The engagement of local communities in the production units' operations from an environmental perspective is discussed under E2 – *Pollution*.

## Policies

As part of Metsä Group, Metsä Board is committed, through Metsä Group's environmental policy, to regenerative forestry, the efficient use of raw materials, water and energy, and the continuous development of operations. The side streams generated in production processes are used primarily as raw material or energy. The company takes advantage of synergies between its production units and develops industrial cycles and the recyclability of products. Metsä Group's environmental policy is followed worldwide by all Metsä Group companies and legal units, and the impacts of the Group's operations have been identified across the value chain. Metsä Board's policies concerning resource use and the circular economy are linked to themes important to the company's stakeholders. Regarding stakeholder engagement in policy drafting, Metsä Board collects stakeholder feedback twice a year and uses it in its double materiality assessment and in setting its 2030 sustainability targets based on the materiality assessment. Metsä Board's stakeholder cooperation is discussed in more detail under *Interests and views of stakeholders*.

Environmental management and continued environmental performance are guided by the requirements of the production units' certified quality, environmental management and energy management systems. The production units systematically conduct internal and external audits in accordance with the ISO 14001 and ISO 50001 standards.

In its operations, the company follows circular economy principles, safeguarding nature's capacity for renewal, minimising waste and emissions, and keeping natural resources used by society in use for as long as possible and as valuable as possible.

As the complete recycling and reuse of materials are impossible, maintaining the material cycle also requires the addition of primary raw materials to the cycle. Fresh fibre is therefore needed to replenish and maintain a functioning recycling for fibre-based packaging. Primary renewable resources can be obtained while safeguarding nature's capacity for renewal, as required by circular economy principles. Metsä Group's wood supply is based on regenerative forestry, which is discussed under E1 – *Climate change* and E4 – *Biodiversity and ecosystems*.

In the Leader in sustainability strategic programme, the focus concerning the circular economy is on achieving the strategic sustainability targets for fossil-free production units and products, water and energy efficiency, and expanding the company's role in the circular economy. The goal of the Efficient Innovation programme is to ensure the long-term competitiveness of Metsä Board's products. Its focal areas include reducing the weight of paperboard and developing fossil-free recyclable products such as dispersion-coated paperboard.

All Metsä Board's paperboards are produced from renewable and recyclable fresh fibre. Fresh fibre paperboards do not interfere with the smell or flavour of the product they cover, and they are a safe choice for fibre-based packaging designed for food and other demanding end uses.

## Actions

Metsä Board's key continuous strategic actions related to resource use and the circular economy are the following:

- As part of Metsä Group, committing to regenerative forestry principles and promoting regenerative land use in production unit areas. This action improves the state of forest nature and helps strengthen biodiversity in the built environment. Further information is available under *E1 – Climate change* and *E4 – Biodiversity and ecosystems*.
- Reducing water use by developing production processes and deploying new technologies. Further information is available under *E3 – Water resources*.
- Transitioning to fully fossil-free energy in production to reduce fossil-based GHG emissions. Further information is available under *E1 – Climate change*.
- Improving energy efficiency by using electricity, heat and fuel more efficiently. Further information is available under *E1 – Climate change*.
- Transitioning to fully fossil-free raw materials and packaging materials by 2030, enabling Metsä Board to move from a fossil-based economy to a circular bioeconomy in its use of chemicals and materials. Further information is available under *E1 – Climate change*.
- Reducing the environmental impacts of packaging through product development such as by reducing the weight of paperboards and by offering customers services in areas like sustainability and packaging design to reduce environmental impacts across the life-cycle of packaging. Further information is available in the Report of the Board of Directors, under *R&D and innovation*.
- Promoting recycling by participating in international initiatives such as 4evergreen. Participation in international initiatives contributes to a stronger European and global circular economy and to Metsä Board's products remaining in use longer. Further information is available under *G1 – Political influence and lobbying activities*.
- Developing new purposes for production side streams jointly with partners to make wood use more resource-efficient and reduce the products' environmental impact per product produced.

## Resource inflows, including resource use

Raw materials are used efficiently to avoid waste in production. The main raw material, renewable wood, is used fully. Log wood, the most valuable part of the tree, is used for wood products produced by Metsä Group's other business areas, while thinner tree parts and the smaller trees obtained during thinnings are used as the main raw material of pulp and paperboard mills. The branches and felling residue are used in the production of renewable energy. Metsä Board's mills are continuously improving their recovery processes to avoid the generation of waste in pulp and paperboard production. For example, increasing process water recycling makes energy use more efficient and reduces the loss of fibre material.

## Outflows related to products and services

In the circular economy for fibre-based packaging material, Metsä Board's task is to provide markets with premium fresh fibre paperboards as resource-efficiently as possible, help replace fossil-based materials and reduce the carbon footprint of packaging. Ensuring and developing the recyclability and compostability of paperboards is of key importance

As a rule, all Metsä Board's packaging materials, as well as its paperboards, mainly produced from renewable raw materials, can be recycled, depending on local recycling systems. Except for the PE-coated grades, all the company's paperboards are certified as industrially compostable in accordance with the DIN EN 13432 and/or ASTM D6400 standards, and as home compostable in accordance with the NF T 51-800 standard.

The company's R&D focuses on reducing the weight of paperboard and developing bio-based barrier coating for end-uses in food packaging. Further information is available in the Report of the Board of Directors, under *R&D and innovation*.

Through its 360 Services, Metsä Board offers customers services in fields like R&D, sustainability and packaging design to help customers improve the recyclability and material efficiency of their packages through packaging life-cycle calculations, data-based comparisons of the environmental impacts of different materials, and tangible packaging solutions.

Product category rules (EPD International PCR) compliant with the ISO 14040 and ISO 14044 standards are used in the life-cycle assessments of all the company's products. The calculation model of the company's life-cycle assessments has been verified by an external partner, and two of the company's products have an environmental product declaration (EPD), stating the comparable results of the paperboard product's life-cycle analysis. With respect to Metsä Board's field of business, product reparability or durability compared to the industry standard in practice is not relevant to product use when accounting for resource outflows.

Metsä Board is one of the founding members of the 4evergreen initiative, launched in 2019. 4evergreen brings together members across the packaging value chain with a goal of raising the recycling rate of fibre-based packaging in the EU to 90% by 2030.

## Waste and side streams

Waste generated at Metsä Board's production units include wood-based fractions, organic and inorganic sludge, ash, paper and paperboard waste, metals, and small amounts of plastic and glass waste, as well as energy waste from sorting at the mills. Examples of hazardous waste include oil and oily waste. Crushed concrete and metal waste are generated in construction and demolition.

Most of the production side streams are utilised. Wood-based waste, sludge, ashes and lime are used in soil improvement and landscaping, fertilisers, chemicals industry applications, and in energy generation. Only a small share of production side streams are disposed of in landfills (see the table *Waste use and disposal*). The utilisation of side streams often leads to additional expenses, but the decrease in landfill management fees also offers cost savings.

Some production units have their own waste management area, where operations are subject to an environmental permit. The environmental impacts of the mills' own waste management areas are minimised in accordance with the environmental permits. Part of the waste is delivered

to waste management companies whose operations are subject to environmental permits for processing or disposal. The sustainability of waste management operators is ensured in supply agreements.

The main process waste components are green liquor dregs generated in pulp production and ash, which is generated in energy production. As part of Metsä Group, Metsä Board is actively seeking industrial applications for green liquor dregs by conducting its own research and pilot projects, and participating in universities' jointly funded research projects.

Jointly with Soilfood, Metsä Board is studying the utilisation of fibre-based side streams from paperboard mills in animal bedding. Novel bedding fibres are a renewable alternative for peat, commonly used as animal farms.

In addition, Metsä Group is running several projects dealing with the recovery and use of production side streams. In 2024, Metsä Group committed to the national circular economy green deal. The participants set targets up to 2035 and commit to actions that promote a low-carbon circular economy.

## Financial effects

The impacts, risks and opportunities concerning resource use and the circular economy identified in the material assessment are presented in the table on page 65, and the time horizons used in their assessment are described on page 27. The main known or reasonably expected economic impacts related to side streams concern emission rights and wood-based energy use, which are discussed under *E1 – Climate change*. Other potential additional costs are related to the increased utilisation of side streams, which, on the other hand, offers cost savings through reduced landfill management fees.

When developing new concepts promoting efficient resource use and the circular economy, their economic impacts on the company's business are continuously monitored through cost-benefit analyses and scenario analyses, combined with roadmaps using economic calculation methods. Proposed investments are assessed while considering strategic advantages and financial performance measures.

A more detailed discussion of potential future products for the packaging market and carbon capture as opportunities related to resource use and the circular economy can be found under *E1 – Climate change*.

## Inflows of material and energy

<b>Wood-based raw materials, 1,000 t</b>	<b>2024</b>	<b>2023</b>
Wood	4,292	3,505
Purchased pulp	345	373
Recycled fibre	0	0

The share of certified wood fibre is disclosed under *G1 – Business conduct*.

<b>Other raw materials, 1,000 t</b>	<b>2024</b>	<b>2023</b>
Process chemicals	31	28
Coatings, binders and pigments	279	254
Packaging material	25	21

<b>Share of renewable and recyclable raw materials and packaging materials, %</b>	<b>2024</b>	<b>2023</b>
Renewable materials	94	93
Recycled materials	0.2	0.1

\*Share of the total weight of materials used in the reporting period.  
Metsä Board uses recycled paperboard for the cores of paperboard reels.

## Outflows of material and energy

<b>Products, 1,000 t</b>	<b>2024</b>	<b>2023</b>
Pulp	619	555
BCTMP	504	441
Paperboard	1,539	1,319
Other bioproducts (tall oil and turpentine)	18	17

<b>By-products, 1000 t</b>	<b>2024</b>	<b>2023</b>
Fertilising and soil improvement (lime, ash, sandy bark)	14	12
Industrial use (lime dust, ash, de-inking sludge)	18	13
Energy use (de-inking sludge, sandy bark)	0	0
<b>Total</b>	<b>32</b>	<b>25</b>

Waste use and disposal, 1,000 t	On-site	Off-site	Total 2024	Total 2023
<b>PROCESS WASTE (NON-HAZARDOUS)</b>				
Material utilisation	8.1	65	73	59
Energy use	54	0.8	55	59
Landfill	0.0	0.3	0.3	1.2
Total process waste	62	66	128	119
<b>OTHER NON-HAZARDOUS WASTE</b>				
Material utilisation	0.1	4.0	4.1	3.8
Energy use	0	1.4	1.4	0.3
Landfill	0	0.04	0.04	0.05
Total other non-hazardous waste	0.1	5.4	5.5	4.1
<b>HAZARDOUS WASTE</b>				
Material utilisation	-	0.3	0.3	0.5
Energy use	-	0.2	0.2	0.01
Incineration without energy recovery	-	0.07	0.07	0.8
Landfill	-	0.3	0.3	0.01
Other disposal*	-	0.2	0.2	0.07
Total hazardous waste**	-	1.1	1.1	1.4
Total waste	62	73	135	125
Share of landfill waste of all waste, %	0	0.8	0.5	1.0

\* Disposal and treatment of waste other than delivery to landfill. The amount also includes repackaging and pre-processing before disposal measures.

\*\* Metsä Board's operations do not generate radioactive waste.

## Reporting principles for metrics

Resource inflows are disclosed in the original state of materials. Wood volumes are disclosed based on the information received from Metsä Group's Wood Supply and Forest Services, and disclosures of other raw materials are based on the received tonnes of raw material. Inflows regarding packaging materials are based on internal reporting.

The key assumptions made in resource inflow calculations are related to material conversion factors and the categorisation of materials into renewable materials and recycled materials. Some of the converted inflow amounts are based on assumptions if average conversion factors for a material or product have been used in the calculations. If a material cannot be categorised as renewable or recyclable, the assumption is that it is neither.

The waste volumes include waste transferred directly from the mill process, waste from construction and demolition projects outside factory operations as well as interim storage to final

disposal, which the company has operational control over, including material and energy recovery, landfill disposal and hazardous waste treatment. Waste transferred from the mill process to interim storage is not included in the disclosed waste volumes. Moisture is included in the waste volume.

The volume of process waste delivered to landfills includes the volume of waste from production processes (in tonnes) delivered to landfills from all the production units. The 2030 sustainability target only applies to process waste. For example, it does not apply to waste generated in production units' cafeterias, the volume of which is non-material compared with process waste.

The volume of waste treated in the mills' own waste treatment areas is collected from weighting reports. Information about the volume of waste treated by external service providers and the treatment method is obtained from service providers.

The metrics have not been validated by an external party.

# S – Social responsibility

## S1 – Own workforce

### Material impacts, risks and opportunities related to own workforce

Material sub-sub-topics	Impacts	Risks and opportunities for Metsä Board	Management
<b>Equal treatment and opportunities for all</b>			
<ul style="list-style-type: none"> <li>Gender equality and equal pay for work of equal value</li> <li>Diversity</li> <li>Measures against violence and harassment in the workplace</li> <li>Training and skills development</li> </ul>	<p>↑ The realisation of equality in the treatment, compensation and recruitment of employees can improve wellbeing at work and the opportunities for continuous learning and career development.</p>	<p>↑ <b>Opportunity:</b> The most suitable professionals are selected for key duties, which improves Metsä Board's employer image, as well as its innovativeness and performance.</p>	<ul style="list-style-type: none"> <li>Anonymous recruitment is the company's main recruitment method.</li> <li>Competence development and performance management are systematic.</li> <li>DEI activities (diversity, equality and inclusion) are invested in.</li> <li>The share of women is increased at different organisational levels.</li> <li>Everyone can report grievances through the Compliance and Ethics Channel.</li> </ul>
	<p>↓ If equality is not realised in the treatment, compensation and recruitment of employees, wellbeing at work and opportunities for continuous learning and career development would be weakened. This especially affects women and minorities. Some harassment incidents came up in the reporting year. They are discussed under <i>Incidents, complaints and severe human rights impacts</i>. Diversity metrics are presented in tables at the end of this section.</p>	<p>↓ <b>Risk:</b> The most suitable professionals are not selected for key duties, which weakens Metsä Board's employer image, as well as its innovativeness and performance. Metsä Board's attractiveness as an employer decreases especially among minorities.</p>	
<b>Working conditions</b>			
<ul style="list-style-type: none"> <li>Secure employment</li> <li>Working time</li> <li>Adequate wages</li> <li>Social dialogue</li> <li>Collective bargaining</li> <li>Work-life balance</li> </ul>	<p>↑ Actions promoting working conditions such as company-specific collective agreements, flexitime and individual working time model for shift work have a positive impact on employees' work ability and wellbeing at work.</p>	<p>↑ <b>Opportunity:</b> Workforce's work ability, job satisfaction and commitment to the company increase. This improves Metsä Board's employer image and performance.</p>	<ul style="list-style-type: none"> <li>Metsä Board's production units are in countries with high-quality statutory requirements concerning working conditions. Local legislation is followed in all the countries in which the company operates.</li> <li>Everyone has the freedom to choose whether to join or not join a trade union.</li> <li>Metsä Board uses company-specific collective agreements.</li> <li>All Metsä Board employees are covered by the centralised HR management system.</li> <li>Employees can work remotely depending on the nature of their work.</li> <li>Employees have flexible working hours.</li> <li>An individual working time model for shift work is being tested at Finnish production units.</li> </ul>
	<p>↓ Inadequate working conditions would weaken the quality of life of employees and their families and increase inequality. At Metsä Board, potential negative impacts especially concern an uneven work allocation and work-life balance.</p>	<p>↓ <b>Risk:</b> Workforce's work ability, job satisfaction and commitment to the company decline. This weakens Metsä Board's employer image and performance.</p>	
<ul style="list-style-type: none"> <li>Health and safety</li> </ul>	<p>↑ Actions promoting health and safety have a positive impact on employees' general physical and mental wellbeing and work ability.</p>		<p>Actions promoting health and safety at Metsä Board include, for example:</p> <ul style="list-style-type: none"> <li>Certified safety management systems</li> <li>Training, opportunities for occupational safety observations, continuous risk assessments and processes for responding to accidents</li> <li>Operating models and related training for early support and return-to-work support (rehabilitative activities) and a substance abuse programme</li> <li>Training of supervisors in managing occupational safety and workplace wellbeing</li> <li>Employees are offered proactive healthcare and a sports and culture benefit anticipate and promote the maintenance of work ability</li> </ul>
	<p>↓ Inadequate actions for securing health and safety would have negative impacts on employees' general physical and mental wellbeing and work ability. Especially employees at production units and in investment projects are prone to accidents. The most typical accidents consist of injuries to hands and feet. Moreover, all employees may be exposed to negative impacts related to mental strain and wellbeing.</p>		
<b>Other work-related rights</b>			
<ul style="list-style-type: none"> <li>Privacy</li> </ul>	<p>↓ Inadequate data protection could jeopardise employees' privacy and personal data protection, which may cause a significant mental strain and deterioration in wellbeing</p>	<p>↓ <b>Risk:</b> Metsä Board suffers permanent damage to its reputation. Workforce's work ability, job satisfaction, and trust in and commitment to the company decline.</p>	<ul style="list-style-type: none"> <li>The Data Protection Policy defines the principles and rules for personal data processing. Separate written guidelines are in place for the processing of employees' personal data.</li> <li>Employees receive data protection training through e-learning courses. An advanced mandatory course dealing with the processing of employees' data and related special legislation is offered to HR personnel and supervisors.</li> <li>Data protection requirements are considered throughout the life-cycle.</li> <li>The data protection management model helps ensure compliance with the requirements of legislation, including the EU's General Data Protection Regulation (GDPR).</li> <li>Everyone can submit a request concerning their personal data through Metsä Group's website.</li> </ul>

↑ Positive impact on the environment and society or on Metsä Board's business

↓ Negative impact on the environment and society or on Metsä Board's business



## Metsä Board's 2030 sustainability targets

	2030 target	2024	2023	2022
Anonymous recruitment for vacancies open to all, %	100	99.2	72	43
Women in management positions, %	>30	23	21	21
Total recordable incident frequency, own employees (TRIF)	0	3.4	6.1	6.7
Employee commitment	AAA	A+	A+	-

Metsä Board's 2030 sustainability targets, and their setting and monitoring, are discussed in greater detail under *Sustainability governance and strategy* and *Material sustainability-related impacts, risks and opportunities*.

The company's own workforce has not directly participated in setting the targets, but the results of surveys focused on the personnel, such as the employee survey, are considered in the materiality assessment. The 2030 sustainability targets are discussed by the mills' management teams, which include employee representatives, and in collaborative events with employee representatives. The progress made in sustainability targets is published on the intranet for all employees quarterly.

### Progress in targets

- **Anonymous recruitment for vacancies open to all** – Significant progress has been made in the target. Anonymous recruitment was adopted at Metsä Board in 2022. In 2024, 99% of vacancies were filled through anonymous recruitment.
- **Women in management positions** – Despite the actions taken, the share of women in management positions did not increase in line with the target in 2024. In 2025, the goal is to reinforce actions to increase the share of women and use broader metrics to monitor the share of women in management.
- **Total recordable incident frequency, own employees (TRIF)** – TRIF moved towards the zero accidents target as planned. Unfortunately, there was one serious accident, so the company must continue to emphasise proactive safety work and the prevention of serious work-related accidents.
- **Employee commitment** – The result remained at the same level as in the previous employee survey. Starting from 2025, the goal is to enhance the monitoring of the implementation of Group- and business-specific measures established based on the employee survey and to assess potential additional actions affecting commitment to work.

## The identification and assessment of material impacts, risks and opportunities

The material impacts related to the company's own workforce were identified in a human rights impact assessment, the results of which were included in the company's double materiality assessment. The impacts, risks and opportunities related to own workforce that were identified in the double materiality assessment are presented in the table on page 70. The assessment of human rights impacts and the materiality assessment are discussed on pages 26–28.

Most of the employees belonging to the company's own workforce are in an employment relationship with the company. A relatively small share of employees of third-party companies, who have an agreement on the supply of labour with Metsä Board, work in ICT services and at production units, for example. The identified material negative impacts are mainly

related to individual cases. Those highlighted in the assessment on human rights impacts include the impacts on personal safety and factors straining wellbeing at production units and in investment projects. Metsä Board has also identified potential negative impacts on diversity and the realisation of equality, including challenges to gender equality in a male-dominated industry. Challenges may also arise in the achievement of diversity regarding the origin, language or age of the company's own workforce, and the equal treatment of minorities.

## Policies

The sustainability of Metsä Board's own workforce is guided by applicable legislation, as well as policies comprising Metsä Group's Code of Conduct and other policies approved by the company's Board of Directors, the Metsä for all vision and management systems. The policies apply to all Metsä Board employees. The key occupational safety training applies to the company's own employees and leased labour. The Code of Conduct and policies are discussed in more detail under *G1 – Business conduct*.

The Motivated people strategic programme focuses on the competence development of management and employees; the mills' common operating model; a diverse, equal and inclusive (DEI) culture; the implementation and development of an ethical and respectful corporate culture; and ensuring future employee needs. The goal is that everyone in the workplace community understands the significance of their role and work in strategy implementation. The Safe and Efficient Operations and Organic Growth strategic programme focuses on topics such as the continuous improvement of occupational safety. One of the goals is to reduce the number of work-related accidents.

## Equal treatment and opportunities for all

Metsä Board is committed to promoting the diversity, equality and inclusion (DEI) of its own workforce. This work is guided by Metsä Group's Code of Conduct, Equality policy and the Metsä For All vision, published in 2021. The HR function guides and carries out DEI work in cooperation with other functions.

The Code of Conduct and Equality policy include the prohibition of all discrimination based on gender, age, origin, race, nationality, language, religion, belief, opinion, political activity, trade union activity, family relations, pregnancy, health, disability, sexual orientation or any other personal characteristics. Indirect discrimination is also prohibited. The non-discrimination principle applies throughout the life-cycle of an employment relationship, regardless of whether the employment relationship is permanent, temporary or part-time.

Awareness of diversity, equality, inclusion and non-discrimination is promoted through the Code of Conduct e-learning course and DEI e-learning course that are mandatory for employees. The themes are part of the induction of new white-collar employees and apprentices, as well as the company's management and leadership coaching.

## Training and skills development

Metsä Board's management and employees' skills development are guided by the Human Resources policy. Metsä Board's management and HR function are in charge of implementing the policies included in the Human Resources policy. Management and supervisory work is supported through coaching, where participants discuss matters such as Metsä Group's good leadership framework. Employees' skills are developed in the long term in line with Metsä Board's strategy and goals.

## Working conditions

Metsä Board complies with the applicable practices for working conditions in its operating countries, in addition to local legislation. In its Code of Conduct, the company is committed to fair terms and conditions of employment. 77% of Metsä Board's employees are covered by collective agreements. In Finland, Metsä Board follows company-specific collective agreements for the chemical forest industry.

All Metsä Board production units and 88% of the employees are located in Finland and Sweden, both of which have high-standard statutory requirements concerning working conditions such as reasonable working time, annual leave, parental leave and part-time work. The wage payment practices for the family-related leave of employees in Finland have been harmonised to a level that exceeds the statutory requirements concerning family-related leave and offers parents equal opportunities to take care of their child. All Metsä Board employees are paid a living wage (situation at the end of the reporting period, 31 December 2024). Metsä Board's employees have the right to choose whether they belong to a trade union or not.

## Health and safety

Metsä Board's occupational safety is guided by the safety management system, comprising the Corporate Security policy and the safety principles, standards, processes and work instructions. Metsä Board's safety management system considers each country's legislation – for example, the Occupational Safety and Health Act in Finland. The Corporate Security policy defines the goals and operating models of security operations, to which all employees must commit in their activities. The safety principles guide safety-related decisions and define the criteria for preparing safety processes and standards. In addition to guiding occupational safety, the ISO 45001 standard calls for a safety management system. The implementation of safety policies is the responsibility of Metsä Board's CEO in accordance with the requirements specified by Metsä Group's senior management. The roles and responsibilities of occupational safety are defined in the safety management principles. The related e-learning course is mandatory for the employees of production units.

All Metsä Board mills comply with the ISO 45001 standard for occupational health and safety. All Metsä Board mills apply the 5S method for organising workplaces and standardising working methods, which aims to increase productivity, safety and wellbeing at work.

All the production units' employees and service providers come under the scope of the occupational safety management system, which has been certified by a third party. Production units account for 81% of Metsä Board's total workforce. Office employees outside production units come under the scope of Metsä Board's occupational safety management system, but these operations do not have third-party certification.

At Metsä Board, wellbeing and the improvement and maintenance of work ability are guided by the Code of Conduct and the guidelines for

wellbeing and occupational safety, in which Metsä Group commits to promoting employees' physical and mental wellbeing. The promotion of workplace wellbeing and work ability is proactive, the goal being to identify threats to employees' work ability, initiate actions and maintain the employees' health throughout their careers. The sites are responsible for compliance with applicable legislation and Metsä Group's requirements for workplace wellbeing.

Metsä Board organises healthcare for its employees in accordance with each country's legislation. Information about healthcare services is available on the company's intranet pages, and it is also included in employees' induction.

## Other work-related rights

As part of the Code of Conduct, Metsä Board is committed to acting in accordance with the United Nations (UN) Guiding Principles on Business and Human Rights and to respecting internationally recognised human rights in accordance with the UN's Universal Declaration of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. The company is committed to remedying any negative impacts on human rights in accordance with the UN Guiding Principles on Business and Human Rights, and Metsä Group's Principles on non-compliance notifications and the related investigation, which were updated in 2024. In the Code of Conduct, Metsä Board is committed to ensuring that no child or forced labour, human trafficking, or other forms of modern slavery occurs in its business operations and supply chain. Metsä Board has focused its production in countries with no significant risk of child or forced labour. Metsä Group publishes a modern slavery statement annually in accordance with the UK Modern Slavery Act, in which it describes the actions taken to ensure that no modern slavery occurs in the company's own operations or its supply chain. Metsä Board supports the UN Global Compact initiative and its principles concerning human rights and employees, among other things. Human rights matters are discussed in e-learning courses such as those focusing on sustainability, the Code of Conduct and DEI. All employees are required to regularly complete the courses.

As part of its Personal Data Protection Policy, Metsä Board is committed to protecting the privacy of people. The Data Protection Policy defines the principles and rules that must be followed when processing personal data. Personal data related to the employees' health are processed only by designated individuals in accordance with data protection legislation and in situations in which the data is required by law. Employees' health-related data is stored separately from the employees' general personal data. The data protection management model helps ensure compliance with legislation, including the EU's General Data Protection Regulation (GDPR).

## Engaging with own workers and workers' representatives about impacts

### Metsä for all vision

Interaction with employees played an important role when defining the Metsä for all vision. The vision's content was influenced by the opinions of the international working group comprising the company's employees, as well as the results of the survey for all employees. The site-specific development measures related to the vision's implementation were determined in workshops for local management, aided by site-specific DEI employee surveys. The workshops and DEI surveys are discussed under *Actions*.

Statutory equality and non-discrimination plans are drawn up annually with employee representatives.

### **Collective agreements**

Company-specific collective agreements for the chemical forest industry are renewed among the parties based on the principle of continuous negotiations. The drafting of company-specific collective agreements marked the beginning of measures carried out jointly with the employee representatives to renew and improve work life.

### **Cooperative activities**

Metsä Board complies with local legislation and applicable collective agreements in all its operating countries. Cooperation is carried out in accordance with each country's legislation. The goal of cooperation is to develop the company's operations and the employees' opportunities to influence the decision-making concerning their work, working conditions and position in the company. HR, management and employee representatives are jointly in charge of the measures related to cooperation.

In Finland, elected representatives participate annually in Metsä Group's cooperation forum and Metsä Board's corporate meeting, where the elected representatives and the company management discuss the elected representatives' questions, development proposals and the group's financial position. In addition, the management team at all mills in Finland includes an elected representative.

Metsä Board has a European Works Council (EWC). The goal of the EWC is to promote the company's internal information flow and contacts between the Corporate Management Team and employees, as well as to regularly discuss questions about the company's multinational operations that are significant to the employees, primarily in accordance with the Finnish version of the EWC agreement. The Works Council is not intended for discussing matters regulated through national or local collective agreements.

### **Employee survey and Pulse survey**

The company annually conducts an employee survey measuring employee commitment, the quality of leadership and employees' views on business ethics. The survey was revised in 2024. As part of the revision, the questions of the ethics barometer, conducted in 2020 and 2022, were made part of the employee survey. The results of the employee survey are supplemented by the Pulse survey, conducted four times a year, which measures employees' commitment to the company and their views on the ethics of business. Through the employee survey and the Pulse survey, employees can provide written feedback on the practical implementation of ethics and report any grievances. The Compliance and Ethics Channel, intended for reporting ethical grievances, is discussed in greater detail under *G1 – Business conduct*.

The HR function is responsible for both the employee survey and the Pulse survey, and supports the company management in handling the survey results and addressing them in decision-making. The results are discussed at different organisational levels and with elected representatives. Further information about work on the measures is provided under *Actions*. The results of the employee survey and Pulse survey are used as indicators for strategy implementation.

The effectiveness of the employee survey and the Pulse survey is measured by evaluating the response rates and the implementation of the defined development measures, and by comparing the results with those of other companies.

### **Safety talks and occupational health and safety committees**

Occupational safety is promoted and supported with safety talks, or information sessions for the workforce, which are recorded in the system. The scope of safety walks is assessed by monitoring the target amounts set for them.

The occupational health and safety committees of mill sites regularly discuss the promotion of occupational safety with various groups of the workforce. The occupational health and safety committee prepares an annual action plan for occupational safety, based on which the occupational health and safety manager and the committee jointly determine the key development measures related to occupational safety. The occupational health and safety committees represent the company's own workforce as a whole – that is, the company's own employees and leased labour.

The line management is responsible for the implementation of safety walks and for occupational health and safety committees. To increase the effectiveness of communication, stakeholders have been involved in the occupational safety communication processes.

### **Processes to remediate negative impacts and channels for the company's own workers to raise concerns**

Metsä Board considers its obligation to remediate any negative impacts on its own workforce. In accordance with Metsä Group's principles for reporting and investigating incidents of non-compliance, updated in 2024, the company carries out a case-by-case assessment of reasonable remedies to ensure that the injured party is put in the same position as they would have been in had the incident of non-compliance not occurred, or as close as possible to it. The rights of the injured parties are taken into account in the assessment.

### **Compliance and Ethics Channel**

The company's own workforce can report any ethical concerns or non-compliance with legislation they detect through Metsä Group's Compliance and Ethics Channel or to their supervisor, local management, HR or the Compliance Committee. The Compliance and Ethics Channel, raising concerns and the processing of reported concerns are discussed in greater detail under *G1 – Business conduct*.

### **Working conditions**

#### **Health and safety**

Metsä Board's risk assessment and management is supported by the HSEQ system, designed for recording and monitoring safety observations, accidents, close calls, corrective actions, safety talks and safety walks. Entries can be made by anyone belonging to the company's own workforce. Safety observations are discussed at daily meetings. Metsä Board does not accept countermeasures against whistle-blowers. Whistle-blowers may

also choose to submit a report anonymously through the Compliance and Ethics Channel.

All accidents and hazardous situations are investigated. The investigation creates conditions for avoiding similar situations and identifying any shortcomings in safety management. When the investigation report is completed, a summary of the investigation is distributed to all Metsä Group business areas.

## Actions

Metsä Board surveys the measures targeted at its own workforce based on the identified impacts. Impacts on the company's own workforce are systematically assessed in the double materiality assessment, in which attention is paid to the results of surveys focusing on the employees such as the annual employee survey.

Based on the results of the employee survey, an action plan is drawn up for the areas with the weakest results. Supervisors discuss the results of the employee survey with their own teams. The discussion can also involve the HR function and a third party if required. Based on the results, the teams choose the required measures, and their implementation is monitored at team meetings and by the company management.

The effectiveness of the implemented measures is assessed with the employee survey, Pulse survey and the DEI surveys conducted during 2022-2024. The surveys measure the realisation of ethical and equal operations, the commitment of employees, and the quality of leadership. Based on the reports made through the Compliance and Ethics Channel, and other cases submitted for investigation to the Compliance Committee, an idea of the realisation of ethical operations at an annual level can be formed afterwards.

## Equal treatment and opportunities for all

The focal points of the Metsä For All vision are equality and gender equality, diversity, inclusion, and cultural change. They guide the development of employee processes and the annually determined measures for achieving the vision.

As part of the continuous development work, an equal pay survey is conducted annually, employees are trained regularly, and measures are taken to ensure that the gender distribution in leadership training corresponds to the DEI targets. In successor planning, attention is paid to the goal of a more balanced gender distribution in company duties. Metsä Board's recruitment partners are committed to the DEI targets.

Anonymous recruitment is the main recruitment method. It supports the diversity of employees by encouraging people with different backgrounds to apply for jobs at Metsä Board. Anonymous recruitment encourages employees to consider their biases and their potential impact on recruitment. After the introduction of anonymous recruitment, the share of women of all recruited employees has increased by 21% in relative terms from 2021 (28%) to 2024 (34%).

Based on the results of the 2022 ethics barometer, increasing awareness of the Metsä for all vision and strengthening its implementation locally was determined as a development area. To promote it, a workshop-based programme was launched for local management. In the workshops, development measures will be determined based on the results of the DEI survey conducted among local employees. A total of 11 workshops were organised at Metsä Board in 2022–2024. Key areas of development

identified in the DEI surveys include the unequal distribution of workload, the unequal treatment of employees and poor work-life balance.

During 2024, a training programme focused on themes related to mental safety was launched as a continuation of the DEI workshops for occupational health and safety committees. The programme covers topics such as inappropriate treatment, bullying, harassment, discrimination and psychological safety, as well as ways to address grievances. Training will continue in 2025.

## Training and skills development

The aim is to ensure the availability and retention of skilled employees by investing in development programmes, successor planning, cooperation with educational institutions and employer image. Competence surveys support the development of multiple skills and competence measurement. Personal assessments and wider competence surveys can guide the individual, group and organisational level competence and the content of development programmes.

Metsä Board encourages its employees to actively develop their competence and participate in different types of training. Everyone is provided with a personal development plan to support their development at both the personal and team levels. In 2024, competence was developed in the academies for finance, sales, procurement, sustainability and leadership. In addition, planning for a production academy was initiated. Mentoring programmes and job rotation support the employees' professional growth and enable the use of tacit knowledge.

The implementation of competence development is monitored at two levels. Metsä Board monitors the number of personal development plans and employee survey results related to the opportunities to use one's own competence. In addition, feedback is collected on each academy and other training programmes.

Metsä Board's employees have a bonus scheme, and the personal performance bonus targets of each employee include a sustainability target. Personal goals and areas of development are set annually, and their progress is monitored in performance and development appraisals (PDAs), which all employees conduct with their supervisor twice a year. The bonus scheme does not cover trainees, thesis workers, employees who have worked less than four months during the bonus scheme year or individuals who are not in an employment relationship at the time of the bonus payment.

## Working conditions

All Metsä Board's employees are included in the same HR management system, which reduces the risk of employment conditions or wages in breach of the law or agreements. In some duties, employees have access to flexible working hours and a hybrid model, which enables them to work remotely part of the week. The company supports the employees' wellbeing at different stages of life and enables a long career by offering various solutions such as job rotation.

## Health and safety

In Metsä Board, safety management is based on the prevention of hazards and risks. Operations are guided by safety processes and standards and work instructions. The e-learning course in the principles of safety management is mandatory for the production units' employees. The general safety induction e-learning course dealing with hazards and risks

is mandatory for the company's own workforce working at Metsä Board's production units and construction sites.

Accidents are prevented with common safety-at-work standards, continuous proactive measures – such as risk assessments, safety observations, safety walks and safety training – and investments improving safety. Safety-at-work standards have been drawn up for the riskiest duties. The permit to work standard covers the most important of these: lockout/tagout, working at heights, lifting work, work in confined spaces, excavations and hot work.

The zero accidents target is supported by long-term focal areas for safety – the deployment of common safety-at-work standards, personal risk assessments and the development of hand safety. The measures determined based on the focal areas guide the development of safety work, define the key targets and make safety work more predictable.

In 2024, the key focal areas in safety work included the adoption of Metsä Board's main rules for safety and the training programme for safety management. The main rules for safety, based on Metsä Group's standard safety operating methods, were launched to make the work environment safer. The goal is to encourage employees to pay attention to the prevention of serious accidents. The training programme for safety management was launched for production employees at production units in Finland. Matters discussed included safety responsibilities, high-quality proactive safety work, committing teams to safety work, and the importance of a caring safety culture. In 2025, the programme will be expanded to the Husum paperboard and pulp mill, and to safety training for employees.

Occupational safety actions are actively monitored in the HSEQ system, in which the actions are categorised based on their impact on occupational safety. The zero accidents target is used to assess the effectiveness of occupational safety actions in the big picture.

Using health checks and health surveys, occupational healthcare evaluates employees' health in view of the demands of their duties and the exposures related to their work. The healthcare services of leased labour are handled by their own employer. The most common occupational illnesses are allergic skin or respiratory reactions caused by dust or chemicals. Workplace conditions are made as health secure as possible – for example, in terms of tidiness and adequate ventilation. The appropriateness and adequacy of personal protective equipment is also ensured. Metsä Board has not been made aware of any fatalities from occupational diseases among its own or its service providers' workforce.

To support work performance, operating models have been defined for rehabilitative activities and early support. A substance abuse programme is also in place. The implementation of early support measures is monitored in relation to the defined targets and needs. Supervisors are offered guidelines and training for managing wellbeing at work. In 2024, Mind and Work training was offered to supervisors, and supervisors and HR were trained in the implementation of early support as part of day-to-day management.

In 2024, the focal area in promoting wellbeing at work was on the employees' musculoskeletal condition and support for mental wellbeing. Webinars and info sessions were organised for the employees on these topics. In addition, a year-long trial on an individual working time model for shift work was initiated in 2024 at all the production units in Finland. The experiences were positive, and the trial will be continued in 2025.

## Other work-related rights

The realisation of human rights is considered as part of the development of HR processes. Investments in occupational safety and wellbeing, DEI work, and e-learning courses dealing with these topics were key practical measures affecting the realisation of human rights in 2024. In addition to the assessment of human rights impacts conducted in 2024, the Compliance and Ethics Channel, the ethics-related questions in the revised employee survey, and the collected open-ended feedback are important tools in identifying human rights impacts.

Regarding the employees' personal data protection, procedures for processing employees' personal data have been defined, and all employees are required to comply with the Data Protection Policy in place. Metsä Board uses advanced technical and organisational means for implementing data protection and information security, and the same is required of companies providing occupational healthcare services as part of the agreements. To ensure data protection, employees are offered e-learning courses such as the data protection course mandatory for all employees. In addition, a mandatory advanced e-learning course is provided for HR personnel and supervisors, which deals especially with the processing of employees' data and related special legislation. Data protection themes are discussed in meetings organised with heads of HR and the owners of key HR processes four times a year. Moreover, everyone has the right to submit requests concerning their personal data through Metsä Group's website.

## Financial resources allocated to the management of material impacts

In 2024, voluntary social expenses totalled EUR 4.6 million. These include, for example, the costs of occupational health services, recreational activities, occupational safety equipment and lunch expenses.

The employees' training expenses in 2024 totalled EUR 1.5 million.

## Incidents, complaints and severe human rights impacts

In 2024, Metsä Board was made aware of incidents that might have had a direct or indirect negative impact on the company's human rights obligations. Despite Metsä Board's continuous efforts towards its zero accidents target, one serious accident leading to the permanent injury of a Metsä Board employee occurred in 2024 in addition to slight personal injuries (see the table *Health and safety*). The accident was thoroughly investigated in cooperation with the authorities. Corrective and preventive actions were adopted, and key learning points were shared in all Metsä Group business areas to prevent the occurrence of similar accidents in the future.

In 2024, the company received three reports related to harassment or discrimination. One of the harassment cases led to the termination of the employment relationship, and one to a written warning. The Board of Directors also requested an external independent party to carry out an investigation based on an employee's claims related to discrimination and inappropriate treatment. None of the reports of inappropriate behaviour to the company concerned forced labour or the use of child labour.

Incidents concerning the occupational safety and other work-related rights of suppliers' employees are discussed under *S2 – Workers in the value chain*. The mechanisms for identifying, reporting and investigating grievances are discussed under *G1 – Business conduct*.

## Employees by gender

	2024	2023
Men	1,856	1,827
Women	553	516
Employees total	2,409	2,343

## Employees by country

	2024	2023
Finland	1,344	1,280
Sweden	775	780
Poland	127	110
United States	76	74
Other countries	87	99

Countries with more than 50 employees.

## Employees by contract type and country

	Finland		Sweden		Poland		United States		Other countries		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Number of employees	1,344	1,280	775	780	127	110	76	74	87	99	2,409	2,343
Number of permanent employees	1,192	1,186	756	714	111	105	76	74	86	98	2,221	2,177
Number of temporary employees	118	94	19	65	16	5	0	0	1	1	154	165
Number of employees with a zero-hours contract	34	0	0	1	0	0	0	0	0	0	34	1
Number of full-time employees	1,268	1,244	729	743	126	109	75	73	85	93	2,283	2,262
Number of part-time employees	76	36	46	37	1	1	1	1	2	6	126	81

Countries with more than 50 employees

## Employees by contract type and gender

	Women		Men		Total	
	2024	2023	2024	2023	2024	2023
Number of employees	553	516	1,856	1,827	2,409	2,343
Number of permanent employees	480	465	1,741	1,712	2,221	2,177
Number of temporary employees	65	51	89	114	154	165
Number of employees with a zero-hours contract	8	0	26	1	34	1
Number of full-time employees	518	488	1,765	1,774	2,283	2,262
Number of part-time employees	35	28	91	53	126	81

## Employee turnover and recruitment

	2024	2023
Employee turnover total	106	120
Employee turnover total, %	4.8	5.5
Women	5.3	6.6
Men	4.7	5.2
Aged under 30	3.4	5.5
Aged 30–50	2.8	5.2
Aged over 50	7.1	5.9
Number of new hires, total	62	130
Women	18	55
Men	44	75
Aged under 30	20	40
Aged 30–50	33	75
Aged over 50	9	15

## Non-employee workers in the company's own workforce

	2024	2023
Non-employee workers in own workforce	3	12

## Gender distribution in management

	2024	2023
Share of men and women in management	23/7	22/6
Share of men and women in management, %	77/23	79/21

## Age distribution of employees

	2024	2023
Aged under 30	330	269
Aged 30–50	1,095	1,088
Aged over 50	984	986

## Collective bargaining coverage and social dialogue

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA	Employees – non-EEA	Workplace representation (EEA only)
0–19%	Poland	The United States	
20–39%			
40–59%			
60–79%	Finland		
80–100%	Sweden		Finland, Sweden

Countries with more than 50 employees.

## Social protection

	Countries with no social security for the listed life events
Sickness	
Unemployment starting from when the company's own worker is working for the company	India, Singapore
Employment injury and acquired disability	India, Singapore
Parental leave	
Retirement	India

## Family-related leave

	2024	2023
Employees entitled to take family-related leave	2,409	2,343
Number of employees that took family-related leave	201	203
Number of women that took family-related leave	46	44
Number of men that took family-related leave	155	159
Employees entitled to take family-related leave, %	100	100
Employees that took family-related leave, %	8.3	8.7
Women that took family-related leave, %	8.3	8.5
Men that took family-related leave, %	8.4	8.7

## Training and skills development

	2024	2023
Employees who participated in regular performance and career development reviews, %	94	92
Women	88	89
Men	96	93
Blue-collars	94	92
White-collars	94	92
Management	97	95
The average number of training hours per employee	20	18
Women	23	15
Men	19	18
Blue-collars	18	17
White-collars	24	19
Management	34	24

## Health and safety

	2024	2023
<b>OWN EMPLOYEES</b>		
Occupational accidents	13	23
TRIF	3.4	6.1
Lost time occupational accidents	11	15
Lost time accident frequency, LTAIF	2.9	4.0
Fatal occupational accidents	0	1
Occupational diseases	0	0
Fatal occupational diseases	0	0
Days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	265	257
<b>SERVICE PROVIDERS</b>		
Occupational accidents	4	4
Fatal occupational accidents	0	0

## Total remuneration

	2024	2023
The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)	25	39

## Total remuneration ratio of women and men

%	Finland		Sweden		Poland		United States	
	2024	2023	2024	2023	2024	2023	2024	2023
Blue-collars	94	95	100	97	-	-	-	-
White-collars	96	98	97	93	97	98	97	-

Countries with more than 50 employees.

## Incidents, complaints and severe human rights impacts

	2024	2023
<b>ALL REPORTS RELATED TO UNETHICAL BEHAVIOUR</b>		
All reports	22	17
Reports resulting in a full-scale investigation	13	4
Complaints to National Contact Points for OECD Multinational Enterprises	0	0
<b>DISCRIMINATION AND HARASSMENT CASES</b>		
Reported cases of discrimination and harassment	3	0
Confirmed cases of discrimination and harassment	2	0
Total amount of fines, penalties, and compensation paid for the reported cases of discrimination and harassment	0	0
<b>SEVERE HUMAN RIGHTS INCIDENTS</b>		
Severe human rights incidents (child and forced labour, human trafficking)	0	0
Total amount of fines, penalties, and compensation paid for the reported severe human rights incidents	0	0

### Reporting principles for metrics

The figures for the company's own workforce include the entire Metsä Board Group. The number of employees used in the calculations is indicated as the number at the end of the reporting period (31 December 2024). The number of employees also includes non-active employees such as employees on family-related leave. Metsä Board annually employs around 330 seasonal summer employees, thesis workers and trainees, some of whom are not employed at the end of the reporting period, when the number of employees is determined. The number of employees as full-time equivalents, at the end of the year, and on average is presented in the Consolidated Financial Statements, Notes 2.1.

In Metsä Board's personnel system, a person's gender is determined based on their legal gender. The categories "other" and "not reported" are not applied in the reporting of gender distribution.

Non-employee workers in the company's own workforce include workers who have concluded an agreement on the supply of labour with Metsä Board – that is, self-employed people and workers provided by companies that primarily engage in employment services. No significant changes usually take place in the number of workers over the year.

Recruitment includes permanent new hires. Employee turnover includes all leavers, whatever the reason (excluding transfer of business), divided by the number of employees. The figure includes permanent employment relationships.

The share of anonymous recruitment of vacancies open to all includes the recruitment carried out in the Workday system. Workday is used in most recruitment. For example, cases in which the job applicant directly contacts the production unit are not included in the calculation.

The key figures for management, share of women in management, and management training and skills development include people whose management level is VP/SVP/CEO, and who have a management IPE level.

The total remuneration ratio of women to men has been calculated as an average of women and men in the same pay category, weighted by the number of employees. If pay categories are not used in the unit, remuneration has been compared within the same site. The adequate wage indicator has been calculated by comparing employees' total remuneration with market data on the adequate wage in the area in question. The 2023 compensation figures have been retrospectively corrected, as the previous calculation only considered active employees.

The lack of social security for the listed life events applies to all employee groups, a total of 13 people in the listed countries.

An occupational accident is reported if a person injured at work requires medical treatment or adapted or replacement work, or if the accident leads to their absence. In the calculation of lost-time accidents and LTA1F rate, only accidents that have led to at least one day of absence are taken into account. The accident frequencies, TRIF and LTA1F, only include the company's own employees because information about service providers' actual working hours is unavailable. Frequencies have been calculated per million hours worked. The number of work-related accidents is indicated separately for the company's own employees and service providers. The disclosed days absent may involve uncertainty due to changes made afterwards. Days absent due to occupational diseases also include absences due to occupational disease examinations. In the case of fatal occupational accidents, the number of days absent is indicated as 0 for calculation reasons. No fatalities occurred in 2024.

Family-related leave includes maternity leave, paternity leave and parental leave available under national legislation and collective agreements.

Cases concerning the company's own workforce that may have involved a direct or indirect negative human rights impact have come to the company's attention through either the Compliance and Ethics Channel or a notification made to a member of the Compliance Committee. The figures also include cases involving a potential human rights impact that exceed the materiality threshold based on the Compliance Committee's evaluation.

The employee survey results are based on the annual employee survey. All Metsä Board employees can respond to the survey. The index depicting employee commitment is based on the results of the employee survey's statements concerning the employee's own work, team, leadership and company, for which benchmark data is available. The results are compared with European benchmarks, and the level of employee commitment is derived from this. Responses are collected on a scale of 1–4 (fully disagree/agree), and an external service provider converts the responses to indexes on a scale of 0–100 (100 = everyone fully agrees). Compared with the standard, the target of AAA is "very good".

The metrics have not been validated by an external party.



## S2 – Workers in the value chain

### Material impacts, risks and opportunities related to workers in the value chain

Material sub-sub-topic	Impacts	Risks and opportunities for Metsä Board	Management
<b>Working conditions</b>			
<ul style="list-style-type: none"> <li>Secure employment</li> <li>Working time</li> <li>Adequate wages</li> <li>Social dialogue</li> <li>Collective bargaining</li> <li>Work-life balance</li> </ul>	<p>↑ Metsä Board's requirements and control mechanisms such as the model for combating the grey economy may have a positive impact on the working conditions of suppliers' employees.</p>	<p>↑ <b>Opportunity:</b> Suppliers and their employees experience greater work ability, well-being and commitment to cooperation with Metsä Board. Metsä Board's reputation as a sustainable and safe partner strengthens.</p> <p>↓ <b>Risk:</b> If activities contrary to Metsä Board's values take place in the value chain, this may weaken the work ability and satisfaction of suppliers' and customers' employees and contract entrepreneurs. It may also undermine their commitment to cooperation with Metsä Board. Metsä Board's reputation as a sustainable and safe partner is put at risk.</p>	<ul style="list-style-type: none"> <li>The Supplier Code of Conduct contains requirements for fair employment practices.</li> <li>Compliance is ensured with supplier audits and assessments.</li> <li>Metsä Board follows due diligence in the Know Your Business Partner background check, which reviews known human rights violations, among other things.</li> <li>The model for combating the grey economy is in use in construction projects.</li> <li>The human rights situation of countries is taken into account when assessing risks associated with customer relationships.</li> </ul>
	<p>↓ Inadequate working conditions weaken the quality of life and wellbeing of suppliers' and customers' employees and their families, increase inequality and risk the work-life balance. The most significant potential negative impacts in the upstream value chain are related to the long value chains of mill equipment and certain raw materials such as chemicals. In the downstream value chain, potential negative impacts concern especially the sale of the company's products to globally operating customers, whose branch of industry or country of location may involve a higher risk of human rights violations.</p>		
<ul style="list-style-type: none"> <li>Health and safety</li> </ul>	<p>↑ Metsä Board's safety requirements can positively influence the wellbeing and work ability of suppliers' employees and the wellbeing of the employees' families.</p>	<p>↓ <b>Risk:</b> If activities contrary to Metsä Board's values take place in the value chain, this may weaken the work ability and satisfaction of suppliers' and customers' employees and contract entrepreneurs. It may also undermine their commitment to cooperation with Metsä Board. Metsä Board's reputation as a sustainable and safe partner is put at risk.</p>	<ul style="list-style-type: none"> <li>The Supplier Code of Conduct contains requirements for occupational safety management.</li> <li>Compliance is secured with targeted supplier audits and assessments.</li> <li>The safety management system covers service providers working in Metsä Board's operations. Occupational safety is continuously developed jointly with service providers.</li> <li>In Wood Supply, forest site preparation days and safety walks at loading and unloading sites are conducted regularly.</li> <li>The introduction of a lone worker application for wood supply employees in 2024.</li> <li>The human rights situation of countries is taken into account when assessing risks associated with customer relationships.</li> </ul>
	<p>↓ Deficiencies in Metsä Board's health and safety requirements or in the oversight of their implementation weaken the work ability of suppliers' employees, as well as their physical and mental wellbeing, and increase work-related accidents. Employees in wood supply and investment projects and employees of suppliers that provide maintenance shutdown services for production units are particularly exposed to potential accidents. In the downstream value chain, potential negative impacts concern especially the sale of the company's products to globally operating customers, whose branch of industry or country of location may involve a higher risk of human rights violations.</p>		
<b>Equal treatment and opportunities for all</b>			
<ul style="list-style-type: none"> <li>Gender equality and equal pay for work of equal value</li> <li>Training and skills development</li> <li>Employment and inclusion of disabled people and people with functional difficulty</li> <li>Measures against violence and harassment in the workplace</li> <li>Diversity</li> </ul>	<p>↑ Metsä Board's requirements and control mechanisms may have a positive impact on the equal treatment and equal opportunities of suppliers' employees.</p>	<p>↑ <b>Opportunity:</b> Suppliers and their employees experience greater work ability, well-being and commitment to cooperation with Metsä Board. Metsä Board's reputation as a sustainable and safe partner strengthens.</p> <p>↓ <b>Risk:</b> If activities contrary to Metsä Board's values take place in the value chain, this may weaken the work ability and satisfaction of suppliers' and customers' employees and contract entrepreneurs. It may also undermine their commitment to cooperation with Metsä Board. Metsä Board's reputation as a sustainable and safe partner is put at risk.</p>	<ul style="list-style-type: none"> <li>The Supplier Code of Conduct contains requirements for equal opportunities and non-discrimination.</li> <li>Compliance is ensured with supplier audits.</li> <li>Metsä Board follows due diligence in the Know Your Business Partner background check, which reviews known human rights violations, among other things.</li> <li>The human rights situation of countries is taken into account when assessing risks associated with customer relationships.</li> </ul>
	<p>↓ Failure in equality in Metsä Board's value chain would weaken the wellbeing and work ability of workers in the value chain and at worst, could lead to discrimination and poor working conditions. Women and minorities especially are susceptible to potential negative impacts in Metsä Board's investment projects and in the value chains of mill equipment and certain raw materials such as chemicals which are long and may have human rights impacts extending to high-risk countries.</p>		
<b>Other work-related rights</b>			
<ul style="list-style-type: none"> <li>Child labour</li> <li>Forced labour</li> <li>Adequate housing</li> <li>Clean water and sanitation</li> </ul>	<p>↓ An infringement of work-related rights in Metsä Board's value chain causes human suffering and inequality, and undermines the quality of life of suppliers' and customer's employees and their families. The most significant potential negative impacts in the upstream value chain are related to the value chains of mill equipment and certain raw materials such as chemicals which are long and may have human rights impacts extending to high-risk countries. In the downstream value chain, potential negative impacts concern especially the sale of the company's products to globally operating customers, whose branch of industry or country of location may involve a higher risk of human rights violations.</p>	<p>↓ <b>Risk:</b> If activities contrary to Metsä Board's values take place in the value chain, Metsä Board's reputation as a sustainable partner and operator is placed at risk.</p>	<ul style="list-style-type: none"> <li>The Supplier Code of Conduct contains requirements for respecting human rights.</li> <li>Metsä Board respects human rights in all its operations, does not accept any form of human rights violations, and is committed to ensuring that its operations do not have negative impacts on human rights. The human rights due diligence process ensures Metsä Board's ability to identify, prevent, reduce and if required, end operations with negative human rights impacts.</li> <li>Compliance is ensured with supplier audits.</li> <li>Metsä Board follows due diligence in the Know Your Business Partner background check, which reviews known human rights violations, among other things.</li> <li>The human rights situation of countries is taken into account when assessing risks associated with customer relationships.</li> </ul>

↑ Positive impact on the environment and society or on Metsä Board's business

↓ Negative impact on the environment and society or on Metsä Board's business

## Targets

Metsä Board has set sustainability targets concerning value chain workers and supplier commitment in the Code of Conduct, as well as supplier assessments and audits. These targets are discussed under *G1 – Business conduct*.

## The identification and assessment of material impacts, risks and opportunities

The material impacts concerning the workers in the value chain were identified in a human rights impact assessment, the results of which were included in the company's double materiality assessment. The impacts, risks and opportunities related to workers in the value chain that were identified in the double materiality assessment are presented in the table on page 79. The assessment of human rights impacts and the materiality assessment are discussed on pages 26–28. The Know Your Business Partner process; supplier assessments and audits; industry-, country- and supplier-specific risk analyses; the ethics statements in the employee survey; and the Compliance and Ethics Channel are also key elements in identifying, assessing and managing the impacts, risks and opportunities associated with the value chain. They are discussed under *G1 – Business conduct*.

Value chain workers are involved especially in Metsä Board's investment projects, production unit maintenance, and harvesting and transport. Metsä Group's harvesting, transport and forestry partners, who are independent contractors, are equated with value chain workers. In the case of these groups, the assessment of human rights impacts specifically highlighted potential negative impacts on health and safety – and in investment projects, also on equality, working hours and wages. In addition to these key impacts, the assessment also pointed out a potential negative impact on the working conditions of workers in the forest management value chain, especially during the forest regeneration stage. In other respects, the most significant potential negative impacts in the upstream value chain are related to the value chains of chemicals, binders, coatings and pigments, as well as mill equipment, which are long and may have human rights impacts extending to high-risk countries. The potential negative impacts on these value chain workers are related to poor working conditions, labour exploitation and occupational safety. The products produced by the company are sold to globally operating customers, some of whose branch of industry or country of location have been identified as involving a higher risk of human rights violations. The human rights situation of countries is taken into account when assessing risks associated with customer relationships. A country's poor human rights situation affects especially vulnerable workers of customer companies or their value chains. For example, the tobacco industry's value chains are generally associated with potential negative impacts especially on women's and children's rights and on occupational safety in the production process. Depending on their nature and the stage of the value chain, realised impacts may be individual incidents such as occupational accidents or be systemic, especially in long value chains and high-risk countries.

## Policies

Sustainability related to the employees of Metsä Board's suppliers is guided by Metsä Group's Supplier Code of Conduct, approved by the company's Corporate Management Team, and the safety management system. Metsä Board's minimum requirement in supply agreements is that suppliers commit to Metsä Group's Supplier Code of Conduct or equivalent

supplier-specific principles. Metsä Board does not have separate policies for downstream value chain workers. To ensure sustainability in the downstream value chain, Metsä Board carries out due diligence in accordance with its Know Your Business Partner process, which is discussed under *G1 – Business conduct*.

One of Metsä Board's strategic programmes focuses on safe and efficient operations and organic growth. The programme's focal areas include the continuous improvement of occupational safety. One of the goals is to reduce the number of work-related accidents.

## Working conditions

The Metsä Group Supplier Code of Conduct includes several requirements related to the working conditions of suppliers' employees, with which suppliers must comply:

- Fair employment practices
- A living wage as required by laws and regulations
- Freedom of association and collective bargaining
- Respect for privacy
- Anti-harassment

The implementation of the Supplier Code of Conduct is the responsibility of Metsä Group's procurement organisation, which also centrally handles the procurement of Metsä Board's raw materials and services. The head of the procurement unit reports to Metsä Group's President and CEO.

## Health and safety

The Supplier Code of Conduct requires suppliers to provide a safe and healthy working environment to prevent accidents, injuries and illnesses, and to ensure that employees are aware of and adequately trained in these issues. Suppliers must have an occupational health and safety management system according to ISO 45001 or an equivalent system, as applicable.

Metsä Board's occupational safety is guided by the safety management system, comprising the corporate security policy and the safety principles, standards, processes and work instructions. The safety management system encompasses all the employees of service providers working in Metsä Board's operations, and the system's requirements are the same for the company's own workforce and service providers. The implementation of safety policies is the responsibility of Metsä Board's CEO in accordance with the requirements specified by Metsä Group's senior management. The responsibilities related to safety policies are described under *S1 – Own workforce*.

The Safety Management Standard for Metsä Group Service Providers specifies requirements for the work management and supervision, employee competence, safety reporting, and permits to work of service providers working in Metsä Board's operations.

## Equal treatment and opportunities for all

The Supplier Code of Conduct requires suppliers to commit to providing equal opportunities to all its employees and to prohibiting discrimination. The Code of Conduct includes the prohibition of all discrimination based on gender, age, origin, race, nationality, language, religion, belief, opinion, political activity, trade union activity, family relations, pregnancy, health, disability, sexual orientation or any other personal characteristics. Indirect discrimination is also prohibited.

## Other work-related rights

The Supplier Code of Conduct specifies many binding requirements concerning other work-related rights of suppliers' employees:

- Respecting internationally recognised human rights in accordance with the United Nations' Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.
- Acting in compliance with the UN Guiding Principles on Business and Human Rights.
- Taking action to remedy any adverse human rights impacts. Special attention must be paid to any adverse impacts on groups or individuals that may be at higher risk of vulnerability, such as migrant workers.
- Prohibiting the use of any form of child labour and forced labour, including modern slavery and trafficking in human beings.

Further information about Metsä Group's Supplier Code of Conduct is available on *Metsä Board's website*.

In relation to the upstream or downstream value chain, no confirmed incidents of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises have been brought to Metsä Board's attention.

## Engaging with value chain workers about impacts

The need for interaction with suppliers' employees or their representatives is highlighted when suppliers' employees work in operations comparable to Metsä Board's own operations, for example, at mills or on construction sites. In other respects, the views of suppliers' employees are conveyed indirectly through supplier management activities such as cooperation meetings and surveys and audits. Metsä Group's Procurement and Logistics is responsible for the implementation of these activities and for considering the results. The functioning of interaction with suppliers' employees and the development of cooperation are monitored with a supplier cooperation survey, which is conducted approximately every two years. Cooperation is supported by a supplier network communication channel intended for the management of supplier cooperation, which provides information about training, instructions and topical matters. Supplier management practices are discussed under *G1 – Business conduct*.

Safety is continuously developed and monitored with service providers working at the mills and in construction projects. Service providers' safety performance is monitored in large investments such as construction projects. Regular on-site safety talks are organised for the project employees, and observed safety deviations are actively addressed. A contact person from the applicable trade union and a health and safety representative are assigned to projects. A model for combating the grey economy is used in construction projects, and project employees can also use the notification channel to report any concerning issues they observe.

Metsä Board does not have a process for directly communicating with workers in the downstream value chain. Communication with corporate customers is discussed under *S4 – Consumers and end-users*.

## Processes to remediate negative impacts and channels for value chain workers to raise concerns

In the Supplier Code of Conduct, the supplier commits to rectifying any non-compliance with the code. Suppliers must also ensure that their employees and stakeholders can raise concerns or grievances, and that there are appropriate practices for handling such cases.

The rectification of any deviations identified based on supplier assessments and audits is monitored. A model for combating the grey economy, as well as on-site spot checks, are in use in construction projects. Suppliers' satisfaction and awareness of the means of communication and interaction are assessed with supplier surveys. A more detailed description is provided under *Policies* in this section and under *G1 – Business conduct*.

Any non-compliance related to working conditions, health and safety or other human rights is handled in accordance with Metsä Board's escalation process, and in large investment projects, in accordance with the project's management model. The idea is first to offer suppliers the chance to rectify their way of working. If the supplier is unwilling or unable to rectify their way of working, cooperation with the supplier is discontinued. The most serious cases are presented for processing to Metsä Board's Corporate Management Team.

## Compliance and Ethics Channel

Workers in the value chain can report any ethical concerns or non-compliance with legislation they detect in connection with their cooperation with Metsä Board through Metsä Group's Compliance and Ethics Channel or to their contact person at Metsä Board. The notification procedures are discussed in the general safety induction for service providers' employees working in the company's operations. To increase awareness of the Compliance and Ethics Channel, the channel is promoted in the supplier network, and in information channels and on posters on the sites. In accordance with the Supplier Code of Conduct, the suppliers' employees can report incidents of non-compliance through the Compliance and Ethics Channel. The Compliance and Ethics Channel, raising concerns and the processing of notifications are discussed in greater detail under *G1 – Business conduct*.

## Working conditions

### Health and safety

Safety is continuously developed and monitored with service providers working at the mills and in construction projects. Service providers are required to engage in systematic and proactive safety work such as safety observations, walks and talks. Service providers' employees record their safety observations in the HSEQ system. The recording of safety observations is enabled across the value chain. Safety observations are discussed in connection with daily meetings. Metsä Board does not accept countermeasures against whistle-blowers. If required, whistle-blowers can also submit a report anonymously through the Compliance and Ethics Channel.

Accidents and hazardous situations are investigated thoroughly in cooperation with service providers. In the case of serious accidents, the authorities are also involved. The investigation creates conditions for avoiding similar situations and identifying any shortcomings in safety management. When the investigation report is completed, a summary of the investigation is also distributed to all other Metsä Group business areas.

If shortcomings are observed in the service providers' occupational safety, the same approach is followed as in other incidents of non-compliance concerning suppliers – that is, the provider is first offered the opportunity to rectify their way of working. If the service provider is unwilling or unable to rectify their way of working, cooperation with the service provider is discontinued.

In 2024, in a demolition project related to the Husum production unit's maintenance investment, one contractor was removed from the site due to shortcomings in occupational safety.

## Actions

In 2024, Metsä Board's operations did not cause severe human rights impacts, and no confirmed severe human rights issues or human rights violations in the upstream of downstream value chain were brought to the company's attention. Less severe work-related accidents causing personal injuries, incidents and complaints are discussed under *SI – Own workforce*.

Metsä Board's actions seek to mitigate negative impacts and produce positive impacts on value chain workers. The measures are continuous and annual. Processes are developed in line with continuous improvement. Metsä Board has not identified significant operating or capital expenditure allocated to actions concerning value chain workers.

## Working conditions

A background check is always carried out for new suppliers, excluding private forest owners and certain low-risk suppliers. In addition, compliance is monitored continuously during the supplier relationship. Any known human rights violations and negative publicity related to human rights are reviewed as part of the background check. More detailed supplier assessments and audits are conducted for the most important suppliers, but also for suppliers whose branch of industry, country or performance involves a heightened risk related to sustainability or availability. Supplier assessments and audits are conducted to ensure that each supplier has adequate means to recognise and minimise impacts on the working conditions and other work-related rights of their employees. Among other things, evaluations seek to ensure that the companies have adequate proactive measures for ensuring occupational safety, as well as a written code of conduct and an anonymous reporting channel for employees. Audits include observations of working conditions and interviews with employees if required.

Some of the key actions to safeguard the rights of value chain workers in Metsä Group's wood supply include the requirement that contractors commit to sustainability requirements, background checks of entrepreneurs, close cooperation with the network of entrepreneurs, compliance with certification schemes and chains of custody (PEFC and FSC) and ISO standards (ISO 9001, 14001, 45001), as well as validation of operations by independent parties.

In most large strategic construction projects, the subcontracting chain's sustainability is ensured proactively with the operating model for combating the grey economy. It ensures that companies in the subcontracting chain comply with laws and collective agreements and handle taxes and other obligations appropriately. The backgrounds of businesses are checked at the offer stage, and spot checks are carried out regularly to detect any deviations.

To ensure the sustainability of suppliers, customers and other cooperation partners, Metsä Board follows third-party due diligence with its Know Your Business Partner background checks, which are discussed in more detail under *G1 – Business conduct*.

Supplier management practices are discussed in greater detail under *G1 – Business conduct*.

## Health and safety

The general safety induction dealing with hazards and risks in the work environment is mandatory for service providers working at Metsä Board's production units and construction sites. Before beginning to work on Metsä Board's site, suppliers also receive a work-specific safety induction and permits to work. Service providers must assess the risks in their own work, prepare for them with a safety plan and submit their plan to Metsä Board. Service providers participate in Metsä Board's safety walks and risk assessments. Work-related accidents that occur in the service providers' operations at Metsä Board are registered in the HSEQ system. Accidents and reported safety observations are monitored continuously. In construction projects, the safety performance of different service providers is monitored, and any safety deviations observed are actively addressed.

Metsä Fibre, Metsä Board's associated company, organises regular cooperation forums with key service providers to discuss the conditions and joint development needs of safety cooperation. A key safety development measure in the next few years is to expand cooperation forums to Metsä Board.

Metsä Group's wood supply contractors participate in regular safety walks at the loading and unloading sites of production units and terminals and in the safety management training organised in 2024 and 2025. In 2024, an application for employees working alone in the forest was introduced in wood supply. In addition, a risk assessment is conducted for each forest worksite.

## Equal treatment and opportunities for all

Supplier management practices for ensuring social responsibility are discussed under *Working conditions* in this section. Equal treatment and opportunities for all are considered in supplier audits, in which attention is paid to matters such as the adequacy of written instructions to promote equality and non-discrimination and practices for ensuring compliance with the instructions.

## Other work-related rights

Supplier management practices, including audits to ensure the realisation of social responsibility, are discussed under *Working conditions* in this section. The auditors have been trained to detect risks related to forced labour and labour exploitation, for example.

## S3 – Affected communities

### Material impacts, risks and opportunities related to affected communities

Material sub-sub-topic	Impacts	Risks and opportunities for Metsä Board	Management
<b>Communities' economic, social and cultural rights</b>			
<ul style="list-style-type: none"> <li>Land-related impacts</li> <li>Adequate housing</li> </ul>	<p>↑ As part of Metsä Group, Metsä Board can contribute to social equality and consensus among different communities through systematic stakeholder engagement. The needs of local communities and other affected communities are taken into account in decision-making and the development of operations.</p>	<p>↑ <b>Opportunity:</b> Metsä Board considers the views, needs and rights of various stakeholders such as the affected communities when making decisions and developing operations, which improves the management of sustainability impacts. The appreciation of Metsä Board's operations and the company's reputation as a sustainable operator improve.</p>	<ul style="list-style-type: none"> <li>Operating model for stakeholder engagement.</li> <li>Consideration of stakeholder feedback in the sustainability materiality assessment.</li> <li>Metsä Board actively provides information about its operations and organises local public events on significant events such as investments.</li> <li>In the localities of production units, local residents are offered greater opportunities for participation, and initiatives are taken to improve the local quality of life.</li> <li>Metsä Board's business model is based on the use of native tree species. The regenerative forestry actions of Metsä Group, in charge of wood supply, aim to verifiably strengthen the state of nature in commercial forests by 2030.</li> <li>Biodiversity plans will be drawn up for all mill sites in line with the principles of regenerative land use.</li> </ul>
	<p>↑ Metsä Board's production units and wood supply promote employment, livelihood and tax revenue especially in small localities.</p>		
	<p>↓ Any negative environmental impacts of production units such as noise, odour or dust.</p>	<p>↓ <b>Risk:</b> If the views, needs and rights of various stakeholders such as communities affected by Metsä Board are not adequately taken into account, Metsä Board's understanding of the impacts of its operations and value chain remains incomplete. This means Metsä Board is unable to take stakeholders into account in its decision-making, which weakens the appreciation of the company's operations and its reputation as a sustainable operator.</p>	
	<p>↓ Commercial forest use may affect the recreational use of forests compared to old-growth, natural or primary forests.</p>		
<b>Rights of indigenous peoples</b>			
<ul style="list-style-type: none"> <li>Free, prior and informed consent</li> <li>Self-determination</li> </ul>	<p>↑ Stakeholder engagement ensures that the needs of indigenous peoples and the conditions for their livelihoods are taken into account in decision-making and operational development.</p>	<p>↑ <b>Opportunity:</b> As part of Metsä Group, Metsä Board considers the needs of indigenous peoples, especially the conditions for their livelihoods, in its decision-making and operational development, improving the management of impacts. Through active interaction, the traditional knowledge and experience of the Sámi concerning climate change-induced impacts on northern nature can be harnessed. Engaging stakeholders and considering their views in decision-making has long-term impacts on the acceptability of the company's operations and on the company's financial position.</p>	<ul style="list-style-type: none"> <li>In the home region of the Sámi, Metsä Group engages in local dialogue about the coordination of reindeer husbandry and forestry with key stakeholders such as forest owners and reindeer owners' associations. Communication with the Sámi is typically related to practical questions and conditions for operations.</li> <li>The Sámi Parliament is included in the operating model for stakeholder engagement, which was introduced in 2024.</li> </ul>
	<p>↓ In Northern Finland and Northern Sweden, wood supply has potential impacts on the ability of the Sámi to pursue their livelihood. Inadequate engagement would lead to the needs of indigenous peoples and the conditions for their livelihoods not being adequately considered in decision-making and operations.</p>		

- ↑ Positive impact on the environment and society or on Metsä Board's business  
 ↓ Negative impact on the environment and society or on Metsä Board's business

### Targets

Metsä Board's 2030 sustainability targets, and their setting and monitoring, are discussed in greater detail under *Sustainability governance and strategy* and *Material sustainability-related impacts, risks and opportunities*. The sustainability targets related to the environment and the supply chain's sustainability especially seek to directly or indirectly reduce the negative impacts of Metsä Board's operations or promote their positive impacts on affected communities.

## The identification and assessment of material impacts, risks and opportunities

The material impacts on affected communities were identified in a human rights impact assessment, the results of which were included in the company's double materiality assessment. The impacts, risks and opportunities related to affected communities that were identified in the double materiality assessment are presented in the table on page 83. The assessment of human rights impacts and the materiality assessment are discussed on pages 26–28.

The main communities affected by Metsä Board include forest owners, local communities in mill localities, the nature around the mills and the people who earn their livelihood from it, as well as other interested parties such as indigenous peoples (the Sámi), and various NGOs. In mill localities, Metsä Board's impacts on communities are directly caused by the company's own operations. In wood supply areas, the impacts are caused in the value chain. If realised, the impacts are generally systematic, which is why the affected communities are considered in investment planning and in mill and wood supply operations. Individual impacts may occur during exceptional situations at mills, for example.

### Policies

Sustainability concerning affected communities is guided by the Code of Conduct and the Supplier Code of Conduct, which include commitments to human rights. In all its operations, Metsä Board respects internationally recognised human rights and in accordance with the UN Guiding Principles on Business and Human Rights, it is committed to rectifying any negative human rights impacts. In relation to affected communities, no confirmed incidents of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises have been brought to Metsä Board's attention. The Code of Conduct and the Supplier Code of Conduct are discussed in more detail under *S1 – Own workforce* and *S2 – Workers in the value chain*. In addition to the company's own workforce and workers in the value chain, the commitments concern all affected communities.

The hearing of affected communities is guided by the production units' environmental permits and environmental management systems, among other things. These operating principles are discussed under sections *E1*, *E2*, *E3*, *E4* and *E5* and in this section under *Engaging with affected communities about impacts*.

Special attention is paid to affected communities in the operating model for stakeholder engagement. Metsä Board also strives to develop its operations by regularly surveying opportunities for cooperation.

### Engaging with affected communities about impacts

Metsä Board communicates openly on the impact of its operations and products with for example, the help of life-cycle analyses and aims for active dialogue with stakeholders. The goal of stakeholder engagement is to ensure that stakeholders are met and heard, and that the company obtains feedback on its operations. Feedback is analysed, and it is taken into account in operational development and reported to senior management and administration. The operating model for stakeholder

engagement is described on page 25. Stakeholder feedback is collected and reported centrally in Metsä Group twice a year. Each report defines actions for managing the weaknesses or negative impacts of operations and for harnessing opportunities. In addition, the status and effectiveness of previously adopted actions are assessed.

The scope and frequency of engagement differs, depending on the stakeholder. Metsä Group's Corporate Affairs unit aims to organise a bilateral meeting at least once a year with each stakeholder in a key position at the Metsä Group level. Other engagement mechanisms include cooperation days, visits, and cooperation projects. No specific frequency has been defined for meetings with local communities. Instead, engagement takes place in the form of open house events, investment projects, meetings with the authorities or feedback channels, for example. The company engages directly with community members such as the residents of mill locations or their representatives such as the local authorities.

Of indigenous peoples, the Sámi are affected by Metsä Board's operations especially in the context of wood supply. In the home region of the Sámi, Metsä Group engages in dialogue about the coordination of reindeer husbandry and forestry with stakeholders, including forest owners and reindeer owners' associations, and ensures locally that wood supply does not jeopardise the conditions for reindeer husbandry.

### Processes to remediate negative impacts and channels for affected communities to raise concerns

Metsä Board engages in continuous dialogue with its stakeholders. The implementation of large projects such as new production units or lines always includes an environmental impact assessment, carried out in advance, which also involves hearing local communities and other stakeholders. In addition, local communities have a statutory right to participate in the mills' environmental permit processes by submitting reminders and views on environmental permit applications, which are considered in the permit process. In other matters, the affected communities can raise concerns by directly contacting local operations through the production units' contact persons, Metsä Board's Communications or Metsä Group's Corporate Affairs, for example. The feedback received is processed, a response is sent to the feedback provider, and an entry is made in the HSEQ system as soon as possible. Open house events organised at Metsä Board's production units are an established way of informing local residents and other interested parties about Metsä Board's operations. Metsä Board aims to keep the public widely informed about events through different media such as newspapers and social media. It is also possible to provide feedback and ask questions through the company's website.

To remediate any negative impacts, the company acts without delay and in cooperation with the local and regional authorities if required. Social sustainability, including local communities and safeguarding the rights of indigenous peoples, has been taken into account in the requirements of forest certification and the Chain of Custody. In any violation of these, an investigation is launched in accordance with wood supply's due diligence system, and corrective action is taken if required. To remedy any environmental deviations, Metsä Group, in charge of the company's wood supply, will introduce a voluntary nature compensation as part of regenerative forestry, which will overcompensate the harm to nature resulting from

any non-compliance with legislation. The operating model ensures that corrective action linked to defective performance results in greater benefit than harm to nature. Nature compensation is applied in accordance with the Nature Conservation Act and Forest Act, which play a key role for biodiversity. The compensation model is being developed, and it will be applied to detected deviations retroactively from 2023. During 2025, an independent expert group will participate in determining the sites' nature hazards and compensation measures, and the operating model and its methods will be developed with the future in mind.

### Compliance and Ethics Channel

The affected communities can also report any ethical concerns or non-compliance with legislation through Metsä Group's Compliance and Ethics Channel. In the Supplier Code of Conduct, the supplier commits to rectifying any non-compliance with the code. The Compliance and Ethics Channel is described under *G1 – Business conduct*.

### Actions

In 2024, Metsä Board's operations did not cause severe human rights impacts, and no confirmed severe human rights issues or human rights violations related to the affected communities were brought to the company's attention. Incidents, complaints and severe human rights impacts are discussed under *S1 – Own workforce*.

Metsä Board began following its new operating model for stakeholder engagement in 2024. Metsä Group also organised its first cooperation day, which will become an annual event aimed at increasing cooperation among stakeholders. A wide range of representatives of Metsä Group's stakeholders, especially from the research sector, environmental and other organisations and think tanks, were invited to the event.

Actions for managing negative impacts and promoting positive impacts at mill localities include systematically reducing environmental impacts, engaging local communities and increasing initiatives that improve local cooperation and quality of life through better employment and recreational opportunities, for example. In wood supply, the main local stakeholders are taken into account, and compliance with certification requirements is ensured.

Biodiversity plans will be drawn up for each Metsä Board production unit in the next few years as part of the action programme launched by Metsä Group in 2023. The biodiversity plans will be prepared in cooperation with an NGO that specialises in the biodiversity of the built environment. The goal is to raise the level of the biodiversity protection of the built environment to a new level in mill environments and develop cooperation with local communities.

The regenerative forestry strategy is a solution that Metsä Group has been systematically developing to seriously address stakeholders' such as NGOs concerns about biodiversity loss and climate change. In addition to regenerative forestry, Metsä Group is promoting other actions such as the voluntary METSO forest conservation programme and its implementation. To its forest-owner members, Metsä Group offers regenerative forestry service solutions such as the Metsä Group Plus service.

Regenerative forestry and biodiversity work are described in greater detail under *E4 – Biodiversity and ecosystems*.

The costs for biodiversity plans in the reporting year are presented under *E4 – Biodiversity and ecosystems*. Metsä Board has not identified other significant operating or capital expenditure allocated to actions concerning affected communities.

## S4 – Consumers and end-users

### Material impacts, risks and opportunities related to consumers and end-users

Material sub-sub-topic	Impacts	Risks and opportunities for Metsä Board	Management
<b>Personal safety of consumers and end-users</b>			
Health and safety	↓ If Metsä Board's products were to exhibit defects related to product safety, there would be negative impacts on the health and safety of consumers and end-users.	↓ <b>Risk:</b> Metsä Board suffers reputational damage among current and potential new customers, consumers and end-users, and may incur liabilities for compensation and other costs related to the limitation of damage.	<ul style="list-style-type: none"> <li>• Metsä Board uses regular product safety surveys, inspections, risk assessments and monitoring.</li> <li>• Metsä Board has appropriate certified management systems.</li> </ul>
<b>Information-related impacts on consumers and end-users</b>			
Access to quality information	↓ If Metsä Board's products were to include misleading product information, there could be negative impacts on the health and safety of consumers and end-users.	↓ <b>Risk:</b> Metsä Board suffers reputational damage among current and potential new customers, consumers and end-users, and may incur liabilities for compensation and other costs related to the limitation of damage.	<ul style="list-style-type: none"> <li>• Metsä Board has established practices for ensuring that its product information is up to date and accurate.</li> <li>• The compliance of product information is controlled annually and through continuous change monitoring.</li> <li>• Product information and product requirements are controlled with the product information management system, among other things.</li> </ul>

↑ Positive impact on the environment and society or on Metsä Board's business

↓ Negative impact on the environment and society or on Metsä Board's business

### Targets

Product safety, human rights and respect for the environment are important themes for consumers and end-users. Metsä Board has not yet set a 2030 sustainability target specifically related to consumers and end-users. The company's internal targets and policies for ensuring the quality and compliance of operations and products have been defined in the Quality policy, the goals of which are described under *Policies*.

### The identification and assessment of material impacts, risks and opportunities

The material impacts concerning consumers and end-users were identified in a human rights impact assessment, the results of which were included in the company's double materiality assessment. The impacts, risks and opportunities concerning health and safety and access to quality information identified in the double materiality assessment are described in the table on page 86. Other impacts, risks and opportunities related to consumers were detected in the double materiality assessment. These are described under *E1 – Climate change*, *E4 – Biodiversity and ecosystems* and *E5 – Resource use and circular economy*. The assessment of human rights impacts and the materiality assessment are described on pages 26–28.

Users of paperboard products for food contact are among Metsä Board's key consumers and end-users. In terms of end use, food contact material accounts for a large share of Metsä Board's sales. Product safety and accurate and easily available product information related to it are especially important in food contact end uses. The impacts are not systematic but are most likely related to individual incidents such as defects in individual products.

### Policies

Sustainability related to Metsä Board's consumers and end-users is guided by policies comprising Metsä Group's Code of Conduct, Supplier Code of Conduct, Quality policy and management systems approved by the company's Board of directors. The goal of policies is to minimise adverse environmental impacts, promote human rights and strengthen ethical operations, and thus demonstrate to consumers and end-users that the products are safe and sustainably produced. The policies indirectly encompass all consumer and end-user groups.

In all its operations, Metsä Board respects internationally recognised human rights and in accordance with the UN Guiding Principles on Business and Human Rights, it is committed to rectifying any negative human rights impacts. In relation to consumers or end-users, no incidents of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises have been brought to Metsä Board's attention. The Code of Conduct and the Supplier Code of Conduct are discussed in more detail under *S1 – Own workforce* and *S2 – Workers in the value chain*.

The Quality policy determines the targets and policies for ensuring the quality of Metsä Board's operations and products. The goal is to ensure product safety, and that the quality of the company's operations, products and services meets the needs and expectations of customers – and thus consumers and end-users. The Quality policy is owned by the President and CEO of Metsä Group, and its implementation at Metsä Board is the responsibility of Metsä Board's Corporate Management Team.



## Health and safety

The Code of Conduct includes the commitment to ensure product safety across the value chain. In addition to traceable wood fibre, Metsä Board's other raw materials come from reliable suppliers, who are committed to complying with the Supplier Code of Conduct, and who meet the requirements for product safety.

Metsä Board complies with legislation protecting the health of people and the environment, such as the EU regulation on the registration, evaluation, authorisation and restriction of chemicals (REACH), the CLP Regulation on the classification, labelling and packaging of chemicals, legislation on the use of biocides, and product requirements concerning food safety. As a large share of Metsä Board's paperboards are part of the food supply chain, the product safety practices in production are as stringent as those followed in the food industry. Metsä Board assures the safety of its products in compliance with the applicable legislation in its market areas in Europe, the Americas and Asia.

The company's mills follow good manufacturing practice (GMP), which is a requirement for the production of all food contact materials. All Metsä Board's mills comply with the requirements of the ISO 22000 food safety system, and the mills producing paperboard for food contact have also been certified in accordance with the requirements of the FSSC 22000 food safety system. Contract entrepreneurs and suppliers are required to meet equal standards so that the cleanliness and safety of products for consumers and end-users can be ensured. The certified management systems of Metsä Board's production units are listed in the table on page 97.

## Access to quality information

To ensure the quality of product management, harmonised product management and product safety processes are in place. The processes encompass product specification, the management of basic information, product descriptions and compliance documents, and the management of product requirements of customers and officials throughout the product life-cycle.

## Engaging with consumers and end-users about impacts

As a rule, Metsä Board's customers are companies that interact with consumers and end-users in accordance with their own processes. Metsä Board does not have a process for directly communicating with consumers and end-users. Consumers and end-users can contact Metsä Board directly using the contact form available on the company's website. Product and customer feedback is handled by Metsä Board's technical customer service in cooperation with production.

Information about consumers' and end-users' wishes and needs is collected through active customer cooperation, market research and consumer surveys. Interaction is continuous and needs-based. Annual customer experience surveys are part of the evaluation of customer needs and the identification of development needs. Engagement with

customers, consumers and end-users is primarily the sales organisation's responsibility.

The observations from customer engagement are discussed at sales meetings and at meetings of Metsä Board's management if required. Metsä Board's management is responsible for taking consumers' and end-users' needs and expectations into account in decision-making.

## Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Contacts from corporate customers, consumers and end-users are handled and directed to the appropriate party to ensure a comprehensive response. Contacts concerning product feedback are used in product or product portfolio analyses, and they are taken into account in product and service development.

Any product complaints are investigated internally with the support of external parties such as research institutions if required. In accordance with the company's process for managing quality deviations, root cause analyses are carried out for quality deviations, and any required corrective action is adopted. A standardised recall process is followed in the event of any product defects affecting consumer product safety to ensure that all products potentially harmful to health are removed from the market and transports. At the EU level, defects detected in food contact materials and related recalls are monitored and reported using RASFF (Rapid Alert System for Food and Feed) alerts. There were no product safety-related RASFF notifications concerning Metsä Board's products or any recalls of consumer packaging made from the company's paperboard in 2024. No incidents of non-compliance concerning the company's marketing communications or product and service information and labelling were reported.

## Compliance and Ethics Channel

Consumers and end-users can use Metsä Group's Compliance and Ethics Channel to report any ethical concerns or non-compliance with legislation. The Compliance and Ethics Channel and the process for handling reports are described in greater detail under *G1 – Business conduct*.

## Actions

In 2024, Metsä Board's operations did not cause severe human rights impacts, and no confirmed severe human rights issues or human rights violations related to consumers and end-users were brought to the company's attention.

Metsä Board's actions seek to mitigate negative impacts and produce positive impacts on consumers and end-users. As the actions are continuous and annual, no individual actions can be singled out in the reporting year or the coming years. Processes are developed in line with continuous improvement. Metsä Board has not identified significant operating or capital expenditure allocated to actions concerning consumers and end-users.

## Health and safety

Product compliance is monitored with the product safety process, which includes raw material management, compliance assessment and product testing, both internally and with external cooperation partners. Metsä Board's mills have ISO 22000 and FSSC 22000 food safety systems that cover food safety-related risks across the production and supply chain, and the functioning of systems is assured annually with internal and external audits. Metsä Board's product safety specialists continuously monitor developments in legislation and requirements.

Production-related product safety risks are managed with methods such as the HACCP (Hazard Analysis and Critical Control Points), which is used at all Metsä Board production units. A HACCP hazard analysis is carried out whenever there are changes in essential processes or raw materials.

Metsä Board's products are tested regularly in accredited laboratories to ensure their quality and safety. The laboratory analyses and detailed composition compliance analyses form the basis for our Product Safety Statement, which includes product-specific information about product safety and compliance.

Quality and safety are also monitored with the aid of reputation surveys, customer feedback and customer surveys. Metsä Board conducts

quarterly monitoring and assessment of customer feedback related to any negative impacts on consumers and end-users. Any negative impacts are classified as material based on the type code of the customer feedback. The type codes monitored include foreign objects in products, purity of product, and sensory properties.

## Access to quality information

Product management processes include established practices to ensure the product information is compliant and up to date, and to correct any mistakes in the information.

Product information is managed with Metsä Group's Product Information Management system, which was introduced in 2022 and is developed to support new product information management needs. Product information management is used to actively monitor the accuracy and compliance of product information in connection with all changes occurring in the process. Metsä Group has an internal control process that is also applied in the management of product information and in accordance with which the compliance of Metsä Board's products is assessed once a year.

# G – Governance

## G1 – Business conduct

### Impacts, risks and opportunities related to business conduct

Impacts	Risks and opportunities for Metsä Board	Management
<b>Corporate culture</b>		
↑ Metsä Board's measures to promote an ethical corporate culture offer the employees a safe work environment and other stakeholders an opportunity for cooperation with an ethical and reliable operator.	↑ <b>Opportunity:</b> The employees' and other stakeholders' experience of Metsä Board and the company's reputation as an ethical and reliable operator strengthen.	<ul style="list-style-type: none"> <li>Employees learn about ethical corporate culture during induction and later during employment, through e-learning and classroom training, as well as through internal communication. Particular emphasis is placed on developing supervisors' grievance resolution skills through targeted training.</li> <li>Ethical corporate culture is measured with the ethics index based on the ethics statements included in the employee survey. The index indicates employees' experience of the ethics of our business.</li> <li>Metsä Group's Compliance and Ethics Channel is available to all external and internal stakeholders.</li> </ul>
↓ Inadequate measures to commit employees to an ethical corporate culture could lead to non-compliance with the law or unethical business operations, as well as unequal treatment and harassment.	↓ <b>Risk:</b> Metsä Board incurs financial losses due to operations in breach of legislation. The company's reputation as a sustainable partner and operator weakens. Unequal treatment and harassment reduce the employees' job satisfaction and commitment.	
<b>Corruption and bribery</b>		
↑ Prevention and detection: Metsä Board's measures and control mechanisms for preventing corruption and bribery offer stakeholders the opportunity to cooperate with an ethical and reliable operator.	↑ <b>Opportunity:</b> The stakeholders' experience of Metsä Board and the company's reputation as an ethical and reliable operator strengthen, improving performance and competitiveness.	<ul style="list-style-type: none"> <li>Employees are offered information about ethical corporate culture during induction, and later during employment, through e-learning and classroom training.</li> <li>In 2024, Metsä Group released its new anti-corruption principles that supplement its earlier guidelines.</li> <li>Metsä Board has appropriate continuously developed internal controls.</li> <li>Ethical corporate culture is measured with the ethics index based on the ethics statements included in the employee survey. The index indicates employees' experience with the ethics of our business.</li> <li>Everyone can report grievances through the Compliance and Ethics Channel.</li> </ul>
↓ Incidents: Inadequate measures and control mechanisms for preventing corruption and bribery could lead to corruption and bribery in violation of Metsä Group's Code of Conduct and legislation.	↓ <b>Risk:</b> Corruption and bribery have significant financial consequences and weaken the reputation and employer image.	
<b>Management of relationships with suppliers including payment practices</b>		
↑ Metsä Board's requirements and control mechanisms, as well as its sustainability cooperation with suppliers, have a positive impact on the realisation of ethical operations and sustainability in the supply chain.	↑ <b>Opportunity:</b> Metsä Board's reputation as a sustainable partner and operator improves. Cooperation with suppliers becomes stronger and leads to long partnerships.	<ul style="list-style-type: none"> <li>Suppliers are required to commit to the Code of Conduct.</li> <li>Metsä Board follows due diligence in its selection of partners (Know Your Business Partner process).</li> <li>Joint sustainability targets and actions are agreed with partner-level suppliers.</li> <li>The company uses supplier assessments, surveys and audits, as well as risk analyses.</li> <li>Procurement employees are trained in matters concerning ethics and sustainability.</li> <li>Cooperation is close with local contract entrepreneurs in harvesting, transport and forestry work.</li> <li>The sustainability and traceability of wood fibre is ensured in accordance with the Chain of Custody.</li> <li>The traceability of other raw materials and packaging materials is continuously developed</li> </ul>
↓ If Metsä Board's requirements and control mechanisms were inadequate, this could lead to non-compliance with the law or the company's requirements in the supply chain.	↓ <b>Risk:</b> Metsä Board unintentionally supports operations contrary to its values, which risks the company's reputation as a sustainable partner. Relationships with suppliers weaken, leading to the loss of the best partnerships.	
↓ Inadequate training of the procurement employees or insufficient control mechanisms could cause unequal treatment of suppliers.		
<b>Protection of whistle-blowers</b>		
↓ Failure to protect the anonymity of whistle-blowers and confidentiality could lead to retaliation against whistle-blowers or the victim. No such incidents were recorded in 2024.	↓ <b>Risk:</b> Trust in the Compliance and Ethics Channel wanes, and suspected misconduct is not reported. Activities contrary to Metsä Board's values and Code of Conduct may not be detected. Unlawful activities may incur financial losses. The employees' job satisfaction and the employer image weaken	<ul style="list-style-type: none"> <li>Anonymous reports can be submitted through Metsä Group's Compliance and Ethics Channel.</li> <li>The reports are handled in confidence under the Compliance Committee's lead.</li> <li>Metsä Board is committed to protecting the rights and privacy of people who report breaches in good faith. These commitments have been confirmed in both the Code of Conduct and the Principles on non-compliance notifications and the related investigation, which have been updated to comply with the new requirements of the EU Whistleblowers Directive.</li> </ul>
<b>Political influence and lobbying activities</b>		
↑ Through successful influencing and lobbying, Metsä Board, as part of Metsä Group, can introduce views into social debate that promote the circular bioeconomy and highlight wood-based products as an alternative to plastic-based products, for example, and emphasise their role in climate change mitigation.	↑ <b>Opportunity:</b> Political operators recognise the potential of the circular bioeconomy and the role of forests and wood-based solutions in climate change mitigation, improving the conditions of Metsä Board's operations.	<ul style="list-style-type: none"> <li>An ethical corporate culture and the Code of Conduct are deployed through training and communication. The Code of Conduct includes Metsä Group's policies on matters such as gifts, hospitality, conflicts of interest, anti-corruption and fair competition. The anti-corruption principles published in 2024 supplement these guidelines.</li> <li>Influencing plans and key social messages are based on Metsä Group's and its business areas' strategies, reviews of the operating environment and surveys of regulatory risks.</li> <li>The progress and success of influencing activities are regularly reported to Metsä Board's and Metsä Group's management and Board of Directors.</li> </ul>
↓ If Metsä Group's key messages related to influencing and lobbying or the related ethical practices are not adequately implemented in the company, this may lead to influencing or lobbying that is inconsistent or in breach of the company's policies. The potential of the circular bioeconomy and wood-based products in climate change mitigation would not be harnessed in society.	↓ <b>Risk:</b> Metsä Board and Metsä Group are unable to consistently introduce the key messages identified as being material to political discussion, which may, in the worst case, lead to the realisation of regulatory risks. Unethical forms of influencing and lobbying weaken the company's reputation as a sustainable operator.	

↑ Positive impact on the environment and society or on Metsä Board's business

↓ Negative impact on the environment and society or on Metsä Board's business

## Metsä Board's 2030 sustainability targets

	2030 target	2024	2023	2022
Ethics index	100	79	-	-
Traceability of raw materials, share of total purchases, %	100	97	97	97
Share of certified wood fibre, %	>90	92	91	83
Suppliers' commitment to the Supplier Code of Conduct, share of total purchases, %	100	99.0	99.0	98.7
Supplier assessments and audits of core suppliers, %	100	79	68	50
MG: Joint sustainability target with partner suppliers, %	100	100	100	-

MG: The target has been set at the level of Metsä Group.

In 2024, ethics index monitoring was changed from actions-based to index-based, which is why no comparison years are available.

Metsä Board's strategic 2030 sustainability targets, and their setting and monitoring, are discussed in greater detail under *Sustainability governance and strategy* and *Material sustainability-related impacts, risks and opportunities*.

### Progress in targets

- **Ethics index** – The 2024 result is below target. From 2025, in addition to the trend in the ethics index, monitoring will focus on the progress made in development actions determined based on the survey results. The target implementation rate for them is 100%.
- **Traceability of raw materials, share of total purchases** – The traceability of raw materials remained at a high level in 2024.
- **Share of certified wood fibre** – The sustainability target set for 2030 was already achieved in 2023. The certification target has been updated, and from 2025 onwards, the new goal is 100%.
- **Suppliers' commitment to the Supplier Code of Conduct, share of total purchases** – Suppliers' commitment to the Supplier Code of Conduct remained at a high level in 2024.
- **Supplier assessments and audits of core suppliers** – Significant progress was made in the target in 2024. EcoVadis sustainability assessments were widely adopted to evaluate suppliers. The number of supplier assessments also increased slightly from the previous year.
- **Joint sustainability targets with partner suppliers** – A sustainability target has been set with all current partner suppliers, meaning that the target has been achieved. In 2024, cooperation with partners continued in the form of more detailed target specification and plans – and with some suppliers, in implementation.

### The role of the administrative, management and supervisory bodies

The Compliance and Ethics programme is supervised by the Compliance Committee, composed of Metsä Group's directors in charge of legal affairs, internal audit, HR, and compliance and ethics. In 2024, the Compliance Committee convened six times.

Once a year, the director in charge of compliance and ethics presents a compliance and ethics review to Metsä Board's Corporate Management Team and Audit Committee. In addition, the directors in charge of legal affairs, taxes, and compliance and ethics present a legal affairs, compliance and tax review twice a year to the CEO and CFO.

The Compliance Committee's role in investigating ethical concerns is described under *Mechanisms for identifying, reporting and investigating concerns*.

All the Board members have gained significant experience of good governance from their previous duties in operational management and/or as Board members in a listed company or another large corporation. The Board members complete training in the company's insider guidelines annually.

### The identification and assessment of material impacts, risks and opportunities

The material impacts, risks and opportunities related to governance and corporate culture have been identified in a double materiality assessment based on the principles of the company's risk management process. The materiality assessment is discussed on pages 26–28.

The Know Your Business Partner process, supplier assessments and audits, the company's ethics index, and the Compliance and Ethics Channel are key elements in the identification, analysis and management of impacts, risks and opportunities related to governance and corporate culture.

### Policies

The sustainability of Metsä Board's business conduct is guided by applicable legislation, as well as the values, Metsä Group's Code of Conduct and various policies approved by the company's Board of Directors. Metsä Board is committed to operating in accordance with the UN Guiding Principles on Business and Human Rights and requires the same of its business partners. Since 2003, Metsä Board has supported the UN Global Compact and its principles on human rights, employees, the environment and anti-corruption. The owner of the Code of Conduct is the President and CEO of Metsä Group, and Metsä Board's Corporate Management Team contributes to supervising the Code's implementation. Metsä Group's Compliance function takes care of compliance with legislation, the Code of Conduct, policies and internal guidance, trains personnel and ensures that policies are up to date in cooperation with policy owners.

Metsä Group has 16 policies, three of which are public policies, and 13 are internal policies. The policies are mandatory, and all Metsä Board employees must comply with the principles and provisions they specify. Each policy sets out its targets, purpose, scope of application, responsible parties, and decision-making and change process. All employees are required to complete e-learning courses in the Code of Conduct and

other key policies such as the Equality Policy, Personal Data Protection Policy and Information Security Policy every three years. The e-learning course in information security was revised in 2024. The e-learning course in the Code of Conduct includes Metsä Board's key ethical principles and describes the best practices related to business sustainability through examples and exercises.

Depending on the employees' duties, they are also required to complete e-learning courses related to other policies such as the antitrust, procurement, agreement and legal affairs policies. In 2024, a revised e-learning course in agreement and legal policy was launched and supplemented with classroom training in agreement law, and with online and classroom training in the Know Your Customer process for all employees in sales and marketing. Workshops for local management dealing with diversity, equality and inclusion, which were launched in 2022, continued in 2024 (the workshops are discussed in more detail under *S1 – Own workforce*). A section developing supervisors' capability of addressing ethical grievances and encouraging the reporting of grievances was added to the training offered to supervisors. Ethical operations and doing the right thing are also part of the induction of new white-collar employees and apprenticeship trainees.

The completion of e-learning courses and classroom training is regularly monitored by the Compliance Committee, which supervises the Compliance and Ethics programme, and the results are reported once a year to the Audit Committee of the company's Board of Directors as part of the Compliance and ethics review. The completion percentage of the Code of Conduct e-learning course is presented in the *Completion of e-learning courses* table.

A culture of diversity, equality and inclusion (DEI), and the implementation and development of an ethical and respectful corporate culture, is one of the focal areas of the Motivated people strategic programme. The programme's focal areas and goal are discussed under *S1 – Own workforce*.

The implementation and development of the culture of doing the right thing are measured with the ethics index, calculated based on the ethics statements in the employee survey, which measures the employees' experience with ethics in the company's operations. According to the most recent survey, conducted in 2024, financial misconduct, corruption, conflicts of interest, inappropriate influencing of partners' decision-making and data protection breaches are not considered material risks. The results of the ethics statements will be discussed at all sites by the end of January 2025. Each site will define development measures for 2025 to remedy the problems observed.

Corruption and bribery risks are assessed as part of Metsä Group's risk management process. Of the company's internal functions, sales and marketing, procurement and lobbying have been identified as those most susceptible to corruption and bribery. The measures for preventing and detecting corruption and bribery are described on page 93.

Metsä Board annually participates in several environmental, social responsibility and business practice assessments conducted by third parties such as CDP, EcoVadis, ISS, Sustainalytics, MSCI and Moody's. Metsä Board's partners can also assess Metsä Board's sustainability through the Sedex system. In addition, third-party SMETA audits (Sedex Members Ethical Trade Audit) are conducted on Metsä Board's sites. In 2024, a SMETA audit was carried out at the Äänekoski paperboard mill.

To ensure the sustainability of its suppliers, customers and other partners, Metsä Board follows third-party due diligence in its Know Your Business Partner process, in which the partner's background is checked for any risks related to trade sanctions, corruption, money laundering, human rights violations, environmental offences and various other misconduct before a binding agreement is concluded, as well as during the cooperation relationship by means of continuous monitoring. In 2024, the process was developed by automating background checks, harmonising processes, clarifying roles and responsibilities, and publishing new guidelines for background checks, the Know Your Business Partners principles. Relationships with goods and service suppliers are described in more detail on page 92.

In 2022, Metsä Board ended all business related to Russia and Belarus due to Russia's military aggression against Ukraine. Following the business transaction in 2024, Metsä Board and Metsä Group have no more holdings in Russia.

## Mechanisms for identifying, reporting and investigating concerns

Employees and stakeholders are encouraged to report any ethical concerns and non-compliance with the law related to Metsä Board's operations. Observations can be reported to the supervisor, local management, HR and the Compliance Committee, or through Metsä Group's Compliance and Ethics Channel, which is available in ten languages to all stakeholders on the company's website. Reports can be made anonymously. The channel's technical implementation is handled by an external service provider.

The employee survey's ethics statements and open feedback are used to monitor the effectiveness of the Compliance and Ethics Channel and other reporting methods for reporting and handling concerns. In addition to e-learning courses, awareness of the Compliance and Ethics Channel is promoted by improving the channel's visibility with posters supplied to production units and in the supplier network used to manage supplier cooperation. Moreover, satisfaction with and awareness of engagement methods are assessed as part of supplier surveys. No separate assessment is currently conducted of the downstream value chain's, affected communities' or consumers' and end-users' awareness of and confidence in reporting methods or the effectiveness of reporting methods among these groups.

Every breach or violation, and suspected breach or violation, of which the company becomes aware is investigated. The investigation is supervised by the Compliance Committee. The committee is tasked with monitoring that the consequences of the investigations are applied consistently in cases of equal gravity. Corrective actions must be adequate as described in the company's Code of Conduct, and the Principles on non-compliance notifications and the related investigation. Any illegal activities are reported to the authorities. Neither the person investigated nor their supervisor participates in the investigation of the breach or suspected breach. If called for by the significance of the breach under investigation, the Compliance Committee reports the incident to Metsä Board's management and Board of Directors at a regular meeting, or immediately if required.

The cases are divided into the following categories: fraud or other criminal behaviour; corruption and bribery; competition law; conflicts of interest; employee matters; discrimination or harassment; privacy and

information security; occupational safety; the environment; breaches of the Supplier Code of Conduct; and other reports. Crimes against the company and attempts of such are also taken into account in the number of reports.

In 2024, no confirmed cases of bribery or corruption were brought to the company's attention. In addition to the principle of continuous development followed in the company's Compliance & Ethics programme and the anti-corruption principles published in 2024, a decision was made to conduct a survey of bribery and corruption risk in 2025.

In 2024, Metsä Board was made aware of incidents that might have had a direct or indirect negative impact on the company's human rights obligations. Incidents, complaints and severe human rights impacts are discussed under *S1 – Own workforce*. Incidents concerning the occupational safety and other work-related rights of suppliers' employees are discussed under *S2 – Workers in the value chain*. None of the reports of inappropriate behaviour to the company concerned forced labour or the use of child labour.

The changes required by the EU Whistleblowers Directive (EU 2019/1937) in Metsä Board's operating countries have been taken into account in the Compliance and Ethics Channel, the investigation of reported incidents, and the protection of whistleblowers over the 2022–2024 period as local legislation in EU Member States has entered into force. The company is committed to fairly investigating all reports submitted in good faith and adopting the required actions based on the investigation and its results. The company is also committed to protecting the rights and privacy of people who report breaches in good faith. These commitments have been confirmed in the company's Code of Conduct and the Principles on non-compliance notifications and the related investigation, which have been updated to meet the requirements of the Whistleblowers Directive. The Compliance Committee defines the required actions to ensure that the prohibition of countermeasures and the prevention of reporting is followed. Whistle-blowers are requested to immediately report if they suspect any countermeasures. The prohibition of countermeasures and the role of communication is emphasised in the investigation of incidents. In cases involving a higher risk of countermeasures, a follow-up contact will be organised if required. In 2024, no cases of countermeasures against whistle-blowers were brought to the company's attention.

## Relationships with goods and service suppliers

### Supplier management practices

Metsä Board's wood supply is ensured by Metsä Group's Wood Supply and Forest Services. The procurement of other raw materials and services is centrally handled by Metsä Group's Procurement and Logistics unit. The related procurement process seeks to ensure that the company's partners operate sustainably to minimise any risks in the supply chain related to matters such as the environment, health, corruption, the use of child labour and human rights violations.

As a minimum requirement in supplier selection, suppliers are required to commit to the Metsä Group Supplier Code of Conduct or their own

equivalent principles and to pass the background checks. Agreements may also include more specific sustainability requirements related to occupational safety, product safety or environmental management, for example. These requirements apply to industrial wood suppliers and intermediaries in wood supply, and other raw material and service providers.

To ensure the sustainability of suppliers, Metsä Board follows third-party due diligence in its Know your Business Partner background check, as described under *Policies*.

### Wood supply

Metsä Board uses wood from the Northern European forests as its main raw material. Wood and purchased pulp account for 93% of the company's raw material consumption, measured in weight. Metsä Board produces all the pulp and high-yield pulp it uses or procures the material from its associated company Metsä Fibre.

Metsä Group has wood supply organisations in Finland, Sweden and Latvia. The company works in close cooperation with local contract entrepreneurs in harvesting, transport and forestry work. All the countries from which wood is procured have issued legislation requiring the renewal of forests after regeneration felling.

Metsä Group requires wood suppliers to commit to wood sustainability requirements with an agreement, chain of custody certificate and their own assurance, which includes environmental and sustainability requirements and obligations for the wood supplier and forest owner.

The wood fibre's sustainability and traceability are ensured by practices which meet the requirements of the EU Deforestation Regulation (EUDR), PEFC Chain of Custody and FSC Chain of Custody. In 2024, Metsä Board updated its due diligence system to comply with the requirements of the Deforestation Regulation. Metsä Board assesses these practices with internal and third-party audits annually. The audits focus on matters related to environmental and social responsibility, as well as on the traceability of wood fibre in Metsä Board's production and subcontracting. Metsä Board aims for certified wood to account for at least 90% of all the wood fibre used by the company by 2030. The share of certified wood fibre in 2024 is presented under *Metsä Board's 2030 sustainability targets*. Non-certified wood is also required to be of a sustainable origin, and the wood always meets at least the requirements for PEFC Controlled Sources and FSC Controlled Wood. Metsä Board's policies concerning indigenous peoples are discussed under *S3 – Affected communities*.

### Procurement of other raw materials and services

In addition to the Know Your Business Partner background checks, more detailed supplier assessments focus on the core suppliers and on suppliers operating in industries with identified potential risks related to human rights, corruption or the environment. Suppliers' sustainability and supplier-related risks are assessed with surveys, the EcoVadis tool and supplier audits.

Metsä Group, an external HSEQ cluster, and another external party, if required, conduct annual supplier audits focusing on ethics, environmental responsibility, occupational safety, and quality. The supplier assessments

and audits are used as the basis for making development proposals and monitoring any corrective action taken. The results are the responsibility of a third party or a Metsä Group employee who is not responsible for suppliers. In 2024, no serious deviations were detected in supplier assessments and audits.

To ensure the equal treatment of suppliers, the procurement employees are trained to disqualify themselves in decisions that may involve conflicts of interest. A written commitment to this is required in the procurement process. Approximately every two years, suppliers can respond to an anonymous survey concerning the smoothness and fairness of cooperation and factors contributing to these matters. The survey results are submitted to the suppliers, and measures to improve procurement practices are adopted based on them. The procurement employees have annual financial performance targets related to matters such as conducting supplier sustainability assessments and monitoring improvements proposed by suppliers.

In 2024, sustainability themes were discussed in the procurement academies organised for procurement and logistics employees. In addition, training on the use of EcoVadis supplier assessments to ensure a sustainable supply chain was offered to employees.

The company's target is to agree joint sustainability targets and measures to achieve them with all its partner suppliers. The management of environmental impacts in cooperation with suppliers is discussed in greater detail under *E1 – Climate change*. Another target is to know the origin, or at least the country of manufacture, of all the company's raw materials, including wood, and process, basic, and coating chemicals, and packaging materials by the end of 2030.

Annual monitoring of suppliers and raw materials ensures that Metsä Board's products comply with statutory and Metsä Board's own stringent product safety requirements. Product safety is discussed in greater detail under *S4 – Consumers and end-users*.

### Procurement of wood fibre by country, %

	2024	2023
Finland	55	62
Sweden	35	30
Baltic countries	9.0	8.1
Others	1.5	0.02

### New supplier background checks, %

	2024	2023
Share of suppliers for which a Know Your Business Partner background check was made	94	90

### Prevention and detection of corruption and bribery

Metsä Board complies with Metsä Group's principles and practices for preventing and detecting corruption and bribery. The Code of Conduct, which guides ethical operations, prohibits corruption and bribery. It also includes

principles for avoiding conflicts of interest, crucially linked to anti-corruption, and principles on gifts and hospitality. In 2024, Metsä Group released its new anti-corruption principles that supplement the Code of Conduct. Metsä Group is committed to anti-corruption and anti-bribery in its own operations and in relation to its partners. A similar prohibition is included in Metsä Group's Supplier Code of Conduct. Anti-corruption and anti-bribery efforts contribute to Metsä Group's 2030 sustainability targets concerning a responsible corporate culture and supply chain.

The following are the main measures for preventing and detecting corruption and bribery:

- Training in the Code of Conduct and other policies guiding Metsä Group's operations (discussed in greater detail under *Completion of e-learning courses*).
- The new anti-corruption principles published in 2024 and related communication.
- The ethics index used to measure the employees' experience of ethics in business and to identify areas of development (under *Metsä Board's 2030 sustainability targets*).
- The Compliance and Ethics Channel available to all internal and external stakeholders. A standard process has been defined for processing reports (discussed in greater detail under *Mechanisms for identifying, reporting and investigating concerns*).
- Due diligence in ensuring the sustainability of partners, and the required background checks (third-party due diligence) as part of the Know Your Business Partner process (discussed in greater detail under *Policies*).
- Continuous development of ethical operations in the supply chain. The key measures in this respect include supplier commitment to the Supplier Code of Conduct in line with the 2030 sustainability targets, as well as supplier audits and assessments (discussed in greater detail under *Relationships with goods and service suppliers*).

### Completion of e-learning courses

	2024	2023
<b>CODE OF CONDUCT</b>		
Number of employees who completed the Code of Conduct training	2,332	2,214
Share of all employees who have completed the Code of Conduct training, %	99.2	98
Share of Board members who have completed the Code of Conduct training, %	100	100
<b>DIVERSITY, EQUALITY AND INCLUSION</b>		
Number of employees who have completed DEI training	2,310	2215
Share of all employees who have completed DEI training, %	98	98
<b>SUSTAINABILITY</b>		
Number of employees who have completed Sustainability training	2,295	1,930
Share of all employees who have completed Sustainability training, %	98	86

One of the Board members completed the Code of Conduct training in January 2025.

## Incidents of non-compliance with good governance or ethical corporate culture

	2024	2023
<b>COMPLIANCE WITH LAWS AND REGULATIONS</b>		
Significant incidents of non-compliance resulting in a fine (more than EUR 10,000)	0	0
Amount of fines paid in the reporting year for incidents in previous reporting years	0	0
<b>CORRUPTION OR BRIBERY</b>		
Confirmed incidents of corruption or bribery	0	0
Confirmed incidents in which the company's own workers have been given notice or sanctioned with disciplinary measures due to an incident linked to corruption or bribery	0	0
Confirmed incidents in which a business agreement has been terminated or has not been renewed due to an incident linked to corruption or bribery	0	0
Public legal cases regarding corruption or bribery brought against the company and its own workers	0	0
Number of judgments issued in corruption or bribery cases	0	0
Amount of fines issued in corruption or bribery cases	0	0

## Political influence and lobbying activities

Metsä Board participates in advocacy as part of Metsä Group at the EU and national level especially in Finland, Sweden and Germany. Metsä Group's parent company Metsäliitto Cooperative is registered in the EU's Transparency Register and complies with its code of conduct. Its member number in the Transparency Register is 962687110415-94. Metsä Board is registered in the Finnish Transparency Register with the code MET-24-465-R.

The President and CEO of Metsä Group, who also serves as the Chairman of the Board of Metsä Board, supported by Metsä Group's Executive Management Team, determines the priorities of political influence for Metsä Board and other business areas and monitors the progress made in them. The Corporate Affairs function is centralised at the Metsä Group level. The Corporate Affairs function coordinates practical influence work, handling the related cooperation among Metsä Board and other functions, and reporting the work's progress and effectiveness to Metsä Board's and Metsä Group's management teams and Boards of Directors.

To identify the most significant legal risks and focal areas of lobbying, Metsä Group has conducted a comprehensive assessment of regulatory risks, which covers all the business areas, including Metsä Board. These risks have been considered in the double materiality assessment.

Metsä Group follows and participates in discussions about forests and biodiversity and influences policy questions related to the bioeconomy and products. Metsä Group has actively influenced several legal initiatives in the EU, including the deforestation regulation, nature restoration regulation, packaging and packaging waste regulation, and sustainable product policy.

Metsä Group promotes the circular bioeconomy and emphasises the role of forests and wood-based products in climate change mitigation, and the safeguarding of biodiversity. Metsä Group is committed to the

principles of regenerative forestry, which aim to verifiably strengthen the state of forest nature by 2030. Metsä Group seeks to increase understanding of regenerative forestry and the role of renewable carbon. Statements on these themes are published on *Metsä Group's website*. The company supports the EU's environmental targets and the 2050 climate neutrality target.

Metsä Board's advocacy efforts as part of Metsä Group focus on:

- Promoting the recyclability of wood fibre-based packaging.
- Increasing the understanding of the role of fresh fibre in product safety and the advantages of sustainable fibre-based food packaging in terms of the environment and health.
- Supporting a comprehensive approach to laws that influence forestry practices and the availability of wood raw material as part of the joint production of forest-based ecosystem services.
- Energy-related topics in the EU, such as reducing dependence on fossil-based fuels, focusing greater attention on the opportunities provided by biogenic carbon dioxide capture and use, and defining renewable energy targets based on something other than the direct energy use of convertible wood biomass.

## Cooperation with trade and industrial organisations

As part of Metsä Group, Metsä Board is an active member of the Confederation of European Paper Industries (Cepi), which represents the forest industry producing fibre-based products across Europe. Representatives of Metsä Group actively participated in the work of Cepi's committees and working groups.

Metsä Board has representatives in the 4evergreen alliance's steering group and team of public relations experts. 4evergreen represents the entire value chain of fibre-based packaging and has set as its target the raising of the recycling rate of fibre-based packaging to 90% by 2030. Metsä Board also participates in the activities of the European Paper Packaging Alliance (EPPA). The alliance stands for the sustainability of wood fibre-based food and food service packaging and the circular economy. Metsä Board is a member of several national trade and industrial organisations.

Key memberships in organisations and advocacy groups:

- Confederation of European Paper Industries (Cepi)
- European Association of Carton and Cartonboard manufacturers (Pro Carton)
- Cepi Containerboard
- European Carton Makers Associations (ECMA)
- The European Paper Packaging Alliance (EPPA)
- 4evergreen
- Finnish Forest Industries Federation
- Skogsindustrierna, Sweden
- Die Papierindustrie, Germany

In 2024, Metsä Board paid a total of EUR 1.2 million in membership fees to trade and industrial organisations.



Metsä Board does not make direct political contributions. The company may participate in seminars that deal with the forest industry or forest policy. In 2024, no seminar tickets were purchased.

## Payment practices

The average time it takes for Metsä Board to pay an invoice from the date when the contractual or statutory term of payment calculation begins is

49 days. The standard payment term in Metsä Board's general terms and conditions for purchases is 60 days net. However, this can be reconsidered individually in the case of smaller suppliers, for example. Of Metsä Board's payments, 93% are made within 60 days.

Metsä Board is not party to any legal proceedings due to late payments.

### Reporting principles for metrics

The calculation of the ethics index is based on the ethics statements included in the annual employee survey. All Metsä Board employees can respond to the survey. Responses are collected on a scale of 1–4 (fully disagree/agree), and an external service provider converts the responses to indexes on a scale of 0–100 (100 = everyone fully agrees).

The supplier commitment to the Supplier Code of Conduct indicates the share of all purchases made from suppliers committed to the Metsä Group Supplier Code of Conduct or their own equivalent codes. The figure does not cover the authorities, associations or wood supply. Supplier assessments and audits of core suppliers cover the approximately 350 partner, key and preferred suppliers in accordance with the supplier classification. The target does not include wood supply operators. The joint sustainability targets with partner suppliers applies to the eight partner suppliers agreed in connection with Metsä Group's supplier classification. The figure does not include wood supply, but partner suppliers include other suppliers of Metsä Group's Wood Supply and Forest Services.

The target of traceable raw materials includes the raw materials used in product production and product packaging materials. The target's calculation is based on the value of the raw materials in euros. A raw material that is traceable at least to the level of country of manufacture is considered traceable.

The share of certified wood covers the share of certified wood fibre of all the wood fibre used by Metsä Board. The figure includes the wood used in Metsä Board's own production of pulp and high-yield pulp, as well as the wood used for the pulp purchased from Metsä Fibre. The chip deliveries from the company's own industries are not included in the calculation to avoid double counting.

In the completion rate of the Code of Conduct, DEI and Sustainability e-learning courses, the divisor is the number of active employees at the time of reporting. In other words, employees absent on family leave or for other reasons are not included in the calculation.

As Metsä Board does not make direct donations to political purposes in cash or in kind, no monetary value of in-kind benefits has been estimated.

The figures for payment practices do not account for raw wood purchases from forest owners or industrial suppliers. The payment term has been calculated as a weighted average based on the supplier invoices paid in the review period. The total value of the invoice is used in weighting.

The metrics have not been validated by an external party.

# Annexes to the Sustainability statement

## Annexes

The annexes published at the same time as the Sustainability statement include

### 1) Separate annexes:

- *SASB content index\**
- *Disclosures in accordance with the TCFD and TNFD recommendations\**

### 2) Data on page 97 of the Sustainability statement:

- *Mill-specific key sustainability figures\*\**

\*TCFD and TNFD information does not come under the scope of assurance. SASB information, excluding the share of grid electricity and the amount of energy sold, is based on Metsä Board's Sustainability statement, which is assured by a third party (limited assurance).

\*\* Mill-specific figures have not been separately assured. They have been assured at the business area or group level by a third party as part of Metsä Board's sustainability report's limited assurance.

## Mill-specific key sustainability figures

Mill	Joutseno	Kaskinen	Kemi	Kyro	Simpele	Tako	Äänekoski	Husum	Others	Total
COUNTRY	FINLAND	FINLAND	FINLAND	FINLAND	FINLAND	FINLAND	FINLAND	SWEDEN		
<b>EMPLOYEES</b>										
Number of employees	61	96	143	174	300	191	204	775	465	<b>2,409</b>
TRIF	0	6.7	12	0	8.1	3.6	6.3	1.7		<b>3.4</b>
LTAIF	0	6.7	8.1	0	6.1	3.6	6.3	1.7		<b>2.9</b>
<b>PRODUCTION</b>										
Pulp and high-yield pulp (1,000 t)	190	314						619		<b>1,123</b>
Paperboard (1,000 t)			320	163	243	129	216	468		<b>1,539</b>
<b>MANAGEMENT SYSTEM</b>										
ISO 9001	x	x	x	x	x	x	x	x	x	
ISO 14001	x	x	x	x	x	x	x	x	x	
ISO 50001	x	x	x	x	x	x	x	x	x	
ISO 45001	x	x	x	x	x	x	x	x	x	
ISO 22000	x	x	x	x	x	x	x	x	x	
FSSC 22000			x	x	x		x	x		
<b>CHAIN OF CUSTODY</b>										
PEFC	x	x	x	x	x	x	x	x	x	
FSC	x	x	x	x	x	x	x	x	x	
<b>EMISSIONS TO AIR</b>										
Biogenic carbon dioxide (CO <sub>2</sub> ), Scope 1	0	137,438	0	168,913	172,778	4,773	0	1,670,874		<b>2,154,777</b>
GHG emissions (CO <sub>2</sub> e), Scope 1	16,870	6,168	5,516	15,111	16,851	40,959	0	90,624		<b>192,098</b>
Sulphur (SO <sub>2</sub> )	0	27	0	47	74	0.02	0	36		<b>184</b>
Nitrogen oxides (NO <sub>x</sub> )	7.1	168	2.4	74	94	28	0	989		<b>1,363</b>
Particles	5.3	2.6	0	3.5	2.2	0	0	20		<b>33</b>
Reduced sulphur compounds (TRS)	0	0	0	0	0	0	0	57		<b>57</b>
<b>EMISSIONS TO WATER, t</b>										
Adsorbable organic halogen (AOX)	0	0	0	0	0	0	0	45		<b>45</b>
Chemical oxygen demand (COD)	310	794	54	126	228	110	641	7,480		<b>9,743</b>
Biological oxygen demand (BOD)	1.9	24	22	11	21	35	239	281		<b>635</b>
Phosphorus, total	0.1	1.7	0.5	0.8	1.3	1.0	0.4	16		<b>22</b>
Nitrogen, total	1.6	14	16	14	11	0.3	7.6	90		<b>156</b>
Suspended solids, total	12	76	270	30	36	23	119	1,096		<b>1,662</b>
<b>WATER USE, 1 000 m<sup>3</sup></b>										
Water withdrawals	4,158	10,548	9,897	3,679	26,446	2,838	3,452	44,811		<b>105,829</b>
Wastewater discharges	302	2,376	7,083	2,283	4,718	2,055	2,444	27,280		<b>48,540</b>
<b>WASTE AND SIDE STREAMS, t</b>										
Utilised side streams and waste	7,108	27,248	603	21,105	27,732	9,170	20,804	51,763	373	<b>165,906</b>
Landfill waste	0	11	27	0	0	0	0	267	0	<b>305</b>
Hazardous waste	32	129	34	13	47	96	17	396	311	<b>1,075</b>

# Consolidated statement of income

EUR million	Note	1-12/2024	1-12/2023
<b>Sales</b>	2.1, 2.2, 7.3	1,938.6	1,941.9
Change in stocks of finished goods and work in progress		22.9	-57.0
Other operating income	2.3, 7.3	77.8	79.9
Materials and services	2.4, 7.3	-1,491.7	-1,429.5
Employee costs	3	-201.6	-199.5
Share of result of associated company	7.2, 7.3	-8.8	24.2
Depreciation, amortisation and impairment charges	4.1, 4.2	-113.6	-93.8
Other operating expenses	2.4	-161.3	-145.4
<b>Operating result</b>		62.3	120.8
Share of profit from associated companies and joint ventures	7.2	0.0	0.0
Net exchange gains/losses	5.2	-2.8	2.6
Other financial income	5.2, 7.3	9.3	9.9
Interest and other financial expenses	5.2, 7.3	-17.3	-12.4
<b>Result before tax</b>		51.4	120.9
Income taxes	6	-12.0	-19.3
<b>Result for the period</b>		39.4	101.6
<b>Result for the period attributable to</b>			
Shareholders of parent company		25.3	94.8
Non-controlling interest		14.1	6.8
<b>Total</b>		39.4	101.6
Adjusted average number of shares, thousands		354,991	354,751
<b>Basic and diluted earnings per share for result for the period attributable to the shareholders of parent company, EUR</b>		0.07	0.27

# Consolidated statement of comprehensive income

EUR million	Note	1-12/2024	1-12/2023
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>	5.1		
Actuarial gains/losses on defined benefit pension plans	3.4	-0.9	-1.0
Financial assets at fair value through other comprehensive income	4.3	-35.4	-87.8
Share of profit from other comprehensive income of associated company			-3.4
Income tax relating to items that will not be reclassified		7.4	18.5
<b>Total</b>		-28.9	-73.6
<b>Items that may be reclassified to profit or loss</b>	5.1		
Cash flow hedges		-39.1	8.2
Translation differences		-21.7	-2.8
Share of profit from other comprehensive income of associated company		-13.8	-5.7
Income tax relating to items that may be reclassified		7.8	-1.6
<b>Total</b>		-66.8	-1.9
<b>Other comprehensive income, net of tax</b>		-95.7	-75.6
<b>Total comprehensive income for the period</b>		-56.2	26.1
<b>Total comprehensive income for the period attributable to</b>			
Shareholders of parent company		-65.4	20.7
Non-controlling interest		9.1	5.4
<b>Total</b>		-56.2	26.1

# Consolidated balance sheet

EUR million	Note	31 DEC 2024	31 DEC 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	4.1	12.2	12.2
Other intangible assets	4.1	35.0	16.1
Property, plant and equipment	4.2	1,248.4	1,230.4
Investments in associated companies and joint ventures	7.2	517.5	549.9
Other investments	4.3, 5.7	219.7	254.4
Other non-current financial assets	5.3	4.4	6.3
Derivative financial instruments	5.7		1.5
Deferred tax receivables	6	5.2	9.5
<b>Total</b>		<b>2,042.4</b>	<b>2,080.4</b>
<b>Current assets</b>			
Inventories	4.4	472.6	394.4
Trade receivables and other receivables	4.5, 7.3	278.3	251.7
Current income tax receivables		9.0	7.1
Derivative financial instruments	5.7	9.2	30.0
Cash and cash equivalent	5.4, 7.3	182.6	291.6
<b>Total</b>		<b>951.7</b>	<b>974.7</b>
<b>Total assets</b>		<b>2,994.1</b>	<b>3,055.1</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of parent company</b>			
Share capital		557.9	557.9
Translation differences		-82.7	-66.0
Fair value and other reserves		137.4	209.1
Reserve for invested unrestricted equity		208.9	208.9
Treasury shares		-3.7	-5.5
Retained earnings		925.2	992.6
<b>Total</b>		<b>1,743.0</b>	<b>1,897.0</b>
<b>Non-controlling interests</b>		<b>164.7</b>	<b>155.6</b>
<b>Total shareholders' equity</b>	<b>5.1</b>	<b>1,907.7</b>	<b>2,052.6</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	6	123.2	139.2
Post employment benefit obligations	3.4	8.1	10.1
Provisions	4.8	1.7	1.7
Borrowings	5.5, 5.6, 5.7	411.9	421.0
Other liabilities	4.6	5.6	8.7
<b>Total</b>		<b>550.6</b>	<b>580.7</b>
<b>Current liabilities</b>			
Provisions	4.8		1.4
Current borrowings	5.5, 5.6, 5.7	115.5	17.1
Trade payables and other liabilities	4.7, 7.3	390.6	377.5
Current income tax liabilities		0.0	15.8
Derivative financial instruments	5.7	29.7	10.2
<b>Total</b>		<b>535.8</b>	<b>421.8</b>
<b>Total liabilities</b>		<b>1,086.4</b>	<b>1,002.5</b>
<b>Total shareholders' equity and liabilities</b>		<b>2,994.1</b>	<b>3,055.1</b>

# Statement of changes in shareholders' equity

## Equity attributable to shareholders of parent company

EUR million	Note	Share capital	Translation differences	Fair value and other reserves	Reserve for invested restricted equity	Treasury shares	Retained earnings	Total	Non-controlling interest	Total shareholders' equity
Shareholders' equity, 1 Jan 2024		557.9	-66.0	209.1	208.9	-5.5	992.6	1,897.0	155.6	2,052.6
Result for the period							25.3	25.3	14.1	39.4
Other comprehensive income net of tax total	5.1		-16.7	-71.7			-2.3	-90.7	-5.0	-95.7
<b>Comprehensive income total</b>			-16.7	-71.7			23.0	-65.4	9.1	-56.2
Related party transactions										
Dividends	5.1						-88.8	-88.8		-88.8
Disposal of treasury shares	5.1					1.8	-1.8			
Share based payments	3.3						0.1	0.1		0.1
<b>Shareholders' equity, 31 Dec 2024</b>		557.9	-82.7	137.4	208.9	-3.7	925.2	1,743.0	164.7	1,907.7
Shareholders' equity, 1 Jan 2023		557.9	-64.0	283.9	208.9	-7.8	1,103.2	2,082.0	173.2	2,255.2
Result for the period							94.8	94.8	6.8	101.6
Other comprehensive income net of tax total	5.1		-1.9	-74.8			2.6	-74.1	-1.4	-75.6
<b>Comprehensive income total</b>			-1.9	-74.8			97.5	20.7	5.4	26.1
Related party transactions										
Dividends	5.1						-205.8	-205.8	-22.9	-228.7
Disposal of treasury shares	5.1					2.3	-2.3			
Share based payments	3.3						0.1	0.1		0.1
<b>Shareholders' equity, 31 Dec 2023</b>		557.9	-66.0	209.1	208.9	-5.5	992.6	1,897.0	155.6	2,052.6

# Consolidated cash flow statement

EUR million	Note	1–12/2024	1–12/2023
<b>Cash flow from operating activities</b>			
Result for the period		39.4	101.6
Adjustments to the result, total		113.0	27.3
Interest received		8.8	9.7
Interest paid		-16.5	-11.1
Dividends received		9.9	82.8
Other financial items, net		-3.4	2.6
Income tax paid		-17.2	24.1
Change in working capital		-96.3	105.8
<b>Net cash flow from operations</b>		<b>37.8</b>	<b>342.8</b>
<b>Cash flow from investing activities</b>			
Capital expenditure		-164.0	-218.4
Proceeds from disposal of shares in subsidiaries, net of cash	7.2	-0.5	
Proceeds from disposal of other shares		0.5	
Proceeds from sale of tangible and intangible assets		35.0	58.9
Change in non-current receivables, net		-1.0	-0.2
<b>Net cash flow from investing</b>		<b>-129.9</b>	<b>-159.7</b>
<b>Cash flow from financing activities</b>			
Payment of non-current interest bearing liabilities		-18.7	-18.9
Change in current liabilities	5.5	95.8	-0.4
Change in non-current non-interest bearing liabilities, net		-3.1	4.7
Dividend paid and capital distribution		-88.8	-229.7
<b>Net cash flow from financing</b>		<b>-14.8</b>	<b>-244.3</b>
<b>Change in cash and cash equivalents</b>			
		-107.0	-61.2
Cash and cash equivalents at beginning of period		291.6	356.2
Translation adjustments		-2.1	-3.5
Change in cash and cash equivalents		-107.0	-61.2
<b>Cash and cash equivalents at end of period</b>	5.4	<b>182.6</b>	<b>291.6</b>
<b>Notes to consolidated cash flow statement</b>			
<b>Adjustments to the result, total</b>			
Taxes		12.0	19.3
Depreciation, amortisation and impairment charges		113.6	93.8
Share of result from associated companies and joint ventures		8.8	-24.2
Gains and losses on sale of non-current assets		-33.1	-59.1
Finance costs, net		10.8	-0.1
Post-employment benefit obligations and provisions		-0.6	-4.7
Other adjustments		1.5	2.2
<b>Adjustments to the result, total</b>		<b>113.0</b>	<b>27.3</b>
<b>Change in working capital</b>			
Inventories		-76.1	109.5
Trade receivables and other receivables		-24.0	103.0
Trade payables and other liabilities		3.8	-106.7
<b>Change in working capital</b>		<b>-96.3</b>	<b>105.8</b>

# Notes to the consolidated financial statements

## 1. Accounting principles

### Metsä Board Group

Metsä Board Corporation and its subsidiaries comprise a forest industry group ("Metsä Board" or "the Group"). Metsä Board's business operations consist solely of folding boxboard, fresh fibre linerboard and market pulp businesses. Metsä Board reports on its financial performance in one reporting segment.

Metsä Board Corporation is Group's parent company, which is domiciled in Helsinki. The registered address of the company is Revontulenpuisto 2, 02100 Espoo Finland. The parent company is listed on Nasdaq Helsinki Ltd. At the end of 2024 Metsäliitto Cooperative owned 52.0 per cent of the shares, and the voting rights conferred by these shares were 68.9 per cent.

A copy of the annual report can be obtained from Metsä Board's website [www.metsagroup.com/metsaboard/](http://www.metsagroup.com/metsaboard/) or parent company's head office at Revontulenpuisto 2, 02100 Espoo Finland.

The Group consolidated financial statements were authorised for issue by the Board of Directors on 5 February 2025. According to Finnish Companies Act shareholders can accept or reject the financial statements in General Meeting of shareholders after date of publication. General Meeting of shareholders also have possibility to decide to change financial statements.

### Accounting principles

Metsä Board Corporation's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) effective and approved by the EU at the date of the financial statements 31 December 2024. The notes to the consolidated financial statements also comply with the requirements of Finnish accounting and company legislation supplementing the IFRS regulations.

The consolidated financial statements are presented in millions of euros, unless otherwise noted.

The consolidated financial statements have been prepared based on original acquisition costs, excluding financial assets recognised at fair value, hedged items in fair value hedging, assets and obligations related to defined benefit plans and share-based payments measured at fair value.

### The impact of Russia's military aggression

Due to the discontinuation of Russian business operations, the Group recognised an impairment of EUR 0.3 million for owned and leased property. The Group also recognised a loss of EUR 0.7 million in other operating expenses mostly related to accumulated Russian ruble-denominated translation differences. On 13 May 2024, Metsä Board completed a corporate restructuring in which control of the Russian subsidiary Metsä Board Rus LLC was transferred to the VLP Group. After the transaction, the Group has no holdings in Russia. The restructuring resulted in a loss of EUR

0.5 million. Further information can be found in the notes: 2.4. Operating expenses, 4.2. Property, plant and equipment, 5.1. Equity, translation differences, and 5.2. Exchange rate differences, financial income and expenses.

### Mitigating climate change and reducing emissions

Transitioning to fully fossil-free energy in production, abandoning fossil-based raw materials, using energy and water more efficiently, and adopting measures in line with regenerative forestry principles to safeguard forests' strong growth and carbon storage are at the core of Metsä Group's sustainability targets. The Group aims for fully fossil-free mills and raw materials by the end of 2030. The achievement of ambitious targets requires investment, the development of operations and the product range, and the use of the best available technology. Climate-related targets have the greatest impact on the useful lives of property, plant and equipment (Note 4.2) and the preparation of future cash flow estimates in connection with goodwill impairment testing (Note 4.1). At the end of the reporting period, climate-related matters had no material impact on the estimated useful lives or impairment of property, plant and equipment.

### Amendments to standards applied during the 2024 financial period

Supplier Finance Arrangements – Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. Amendments require to disclose quantitative and qualitative information about supplier finance programs.

Other standard changes do not have a significant impact on the group's financial statements.

### New and amended standards to be applied during future financial periods

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures\* (effective for financial years beginning on or after 1 January 2026, early application is permitted)

The amendments clarify that an entity is required to apply settlement date accounting when derecognising a financial asset or a financial liability; and to permit an entity to deem a financial liability that is settled using an electronic payment system to be discharged before the settlement date if specified criteria are met. The amendments clarify the application guidance for assessing the contractual cash flow characteristics of financial assets, including financial assets with contractual terms that could change



the timing or amount of contractual cash flows, for example, those with environmental, social and governance (ESG)-linked features, financial assets with non-recourse features and financial assets that are contractually linked instruments.

IFRS 18 Presentation and Disclosure in Financial Statements\*(effective for financial years beginning on or after 1 January 2027, early application is permitted)

IFRS 18 will replace IAS 1 Presentation of Financial Statements. The key new requirements are as follows:

Income and expenses in the income statement to be classified into three new defined categories—operating, investing and financing—and two new subtotals—“Operating profit or loss” and “Profit or loss before financing and income tax”.

Disclosures about management-defined performance measures (MPMs) in the financial statements. MPMs are subtotals of income and expenses used in public communications to communicate management’s view of the company’s financial performance.

Disclosure of information based on enhanced general requirements on aggregation and disaggregation. In addition, specific requirements to disaggregate certain expenses, in the notes, will be required for companies that present operating expenses by function in the income statement.

\* = Amendment has not been approved to be applied by the EU by 31.12.2024.

Other standard changes do not have a significant impact on the group’s financial statements.

## Translations in foreign currency

The items included in the financial statements of Subsidiaries, joint operations, joint ventures and associated companies are presented in the currency that is used in each company’s primary operating environment. The consolidated financial statements are presented in euros, which is the parent company’s functional and presentation currency.

Business transactions denominated in foreign currencies are recognised in the operating currency using the exchange rate on the transaction date. At the end of the financial period, open receivables and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate on the balance sheet date. Since March 2024, the rate used for the Russian ruble is the closing rate for EUR/RUB published by Refinitiv, which management considers to best represent the market rate for the time. Any gains or losses resulting from transactions in foreign

currencies and from the translation of monetary items are recognised in exchange rate differences in financial items.

Information about interest and currency hedging is provided in Note 5.6 Management of financial risks.

The income statements of companies whose functional currency is not the euro are translated into euros using the average exchange rates of the financial period, and their balance sheets are translated using the exchange rates on the balance sheet date. Changes in translation differences arising from the translation of companies’ income statements and balance sheets and from the translation of net investments in foreign entities are recognised in other comprehensive income. In conjunction with divestments of Group companies, either by selling or by dissolving, translation differences accumulated by the time of the divestment are recognised in the income statement as part of the gain or loss from the divestment.

## Earnings per share

Undiluted earnings per share are calculated using the weighted average number of shares during the reporting period, where the own shares held by the group have been deducted. In calculating earnings per share adjusted for the effect of dilution, the average number of shares is adjusted for the dilution effect of any equity instruments that have been issued. In calculating earnings per share, earnings are taken to be the reported earnings attributable to the parent company’s shareholders.

## Other accounting principles

Other accounting principles are presented as part of the relevant Notes.

## Key estimates and judgements

The preparation of financial statements requires the use of the management’s estimates, assumptions and judgement-based decisions that affect the amount of assets and liabilities, the presentation of contingent assets and liabilities in the financial statements, and the amount of income and expenses. Even though such estimates and assumptions are based on the management’s best knowledge at the time they were made, it is possible that the actual values differ from those used in the financial statements. In terms of the financial statements, the key areas that involve the management’s estimates and judgement-based decisions are presented in the following notes:

## Management's judgement-based decisions

Management's judgement-based decisions that were made when applying the accounting principles and that have the greatest impact on the figures of the consolidated financial statements concern the following areas:

Item	Note	Nature of management's judgement-based decisions
Financial instruments measured at fair value	4.3 Other investments	Accounting principle and valuation model applied to the shares of Pohjolan Voima Oyj

## Estimates and assumptions

The Group's key uncertainties related to assumptions and estimates that carry a significant risk of the book values of assets and liabilities changing during the following financial period include the following:

Item	Note	Nature of estimates and assumptions
Pension obligations	3.4 Pension obligations	Actuarial assumptions used as the basis for determining the current value of pension obligations arising from defined benefit plans and the obligation items recognised as expenses during the financial period
Property, plant and equipment and leases	4.2 Property, plant and equipment	Estimates of the useful lives of property, plant and equipment, and of lease extension options
Fair value measurement	4.3 Other investments	Estimates of key factors affecting cash flows in the valuation of Pohjolan Voima Oyj
Inventories	4.4 Inventories	Estimates of the sales prices of products measured at net realisable value, the costs of completion and the costs necessary for making the sale
Provisions	4.9 Provisions	Estimates of the date and amount of costs from the obligation
Income taxes	6. Income taxes	Estimates of the date and amount of tax liabilities arising in tax audits and deferred tax assets recognised for losses
Legal obligations	8.1 Commitments and contingencies	Estimates of the date and amount of costs from obligations related to disputes and legal proceedings

## 2. Profitability

### 2.1 Segment information

#### Accounting principles

The Corporate Management Team is the chief operational decision-maker monitoring business operations performance based on the operating segments.

Metsä Board's business operations consist solely of folding boxboard, fresh fibre linerboard and market pulp businesses. Metsä Board reports on its financial performance in one reporting segment.

Geographical sales are reported based on the location of the customer and assets and capital expenditure based on the location of the assets.

#### Geographical areas

EUR million	External sales by location of customer		Non-current assets		Capital expenditure	
	2024	2023	2024	2023	2024	2023
Germany	136.4	148.9	0.2	2.6	0.2	0.1
Italy	125.3	136.0	0.1	0.3	0.0	0.0
Sweden	124.9	82.3	761.2	780.0	54.2	141.2
Finland	94.9	89.8	1,267.2	1,278.8	119.9	83.9
Spain	94.8	88.8	0.1	0.1	0.0	0.0
France	75.9	89.9	0.3	0.4	0.0	0.2
Poland	107.3	120.1	1.1	1.3	0.1	1.1
The Netherlands	52.1	46.8				
Belgium	20.8	18.2	0.8	0.4	0.7	0.2
Other EU	167.7	178.1				
EU total	1,000.1	999.0	2,030.9	2,063.8	175.1	226.7
Turkey	90.7	56.2	0.0	0.0		
United Kingdom	96.2	106.1	4.2	4.9	0.1	0.2
Norway	0.5	6.9				
Other Europe and Middle East	35.5	33.2				
USA	432.2	432.8	1.7	1.6	0.3	1.4
Canada	45.6	56.4				
Asia	97.1	114.2	0.3	0.5	0.0	0.4
Other countries	140.6	137.3	0.0	0.0		
Total	1,938.6	1,941.9	2,037.1	2,070.8	175.4	228.7

Non-current assets include all non-current assets with the exception of derivative financial instruments and deferred tax assets.

#### Personnel at year end

By country	2024	2023
Finland	1,267	1,234
Sweden	740	739
Poland	121	107
USA	75	74
Belgium	17	17
Germany	17	17
Other countries	53	54
Total	2,290	2,240

#### Personnel average

By country	2024	2023
Finland	1,318	1,303
Sweden	748	743
Poland	114	103
USA	73	70
Belgium	17	32
Germany	17	28
Other countries	52	54
Total	2,339	2,333

#### Information on most important customers

There were no customers with revenue exceeding 10% of total Group revenue in 2024 and 2023.

## 2.2 Sales

### Accounting principles

Metsä Board's sales are mainly generated from the sale of forest industry goods, such as the sale of folding boxboard and white kraftliners to branded product manufacturers, packaging processors and wholesalers, as well as the sale of pulp to manufacturers of cardboard, tissue, printing and specialty papers.

Performance obligations arising from the Group's sales contracts are mainly order-driven customer deliveries related to the sale of forest industry goods. Services mostly have an ancillary role in the Group's business operations, or they complement deliveries of goods.

The transaction price is the amount that the Group expects to receive in exchange for a fulfilled performance obligation. This amount, less sales-based value added taxes and sales taxes, is presented as the Group's sales. The prices received by the Group are divided into a fixed part and a variable part. The variable part consists of various discounts based on, among other things, payment terms and purchased quantities, and is allocated by the Group as deductions from sales revenue in line with estimates of the extent of the discount the customer is deemed to be entitled to. The Group's sales contracts mostly include obligations solely related to deliveries of goods, to which the allocation of the transaction price is uncomplicated. The terms of payment applied in the Group's sales invoicing vary to some degree geographically and in different business areas, but the term of payment provided is nonetheless always clearly less than a year, when the financing component does not need to be separated.

The Group recognises revenue from the sale of goods in the period during which the control of the delivered products passes to the customer, i.e. when the risks and benefits related to the sold products transfer to the customer. Services are recognised as income over time.

Control to products transfers at the point of time when the products have been delivered in accordance with the agreed term of delivery. The Incoterms 2010 delivery terms most commonly applied by the Group and the corresponding times of sales income recognition are:

- D terms: Delivery of goods to the buyer at the agreed destination at the agreed time
- C terms: Handing over the goods to be transported to the agreed destination by a carrier arranged for by the seller
- F terms: Handing over the goods to a carrier arranged for by the buyer

The Group sees geographical distribution of sales as describing best the nature, amount, timing and uncertainty of sales revenue. Sales by geographical regions is presented below based on the location of customers.

### Geographical distribution of sales

EUR million	2024	2023
Germany	136.4	148.9
Italy	125.3	136.0
Sweden	124.9	82.3
Turkey	90.7	56.2
Finland	94.9	89.8
United Kingdom	96.2	106.1
Spain	94.8	88.8
France	75.9	89.9
Poland	107.3	120.1
Norway	0.5	6.9
The Netherlands	52.1	46.8
Belgium	20.8	18.2
Rest of EMEA	280.2	299.5
EMEA	1,300.0	1,289.4
USA	432.2	432.8
Canada	45.6	56.4
Rest of Americas	51.1	26.8
Americas	528.9	516.0
APAC	109.6	136.5
Total	1,938.6	1,941.9

## 2.3 Other operating income

EUR million	2024	2023
Gains on disposal	35.2	59.9
Rental income	1.3	1.3
Service revenue	5.1	5.5
Government grants and allowances	30.2	7.5
Scrap and waste sale	0.3	0.2
Other	5.7	5.4
Total	77.8	79.9

### Gains on disposal

EUR million	2024	2023
Emission rights	35.0	55.0
Non-business related land area		2.7
Other	0.2	2.2
Total	35.2	59.9

The government grants and compensation relate to the compensation for training, healthcare and research costs, insurance indemnities and energy aid. For more information on government grants, see Note 4.2 and information on emission allowances, see Note 4.1.

In 2024, The government grants and compensation include insurance compensations received related to the explosion at the Kemi bioproduct mill for a total of EUR 17.5 million.

## 2.4 Operating expenses

EUR million	2024	2023
<b>Materials and services</b>		
Raw materials and consumables		
Purchases during the financial year	-1,179.7	-1,074.1
Change in inventories	50.6	-33.6
External services		
Logistics cost	-269.8	-243.6
Other external services	-92.8	-78.1
Total	-1,491.7	-1,429.5
Depreciation, amortisation and impairment charges total	-113.6	-93.8
Employee costs total	-201.6	-199.5
<b>Other operating expenses</b>		
Rents and other real estate expenses	-19.3	-20.0
Purchased services	-94.8	-86.8
Losses on sale of non-current assets	-2.0	-0.8
Other operating expenses	-45.1	-37.9
Total	-161.3	-145.4

Employee costs are reported in Note 3.1, and information on depreciation, amortisation and impairment charges in Notes 4.1 and 4.2. For more information on research and development costs, see Note 4.1.

Other operating expenses include e.g. energy costs, real estate costs, marketing and advertising costs and administrative costs.

Research and development expenses excluding depreciations were EUR -7.4 (-7.3) million.

### Auditor fees

#### The fees of the group's auditor KPMG

EUR million	2024	2023
Audit	-0.5	-0.5
Auditors' opinions <sup>1)</sup>	-0.1	0.0
Tax services		
Other services	0.0	0.0
Total	-0.7	-0.6

<sup>1)</sup> Includes audit fees for the 2024 Sustainability Report

Non-auditing services for KPMG were EUR 0.0 (0.0) million.

## 3. Remuneration

### Accounting principles

#### Short-term employee benefits

Liabilities related to wages, including annual leave wages, which are expected to be paid in full within 12 months from the end of the period during which the work that is the basis for them is performed, are recorded for the work performed by the end of the reporting period and are valued at the amount that is expected to be paid. Liabilities are presented in the balance sheet as short-term obligations arising from employment benefits.

The principles for preparing share-based payments are presented in note 3.3 and retirement benefit obligations in note 3.4.

### 3.1 Employee costs

EUR million	2024	2023
Short-term employee benefits	-122.9	-119.6
Share-based payments	-1.5	-2.2
Pension costs		
Defined benefit plans	-0.4	-0.6
Defined contribution plans	-24.1	-22.9
Other social security costs	-52.7	-54.2
Social security costs total	-77.2	-77.7
Total	-201.6	-199.5

### 3.2 The management's salaries, remuneration and pension expenses

Key management includes members of the Board of Directors as well as Corporate Management Team. The salaries and bonuses of key management personnel are presented on an accrual basis.

#### The management's salaries, remuneration and pension expenses

EUR million	2024	2023
Short-term employee benefits	1.8	2.1
Share-based payments (long-term remuneration)	0.9	1.4
Pension costs		
Defined benefit plans	0.6	0.5
Defined contribution plans	0.3	0.3
Total	3.6	4.4

### Remuneration paid to the members of the Board of Directors of the parent company and their shareholding

EUR thousand	Shareholding	Remuneration	Remuneration	Pensions, Defined	Pensions, Defined
	shares	2024	2023	contribution	contribution
	2024	2024	2023	2024	2023
Ilkka Härmälä	301,849	115	113	21	19
Jussi Linnaranta	42,251	102	98	19	18
Hannu Anttila (until 26 March 2024)		6	81		1
Leena Craelius (from 26 March 2024)	4,761	78		14	
Raija-Leena Hankonen-Nyblom	22,653	83	92	15	15
Erja Hyrsky	19,269	83	80	15	15
Jukka Moisio	22,044	83	80	14	13
Mari Kiviniemi	13,446	84	81	14	14
Mikko Mäkimattila (from 23 March 2023)	9,813	84	75	15	14
Juha Vanhainen (from 23 March 2023)	14,221	84	76	15	13
Timo Saukkonen (until 23 March 2023)			6		1
Veli Sundbäck (until 23 March 2023)			6		
Total	450,307	802	787	142	122

Metsä Board's Annual General Meeting 2024 decided, that about one half of the remuneration will be paid in cash while the other half is paid in company's B shares.

The remuneration of the Management Team consists of a fixed monthly salary and remuneration based on short-term and long-term remuneration schemes. The CEO is also covered by a defined benefit pension plan.

## Salaries and remuneration to the CEO and other members of the Corporate Management Team

EUR thousand	CEO	CEO	Other	Other
	2024	2023	Management Team	Management Team
Salaries and remuneration				
Basic salary including fringe benefits	563	545	1,170	1,392
Short-term performance bonus <sup>1)</sup>		62	43	136
Long-term share-based incentive <sup>2)</sup>	442	563	439	837
Total	1,005	1,171	1,652	2,365
Pension Costs				
Supplemental defined benefit pension plan	642	520		
Defined contribution plans	87	92	190	245
Total	729	612	190	245
Salaries and remuneration as well as pension costs in total	1,734	1,783	1,843	2,610

<sup>1)</sup> 2024 amount refers to performance in 2024; 2023 amount refers to performance in 2023

<sup>2)</sup> Includes the cost impact for the financial year from several different programs.

The monthly salary of CEO Mika Joukio is EUR 44,699. The salary includes car and phone benefits and extended insurance cover for travel and accidents. In 2023 and 2024, the reward option for the CEO's short-term compensation plan was at the target level of 30% and at the maximum level of 75% of the fixed annual salary.

In 2023 and 2024, the reward option for the short-term compensation plan for members of the Management Team was at the target level of 20 or 25% and at the maximum level of 50 or 62.5% of the fixed annual salary.

The Board of Directors decides on the criteria of the short-term remuneration system. Remuneration is based on defined financial criteria and targets supporting strategy.

Share based incentive schemes and the shareholding programme for Corporate Management Team are presented in Note 3.3.

The CEO's mutual term of notice is six months. In case the CEO contract is terminated by the Board of Directors, the CEO is entitled to receive discharge compensation equal to his 12-month salary.

The period of notice for other members of Corporate Management Team is six months. Corporate Management Team members are entitled to additional mainly severance compensation of six month salary in

case of employment termination on grounds not related to the affected Management Team member.

The CEO is covered by statutory employee pension scheme. This offers pension benefits based on term of service and remuneration earned as prescribed in applicable legislation. Through supplementary pension arrangements, the CEO is entitled to retire at the age of 62 years. His pension will be equal to 60% of his salary at the time of retirement calculated in accordance with Finnish pension legislation and based on the calculation period of five years immediately preceding retirement. In case the CEO's contract is terminated prior to retirement, the pension earned by the CEO becomes vested.

The Corporate Management Team members have no pension arrangements differing from statutory pensions. The Group has no off balance sheet pension liabilities on behalf of management.

Key management had no loans outstanding from the company or its subsidiaries and there were no guarantees given on behalf of key management.

### 3.3 Share-based payments

#### Accounting principles

Share-based incentive programmes in which the payments are made with equity instruments and cash have been established for the company's top executives. The Group's share-based incentive schemes have been treated in full as arrangements settled in shares. The incentives granted are measured at fair value on the grant date, and recognised as expenses in the income statement and equity evenly over the vesting period.

The effect on profit of the incentive programmes is presented under employee costs.

During the review period, Metsä Board had four active share-based incentive schemes: Performance and committing based share incentive schemes 2020–2024 which the company Board of Directors decided to adopt on 12 December 2019, Performance and committing based share incentive schemes 2023–2027 of which the company Board of Directors decided to adopt on 15 December 2022, as part of company's incentive and key personnel retention programme.

The effect on consolidated income statement of share-based incentive schemes amounted to EUR 1,481,115 (2,224,395) in 2024.

#### Performance based share incentive scheme 2020–2024 and Performance based share incentive scheme 2023–2027

The schemes offer the participants the possibility to be awarded Metsä Board Corporation's B shares for achieving set goals for three-year periods. Incentive periods are the calendar years 2020–2022, 2021–2023, 2022–2024, 2023–2025, 2024–2026 and 2025–2027. The number of shares allocated includes both the share and the cash portion. Accordingly, the reward is paid partly in shares and partly in cash and the cash portion is intended to cover taxes and tax-like payments. The bonus is not paid if the person's employment ends before the end of the earning period. The

systems have a salary proportional ceiling and the part exceeding it is cut and not paid at all. The scheme includes a two-year commitment period. If the key employee's employment ends during the commitment period, the key person must, as a rule, return the delivered shares to the Company free of charge.

Based on the fulfillment of the criteria for the earning period 2021–2023, 223,325 Metsä Board Oyj B shares and a cash contribution were paid to cover taxes and tax-like payments arising from the reward at the time of the transfer of the shares.

#### Committing-based share incentive scheme 2020–2024 and Committing-based share incentive scheme 2023–2027

The scheme offers key employees in the target group the opportunity to receive Metsä Board Corporation's B-series shares, provided that the participant's employment relationship remains in force and continues in force until the end of the restriction period. The scheme has restriction periods of 12 to 36 months. The reward is paid partly in shares and partly in cash and the cash portion is intended to cover taxes and tax-like payments. As a rule, rewards are not paid if the participant's employment relationship ends during the restriction period. Committing-based share incentive scheme 2023–2027 has not any allocations.

Based on the fulfillment of the criteria for the earning period 2022–2024, 11,394 Metsä Board Oyj B shares and a cash contribution were paid to cover taxes and tax-like payments arising from the reward at the time of the transfer of the shares.



Key characteristics of Performance based share incentive scheme 2020–2024 are summarised in the table below:

31.12.2024	Performance based share incentive scheme 2020–2024			Committing based share incentive	Total
	2020–2022	2021–2023	2022–2024	2022–2024	
Key characteristics					
Shares allocated to the scheme, shares	590,788	453,650	437,545	20,838	1,502,821
Grant date(s)	27.1.2020, 18.6.2021, 13.1.2022	27.1.2021, 18.6.2021, 13.1.2022	31.1.2022, 8.11.2022, 28.2.2024	7.10.2022	
Criteria	Equity ratio, ROCE ja EBIT	Equity ratio, ROCE ja EBIT	Equity ratio, ROCE ja EBIT	Employment condition	
Personnel (31 December 2024)					28
<b>Factors used to determine fair value (EUR) <sup>1)</sup></b>					
Share price at grant date	5.46	8.93	9.44	7.74	
Share fair value at grant date	4.66	8.15	8.21	6.68	
Annual dividend assumption in fair value measurement	0.27	0.27	0.41	0.53	
Share price at payment date / balance sheet date	8.26	7.09	4.24	5.29	
Fair value on balance sheet date	-	3,416,959	1,867,589	-	5,284,548
<b>Effect on result and financial position (EUR)</b>					
Expense in 2024, share-based payments settled as equity	513,158	647,739	267,610	52,607	1,481,115
Share-based payments settled in cash, unpaid part, estimate			448,518	-	448,518
Number of shares 1 January 2024 <sup>2)</sup>					
Outstanding at the beginning of the period	513,100	412,406	416,410	20,838	1,362,754
Changes during the year					
Shares forfeited			3,578		3,578
Shares exercised	513,100	33,593		20,838	567,531
Number of shares 31 December 2024					
Outstanding at the end of the period		378,813	415,508		794,321

<sup>1)</sup> The fair value of the share settled component at the grant date was the share price of Metsä Board Corporation's B share less any dividends estimated by analyst consensus to be paid before the payment of the incentive. The fair value of the share based payment is recognised to the number of shares based on the best available estimate of the total incentive to which the participants are expected to be entitled.

<sup>2)</sup> The amounts in the table represent brutto amounts, i.e. the number of shares to be given based on the share based payment schemes. In addition, the payment will include a cash settled component used to cover taxes and tax-like charges.

Key characteristics of Performance based share incentive scheme 2023–2027 are summarised in the table below:

31 Dec 2024	Performance based share incentive scheme 2023–2027			Total
	2023–2025	2024–2026	2025–2027	
Key characteristics				
Shares allocated to the scheme, shares	432,163	564,891		997,054
Grant date(s)	30.1.2023, 6.9.2023, 28.2.2024	30.1.2024, 28.2.2024, 13.5.2024, 4.9.2024		
Criteria	Equity ratio, ROCE ja EBIT			
Personnel (31 December 2024)				30
<b>Factors used to determine fair value (EUR) <sup>1)</sup></b>				
Share price at grant date	8.34	7.46		
Share fair value at grant date	6.90	6.57		
Annual dividend assumption in fair value measurement	0.48	0.30		
Share price at payment date / balance sheet date	4.24	4.24		
Fair value on balance sheet date				
<b>Effect on result and financial position (EUR)</b>				
Expense in 2024, share-based payments settled as equity	0	0		0
Share-based payments settled in cash, unpaid part, estimate	0	0		0
Number of shares 1 January 2024 <sup>2)</sup>				
Outstanding at the beginning of the period	424,363			424,363
Changes during the year				
Shares granted	5,585	564,891		570,476
Number of shares 31 December 2024				
Outstanding at the end of the period	426,377	564,891		991,268

<sup>1)</sup> The fair value of the share settled component at the grant date was the share price of Metsä Board Corporation's B share less any dividends estimated by analyst consensus to be paid before the payment of the incentive. The fair value of the share based payment is recognised to the number of shares based on the best available estimate of the total incentive to which the participants are expected to be entitled.

<sup>2)</sup> The amounts in the table represent brutto amounts, i.e. the number of shares to be given based on the share based payment schemes. In addition, the payment will include a cash settled component used to cover taxes and tax-like charges.

### 3.4 Retirement benefit obligations

#### Accounting principles

The Group's arrangements concerning benefits following the termination of employment are either defined benefit pension plans or defined contribution pension plans. A defined contribution plan is a pension arrangement in which fixed contributions are made to a separate unit, and the Group does not have legal or constructive obligations to make additional contributions if the fund has insufficient funds to pay all benefits to all employees in accordance with its obligations in the future. All arrangements that do not meet these requirements are considered to be defined benefit plans. A defined benefit plan defines the pension benefit that the employee will receive upon retiring, the amount of which depends on factors including the employee's age, years of service and salary level, for example.

With defined benefit plans, the current value of the obligations on the end date of the reporting period, less the fair value of the assets included in the arrangement, is recognised on the balance sheet as a liability. The amount of the obligation arising from the plan is based on annual calculations by independent actuaries using the projected unit credit method. The current value of the obligation is determined using the interest rate equalling the interest rate of high-quality bonds issued by the companies as the discount rate for the estimated future cash flows. The bonds used in determining the interest rate have been issued in the same currency as the benefits to be paid, and their maturity is approximately the same as that of the corresponding pension obligation.

Actuarial gains and losses from experience verifications and changes in actuarial assumptions are recognised through items of other comprehensive income as a reimbursement or charge in equity for the period during which they have been incurred. Past service costs are recognised immediately through profit and loss.

Apart from contributions related to pension insurance, the Group does not have any other payment obligations in defined contribution plans. Obligation-based payments are allocated as expenses in accordance with accrual accounting.

#### Key estimates and judgements

The determination of the current value of pension obligations arising from defined benefit plans and the items to be recognised as expenses during the financial period is based on the use of actuarial assumptions. The assumptions include, among other things, the discount rate, the assumed increase in the salary level and the assumed life expectancy. The actuarial assumptions used may differ significantly from the actual results, due to changes in economic conditions or the employment relationships of the people covered by the arrangements. Significant differences between the assumptions and actual results may affect the amount of the pension obligation and the value of items to be recognised as expenses.

### Post-employment benefits

EUR million	2024	2023
Liabilities recognised in balance sheet		
Defined benefit pension plans	7.2	10.0
Defined contribution pension plans	0.9	0.1
Total	8.1	10.1
Surplus of funded plans in other long-term assets (note 5.3)	-3.4	-3.4

#### Defined benefit pension plans

The most significant defined benefit pension plans are in Germany and United Kingdom.

Group's German defined benefit pension plans grant old-age pensions, disability pensions and family pensions exceeding the statutory pension level to eligible officials and senior management. The retirement age is usually 67 years, and the amount of pension depends on the length of service. Officials and senior management are required to have a service history of 25–30 years to receive a full pension. Some of the pension arrangements are closed. The defined benefit plans in Germany are unfunded.

The defined benefits plans in United Kingdom guarantee participants of the plan a pension, the amount of which is based on the length of service and the salary in the most recent working years. The arrangement is closed to new members. The UK pension scheme operates under an independent foundation separate from the Group.

The Group also has defined benefit plans in Finland, Belgium and Italy.

#### Amounts in balance sheet

EUR million	2024	2023
Present value of funded obligations	43.4	35.5
Fair value of plan assets	-40.2	-37.3
Deficit (+) / surplus (-)	3.2	-1.8
Present value of unfunded obligations	0.7	8.3
Deficit (+) / surplus (-) of defined benefit pension plans, total	3.8	6.5
Defined benefit-based pension liabilities on the balance sheet, net	7.2	10.0
Defined benefit-based pension assets on the balance sheet, net	-3.4	-3.4

## Change in defined benefit pension obligations in 2024

EUR million	Present value of obligation	Fair value of plan assets	Total
1 Jan 2024	43.8	-37.3	6.5
Current service cost	0.4		0.4
Interest expense (+) or interest income (-)	1.7	-1.7	0.0
Total amount recognised in profit and loss	2.2	-1.7	0.5
Remeasurements in other comprehensive income			
Return on plan assets, excluding amounts included in interest income or expense		-2.1	-2.1
Gains (-) and losses (+) from change in demographic assumptions	-0.1		-0.1
Gains (-) and losses (+) from change in financial assumptions	-0.3		-0.3
Experience gains (-) and losses (+)	0.6		0.6
Total remeasurements in other comprehensive income	0.2	-2.1	-1.9
Translation differences	1.2	-1.4	-0.2
Contributions			
Employers		-0.6	-0.6
Plan participants	0.0	0.0	0.0
Payments from plans			
Benefit payments	-3.3	2.9	-0.5
31 Dec 2024	44.0	-40.2	3.8

## Change in defined benefit pension obligations in 2023

EUR million	Present value of obligation	Fair value of plan assets	Total
1 Jan 2023	44.1	-37.3	6.9
Current service cost	0.6		0.6
Interest expense (+) or interest income (-)	1.9	-1.7	0.2
Total amount recognised in profit and loss	2.4	-1.7	0.7
Remeasurements in other comprehensive income			
Return on plan assets, excluding amounts included in interest income or expense		0.7	0.7
Gains (-) and losses (+) from change in demographic assumptions	-0.5		-0.5
Gains (-) and losses (+) from change in financial assumptions	0.0		0.0
Experience gains (-) and losses (+)	0.4		0.4
Total remeasurements in other comprehensive income	-0.1	0.7	0.7
Translation differences	0.5	-0.6	-0.1
Contributions			
Employers		-0.3	-0.3
Plan participants	0.0	0.0	0.0
Payments from plans			
Benefit payments	-2.9	2.3	-0.6
Settlements	-0.3	-0.5	-0.8
31 Dec 2023	43.8	-37.3	6.5

## Defined benefit pension obligation and plan assets by country in 2024

EUR million	Germany	United Kingdom	Finland	Other countries	Total
Present value of obligation	7.9	24.9	7.8	3.4	44.0
Fair value of plan assets	-2.4	-28.3	-6.8	-2.7	-40.2
Total	5.6	-3.4	1.0	0.7	3.8

## Defined benefit pension obligation and plan assets by country in 2023

EUR million	Germany	United Kingdom	Finland	Other countries	Total
Present value of obligation	7.5	24.4	8.6	3.3	43.8
Fair value of plan assets		-27.8	-7.1	-2.4	-37.3
Total	7.5	-3.4	1.5	0.9	6.5

## Significant actuarial assumptions 2024

	Germany	United Kingdom	Finland	Belgium
Discount rate, %	3.30	5.15	3.26	3.00
Salary growth rate, %	3.00			3.10
Pension growth rate, %	2.00	3.05	2.21	2.10

## Significant actuarial assumptions 2023

	Germany	United Kingdom	Finland	Belgium
Discount rate, %	3.17	5.10	3.13	3.60
Salary growth rate, %	3.00			3.30
Pension growth rate, %	2.00	3.05	2.42	2.30

## Sensitivity of benefit obligation to changes in essential weighted assumptions 2024

	Impact on benefit obligation, %			
	Increase 2024	Decrease 2024	Increase 2023	Decrease 2023
Discount rate, 0.5%-points	-4.2	4.3	-4.5	5.0
Salary growth rate, 0.5%-points	0.3	-0.2	0.5	-0.4
Pension growth rate, 0.5%-points	3.9	-3.8	4.2	-4.0
Life expectancy, 1 year	3.4	-3.4	2.9	-2.9

The aforementioned sensitivity analyses are based on a situation where all other assumptions remain unchanged when one assumption changes. The sensitivity of a defined benefit obligation to changes in significant actuarial assumptions has been calculated using the same method as is used in calculating the pension obligation recognised in the balance sheet.

### Plan assets are comprised as follows:

	2024	2024	2023	2023
	EUR million	%	EUR million	%
Qualifying insurance policies	39.6	99%	36.5	98%
Cash and cash equivalents	0.3	1%	0.6	2%
Investment funds	0.3	1%	0.2	1%
Total	40.2	100%	37.3	100%

The most considerable risks related to Defined benefit plans are as follows:

### Changes in the return on bonds

Liabilities arising from the arrangements have been calculated using a discount rate based on the return on high-quality corporate bonds. A decline in the discount rate increases the arrangements' liabilities.

### Inflation risk

The plan's benefit obligations are linked to inflation and a higher inflation will lead to increased obligation.

### Life expectancy

The majority of the arrangement obligations arises from generating life-time benefits for members, so the expected increase in life expectancy will increase the arrangement obligations.

The contribution made to post-employment defined benefit plans is expected to be EUR -1.6 million in 2025. The weighted average duration of the defined benefit obligation is 10.6 years (10.9).

## 4. Capital employed

### 4.1 Intangible assets

#### Accounting principles

##### Goodwill

Goodwill arising from the merging of business operations is recognised as the amount by which the sum of the consideration paid, the non-controlling interests' share in the object of the acquisition and the previous holding exceed the fair value of the acquired net assets.

Goodwill is not amortised. Instead, it is tested for impairment annually and always when there is an indication of a decrease in value. Goodwill is therefore allocated to cash-generating units for impairment testing. Goodwill is recognised at original acquisition cost less accumulated impairment losses.

##### Other intangible assets

Intangible assets are initially recognised at their original acquisition cost on the balance sheet if the acquisition cost can be determined reliably and it is probable that the expected financial benefit from the asset will be to the benefit of the Group.

Intangible assets with limited useful lives are recognised as expenses over their known or estimated useful lives, using the straight-line depreciation method.

The residual value of an asset, the useful life and depreciation method are reviewed at least annually, at the end of each financial period, and adjustments are made when necessary to reflect changes in the expected financial benefit of the asset.

##### Research and development costs

Research costs are recognised as expenses at the time they are incurred. Development costs are capitalised and amortised over their useful lives if the research project is likely to generate financial benefits and the costs can be measured reliably. Metsä Board has not capitalised development costs.

##### Computer software

Costs arising from developing and building of significant new computer software are recognised as intangible assets on the balance sheet and depreciated on a straight-line basis over its estimated useful life, which is not to exceed seven years. Maintenance and operating costs related to computer software are recorded as expenses in the reporting period during which they have been incurred.

Configuration and customisation costs in the deployment of cloud services are recognised as expenses if they do not result in intangible assets. If the services received by the group are separable, the costs are recognised as expenses when the supplier modifies the application. If the services received by the group are not separable, the costs are recognised as expenses when the supplier provides access to the application during the term of the agreement.

#### Patents, licences and trademarks

The cost of patents, licences and trademarks with finite useful lives are capitalised on the balance sheet under intangible assets and depreciated on a straight-line basis over their useful lives of 5–10 years.

#### Emission allowances

The Group has received emission allowances in accordance with the European Union Emissions Trading System. Allowances are treated as intangible assets and are measured at acquisition cost. The acquisition cost of emission allowances received without consideration is zero. Emission allowances are used simultaneously with the carbon dioxide emissions generated during their validity period. Earnings from emission allowances sold are recognised in other operating income. If the emission allowances received without consideration are not sufficient to cover the amount of the actual emissions, the Group purchases additional allowances from the market.

The allowances purchased are recognised in intangible rights at the fair value on the acquisition date. The provision to fulfil the obligation to return the emission allowances is recognised at fair value on the closing date of the reporting period if the emission allowances received without consideration and purchased are not sufficient to cover the amount of the actual emissions.

## Intangible assets 2024

EUR million	Goodwill	Other intangible assets	Construction in progress	Total
Acquisition cost, 1 Jan	12.2	60.7	8.3	81.1
Translation differences		-0.2	0.0	-0.2
Increases		0.8	27.1	27.8
Decreases		0.4		0.4
Transfers between asset categories		7.0	-7.0	
Acquisition cost, 31 Dec	12.2	68.7	28.3	109.2
Accumulated amortisation and impairment charges, 1 Jan		-52.8		-52.8
Translation differences		0.2		0.2
Accumulated amortisation on decreases and transfers		0.0		0.0
Amortisation for the period		-1.7		-1.7
Impairments		-7.6		-7.6
Accumulated amortisation and impairment charges, 31 Dec		-62.0		-62.0
Book value, 1 Jan	12.2	7.8	8.3	28.3
Book value, 31 Dec	12.2	6.7	28.3	47.2

Impairments include the write-down of Kaskinen folding boxboard mill's preliminary study EUR -7.6 million. Research and product development expenses recorded as expenses are presented in note 2.4 Operating expenses.

## Intangible assets 2023

EUR million	Goodwill	Other intangible assets	Construction in progress	Total
Acquisition cost, 1 Jan	12.2	59.2	0.1	71.5
Translation differences		0.0		0.0
Increases		8.3	8.1	16.4
Decreases		-6.9		-6.9
Transfers between asset categories		0.1		0.1
Acquisition cost, 31 Dec	12.2	60.7	8.3	81.1
Accumulated amortisation and impairment charges, 1 Jan		-53.4		-53.4
Translation differences		0.0		0.0
Accumulated amortisation on decreases and transfers		2.0		2.0
Amortisation for the period		-1.4		-1.4
Accumulated amortisation and impairment charges, 31 Dec		-52.8		-52.8
Book value, 1 Jan	12.2	5.8	0.1	18.1
Book value, 31 Dec	12.2	7.8	8.3	28.3

The Group received 385 thousand tonnes of emission allowances free of charge (582). In addition the Group has sold 537 thousand tonnes to the market (655). At balance closing date the group had emission allowances of 353 thousand tonnes (685). Emissions during the reporting period fell below the amount of emission allowances received free of charge and consequently emissions during the year did not have an impact on income statement or balance sheet.

Capital gains from the sale of emission allowances recognised in other operating income totalled EUR 35.0 million (55.0). On the balance sheet date, the fair market value of an emission right was EUR 69.90 per tonne (77.25) and total value of owned rights EUR 24.7 million (52.9).

## Impairment testing

Depreciation is not recognised for assets with indefinite useful lives. Instead, such assets are tested for impairment annually. Assets that are subject to depreciation are always tested for impairment when events or changes in conditions indicate that it is possible that the monetary amount corresponding to the book value of the assets might not be recoverable.

Cash-generating units are reporting segments or smaller units for which a utility value can be defined.

The recoverable amount is the higher of the fair value of an asset less the cost of sale, and its value in use. Value in use is the estimated future net cash flows, discounted to their present value, expected to be derived from said asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of the asset is higher than its recoverable amount. If the impairment loss concerns a cash-generating unit, it is first allocated to decrease the goodwill of the cash-generating unit, and thereafter to decrease the other assets of the unit on pro-rata basis. In connection with the recognition of the impairment loss, the useful life of the depreciated asset is re-evaluated. An impairment loss recognised for an asset other than goodwill is reversed if a change has taken place in the estimates used to determine the recoverable amount of the asset. However, the maximum reversal of an impairment loss amounts to no more than the carrying amount of the asset if no impairment loss had been recognised. An impairment loss recognised on goodwill is not reversed under any circumstances. Metsä Board carries out impairment testing once a year, during the fourth quarter, based on the situation on 30 September, or more frequently if signs of a possible impairment are detected.

## Impairment testing 2024

Metsä Board carries out impairment testing once a year, during the fourth quarter, based on the situation on 30 September, or more frequently if signs of a possible impairment are detected.

The group did not recognise impairments based impairment testing in 2024. In the testing carried out in 2024, a somewhat potential change in any individual key assumption would not lead to the recognition of an impairment.

The group's key impairment testing and key assumptions in the situation on 30 September 2024:

Cash-generating unit	Goodwill EUR million	Brand EUR million	Discount rate after taxes on 30 September 2024	Discount rate after taxes on 30 September 2023	Long-term growth rate on 30 September 2024	Long-term growth rate on 30 September 2023
Paperboard industry						
Folding boxboard <sup>1)</sup>	35.4	3.1	6.8	7.9	2.0	2.0
Liner <sup>1)</sup>	22.0	1.9	6.8	7.9	2.0	2.0
Market pulp <sup>1)</sup>				7.9	2.0	2.0

<sup>1)</sup> Metsä Board's share of Metsä Fibre's recoverable cash flow, the book value and the goodwill included in the balance sheet item "Investments in associates and joint ventures" (EUR 45.2 million) and other intangible assets with unlimited economic life (EUR 5.6 million), are allocated to cash flow generating units in proportion to their pulp purchases.

The recoverable amounts of cash-generating units are based on calculations of value in use. The management's key estimates in the calculations concern the development of delivery volumes and sales prices, the development of costs related to key raw material costs and other costs, as well as the discount rate and the long-term growth rate. The re-coverable amounts are based on five-year projections and the resulting, steadily growing cash flows. The initial value used for the key assumptions of cash flows – prices and variable costs – after the forecast period is the average of the five-year forecast period. The value used for delivery volumes and fixed costs is the value of the forecast period's fifth year. The key testing assumptions are management estimates and forecasts obtained from external sources of information.

The discount rate used is the weighted average cost of capital (WACC). When calculating the WACC, the cost of debt takes into account the market-based view of the credit risk premium.

Impairments in the value of intangible assets and property, plant and equipment are presented in notes 4.1 and 4.2.



## 4.2 Property, plant and equipment

### Accounting principles

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and impairment losses.

The acquisition cost includes costs that are directly incurred in the acquisition of an item of property, plant or equipment. Qualifying external borrowing costs resulting directly from the acquisition, construction or manufacture of an item of property, plant or equipment are capitalised as part of the acquisition cost of property, plant and equipment.

If a piece of property, plant or equipment consists of several components with differing useful lives, each component is handled as a separate item. In that case, the expenses related to replacing the component are capitalised, and any book value remaining at the time of replacement is derecognised on the balance sheet.

Spare parts, spare equipment and maintenance supplies are recognised in property, plant and equipment when they fulfill the criteria for recognition of property, plant and equipment. Otherwise, such commodities are classified as inventories.

Significant investments in refurbishments and improvements are capitalised on the balance sheet and depreciated over the remaining useful life of the main asset related to such investments.

Repair and maintenance costs are recognised as expenses when they are incurred.

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives. Depreciation is not recognised for owned land and water.

### Estimated useful lives

Buildings and constructions	20–40 years
Machinery and equipment	
Heavy power plant machinery	20–40 years
Other heavy machinery	15–20 years
Lightweight machinery and equipment	5–15 years
Other tangible assets	5–20 years

The residual value of an asset, the financial useful life and depreciation method are reviewed at least annually, at the end of each financial period, and adjustments are made when necessary to reflect changes in the expected financial benefit of the asset.

Gains and losses arising from the sale and decommissioning of items of property, plant and equipment are recognised in other operating income and expenses. Sales gains or losses are calculated as the difference between the sales price and the remaining acquisition cost.

Government grants related to the acquisition of assets are presented as adjustments of the acquisition cost on the balance sheet and recognised as income in the form of lower depreciation during the useful life of the asset.

### Leases

The Group has leased various land areas, properties, equipment and vehicles. When the leased asset is available for the Group's use, a fixed asset item and a corresponding liability of the lease is recognised. Paid rents are divided into liabilities and finance costs. The finance cost is included in profit or loss over the lease term in such a way that the interest rate of the remaining debt balance is the same during each period. The leased fixed asset is subject to straight-line depreciations over the asset's economic life or the lease term, depending on which of them is shorter.

Assets and liabilities arising from leases are initially measured at the present value. Lease liabilities include fixed payments, less any lease incentives receivable; amounts expected to be payable by the lessee under residual value guarantees; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Group's incremental borrowing rate. The leased fixed assets are measured at cost, which includes the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred; and any costs incurred by restoring the site on which it is located.

Some of the leases include options to extend or terminate, which are largely available only for the Group, not the lessor.

Payments related to short-term leases or leases where the value of the underlying asset is low are recognised as costs on a straight-line basis. A lease with a lease term of 12 months or less is considered a short-term lease. Assets of a low value include mainly ICT and office equipment.

### Key estimates and judgments

#### Property, plant and equipment

Estimates concerning the residual value and useful life of property, plant and equipment, as well as the selection of the depreciation method, require significant management judgement.

#### Leases

When determining the lease term, the management accounts for all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease. Options to extend the lease (or the time subsequent to an option to terminate) are accounted for in the lease term only if the extension of the lease (or the decision not to terminate the lease) is reasonably certain. The possible future cash flows of EUR 6.1 million have not been included in the lease liability because the extension of the lease (or the decision not to terminate it) is not reasonably certain. The Group will conduct a reassessment upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee and affects the assessment.

## Property, plant and equipment 2024

EUR million	Land and water areas		Buildings and constructions		Machinery and equipment	
	Owned	Leased	Owned	Leased	Owned	Leased
Acquisition cost, 1 Jan.	16.1	1.1	504.9	9.9	2,997.6	16.9
Translation differences	0.0		-6.0	0.3	-51.8	-0.2
Additions		0.5	17.8	2.6	98.2	8.5
Decrease	-0.1		2.1	-0.3	-9.3	-4.9
Transfers between items	0.0		2.1		50.1	
Acquisition cost, 31 Dec.	16.0	1.6	521.0	12.4	3,084.8	20.2
Accumulated depreciation and impairment charges 1 Jan.	-0.4	-0.8	-290.4	-5.3	-2,092.9	-9.4
Translation differences	0.0		2.9	-0.1	31.3	0.1
Accumulated depreciation on deductions and transfers			0.3	0.3	8.3	4.5
Depreciation for the period		-0.2	-10.8	-2.2	-85.7	-4.4
Accumulated depreciation and impairment charges 31 Dec.	-0.4	-0.9	-297.9	-7.3	-2,139.0	-9.2
Book value, 1 Jan.	15.7	0.4	214.6	4.5	904.7	7.4
Book value, 31 Dec.	15.5	0.7	223.0	5.1	945.8	11.0

EUR million	Other tangible assets	Construction in progress	Total	Total	Total
	Owned	Owned	Owned	Leased	
Acquisition cost, 1 Jan.	27.5	71.4	3,617.5	27.8	3,645.3
Translation differences	-0.4	-0.8	-59.0	0.0	-59.0
Additions	3.2	16.8	136.0	11.6	147.6
Decrease	1.1	-2.8	-9.0	-5.3	-14.3
Transfers between items	0.3	-52.6			
Acquisition cost, 31 Dec.	31.7	32.0	3,685.5	34.2	3,719.7
Accumulated depreciation and impairment charges 1 Jan.	-15.7		-2,399.4	-15.5	-2,414.9
Translation differences	0.2		34.5	0.0	34.4
Accumulated depreciation on deduction and transfers	0.0		8.6	4.9	13.4
Depreciation for the period	-1.0		-97.5	-6.8	-104.2
Accumulated depreciation and impairment charges 31 Dec.	-16.4		-2,453.8	-17.4	-2,471.3
Book value, 1 Jan.	11.8	71.4	1,218.1	12.3	1,230.4
Book value, 31 Dec.	15.3	32.0	1,231.7	16.8	1,248.4

## Property, plant and equipment 2023

EUR million	Land and water areas		Buildings and constructions		Machinery and equipment	
	Owned	Leased	Owned	Leased	Owned	Leased
Acquisition cost, 1 Jan.	12.4	2.4	472.4	12.2	2,782.3	17.5
Translation differences	0.0		0.7	0.0	8.8	0.0
Additions	4.8		16.2	3.1	222.6	2.6
Decrease	-1.1	-1.3	-1.8	-5.4	21.5	-3.2
Transfers between items			17.4		-37.6	
Acquisition cost, 31 Dec.	16.1	1.1	504.9	9.9	2,997.6	16.9
Accumulated depreciation and impairment charges 1 Jan.	-0.4	-0.7	-281.7	-8.4	-2,063.3	-8.3
Translation differences	0.0		-0.3	0.1	-2.3	0.0
Accumulated depreciation on deductions and transfers		0.1	1.6	5.2	47.5	3.2
Depreciation for the period		-0.2	-10.0	-2.3	-74.8	-4.3
Accumulated depreciation and impairment charges 31 Dec.	-0.4	-0.8	-290.4	-5.3	-2,092.9	-9.4
Book value, 1 Jan.	12.0	1.7	190.7	3.9	719.0	9.2
Book value, 31 Dec.	15.7	0.4	214.6	4.5	904.7	7.4

EUR million	Other tangible assets	Construction in progress	Total	Total	Total
	Owned	Owned	Owned	Leased	Total
Acquisition cost, 1 Jan.	23.0	163.2	3,453.3	32.1	3,485.5
Translation differences	0.2	-2.2	7.5	-0.1	7.4
Additions	4.6	-36.7	211.5	5.7	217.2
Decrease	-0.3	-73.1	-54.8	-9.9	-64.7
Transfers between items		20.1	-0.1		-0.1
Acquisition cost, 31 Dec.	27.5	71.4	3,617.5	27.8	3,645.3
Accumulated depreciation and impairment charges 1 Jan.	-14.8		-2,360.2	-17.4	-2,377.6
Translation differences	0.0		-2.6	0.1	-2.5
Accumulated depreciation on deduction and transfers	0.0		49.0	8.5	57.5
Depreciation for the period	-0.9		-85.6	-6.7	-92.4
Accumulated depreciation and impairment charges 31 Dec.	-15.7		-2,399.4	-15.5	-2,414.9
Book value, 1 Jan.	8.2	163.2	1,093.2	14.7	1,107.9
Book value, 31 Dec.	11.8	71.4	1,218.1	12.3	1,230.4

## Leases

EUR million	2024	2023
Costs related to short-term leases	-0.3	-0.3
Costs of leases in which the underlying asset is of low value	-2.2	-2.2
Interest expenses	-0.5	-0.4
Cash outflow for leases	-7.3	-7.6

Disclosures on lease liabilities are presented in Note 5.5 (Financial liabilities) and 5.6 (Management of financial risks).

## Impairments

Year 2024, the impairment losses include EUR -7.6 million from the write-down of the Kaskinen folding boxboard mill's preliminary study.

## Borrowing costs

Borrowing costs capitalised totalled to EUR 0.0 million (2.0). The average interest rate used in capitalisation was 0.0% (1.9%).

## 4.3 Other investments

### Accounting principles

Other investments consist of unlisted equity investments. The most significant of these is the Group's holding in Pohjolan Voima. This investment is unlisted and strategic in nature, serving the Group's long-term energy sourcing needs. This being the case, the Group classifies its shares in Pohjolan Voima as financial assets at fair value recognised under other items of comprehensive income. Changes in their fair value are presented in the fair value reserve, accounting for the tax effect. When the investment is abandoned, the fair value changes accumulated in the equity are transferred to the retained earnings from the fair value fund.

The Group classifies its other equity financial assets as financial assets at fair value to be recognised as financial assets through profit and loss.

The fair values of shares other than listed shares are determined using various valuation models, such as the price levels of recent transactions and valuation methods based on the present value of discounted cash flows. As far as possible, the valuation methods are founded on market-based valuation factors. Unlisted shares are classified in level 3 of the fair value hierarchy. The levels of the fair value hierarchy are presented in note 5.7.

### Key estimates and judgements

#### Fair value measurement

The application of valuation models to measuring fair value requires judgement concerning the selection of the method to be applied, as well as valuation factors required by the chosen method that are based on the price and interest levels prevailing in the market on the end date of each reporting period. The most significant item of other investments that has been valued by using a valuation model is the Group's investment in the shares of Pohjolan Voima Oyj.

The price of these shares is determined based on the present value of discounted cash flows. Key factors affecting cash flows include the price of electricity, inflation expectations and the discount rate. The 12-month moving average of electricity futures prices has been used as the energy price for the first eight years. Subsequent prices are based on a long-term market price forecast.

The carrying amount of the Group's shares in Pohjolan Voima was EUR 218.3 million (253.0) on the balance sheet on 31 December 2024. The carrying value of other investments is estimated to change by EUR -8.1 million (-9.9) and EUR 8.5 million (10.3) should the rate used for discounting the cash flows change by 0.5 percentage points from the rate estimated by the management. The carrying value of other investments is estimated to change by EUR 55.6 million (61.6) should the energy prices used in calculating the fair value differ by 10% from the prices estimated by the management.

EUR million	2024	2023
Pohjolan Voima Oyj	218.3	253.0
Other unlisted shareholdings	1.4	1.4
Other investments total	219.7	254.4

The most important unlisted shareholding under other investments consists of a 2.6% stake in Finnish energy company Pohjolan Voima Oyj, which produces electricity and heat for its shareholders in Finland. Pohjolan Voima trades with its shareholders at prices based on production costs, which generally are lower than market prices. The Group is entitled, through the B shares of Pohjolan Voima, to a share of approximately 5.2% of the energy generated by the Olkiluoto 1 and Olkiluoto 2 nuclear power plants and, through the B2 shares of Pohjolan Voima, to a share of 1.5% of the energy generated by the Olkiluoto 3 nuclear power plant, now being deployed.

The ownership is measured quarterly at fair value on share series basis by using the average of discounted cash flow method and valuation based on earlier transactions. The weighted average cost of capital used was 5.51 (5.35) %. The acquisition cost of shares in Pohjolan Voima Oyj is EUR 28.3 million (28.3) and the fair value EUR 218.3 million (253.0). The change in fair value was due to an updated long-term price forecast for the electricity used in the shares' valuation model.

Shareholder agreement restricts sale of shares of Pohjolan Voima to buyers that are not existing shareholders.

## 4.4 Inventories

### Accounting principles

Inventories are measured at the lower of acquisition cost or net realisable value. In measuring inventories, the FIFO principle is observed or, alternatively, the weighted average price method, depending on the nature of the inventories. The acquisition cost of finished products acquired comprises all purchase costs, including direct transport, handling and other expenses. The acquisition cost of finished and semi-finished products of own manufacture includes raw materials, direct production costs, and the systematically allocated portion of variable manufacturing overheads and fixed overheads at the normal level of operation. Borrowing cost is not included in the acquisition cost.

Net realisable value is the estimated sales price in ordinary business operations less the estimated cost of completion and the necessary sales costs.

### Key estimates and judgements

The Group regularly reviews its inventories for situations where the inventories contain non-marketable items or items with net realisable value below the acquisition cost. When necessary, the Group reduces the book value of the inventories accordingly. This review requires the management's estimates of the sales prices of products, the cost of completion and the costs necessary to make the sale. Any changes in these estimates might lead to an adjustment in the book value of the inventories in future periods.

EUR million	2024	2023
Raw materials and consumables	232.9	174.9
Finished goods	239.7	219.4
Advance payments		0.0
Inventories total	472.6	394.4

In 2024, reversals of write-downs on inventories amounted to EUR 1.0 million. At the end of 2023, inventories were written down to a net realisable value of EUR -1.0 million.

## 4.5 Trade receivables and other receivables

### Accounting principles

Trade receivables are initially measured at fair value and later at amortised cost, taking into account impairment.

Expected credit losses on trade receivables are calculated using a provision matrix. The expected credit loss expense is recognised by applying expected credit loss percentages based on five-year historic losses – net of credit insurance – on trade receivables from external debtors outstanding at the end of the period. The expected credit loss percentages used in the matrix are 0.1 (2023: 0.2). A credit loss is recognised when a customer enters legal bankruptcy or becomes past due for more than 180 days without a valid payment plan or other valid reasons.

### Trade receivables and other non-interest bearing receivables

EUR million	2024	2023
From Group companies		
Trade receivables	17.9	19.3
Prepayments and accrued income	0.5	0.5
Total	18.3	19.8
From associated companies and joint ventures		
Trade receivables	0.1	0.2
From others		
Trade receivables	215.9	190.3
Impairment	-0.3	-0.6
Total	215.5	189.7
Other receivables	40.8	36.1
Prepayments and accrued income	3.5	5.9
From others total	259.9	231.7
Trade receivables and other receivables total	278.3	251.7

Receivables from Group companies are receivables from parent company Metsäliitto Cooperative and from other subsidiaries of the parent company. Derivative receivables are from Metsä Group Treasury Oy, a wholly owned subsidiary of Metsäliitto Cooperative.

## Expected credit losses on trade receivables

EUR million	2024	2023
Value 1 Jan	-0.6	-1.2
Increase	-0.2	-0.6
Decrease	0.5	1.2
Value 31 Dec	-0.3	-0.6

Credit losses recognised were EUR 0.0 million (-0.1).

## Age distribution of trade receivables

EUR million	2024	2023
Not overdue	174.4	153.8
Overdue		
Less than 30 days	28.4	25.0
Between 31 and 60 days	9.7	8.0
Between 61 and 90 days	2.6	0.5
Between 91 and 180 days	0.6	0.2
Over 180 days	-0.1	2.2
Total	215.5	189.7

## 4.6 Other non-current liabilities

EUR million	2024	2023
Advance payments received	5.6	8.2
Accruals and deferred income		0.5
Total	5.6	8.7

## 4.7 Trade payables and other liabilities

EUR million	2024	2023
Advance payments received	5.1	5.4
Trade payables	226.4	221.4
Trade payables, Supply Chain Finance schemes	50.1	40.5
Other liabilities	6.2	13.1
Accruals and deferred income		
Customer discounts	19.4	20.4
Purchase-related items	20.6	20.8
Employee costs	30.1	31.6
Other accrued expenses	32.8	24.3
Total	390.6	377.5

## Supplier finance arrangements

With financing banks, Metsä Group has established Supply Chain Finance (SCF) schemes aimed at a few key suppliers. In the schemes, the suppliers are offered the option of selling their Metsä Group receivables to a bank providing the SCF scheme. The SCF schemes partly replace the earlier advance payment arrangements, and their aim is not to cause a significant deviation from Metsä Group's normal payment terms.

EUR million	2024	2023
Supplier finance arrangements, carrying amount of trade payables		
Purchase of pulp	50.1	40.7
Total	50.1	40.7
Of which suppliers have received payment	50.1	40.7
Payment period, days from the invoice date		
Liabilities that are part of the arrangement		
Purchase of pulp	63	63
Comparable trade payables that are not part of the arrangement		
Purchase of pulp	30	30

## 4.8 Provisions

### Accounting principles

A provision is recognised when, as a result of an earlier event, the Group has a legal or actual obligation, the realisation of a payment obligation is likely, and the amount of the obligation can be reliably estimated. Any reimbursement from a third party is presented as an asset separate from the provision if it is practically certain that reimbursement will be received.

### Restructuring

A restructuring provision is recorded when the Group has incurred a legal or constructive obligation to make a payment. Termination payments are recorded when a detailed plan has been made for the restructuring and the Group has raised valid expectations in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. If the Group makes an offer to employees concerning voluntary resignation against benefits determined in the offer, the liability arising from this is recorded when the Group can no longer withdraw its offer. The obligation arising from such an offer is based on the number of employees that the Group expects to accept the offer. Benefits falling due in twelve months' time or later are measured at their present value.

### Environmental obligations

Costs arising from environmental remediation that do not increase present or future revenue are recorded as expenses. An environmental obligation is recognised if, based on the current interpretation of environmental legislation, an obligation has likely arisen and its amount can be reliably estimated. The obligation is recorded at the current value of estimated future expenses. A sum corresponding to the obligation is also recognised in property, plant and equipment.

### Other provisions

Other provisions mainly consist of provisions arising from estimated cost of future restoration of leased sites.

### Key estimates and judgements

The determination of the criteria for the recognition of provisions involves the management's judgement. The amounts recognised as provisions are based on the management's best assessment of the expenses required to handle the obligation. As the timing and amount of these expenses are not fully certain, the actual expenses may differ significantly from the original estimate. The book value of provisions is regularly reviewed and adjusted as required, taking into account changes in cost assessments, regulation, technology and conditions.

## Provisions

EUR million	Restructuring	Environmental	Other	Total
1 Jan 2024	1.1	2.0	0.0	3.2
Translation differences		0.0	0.0	0.0
Utilised during the year	-1.1	-0.3		-1.4
31 Dec 2024		1.7	0.0	1.7
Non-current		1.7	0.0	1.7
Total		1.7	0.0	1.7
1 Jan 2023	4.9	2.0	0.0	6.9
Translation differences				0.0
Increases		0.0		0.0
Unused amounts reversed	-3.8			-3.8
31 Dec 2023	1.1	2.0	0.0	3.2
Non-current		1.7	0.0	1.7
Current	1.1	0.3		1.4
Total	1.1	2.0	0.0	3.2

Provisions are estimated to be utilised within five years.

The Group companies have environmental responsibilities related to former industrial activities at sites that have since been closed, sold or leased, and from decommissioned landfill sites. Provisions for the costs of land rehabilitation work have been made in cases where it has been possible to measure the Group's liability for land contamination and any post-treatment obligations.

## 5. Capital structure and financial risks

### 5.1 Shareholders' equity

#### Changes in share capital

EUR million	Share capital		
	Series A	Series B	Total
1 Jan 2023	51.5	506.4	557.9
Conversion of A shares into B shares			
31 Dec 2023	51.5	506.4	557.9
Conversion of A shares into B shares			
31 Dec 2024	51.5	506.4	557.9

Each series A share confers to its holder twenty (20) votes at the General Meeting of Shareholders, and each series B share confers to the holder one (1) vote. All shares carry the same right to receive a dividend. Metsä Board's A shares can be converted to B shares if shareholder or representative of the nominee registered shares makes a written request for the conversion to the company. No monetary consideration is paid for the conversion.

#### Number of shares

shares	Outstanding shares			Treasury shares	
	Series A	Series B	Total	Series B	Total
1 Jan 2023	32,802,175	321,710,571	354,512,746	1,000,000	355,512,746
Disposal of treasury shares		298,785	298,785	-298,785	
31 Dec 2023	32,802,175	322,009,356	354,811,531	701,215	355,512,746
Disposal of treasury shares		234,719	234,719	-234,719	
31 Dec 2024	32,802,175	322,244,075	355,046,250	466,496	355,512,746

The share has no nominal value. All shares have been paid in full. The weighted average number of shares, which does not include Metsä Board Oyj's treasury shares, is 354,991,386 (354,750,822) pieces.

#### Translation differences

Translation differences include translation differences arising from translation of subsidiaries in other currencies than euro and gains and losses arising on hedging of net investments in these subsidiaries less deferred tax, when requirements of hedge accounting have been fulfilled. Net investments were not hedged in Metsä Board Group in 2024 or in 2023.

EUR million	Cumulative translation		Translation differences in other comprehensive income	
	2024	2023	2024	2023
SEK	-98.5	-74.7	-23.8	2.8
USD	14.9	8.3	6.6	-4.7
GBP	0.0	0.4	0.5	0.2
Others	0.8	-0.1	0.0	-0.2
Total	-82.7	-66.0	-16.7	-1.9

Since March 2022, the rate used for the Russian ruble is the closing rate for EUR/ RUB published by Refinitiv. The Russian ruble-denominated translation differences accumulated since June 2022 have been reported in the financial items in the income statement. On 13 May 2024, Metsä Board completed a corporate re-structuring in which control of the Russian subsidiaries was transferred outside the Group.

#### Fair value and other reserves

EUR million	2024	2023
Fair value reserve	135.7	207.4
Legal reserve and reserves stipulated by the Articles of Association	1.7	1.7
Total	137.4	209.1

#### Fair value reserve

Fair value changes in derivatives designated as cash flow hedges are recorded to fair value reserve deducted by deferred tax effect. Additionally, the fair value change of Pohjolan Voima Oyj shares recognised by the Group as other investments is moved to the reserve with deferred tax effect deducted.

Legal reserve and reserves stipulated by the Articles of Association  
Legal reserve and reserves stipulated by the Articles of Association have been created and accumulated on resolutions by the General Meeting of Shareholders.



## Reserve for invested unrestricted equity

The reserve for invested unrestricted equity fund includes other investments of an equity nature and the subscription price of the shares to the extent that it is not recognised to the share capital according to the specific decision.

EUR million	2024	2023
Reserve for invested unrestricted equity	208.9	208.9

## Treasury shares

### Accounting principles

When treasury shares are acquired, the equity belonging to the owners of the parent company is reduced by an amount that consists of the consideration paid, including immediate transaction costs after taxes, until the treasury shares are canceled or reissued. If the purchased treasury shares are reissued, the consideration received, less transaction costs after taxes, is recorded in the equity belonging to the owners of the parent company.

At the end of the year, the group held 466,496 treasury shares (701,215), which corresponds to 0.1% (0.2) of the number of shares. The average purchase price of the shares was 7.82 euros (7.82) per share.

EUR million	Shares		Shares	
	2024	2024	2023	2023
Treasury shares 1.1.	-5.5	701,215	-7.8	1,000,000
Disposal of treasury shares	1.8	-234,719	2.3	-298,785
Treasury shares 31.12.	-3.7	466,496	-5.5	701,215

## Dividend

Dividends payable by the company are recorded as deductions to equity in the period during which the shareholders in a general meeting have declared the dividend.

The Board of Directors has proposed that a dividend of EUR 0.07 per share be distributed for the 2024 financial year.

## Other comprehensive income after taxes 2024

Milj. euroa	Equity attributable to members of parent company				Non-controlling interest	Total equity
	Translation differences	Fair value and other reserves	Retained earnings	Total		
<b>Items that will not be reclassified to profit or loss</b>						
Actuarial gains/losses on defined benefit pension plans			-0.9	-0.9		-0.9
Financial assets at fair value through other comprehensive income		-35.4		-35.4		-35.4
Share of profit from other comprehensive income of associated company						
Income tax relating to items that will not be reclassified		6.9	0.5	7.4		7.4
Total		-28.5	-0.4	-28.9		-28.9
<b>Items that may be reclassified to profit or loss</b>						
Cash flow hedges						
Currency hedges						
Gains and losses recorded in equity		-47.6		-47.6		-47.6
Transferred to adjust Sales		2.2		2.2		2.2
Interest hedges						
Gains and losses recorded in equity		-1.3		-1.3		-1.3
Commodity hedges						
Gains and losses recorded in equity		5.5		5.5	0.0	5.6
Transferred to adjust purchases		2.0		2.0	0.0	2.0
Share of profit from other comprehensive income of associated company		-13.8		-13.8		-13.8
Cash flow hedges total		-52.9		-52.9		-52.9
Translation differences	-16.7			-16.7	-5.0	-21.7
Translation differences total	-16.7			-16.7	-5.0	-21.7
Income tax relating to items that may be reclassified		7.8		7.8		7.8
Total	-16.7	-45.1	-0.4	-61.8	-5.0	-66.8
<b>Other comprehensive income, net of tax</b>	-16.7	-73.6	-0.4	-90.7	-5.0	-95.7

## Other comprehensive income after taxes 2023

Milj. euroa	Equity attributable to members of parent company				Non-controlling interest	Total equity
	Translation differences	Fair value and other reserves	Retained earnings	Total		
<b>Items that will not be reclassified to profit or loss</b>						
Actuarial gains/losses on defined benefit pension plans			-1.0	-1.0		-1.0
Financial assets at fair value through other comprehensive income		-87.8		-87.8		-87.8
Share of profit from other comprehensive income of associated company		-3.4	0.0	-3.4		-3.4
Income tax relating to items that will not be reclassified		18.2	0.2	18.5		18.5
Total		-72.9	-0.7	-73.6		-73.6
<b>Items that may be reclassified to profit or loss</b>						
Cash flow hedges						
Currency hedges						
Gains and losses recorded in equity		7.6		7.6	-0.7	6.8
Transferred to adjust Sales		6.6		6.6		6.6
Interest hedges						
Gains and losses recorded in equity		-1.7		-1.7		-1.7
Commodity hedges						
Gains and losses recorded in equity		-14.2		-14.2	0.0	-14.3
Transferred to adjust purchases		10.6		10.6	0.0	10.7
Share of profit from other comprehensive income of associated company		-5.7		-5.7		-5.7
Cash flow hedges total		3.2		3.2	-0.7	2.5
Translation differences	-1.9			-1.9	-0.8	-2.8
Translation differences total	-1.9			-1.9	-0.8	-2.8
Income tax relating to items that may be reclassified		-1.8		-1.8	0.2	-1.6
Total	-1.9	1.4	-0.7	-0.5	-1.4	-1.9
<b>Other comprehensive income, net of tax</b>	-1.9	-71.5	-0.7	-74.1	-1.4	-75.6

## 5.2 Financial income and expenses

### Accounting principles

Interest income and expenses are recognised using the effective interest rate method.

Dividend income is recognised when the right to receive a payment is established.

Borrowing costs are generally recognised as an expense in the period in which they are incurred. When an item of intangible asset or property, plant or equipment is involved in a major and long-term investment project, the borrowing costs directly due to the acquisition, construction or production of the asset are included in the asset's acquisition cost.

The Group presents net interest income and expenses related to defined benefit plans as financial income and expenses.

EUR million	2024	2023
<b>Exchange differences</b>		
Commercial items	5.0	1.5
Hedging, hedge accounting not applied	-7.8	1.3
Other items	0.0	-0.2
Total	-2.8	2.6
<b>Other financial income</b>		
Other interest and financial income	0.1	
Interest income on loans, other receivables and cash and cash equivalents	9.1	9.8
Dividend income	0.1	0.0
Total	9.3	9.9
<b>Other financial expense</b>		
Interest expenses on financial liabilities carried at amortised cost using the effective interest method	-16.9	-12.0
Other financial expenses	-0.4	-0.4
Total	-17.3	-12.4
Valuation of financial assets and liabilities and interest and other financial expenses, total	-10.8	0.1

The Russian ruble-denominated translation differences accumulated since June 2022 as a consequence of the discontinuation of Russian business operations, amounting to EUR 0.0 million (-0.3), have been reported in other exchange rate differences in the income statement. Interest expenses have been capitalized as a part of the acquisition costs of investments in the amount of EUR 0.0 million (2.0). On 13 May 2024, Metsä Board completed a corporate restructuring in which control of the Russian subsidiaries was transferred outside the Group.

## 5.3 Other long-term assets

EUR million	2024	2023
Loan receivables	0.0	2.5
Defined benefit pension plans (Note 3.5)	3.4	3.4
Other receivables and accrued income	1.0	0.4
Total	4.4	6.3

## 5.4 Cash and cash equivalents

### Accounting principles

In addition to cash and bank accounts, cash and cash equivalents include liquid financial assets recorded at amortised cost that mature within less than 6 months from the acquisition date. Cash and cash equivalents also include interest-bearing, immediately withdrawable deposits held in Metsä Group's internal bank, Metsä Group Treasury Oy.

When determining the impairment of monetary assets, a model based on expected credit losses is applied. The expected credit losses are reviewed for the following 12 months.

EUR million	2024	2023
Cash at hand and in bank	3.4	13.2
Deposits to Metsä Group Treasury Oy	179.2	278.4
<b>Total</b>	<b>182.6</b>	<b>291.6</b>

## 5.5 Borrowings and net debt

### Accounting principles

Financial liabilities are categorised initially recognised at fair value. The Group has classified all financial liabilities under "Amortised cost". Transaction costs are included in the original book value of financial liabilities measured at amortised cost. Subsequently, all financial liabilities are measured at amortised cost using the effective interest method.

### Interest-bearing Liabilities

EUR million	2024	2023
<b>Non-current interest-bearing financial liabilities</b>		
Bonds	249.4	249.2
Loans from financial institutions	152.6	164.4
Lease liabilities	9.9	7.5
<b>Total</b>	<b>411.9</b>	<b>421.0</b>
<b>Current interest-bearing financial liabilities</b>		
Commercial papers	29.7	
Current portion of non-current debt	19.1	17.1
Current liabilities to group companies	66.7	
<b>Total</b>	<b>115.5</b>	<b>17.1</b>
<b>Current interest-bearing financial liabilities</b>	<b>527.4</b>	<b>438.1</b>

### Interest-bearing assets

EUR million	2024	2023
<b>Non-current interest-bearing financial assets</b>		
Loan and other receivables	0.0	2.5
<b>Current interest-bearing financial assets</b>		
Cash at hand and in bank	3.4	13.2
Deposits to Metsä Group Treasury Oy	179.2	278.4
<b>Total</b>	<b>182.6</b>	<b>291.6</b>
<b>Interest-bearing financial assets total</b>	<b>182.6</b>	<b>294.0</b>
<b>Interest-bearing net debt</b>	<b>344.9</b>	<b>144.0</b>

Metsä Board has classified interest-bearing receivables comparable to cash funds and available immediately from Metsä Group's internal bank Metsä Group Treasury Oy as Cash and cash equivalents.

## Changes in liabilities and current interest-bearing receivables reported in the cash flow from financing activities in 2024

EUR million	1 Jan 2024	Cash flows	Non-cash changes				31 Dec 2024
			Acquired / Sold businesses	Changes in foreign exchange rates	New finance leases	Other changes	
Non-current interest-bearing liabilities incl. Current portion							
Bonds	249.2					0.2	249.4
Loans from financial institutions	176.1	-12.0				0.2	164.4
Finance lease liabilities	12.8	-6.7		0.0	11.2		17.2
Other	0.0	0.0					0.0
<b>Total</b>	<b>438.1</b>	<b>-18.7</b>		<b>0.0</b>	<b>11.2</b>	<b>0.4</b>	<b>431.0</b>
Non-current non-interest bearing liabilities							
	8.7	-3.1		0.0			5.6
Current interest-bearing liabilities							
		95.8		0.7			96.4
<b>Total</b>	<b>446.8</b>	<b>73.9</b>		<b>0.7</b>	<b>11.2</b>	<b>0.4</b>	<b>533.0</b>

## Changes in liabilities and current interest-bearing receivables reported in the cash flow from financing activities in 2023

EUR million	1 Jan 2023	Cash flows	Non-cash changes				31 Dec 2023
			Acquired / Sold businesses	Changes in foreign exchange rates	New finance leases	Other changes	
Non-current interest-bearing liabilities incl. Current portion							
Bonds	249.0					0.2	249.2
Loans from financial institutions	187.6	-11.8				0.3	176.1
Finance lease liabilities	15.9	-7.1		0.0	4.0		12.8
Other	0.0	0.0					0.0
<b>Total</b>	<b>452.6</b>	<b>-18.9</b>		<b>0.0</b>	<b>4.0</b>	<b>0.5</b>	<b>438.1</b>
Non-current non-interest bearing liabilities							
	3.9	4.7		0.0			8.7
Current interest-bearing liabilities							
	0.4	-0.4		0.0			0.0
<b>Total</b>	<b>456.9</b>	<b>-14.6</b>		<b>0.0</b>	<b>4.0</b>	<b>0.5</b>	<b>446.8</b>

## Bonds

EUR million	Interest %	2024	2023
2017–2027	2.75	249.4	249.2
<b>Total</b>		<b>249.4</b>	<b>249.2</b>

Metsä Board Corporation issued in September 2017 a bond of EUR 250 million. The bond carries a fixed coupon rate of 2.75%, and the maturity date is 29 September 2027. The bond ranks senior and is unsecured.

## 5.6 Management of financial risks

The financial risks associated with business operations are managed in accordance with the financial policy endorsed by the Board of Directors and the senior management of the company. The policy defines focal instructions on the management of foreign currency, interest rate, liquidity and counterparty risks, and for the use of derivative financial instruments. Correspondingly, commodity risks are managed according to the company's commodity risk policy. The purpose is to protect the company against major financial and commodity risks, to balance the cash flow and to allow the business units time to adjust their operations to changing conditions.

Metsä Group Treasury Oy is specialized in finance and functions as the Group's internal bank. Metsäliitto Cooperative's holding is 100% of the company. Financial operations have been centralised to Metsä Group Treasury, which is in charge of managing the Group companies' financial positions according to the strategy and financial policy and providing necessary financial services.

### Foreign currency risk

Metsä Board's foreign currency exposure consists of the risks associated with foreign currency flows, translation risk of net investments in foreign entities and economic currency exposure. Most of the company's costs are incurred in the euro zone and to some extent in Sweden, but a significant part of the sales is received or priced in other currencies. Sales may therefore vary because of changes in exchange rates, while production costs remain unchanged. The foreign currency transaction exposure is consisting of foreign currency denominated sales and costs. The exposure is including foreign currency denominated balance sheet exposure consisting of trade receivables and trade payables and 50% share of the annual contracted or estimated net currency cash flow.

The main currencies of the Metsä Board's foreign currency transaction exposure are the US dollar, the Swedish krona and the British pound. The share of dollar is 54% (2023: 54), share of Swedish krona is 36% (35) and share of pound is 8% (9). A strengthening of the dollar and the pound has a positive impact on the financial result and a weakening a negative impact. A weakening of the Swedish krona has a positive impact on the result of the company. From other currencies Metsä Board has currency risk in Canadian dollar. The hedging policy is to keep the balance sheet exposure and 50% of annual cash flow of contracted or estimated currency flows consistently hedged. The amount of hedging may deviate from the normal level by 40% in either direction. The Board of Directors of Metsä Board is deciding on hedging levels significantly deviating from the norm set out in the financial policy. The amount of currency-specific hedging depends on current exchange rates and market expectations, on the interest rate differences between the currencies and the significance of the exchange rate risk for the financial result of the company. The transaction exposure is mainly hedged by forward transactions but also by the use of foreign currency loans and currency options.

At the end of the financial period, the foreign exchange transaction exposure had been hedged 7.9 months on average (7.6) being 132% of the hedging norm (126). During the financial period, the hedging level has varied between 7 and 8 months (7-8) being between 120 and 132% of the norm (117-131). The dollar's hedging level was 7.8 months (7.4) being 130% of the norm (124). The Swedish krona's hedging level was 8.4 months (8.5) being 139% of the norm (141). The pound's hedging level was 7.2 months (6.0) being 120% of the norm (100). Hedge accounting has been applied

to hedging of transaction exposure and forwards and options allocated to hedge accounting have been used to hedge the portion of highly probable forecast sales of the currency transaction exposure.

The translation risk of a net investment in a foreign entity is generated from the consolidation of the equity of subsidiaries outside the euro area into euros in the consolidated financial statements. Hedging of equity has been discontinued.

### Interest rate risk

The interest rate risk is related in the interest bearing receivables and loans, working capital financing and currency hedging. The most significant currencies in risk management are the euro, the US dollar, the Swedish krona and British pound. The objective of the interest rate risk policy is to minimise the negative impact of interest rate changes on the company's result and the financial position, and to optimise financing costs within the framework of risk limits. The effect of interest rate changes on financial costs depends on the average interest fixing time of interest bearing assets and liabilities, which is measured in the company by duration. As duration is lengthening the rise of interest rates affects more slowly the interest expenses of financial liabilities. The maturity of the loan portfolio can be influenced by adjusting between floating-rate and fixed-rate loans and by using interest rate swaps.

The average interest duration norm based on the Group's financial policy is 24 months. The duration can, however, deviate between 6 to 36 months from the hedging policy norm so that the decision of a larger deviation has to be made by the Board of Directors. The average duration of loans was 19.8 months at the end of the year (30.6). During the reporting period duration has varied between 20 and 29 months (31-36). Duration is lengthened by the bond of EUR 250 million. Of interest-bearing liabilities 41% (15) is subjected to variable rates and the rest to fixed rates and the average interest rate at the end of 2024 is 2.7% (2.6). At the end of 2024, an increase of 1% in interest rates would decrease net interest rate costs of the next 12 months by 0.5 million euros (decrease 1.8).

Company has applied cash flow hedge accounting to interest rate swaps by which floating-rate financing has been converted to fixed-rate financing. The gross nominal volume of interest rate derivative at the time of financial statements is EUR 50.0 million (50.0) and the interest rate swap matures in April 2025.

### Commodity risk

In the hedging of commodity risks company applies risk management policies defined separately for each selected commodity. According to the policy, the management of commodity risks with regard to financial hedges is accomplished centralized by Metsä Group Treasury based on the strategy approved by Board of Directors of Metsä Board. The commodity hedging policy is applied to the management of the natural gas, light and heavy fuel oil and also transactions related to Emission allowances are managed by Metsä Group Treasury. Hedge accounting has been applied to all commodity hedging. According to the commodity hedging policy an 80% hedge level of the estimated net position during the first 12 month period has been set as a hedging norm and the hedge ratio can vary by 20% in either direction. The Metsä Board Board of Directors makes significant strategic decisions.

Metsä Board is hedging the price risk of natural gas purchases by using financial hedges. Metsä Board is hedging also the gas oil, heavy fuel oil

and marine fuel oil price risk related to logistics costs (sea freights) based on commodity risk policy by using financial hedges. Metsä Board is not hedging its pulp price risk.

### Liquidity risk

Liquidity risk is defined as the risk that funds and available funding become insufficient to meet business needs, or costs that are incurred in arranging the necessary financing are unreasonable high. Liquidity risk is monitored by estimating the need for liquidity needs 12–24 months ahead and ensuring that the total liquidity available will cover a main part of this need. According to the financial policy, the liquidity reserve must at all times cover 100% of the Group's liquidity requirement for the first 12 months and 50–100% of the following 12–24 months liquidity requirement. The objective is that at the most 20% of the company's loans, including committed credit facilities, are allowed to mature within the next 12 months and at least 25 per cent of the total debt must have a maturity in excess of four years. The target is to avoid keeping extra liquidity as liquid funds and instead maintain a liquidity reserve as committed credit facilities outside the balance sheet.

The cornerstone of liquidity risk management is to manage the company's operative decisions in such a way that targets concerning indebtedness and sufficient liquidity reserve can be secured in all economic conditions. Liquidity risk is also managed by diversifying the use of capital and money markets to decrease dependency on any single financing source and the optimisation of the maturity structure of loans is also emphasised in financial decisions. Metsä Board is using short-term working capital financing related to trade receivables and trade payables.

At the end of the financial period, available liquidity was EUR 382.6 million (491.6), consisting of following items: liquid assets and investments of EUR 182.6 million (291.6), a syndicated credit facility (revolving credit facility) of EUR 200.0 million (200.0), and other committed credit facilities of EUR 0.0 million (0.0). Of the liquid assets, EUR 179.2 million consisted of short-term deposits with Metsä Group Treasury (278.4), and EUR 3.4 million were cash funds and investments (13.2). Other interest-bearing receivables amounted to EUR 0.0 million (2.5). In addition, Metsä Board's liquidity reserve is complemented by Metsä Board commercial paper program of EUR 200 million, Metsä Group's internal undrawn short-term credit facility of EUR 150.0 million (150.0). 16% (3) of long-term loans and committed facilities fall due in a 12 month period and 3% (5) have a maturity of over four years. The average maturity of long-term loans is 2.2 years (3.1). The share of short-term financing of the company's interest bearing liabilities is 21.7% (4.0).

### Counterparty risk

Financial instruments carry the risk that the company may incur losses should the counterparty be unable to meet its commitments. Company is managing this risk by entering into financial transactions only with most creditworthy counterparties and within pre-determined limits. Cash and cash equivalents, and other investments have been spread to several banks, commercial papers of several institutions and money market funds. During the reporting period, credit risks of financial instruments did not result in any losses. Counterparty limits have been revised during the year by taking into account the needs of the company and the view on the financial position of the used counterparties. Derivatives trading is regulated by the standardised ISDA contracts made with the counterparties. Company

has applied expected credit loss model to calculate the impairment of financial assets.

Company's trade receivables carry a counterparty risk that the company may incur losses should the counterparty be unable to meet its commitments. Credit risk attached to trade receivables is managed on the basis of the credit risk management policies approved by operative management. Trade receivable performance is followed by company Credit Risk Management Team and reported monthly to Customer Credit & Compliance Committee and operative management. Credit quality of customers is assessed at regular intervals based on the customers' financial statements, payment behaviour and credit ratings agencies. Credit limits are approved according to credit risk management policy with approval limits of varying values across the company. Individual credit limits are reviewed at least annually. Letters of Credits, bank and parent company guarantees, and Credit insurance are used to mitigate credit risk according to management decisions. The Customer Credit & Compliance Committee reviews and sets all major credit limits which are not supported by credit insurance and / or other security.

The geographical structure of the trade receivable is diversified and is reflecting the external sales structure presented in the Segment information. The main sources of credit risk are in USA, Italy, United Kingdom, Sweden Turkey, Poland, Spain, Germany, Netherlands and Australia. The top ten countries represent around 71% of total external trade receivables (70). At the end of 2024 the credit risk exposure of Metsä Board's largest individual customer (an individual companies or groups of companies under common ownership) was 7% (9) of total external trade receivables. The ten largest customer group's (individual companies or groups of companies under common ownership) accounted for 41% (36) of trade receivables. At the end of 2024 there was around 1.0% (1.0) shortfall of credit insurance limits beyond usual policy deductibles and exclusions.

Expected credit losses on trade receivables and the age distribution of trade receivables are presented in note 4.5.

### Managing the capital

Terms capital and capital structure are used to describe investments made in the company by its owners and retained earnings (together equity) and debt capital (liabilities) as well as the relation between them. In managing its capital structure, Metsä Board aims at maintaining an efficient capital structure that ensures the company's operational conditions in financial and capital markets in all circumstances despite the fluctuations typical to the sector. The company has a credit rating for its long-term financing (from Moody's Investor Service ja S&P Global). Certain central target values, which correspond to standard requirements set by financing and capital markets, have been defined for the capital structure. No target level has been defined for the credit rating. Metsä Board's capital structure is regularly assessed by the company's Board of Directors and its Audit Committee.

Metsä Board's long-term financial target for the comparable return on capital employed is minimum 12%. According to the company's target, the ratio of interest-bearing net liabilities to comparable EBITDA (last 12 months) is a maximum of 2.5. In 2024 the long-term financial targets have been kept constant.

The key ratios describing the capital structure and the capital amounts used for the calculation of the key ratio were on the following.

EUR million	2024	2023
Interest-bearing net liabilities/comparable EBITDA	2.0	0.7
Net gearing ratio, % <sup>1)</sup>	18	7
Interest-bearing borrowings	527.4	438.1
./. Liquid funds	182.6	291.6
./. Interest-bearing receivables	0.0	2.5
Net interest bearing liabilities	344.9	144.0
Equity attributable to shareholders of parent company	1,743.0	1,897.0
+ Non-controlling interest	164.7	155.6
Total Equity	1,907.7	2,052.6
Operating profit	62.3	120.8
Depreciations and impairments	113.6	93.8
EBITDA	175.9	214.6
Other operating income		2.7
Share of result	1.4	-4.1
Other operating expenses	0.5	
Comparable EBITDA	175.0	216.0

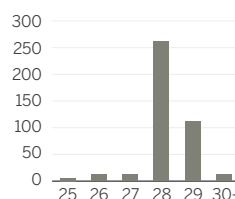
<sup>1)</sup> Net gearing ratio = Interest-bearing net liabilities / Shareholders' equity

## Financial covenants of external loans

In Metsä Board's certain financial contracts the financial covenants have been set regarding financial performance and capital structure. Other covenants in the company's loan agreements are customary terms and conditions including for example a negative pledge, restrictions on major asset disposals, limitations on subsidiary indebtedness, restrictions on changes of business and mandatory prepayment obligations upon a change of control of the Group. Metsä Board loan agreements and credit facility agreement include a financial covenant that is related to net gearing. Metsä Board has been in compliance with its covenant during the financial periods 2024 and 2023. In case the company could not meet its obligations as defined in financial contracts and in order to avoid a breach of contract that could have an adverse effect on the company's financial position, it would need to renegotiate its financial arrangements, payback its loans or get its debtors to give up their claims to meet these obligations.

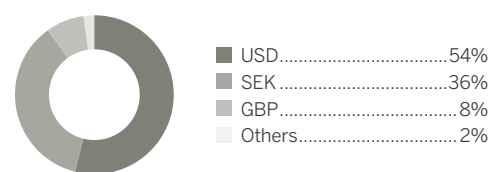
## REPAYMENT OF NON-CURRENT LOANS

EUR million



## BREAKDOWN OF CURRENCY EXPOSURE

%



## Hedging of foreign exchange transaction exposure 31.12.2024

EUR million	Annual transaction exposure							
	USD	GBP	SEK	AUD	CAD	Other long	Other short	Total
Transaction exposure, net (mill. currency units)	888	99	-6,569	5	45			
Transaction exposure, net (EUR million)	855	119	-573	3	30	2	-2	1,584
Transaction exposure hedging (EUR million)	-557	-72	399		-15			-1,043
Hedging at the end of the year (months)	7.8	7.2	8.4		6.0			7.9
Average hedging in 2024 (months)	7.1	6.3	8.4		6.0			7.4
Average rate of hedging at the end of the year	1.0931	0.8485	11.4789					

## Hedging of foreign exchange transaction exposure 31.12.2023

EUR million	Annual transaction exposure							
	USD	GBP	SEK	AUD	CAD	Other long	Other short	Total
Transaction exposure, net (mill. currency units)	763	102	-4,969	5	37			
Transaction exposure, net (EUR million)	691	117	-448	3	25	5		1,289
Transaction exposure hedging (EUR million)	-427	59	316		-12			-814
Hedging at the end of the year (months)	7.4	6.0	8.5		6.0			7.6
Average hedging in 2023 (months)	6.8	6.0	8.8		6.0			7.4
Average rate of hedging at the end of the year	1.0900	0.8715	11.6318					



## Net investments in a foreign entity 31.12.2024

EUR million	Equity exposure				
	USD	GBP	SEK	Others	Total
Equity (million currency units)	100	5	8,661		
Equity (EUR million)	96	6	756	2	860

## Net investments in a foreign entity 31.12.2023

EUR million	Equity exposure				
	USD	GBP	SEK	Others	Total
Equity (million currency units)	124	4	7,745		
Equity (EUR million)	112	4	698	3	817

## Interest rate risk / duration and re-pricing structure of loans (incl. interest rate derivatives) 31.12.2024

Loan amount (EUR million)	Duration (months)	Average interest rate (%)	Interest rate sensitivity <sup>1)</sup> (EUR million)	Re-pricing structure of interest rates of loans						
				1-4/2025	5-8/2025	9-12/2025	2026	2027	2028	>2028
528	19.8	2.7	-0.5	200	8	8	12	265	15	21

## Interest rate risk / duration and re-pricing structure of loans (incl. interest rate derivatives) 31.12.2023

Loan amount (EUR million)	Duration (months)	Average interest rate (%)	Interest rate sensitivity <sup>1)</sup> (EUR million)	Re-pricing structure of interest rates of loans						
				1-4/2024	5-8/2024	9-12/2024	2025	2026	2027	>2027
438	30.6	2.6	-1.8	53	7	7	64	14	262	30

<sup>1)</sup> Interest rate sensitivity is an estimate of the effect of an interest rate change of one percent in one direction on net interest cost based on year end exposure

## Hedging of natural gas price risk exposure

Tons	31 Dec 2024	31 Dec 2023
Natural Gas exposure, net	377	377
Natural Gas hedging	307	211
Hedging at the end of the year (%)	81	56
Average price of hedging at the end of the year (€/tons)	36.32	51.09

Natural Gas price risk is hedged based on defined risk management policy by financial contracts. Metsä Board position is hedged using TTF financial contracts.

## Hedging of logistics oil price risk exposure

Tons	31 Dec 2024	31 Dec 2023
Oil exposure, net	51,072	65,322
Oil hedging	36,119	39,660
Hedging at the end of the year (%)	71	61
Average price of hedging at the end of the year (€/tons)	467.13	468.84

Logistic oil price risk is hedged based on defined risk management policy by financial contracts. Metsä Board logistic oil exposure includes positions with bunker clause. Metsä Board is hedging gas oil, heavy fuel oil and marine fuel oil purchases.

## Market risk sensitivity 2024

MEUR	Impact on equity exposure and annual transaction exposure			
	Impact on financial assets and liabilities	Impact on net equity of foreign entities	Impact on annual transaction exposure (cash flow)	Impact on annual transaction exposure (cash flow) incl. hedging
<b>Interest rate risk (100 bp rise in interest rates)</b>				
Effect on profit			-0.5	-0.2
Effect on other change in equity	0.3			
<b>Commodity risk (electricity price + 20%)</b>				
Effect on profit			-8.2	-1.9
Effect on other change in equity	6.3			
<b>FX risk (USD - 10%)</b>				
Effect on profit	1.3		-85.5	-29.8
Effect on other change in equity	48.0	-9.6		
<b>FX risk (GBP - 10%)</b>				
Effect on profit	0.1		-11.9	-4.8
Effect on other change in equity	6.4	-0.6		
<b>FX risk (SEK - 10%)</b>				
Effect on profit	-1.3		57.3	17.4
Effect on other change in equity	-36.0	-75.6		

## Market risk sensitivity 2023

MEUR	Impact on equity exposure and annual transaction exposure			
	Impact on financial assets and liabilities	Impact on net equity of foreign entities	Impact on annual transaction exposure (cash flow)	Impact on annual transaction exposure (cash flow) incl. hedging
<b>Interest rate risk (100 bp rise in interest rates)</b>				
Effect on profit			1.8	2.3
Effect on other change in equity	0.5			
<b>Commodity risk (electricity price + 20%)</b>				
Effect on profit			-8.6	-3.3
Effect on other change in equity	5.3			
<b>FX risk (USD - 10%)</b>				
Effect on profit	3.9		-69.1	-21.2
Effect on other change in equity	51.3	-11.2		
<b>FX risk (GBP - 10%)</b>				
Effect on profit	0.1		-11.7	-4.1
Effect on other change in equity	5.8	-0.4		
<b>FX risk (SEK - 10%)</b>				
Effect on profit	-3.1		44.8	9.5
Effect on other change in equity	-31.6	-69.8		

Items with + sign = positive effect = increase of assets / decrease of liabilities / increase of cash flow  
 Items with - sign = negative effect = decrease of assets / increase of liabilities / decrease of cash flow

An entity is required to disclose a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date. The Group has recognised interest rates, electricity prices and foreign exchange rates as its key market risks and has set 1% interest rate rise, 20% rise in electricity price and 10% weakening of USD, GBP and SEK as reasonably possible risk variables. These currencies represent over 97% of Group's annual transaction exposure. The nature of the market price risk is relatively linear so that the size of effects of opposite market price changes do not essentially differ from the presented figures. The scenarios have been calculated by using regular principles of calculating market values of financial instruments described in the Group Accounting policies. Figures at the reporting date reflect quite well the average market risk conditions throughout the reporting period.

Additionally the Group is presenting figures describing the effects of the risk variables to its equity and annual transaction exposure (cash flow) to present a broader picture about market risks of interest rates, electricity prices and foreign exchange rates. Annual cash flows are based on estimates, and not on existing commercial contracts. The weakening of USD and GBP has a negative impact on annual cash flow and the weakening of SEK has a positive impact. Hedges reduce this impact depending on hedging strategy. The impact on equity of foreign entities is arising from the consolidation of subsidiaries to the Group consolidated accounts. The rise of electricity price has a negative impact on cash flow. As according to hedging policy the electricity price risk of the nearest year has mostly been hedged, the impact including hedges remains minor.

## Maturity of financial liabilities and related financial expenses 2024

EUR million	2025	2026	2027	2028	2029	2030–	Total
Bonds			250.0				250.0
Loans from financial institutions	11.8	111.8	11.8	11.8	11.8	5.9	164.7
Finance lease liabilities	6.7	4.5	3.2	1.7	1.2	1.2	18.5
Non-current interest-bearing liabilities total	18.4	116.3	265.0	13.5	13.0	7.0	433.2
Current interest-bearing liabilities	96.4						96.4
Trade payables ja other liabilities	322.6						322.6
Financial liabilities total	437.5	116.3	265.0	13.5	13.0	7.0	852.2
Financial expenses total	11.4	10.3	7.3	0.3	0.2	0.0	29.4
<b>Financial liabilities and expenses total</b>	<b>448.8</b>	<b>126.6</b>	<b>272.2</b>	<b>13.8</b>	<b>13.1</b>	<b>7.1</b>	<b>881.6</b>
Guarantee agreements	0.1		0.4			0.3	0.7
Derivatives							
Currency derivative, liabilities	1,356.5						1,356.5
Currency derivative, receivables	-1,332.2						-1,332.2
Interest rate swaps	-0.3						-0.3
Commodity derivatives	-3.6						-3.6
<b>Derivatives, net</b>	<b>20.5</b>						<b>20.5</b>

## Maturity of financial liabilities and related financial expenses 2023

EUR million	2024	2025	2026	2027	2028	2029–	Total
Bonds				249.2			249.2
Loans from financial institutions	11.8	111.8	11.8	11.8	11.8	17.6	176.5
Finance lease liabilities	5.7	3.8	1.8	1.1	0.3	0.7	13.5
Non-current interest-bearing liabilities total	17.5	115.6	13.6	262.8	12.1	18.4	440.0
Trade payables ja other liabilities	316.2						316.2
Financial liabilities total	333.7	115.4	13.6	262.8	12.1	18.3	755.8
Financial expenses total	12.5	8.9	7.4	7.3	0.3	0.2	36.5
<b>Financial liabilities and expenses total</b>	<b>346.2</b>	<b>124.3</b>	<b>21.0</b>	<b>270.1</b>	<b>12.4</b>	<b>18.5</b>	<b>792.4</b>
Guarantee agreements	0.2	0.2				1.3	1.6
Derivatives							
Currency derivative, liabilities	1,144.3						1,144.3
Currency derivative, receivables	-1,168.1						-1,168.1
Interest rate swaps, liabilities	-0.7	-0.9					-1.5
Interest rate swaps, receivables	4.0						4.0
Commodity derivatives, liabilities	-20.5	-0.9					-21.4
Commodity derivatives, receivables	-0.2						-0.2
<b>Derivatives, net</b>	<b>-20.5</b>	<b>-0.9</b>					<b>-21.4</b>

The cash flows of lease liabilities include both debt repayment and finance expense. The table describes the maturity distribution of financial liabilities based on contracts. The figures are undiscounted. The balance sheet value of lease liabilities was EUR 17.2 million (12.8). The balance sheet value of foreign currency derivative liabilities was EUR 29.5 million (6.0) and the balance sheet value of foreign currency derivative assets was EUR 5.2 million (29.8).

## 5.7 Classification and fair values of financial assets and liabilities

### Classification and fair values of financial assets and liabilities 2024

EUR million	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
<b>Financial assets</b>					
Other non-current investments	4.3	1.4	218.3		219.7
Other non-current financial assets	5.3			0.7	0.7
Trade receivables and other receivables	4.5			240.0	240.0
Cash and cash equivalents	5.4			182.6	182.6
Derivative financial instruments	5.7	1.2	8.0		9.2
Total carrying amount		2.7	226.3	423.2	652.1
Total fair value		2.7	226.3	423.2	652.1
<b>Financial liabilities</b>					
Non-current interest-bearing financial liabilities	5.5			411.9	411.9
Current interest-bearing financial liabilities	5.5			115.5	115.5
Trade payables and other liabilities	4.7			322.6	322.6
Derivative financial instruments	5.7	3.1	26.6		29.7
Total carrying amount		3.1	26.6	850.0	879.7
Total fair value		3.1	26.6	849.1	878.8

### Classification and fair values of financial assets and liabilities 2023

EUR million	Note	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
<b>Financial assets</b>					
Other non-current investments	4.3	1.4	253.0		254.4
Other non-current financial assets	5.3			2.6	2.6
Trade receivables and other receivables	4.5			219.1	219.1
Cash and cash equivalents	5.4			291.6	291.6
Derivative financial instruments	5.7	1.2	30.3		31.5
Total carrying amount		2.6	283.3	513.3	799.2
Total fair value		2.6	283.3	513.3	799.2
<b>Financial liabilities</b>					
Non-current interest-bearing financial liabilities	5.5			421.0	421.0
Current interest-bearing financial liabilities	5.5			17.1	17.1
Trade payables and other liabilities	4.7			316.2	316.2
Derivative financial instruments	5.7	0.4	9.8		10.2
Total carrying amount		0.4	9.8	754.2	764.4
Total fair value		0.4	9.8	743.9	754.1

Trade receivables and other receivables do not include VAT receivables and prepayments and accrued income. Trade payables and other financial liabilities do not include advance payments, VAT payables and accruals and deferred income.

In Metsä Board, all interest-bearing liabilities are valued in the balance sheet at amortised cost based on effective interest method. Fair values are

based on present value of cash flow of each liability or assets calculated by market rate. The discount rates applied are between 1.7–3.6% (1.9–4.3).

The fair values of accounts and other receivables and trade payables and other liabilities do not materially deviate from their carrying amounts in the balance sheet.

## Fair value hierarchy of financial assets and liabilities

### Accounting principles

Financial assets and liabilities measured at fair value have been categorised as follows:

- Level 1 Fair value is based on quoted prices in active markets.
- Level 2 Fair value is determined by using valuation techniques that use observable price information from market.
- Level 3 Fair value are not based on observable market data, but on company's own assumptions.

## Fair value hierarchy of financial assets and liabilities 2024

EUR million	Note	31 Dec 2024			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value					
Other non-current investments	4.3			219.7	219.7
Derivative financial assets	5.7	3.8	5.5		9.2
Financial liabilities measured at fair value					
Derivative financial liabilities	5.7	0.2	29.5		29.7
Financial assets not measured at fair value					
Cash and cash equivalents	5.4		182.6		182.6
Financial liabilities not measured at fair value					
Non-current interest-bearing financial liabilities	5.5		411.2		411.2
Current interest-bearing financial liabilities	5.5		115.2		115.2

## Fair value hierarchy of financial assets and liabilities 2023

EUR million	Note	31 Dec 2023			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value					
Other non-current investments	4.3			254.4	254.4
Derivative financial assets	5.7	0.2	31.4		31.5
Financial liabilities measured at fair value					
Derivative financial liabilities	5.7	4.1	6.0		10.2
Financial assets not measured at fair value					
Cash and cash equivalents	5.4		291.5		291.5
Financial liabilities not measured at fair value					
Non-current interest-bearing financial liabilities	5.5		411.1		411.1
Current interest-bearing financial liabilities	5.5		16.7		16.7

## Other non-current investments measured at fair value based on level 3 valuation

EUR million	2024	2023
Value 1 Jan	254.4	345.4
Total gains and losses in other comprehensive income	-34.6	-91.1
Purchases		0.0
Sales	-0.1	0.0
Value Dec 31.	219.7	254.4

## Financial derivatives and hedge accounting

### Accounting principles

Derivative contracts are initially recognised on the balance sheet at fair value at cost, and thereafter during their term-to-maturity revalued at their fair value at each reporting date. The fair value of derivatives is presented in non-interest-bearing receivables or liabilities. Gains and losses resulting from recognition at fair value are treated in accounting as required with regard to the intended use of the derivative contract in question. Derivatives are initially classified as either

1. Hedges of the exposure to changes in the fair value of receivables, liabilities or firm commitments;
2. Hedges of the cash flow from a highly probable forecast transaction;
3. Hedges of a net investment in a foreign entity, or
4. Derivatives to which it has been decided not to apply hedge accounting.

Metsä Board currently applies hedge accounting only to cash flow hedging. When applying hedge accounting at the inception of a hedging relationship, the Group has documented the relationship between the hedged item and the hedging instruments, as well as the hedging strategy observed. To meet the requirements of hedge accounting, the Group has also continuously carried out effectiveness testing to verify that changes in the fair value of the hedging instrument for each hedging relationship cover any changes in the fair value of the hedged item effectively enough, with respect to the hedged risk. Changes in the fair value of the effective portion of derivative instruments that meet the criteria for cash flow hedging are recognised in other items of comprehensive income. The gains and losses recognised in equity are transferred to the income statement when the forecast sale or purchase is realised, and are recognised as an adjustment to the hedged item. If the forecast transaction is no longer expected to occur, the gain or loss accrued in equity is recognised immediately in the income statement.

Derivatives not subject to hedge accounting, as well as the ineffective portion of derivatives subject to hedge accounting, are measured at fair value, and changes in the value of interest rate and currency derivatives are recognised in financial items and changes in the value of commodity derivatives are recognised in other income and expenses.

Hedge accounting is applied as cash flow hedging to highly probable cash flows from sales denominated in foreign currencies and contractual cash flows from floating interest rates of loans. In the management of price risks related to commodities, hedge accounting is applied to cash flows from highly probable purchases of electricity, liquefied natural gas (LNG), natural gas, propane, light, heavy and 0.5% fuel oil. The fair values of forward foreign exchange contracts are based on the forward prices prevailing on the balance sheet date based on the present value of cash flows calculated using market data. Currency options are measured at fair value in accordance with the

Black–Scholes model (Level 2). Interest rate swaps are measured at the current value of cash flows, with the calculation being based on the market interest rate yield curve (Level 2). The fair values of derivatives are measured on the basis of publicly quoted market prices (Level 1).

### Management of financial risks and hedge effectiveness

The management of the Group's currency, interest rate and commodity risks is described in more detail in Note 5.6. Management of financial risks. Note 5.7., Fair values of financial assets and liabilities, includes the fair values and grouping of derivatives. Note 5.1, Equity, includes itemisations of hedge accounting entries in the fair value reserve.

The hedging of the currency flow position is effective, given that there is a direct financial relationship between the hedged sale and the hedging derivative. The spot rate component of a forward contract or the reference value component of a currency option has been determined as the hedged item, and the forward points or the option's time value are treated as hedging costs subject to amortisation based on the period. Currency flow forecasts are fairly stable, invoicing steady within quarters and months, and forward deals are allocated to each month, due to which the ineffectiveness of hedging usually remains very low. Changes in production or the structure of sales may sometimes lead to ineffectiveness during the validity of a hedging relationship, in which case the hedging is adjusted accordingly.

The hedge accounting of the cash flow from interest rates is primarily effective, given that there is a direct financial relationship between the long-term loans subject to hedging and the hedging interest rate swaps. Ineffectiveness in the hedge relationship derives from any possible differences between the loans and the swaps' interest rate periods as well as from differences in the reference rates of contract terms. The ineffective portion of interest rate hedging is recognised through profit and loss. Premature loan withdrawals or premature repayment of loans may result in a state of ineffectiveness, in which case the hedging interest rate swaps are reversed or derecognised from hedge accounting, and the change in fair value is recognised in financial items under income.

The hedging of commodity purchases is effective, given that, in lieu of the total purchase price, the hedged item is the same, identical risk component of pricing applied in the hedging derivative. In the hedging of the price risk of electricity, the hedged item is what is referred to as the portion of the system price and the hedging takes place with a system-priced electricity swap. Correspondingly, the price components of the purchases and the hedging derivative in the hedging of natural gas, propane and fuel oil are identical or nearly identical, in which case the correspondence is monitored by correlation calculations. Commodity purchases are fairly steady and hedges are allocated to each month, due to which the ineffectiveness of the hedging usually remains low. Changes in the use of various commodities may sometimes lead to ineffectiveness during the validity of a hedging relationship, in which case the hedging is adjusted accordingly.

## Derivatives 2024

EUR million	Nominal value		Fair value			
		Derivative assets	Derivative liabilities	Fair value net	Fair value through profit and loss	Fair value through other comprehensive income
Interest rate swaps	50.0	0.3		0.3		0.3
<b>Interest rate derivatives</b>	50.0	0.3		0.3		0.3
Currency forward contracts	1,327.0	5.2	25.4	-20.3	-1.9	-18.4
Currency option contracts	496.6	0.0	4.1	-4.0		-4.0
<b>Currency derivatives</b>	1,823.6	5.2	29.5	-24.3	-1.9	-22.5
Oil derivatives	16.8	0.8	0.2	0.7		0.7
Natural gas and propane derivatives	11.1	2.9		2.9		2.9
<b>Commodity derivatives</b>	28.0	3.8	0.2	3.6		3.6
<b>Derivatives total</b>	1,901.6	9.2	29.7	-20.5	-1.9	-18.6

## Derivatives 2023

EUR million	Nominal value		Fair value			
		Derivative assets	Derivative liabilities	Fair value net	Fair value through profit and loss	Fair value through other comprehensive income
Interest rate swaps	50.0	1.5		1.5		1.5
<b>Interest rate derivatives</b>	50.0	1.5		1.5		1.5
Currency forward contracts	1,138.3	27.7	5.7	21.9	0.9	21.0
Currency option contracts	488.7	2.2	0.3	1.9		1.9
<b>Currency derivatives</b>	1,627.0	29.8	6.0	23.8	0.9	22.9
Oil derivatives	18.7	0.2	0.6	-0.5		-0.5
Natural gas and propane derivatives	10.8		3.5	-3.5		-3.5
<b>Commodity derivatives</b>	29.5	0.2	4.1	-4.0		-4.0
<b>Derivatives total</b>	1,706.4	31.5	10.2	21.4	0.9	20.5

Changes in the value of hedge accounting and the effects on profit or loss are presented in Note 5.1 Equity.

## Economic effect of the net settlement of instruments under master netting agreements executed

	2024			2023		
	Financial derivatives on-balance sheet	Assets and liabilities related to master netting agreements	Net risk	Financial derivatives on-balance sheet	Assets and liabilities related to master netting agreements	Net risk
Derivative assets	9.2		9.2	31.5		31.5
Derivative liabilities	-29.7		-29.7	-10.2		-10.2

Metsä Board enters into derivative contracts only with Metsä Group Treasury Oy.

## Cash flow hedge maturities 2024

EUR million	1-6 months	7-12 months	1-5 years	over 5 years	Hedged cash flow total
Interest rate derivatives, hedge accounting	50.0				50.0
Currency rate derivatives, hedge accounting	704.7	290.7			995.4
Currency derivatives, no hedge accounting	164.7				164.7
Commodity derivatives, hedge accounting	14.0	14.0			28.0

## Cash flow hedge maturities 2023

EUR million	1-6 months	7-12 months	1-5 years	over 5 years	Hedged cash flow total
Interest rate derivatives, hedge accounting			50.0		50.0
Currency rate derivatives, hedge accounting	613.5	200.3			813.8
Currency derivatives, no hedge accounting	79.9				79.9
Commodity derivatives, hedge accounting	14.7	14.7			29.5



## 6. Income taxes

### Accounting principles

Tax expenses in the income statement consist of taxes based on the taxable income for the period, taxes for previous periods, and deferred tax assets and liabilities. The tax effect related to the items recorded in the comprehensive income statement is recognised in the comprehensive income statement. Taxes based on the taxable income for the period are calculated based on taxable income in accordance with the tax rate as it stands in each country at that time.

Deferred tax assets and liabilities are calculated on the temporary differences between the carrying amount and the tax base in accordance with the tax rates enacted as at the balance sheet date.

No deferred taxes are recognised for non-deductible goodwill, and no deferred taxes are recognised for subsidiaries' undistributed profits to the extent that the difference will not likely realise in the predictable future. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes are related to the same taxation authority.

The most significant temporary differences arise from depreciation of property, plant and equipment; the measurement of other investments and derivatives contracts at fair value; defined benefit plans; unused tax losses; and measurement at fair value in conjunction with acquisitions of business operations.

### Key estimates and judgements

The management's judgement is required for determining the taxes based on the result for the period, deferred tax assets and liabilities, and the extent to which deferred tax assets are recorded. The Group is subject to income taxation in several countries, and the final amount of tax is uncertain for several business operations and calculations. The Group anticipates future tax audits and recognises liabilities based on estimates of whether further taxes will need to be paid. If the associated final tax differs from the originally recorded amounts, the difference has an effect on both the taxes based on the taxable income for the period, and on deferred tax receivables and liabilities.

EUR million	2024	2023
Income taxes for the financial period	-4.6	-12.8
Income taxes from previous periods	-0.2	-0.1
Deferred taxes	-7.3	-6.4
Income taxes total	-12.0	-19.3

### Income tax reconciliation

EUR million	2024	2023
Result before tax	51.4	120.9
Calculated tax at Finnish statutory rate of 20.0%	-10.3	-24.2
Effects of differences between Finnish and non-Finnish tax rates	-0.7	-0.6
Tax exempt income	0.9	0.5
Non-deductible expenses	-0.4	-0.2
Restatement of deferred taxes recognised for temporary differences and tax losses in previous years	0.4	-0.4
Use of unrecognised tax losses	0.3	0.7
Share of result from associate companies and joint ventures	-1.8	4.8
Income taxes from previous periods	-0.2	-0.1
Other	-0.4	0.2
Income taxes total	-12.0	-19.3
Effective tax rate, %	23.3	16.0

Taxes reported in other comprehensive income are specified in Note 5.1.

Pillar II, prepared in the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, concerns the global minimum taxation of international groups' income. The change concerns a new supplementary tax for large groups, which aims to ensure at least a minimum level of taxation of 15% worldwide. If the combined effective tax rate of any of the group's operating countries, calculated according to the rules on minimum taxation, is below 15%, a supplementary tax will be imposed, which will increase the effective tax rate to 15%. The change will apply to financial periods starting after 31 December 2023 in the country concerned. According to Metsä Group's current assessment, the global minimum taxation under Pillar II will either have no effect at all or will not have a material impact on the taxes paid by the group.

## Deferred tax assets and liabilities 2024

EUR million	1 Jan 2024	Charged to income statement	Charged to other comprehensive income	Translation differences	31 Dec 2024
Deferred tax assets					
Rental agreements	4.1	0.0		-1.5	2.6
Pension obligations and provisions	3.5	-0.8	0.1	0.3	3.1
Intercompany margins	4.8	-2.8		0.1	2.1
Unused tax loss carry-forwards	29.7	-3.3		-0.9	25.5
Financial instruments		5.6		0.0	5.6
Other temporary differences	3.8	-1.0		-0.3	2.5
<b>Total</b>	<b>45.9</b>	<b>-2.4</b>	<b>0.1</b>	<b>-2.3</b>	<b>41.4</b>
Netting against liabilities	-36.4	2.4		-2.1	-36.2
Deferred tax assets in balance sheet	9.5	0.0	0.1	-4.5	5.2
Deferred tax liabilities					
Rental agreements	3.9	0.3		-1.5	2.7
Pension obligations	0.3	0.1	-0.3	0.4	0.4
Depreciation differences and appropriations	114.1	4.1		-2.3	115.8
Other investments recognised at fair value	44.7		-6.9		37.8
Financial instruments	5.9	0.3	-7.8		-1.6
Net investments in foreign operations		0.2		-0.2	
Other temporary differences	6.6	-0.1		-2.3	4.2
<b>Total</b>	<b>175.5</b>	<b>4.9</b>	<b>-15.1</b>	<b>-5.9</b>	<b>159.4</b>
Netting against receivables	-36.4	2.4		-2.1	-36.2
Deferred tax liabilities in balance sheet	139.2	7.3	-15.1	-8.1	123.2

## Deferred tax assets and liabilities 2023

EUR million	1 Jan 2023	Charged to income statement	Charged to other comprehensive income	Translation differences	31 Dec 2023
Deferred tax assets					
Rental agreements	2.3	1.8		0.0	4.1
Pension obligations and provisions	3.5	-0.4	0.2	0.2	3.5
Intercompany margins	8.2	-3.2		-0.2	4.8
Unused tax loss carry-forwards	0.8	28.0		1.0	29.7
Other temporary differences	2.6	1.0		0.2	3.8
<b>Total</b>	<b>17.3</b>	<b>27.2</b>	<b>0.2</b>	<b>1.2</b>	<b>45.9</b>
Netting against liabilities	-7.9	-26.8		-1.6	-36.4
Deferred tax assets in balance sheet	9.4	0.4	0.2	-0.4	9.5
Deferred tax liabilities					
Rental agreements	2.5	1.4			3.9
Pension obligations	0.1	0.1	-0.1	0.2	0.3
Depreciation differences and appropriations	79.0	31.2		3.9	114.1
Other investments recognised at fair value	62.9		-18.2		44.7
Financial instruments	3.9	-0.2	1.6	0.5	5.9
Other temporary differences	9.0	0.7		-3.1	6.6
<b>Total</b>	<b>157.4</b>	<b>33.6</b>	<b>-16.7</b>	<b>1.2</b>	<b>175.5</b>
Netting against receivables	-7.9	-26.8		-1.6	-36.4
Deferred tax liabilities in balance sheet	149.5	6.8	-16.7	-0.4	139.2

The Group has recognised deferred tax assets from tax losses of EUR 22.6 million (0.0) in Sweden and EUR 2.2 million (0.0) in Finland and EUR 0.9 million (0.7) in other countries. Management estimates that the Group will accrue taxable income in the coming years, from which losses can be deducted. Tax losses do not expire except in Finland, where the expiration period is 10 years.

The tax losses, the amount or use of which is uncertain and therefore not recognised as a deferred tax asset, amounted to approximately EUR 90 (93) million in Germany and the United Kingdom. The deferred tax asset unrecognised from these tax losses is approximately EUR 29 (29) million. Tax losses do not expire.

# 7. Group structure

## 7.1 Group companies

### Accounting principles

#### Subsidiaries

The financial statements include all of the companies controlled by the Group. Intra-Group shareholding is eliminated using the acquisition method. Intra-Group business transactions, receivables, liabilities and unrealised gains, as well as internal distribution of profits, are eliminated on consolidation. Unrealised losses arising from impairment are not eliminated. When necessary, the accounting principles applied by subsidiaries have been adjusted to comply with the Group's principles.

The parent company's owners' and non-controlling interests' shares of the result for the period and comprehensive income are presented in

the income statement and the distribution of comprehensive income in the statement of comprehensive income. The non-controlling interests' share of equity is presented as a separate item under equity on the balance sheet.

#### Joint operations

A joint operation is a joint arrangement in which parties who have joint control in the arrangement have rights concerning the assets related to the arrangement and obligations concerning liabilities. The Group consolidates its proportion of the assets, liabilities, income and expenses of the joint operation in its financial statements.

## Subsidiaries and joint operations 31 December 2024

### Metsä Board Plc holdings in Group companies

	Country	Holding, %	Number of shares	Book value EUR
<b>Holdings in parent company</b>				
Metsäliitto Cooperative	Finland	-	716 041	716,041.03
<b>Subsidiary shares</b>				
<b>In Finland</b>				
Metsä Board International Oy	Finland	100.00	10,000	23,347,464.13
<b>in other countries</b>				
Metsä Board Americas Corporation <sup>1)</sup>	USA	99.00	17,820	12,209,018.39
Metsä Board Benelux n.v./s.a <sup>1)</sup>	Belgium	0.08	2	0.00
Metsä Board Deutschland GmbH	Germany	100.00	1	0.00
Metsä Board Ibéria S.A. <sup>1)</sup>	Spain	1.00	100	1,561.63
Metsä Board Sverige Ab	Sweden	100.00	10,000,000	750,358,228.09
Subsidiary shares total				785,916,272.24
Shares and holdings in Group companies				786,632,313.27

<sup>1)</sup> Total Group holding 100.0%

### Subgroup in Finland

#### Metsä Board International Oy

Metsä Board Benelux n.v./s.a <sup>1)</sup>	Belgium	99.92	2,919	140,001.71
Metsä Board France SAS	France	100.00	8,211	418,951.75
Metsä Board Ibéria S.A. <sup>1)</sup>	Spain	99.00	147,771	155,316.78
Metsä Board Italia S.r.l.	Italy	100.00	100,000	1,250,691.84
Metsä Board (Middle East & Africa) Ltd	Cyprus	100.00	742,105	214,000.00
Metsä Board Polska Sp. Z o.o.	Poland	100.00	232	54,458.58
Metsä Board Singapore Pte Ltd	Singapore	100.00	10,000	4,036.51
Metsä Board Singapore Pte Ltd Indian Branch	India	100.00	-	-
Metsä Board Turkey LLC	Turkey	100.00	400	2,303.66
Metsä Board UK Ltd	United Kingdom	100.00	2,400	264,172.02
Metsä Board Americas Corporation <sup>1)</sup>	USA	1.00	180	4,435.15
Metsä Board Australia and New Zealand Pty Ltd	Australia	100.00	1	41,827.54
Total				2,550,195.54

<sup>1)</sup> Total Group holding 100.0%

	Country	Holding, %	Number of shares	Book value EUR
<b>Subgroup in other countries</b>				
<b>Metsä Board Sverige Ab</b>				
Husum Pulp Ab	Sweden	70.00	85,664	184,647,891.63

## Material subsidiaries

Metsä Board has two material subsidiaries:

- **Metsä Board Sverige AB**

Metsä Board Sverige AB is located in Örnsköldsvik, Sweden. Metsä Board Sverige AB produces folding boxboard and kraftliner. Metsä Board Sverige AB's sales were EUR 437 million (396). The company's capacity is 250,000 tonnes of liner and 600,000 tonnes of folding boxboard.

- **Husum Pulp AB**

Husum Pulp AB produces pulp for Metsä Board Sverige Ab and to the market. The company's sales were EUR 463 million (370) and capacity 730,000 tonnes of chemical pulp.

## 7.2 Non-controlling interest's shares

### Accounting principles

Changes in the parent company's ownership interest in a subsidiary that do not result in a loss of control are treated as equity transactions.

### Non-controlling interest's shares

Principal non-controlling interest's shares

EUR million	Country	Non-controlling interest Holding, %		Non-controlling interest Share of result, EUR million		Non-controlling interest Share of equity, EUR million	
		2024	2023	2024	2023	2024	2023
Husum Pulp AB	Sweden	30.0%	30.0%	14.1	6.8	164.7	155.6

## 7.3 Associate companies and joint ventures

### Accounting principles

Associated companies include all companies over which the Group has considerable influence but no control. Significant influence is usually based on a shareholding conferring 20–50% of the voting rights. A joint venture is a joint arrangement in which the parties that have joint control of the arrangement have rights to its net assets. Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost. The Group's shares in associated companies and joint ventures also include the goodwill measured at the time of acquisition, less any impairment.

The Group's share of the profits or losses of associated companies and joint ventures is recognised in the income statement as a separate line item above the operating result in case of associate company Metsä Fibre and below the operating result in case of other associate companies. Correspondingly, the Group's share of other comprehensive income in associated companies and joint ventures is recognised in its items of other comprehensive income. A proportion corresponding to the Group's shareholding is eliminated from unrealised profits between the Group and its associate companies and joint ventures. Unrealised losses arising from impairment are not eliminated. When necessary, the accounting principles applied by associated companies and joint ventures have been adjusted to comply with the Group's principles.

### Investments in associate companies and joint ventures

EUR million	2024	2023
Value 1 Jan	549.9	614.2
Share of results from associated companies and joint ventures		
Share of result from Metsä Fibre	-8.8	24.2
Share of results from other associated companies and joint ventures	0.0	0.0
Dividends received	-9.8	-82.8
Share of other comprehensive income from associated companies and joint ventures		
Translation differences and other changes in equity	-13.8	-5.7
Investments in associated companies and joint ventures 31 Dec	517.5	549.9

### Amounts recognised in income statement

EUR million	2024	2023
Associate companies	-8.8	24.2
Amounts recognised in income statement total	-8.8	24.2

### Amounts recognised in balance sheet

EUR million	2024	2023
Associate companies	517.5	549.9
Amounts recognised in balance sheet total	517.5	549.9

The carrying amount of associated companies at 31 December 2024 includes goodwill of EUR 45.2 million (45.2). None of the associate companies or joint ventures are listed companies. Transactions with associate companies and joint ventures are detailed in Note 7.3.

### Financial information summary of essential associated companies

According to management's view, the only essential associated company is Metsä Fibre Group, which produces chemical pulp and sawn timber. Metsä Board owns 24.9% of Metsä Fibre. Metsä Board's parent company, Metsäliitto Cooperative, owns 50.1%, and Itochu Corporation from Japan owns 25.0%. Metsä Fibre has operations primarily in Finland, and its production capacity is approximately 3.3 million tonnes of chemical pulp. In Addition Metsä Fibre has five sawmills in Finland.

### Summarised financial information for Metsä Fibre

#### Metsä Fibre Group

EUR million	2024	2023
Sales	2,328.3	2,498.6
Result for the period	-35.2	78.7
Other comprehensive income	-55.5	-22.9
Total comprehensive income for the period	-90.7	55.8
Dividend received	9.8	82.8
Non-current assets	3,270.6	3,467.3
Current assets	982.2	980.9
Non-current liabilities	1,278.1	1,378.4
Current liabilities	1,089.2	1,054.3
Net assets	1,885.4	2,015.5

### Reconciliation of financial information for Metsä Fibre to the value recognised in consolidated balance sheet

EUR million	2024	2023
Group's share of net assets	469.5	501.9
Goodwill	45.2	45.2
Other purchase price allocations at acquisition	3.5	4.1
Other adjustments	-0.6	-1.3
Carrying value of associated company in consolidated balance sheet	517.7	549.8

Metsä Fibre has been consolidated according to equity method based on its consolidated financial statements prepared under IFRS.

### Financial information summary of other than essential associated companies

EUR million	2024	2023
Share of result from other associated companies	0.0	0.0
Carrying value in consolidated balance sheet	0.2	0.2

## 7.4 Acquisitions and operations disposed of

### Accounting principles

Acquired business operations are consolidated from the time when control is transferred to the Group, and divested operations are consolidated until the time when control is transferred away from the Group.

The consideration paid, including the contingent sales price and the identifiable assets and liabilities of the acquired business operations, are measured at fair value at the time of acquisition. Expenses related to acquisitions are recognised as costs. Depending on the acquisition, the non-controlling interests' share in the object of the acquisition is recognised at fair value or the amount that corresponds to the non-controlling interests' proportion of the net assets of the object of the acquisition

The amount by which the sum of the consideration paid, the fair value of the non-controlling interests' share and the fair value of the assets previously owned in the object of the acquisition exceed the fair value of the identifiable net assets is recognised as goodwill.

### Divested operations

Metsä Board sold its Russian sales company to VLP Group on 13 May 2024 and recognised a loss of EUR -0,5 million. Metsä Board discontinued business operations in Russia in 2022. Since the completion of the transaction, the Metsä Board no longer owns anything in Russia.

## 7.5 Related party transactions

Related parties include Metsä Board's ultimate parent company Metsäliitto Cooperative, which owns 52.0% of Metsä Board's shares and 68.9% of the voting rights, other subsidiaries of Metsäliitto, associated companies and joint ventures. The members of the Board of Directors, Metsä Group's Executive Management Team and Metsä Board's Corporate Management Team as well as their close family members are also included in related parties.

The management's salaries, remuneration and pension expenses are presented in Note 3.2.

The most significant subsidiaries of Metsäliitto, with which Metsä Board has business transactions, are as follows:

- Metsä Tissue Group
- Metsä Fibre Group
- Metsä Forest Sverige Ab

Metsä Fibre has been consolidated by using equity method according to Investments in associates standard (IAS 28). Related party transactions with Metsä Fibre are presented as transactions with sister companies.

Financial operations of the Group have been centralised to Metsä Group Treasury Oy, which is a wholly-owned subsidiary of Metsäliitto Cooperative and in charge of managing the Group companies' financial positions according to the strategy and financial policy defined by the Group, providing necessary financial services and acting as a competence center in financial matters. Financial transactions with Metsä Group Treasury Oy are carried out at market prices.

The value of wood purchases from Metsäliitto Cooperative was EUR 201.2 million (171.3) and pulp purchases from Metsä Fibre Oy EUR 276.8 million (255.8). The purchases were carried out at market prices.

Metsä Board is participating in the supplementary pension arrangement of Metsä Group executives. Payments to the arrangement amounted to EUR 0.6 million in 2024 (0.5).

### Transactions with parent company and sister companies

EUR million	Transactions with parent company		Transactions with sister companies	
	2024	2023	2024	2023
Sales	3,6	9,6	112,3	9,6
Other operating income	4,9	5,0	1,3	5,0
Purchases	-264,8	-213,4	-460,4	-213,4
Share of result from associated companies			-8,8	24,2
Interest income			8,4	9,4
Interest expense		0,1	-1,2	-0,4
Investments			-42,1	
Receivables				
Trade receivables and other receivables	0,7	1,6	26,6	49,8
Cash equivalents			179,2	278,4
Liabilities				
Trade payables and other liabilities	51,8	23,8	139,6	46,6

### Transactions with associated companies and joint ventures

EUR million	2024	2023
Sales	0,7	0,5
Purchases		-0,1
Receivables		
Trade receivables and other receivables	0,1	0,2

Metsä Board has classified interest-bearing receivables comparable to cash funds and available immediately from Metsä Group's internal bank Metsä Group Treasury Oy as Cash and cash equivalents.

The receivables from group companies do not include doubtful receivables, and no bad debt was recognised during the period. No security or collateral has been provided for group liabilities.

## 8. Other notes

### 8.1 Contingent liabilities, assets and commitments

#### Key estimates and judgements

##### Disputes and claims

Metsä Board companies have been sellers in several share transactions in recent years. In these divestments, the companies have issued regular seller's assurances. Claims presented against Metsä Board companies and costs incurred by the companies due to these assurances cannot be ruled out.

#### Commitments

EUR million	2024	2023
Leases not yet commenced to which the Group is committed	0.7	1.6
Total	0.7	1.6

Commitments include granted pledges, mortgages and floating charges as well as guarantees.

#### Investment commitments

EUR million	2024	2023
Payments due in following 12 months	1.4	69.7
Payments due later	0.4	0.8
Total	1.8	70.5

#### Other information

Metsä Board has investment grade credit ratings from S&P Global and Moody's Investor Service. Metsä Board's rating by S&P Global is BBB- with a stable outlook. The company's rating by Moody's is Baa2 with a stable outlook.

### 8.2 Events after the financial period

On 16 January 2025, Metsä Board announced its plans to close the Tako board mill and improve the efficiency of the Kyro board mill due to prolonged weak profitability. The company initiated change negotiations at both mills and related operations. We have initiated change negotiations at both mills. No decisions concerning personnel reductions and mill closure will be made until the negotiations have been concluded.

On 6 February 2025, Metsä Board announced that it will start a pre-engineering in cooperation with Metsä Tissue to investigate potential change of product produced on Husum BM2. The pre-engineering is expected to take 12 months and it would enable new capacity of approximately 80,000 tonnes of foodservice packaging papers and siliconized greaseproof papers. Production of the white kraftliner will continue at full capacity at least until the possible investment shutdown of BM2. The start-up of the rebuilt line would be earliest in Q4/2027.

# Parent company's financial statements

## Income statement

EUR	NOTE	1.1.–31.12.2024	1.1.–31.12.2023
<b>Sales</b>	2	1,255,155,685.28	1,239,168,327.91
Change in stocks of finished and unfinished products	3, 4	12,115,612.05	-59,575,562.56
Other operating income		86,974,184.38	81,035,662.81
Materials and services			
Materials, consumables and goods			
Purchases during the financial period		-813,994,757.43	-735,583,407.40
Changes in stocks		4,205,311.64	11,327,074.69
External services	5	-232,173,374.01	-204,945,195.88
Employee costs	5	-103,581,145.93	-101,494,562.44
Depreciations and impairment charges	3, 6	-61,629,733.62	-50,438,167.30
Other operating expenses	3, 5	-125,140,890.36	-117,576,834.01
		-1,332,314,589.71	-1,198,711,092.34
<b>Operating profit/loss</b>		21,930,892.00	61,917,335.82
Financial income and expenses	7		
Income from group companies		73,509,700.49	103,927,858.98
Income from investments in other non-current assets		94,652.26	945.00
Other interest and financial income		281,843.31	301,640.04
Exchange rate differences		-4,914,376.10	-5,398,633.64
Interest expenses and other financial expenses		-15,882,154.35	-13,215,197.30
		53,089,665.61	85,616,613.08
<b>Profit/loss before appropriations and taxes</b>		75,020,557.61	147,533,948.90
Appropriations			
Change in depreciation differences	6	-29,006,231.44	-24,354,472.54
Group contribution		1,000,000.00	
Income taxes	8	2,664,482.24	-7,843,257.95
<b>Profit/loss for the financial period</b>		49,678,808.41	115,336,218.41



# Parent company

## Balance sheet

EUR	Note	31.12.2024	31.12.2023	EUR	Note	31.12.2024	31.12.2023
<b>ASSETS</b>				<b>EQUITY AND LIABILITIES</b>			
<b>NON-CURRENT ASSETS</b>				<b>SHAREHOLDERS' EQUITY</b>			
<b>Intangible assets</b>	9				12		
Intangible assets		7,678,883.67	11,089,921.66	Share capital		557,881,540.40	557,881,540.40
Other intangible assets		403,255.41	512,038.25	Other reserves			
Advance payment and construction in progress		28,277,699.91	8,256,659.20	Reserve for invested unrestricted equity		210,639,481.81	210,639,481.81
		36,359,838.99	19,858,619.11	Value adjustment reserve		137,422,660.27	195,273,187.14
				Profit/loss for previous financial periods		218,714,526.78	192,906,977.09
				Profit/loss for the financial period		49,678,808.41	115,336,218.41
						1,174,337,017.67	1,272,037,404.85
<b>Property, plant and equipment</b>	9			<b>APPROPRIATIONS</b>			
Land and water areas		29,920,088.35	30,046,780.31	Accumulated depreciation difference	6	229,362,824.54	200,356,593.10
Buildings and constructions		146,237,007.92	142,309,889.82	<b>PROVISIONS</b>			
Machinery and equipment		307,029,230.84	259,941,625.99		13	2,438,948.00	2,758,948.00
Other tangible assets		6,446,100.52	6,835,013.27	<b>LIABILITIES</b>			
Advance payment and construction in progress		26,669,977.81	43,361,374.25	<b>Non-current liabilities</b>			
		516,302,405.44	482,494,683.64		15		
				Bonds		249,769,529.03	249,685,345.02
<b>Investments</b>	10			Loans from financial institutions		152,941,176.48	164,705,882.36
Shares in group companies		786,632,313.27	529,953,996.10	Advance payments		4,904,056.51	7,354,456.51
Receivables from group companies		128,466,313.09	288,654,833.04	Deferred tax liability	8, 14	31,378,380.05	48,266,450.66
Shares in associated companies		86,429,409.33	86,429,409.33	Other liabilities		649,459.11	865,945.59
Other shares and holdings		218,984,414.93	253,698,707.84			439,642,601.18	470,878,080.14
		1,220,512,450.62	1,158,736,946.31	<b>Current liabilities</b>			
					16		
<b>Total non-current assets</b>		1,773,174,695.05	1,661,090,249.06	Commercial papers		29,736,827.38	
<b>CURRENT ASSETS</b>				Loans from financial institutions		11,764,706.19	11,764,705.88
<b>Inventories</b>				Advance payments		4,242,438.42	4,687,512.48
Materials and consumables		71,682,844.37	64,903,754.79	Trade payables		115,303,163.36	122,711,978.74
Finished products		150,202,175.07	138,086,563.02	Liabilities to group companies		184,565,946.37	94,701,965.84
		221,885,019.44	202,990,317.81	Other liabilities		5,604,941.60	6,832,689.40
				Accruals and deferred income		49,394,801.90	58,777,075.75
						400,612,825.22	299,475,928.09
<b>Receivables from group companies</b>				<b>Total liabilities</b>		840,255,426.40	770,354,008.23
Receivables from group companies		34,907,059.95	37,596,485.20	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
		34,907,059.95	37,596,485.20			2,246,394,216.61	2,245,506,954.18
				<b>Current receivables</b>			
	11			Trade receivables		105,360,385.66	115,699,537.58
Trade receivables		105,360,385.66	115,699,537.58	Receivables from group companies		74,887,353.03	196,956,199.22
Receivables from group companies		74,887,353.03	196,956,199.22	Receivables from associated companies		109,751.16	195,710.12
Receivables from associated companies		109,751.16	195,710.12	Other receivable		27,109,557.13	15,553,670.54
Other receivable		27,109,557.13	15,553,670.54	Prepayments and accrued income		8,933,098.61	5,097,591.69
Prepayments and accrued income		8,933,098.61	5,097,591.69			216,400,145.59	333,502,709.15
		216,400,145.59	333,502,709.15	<b>Total receivables</b>		251,307,205.54	371,099,194.35
<b>Cash and cash equivalents</b>		27,296.58	10,327,192.96				
<b>Total current assets</b>		473,219,521.56	584,416,705.12				
<b>TOTAL ASSETS</b>		2,246,394,216.61	2,245,506,954.18				

# Parent company accounts

## Cash flow statement

EUR	1.1.–31.12.2024	1.1.–31.12.2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/loss before appropriations and taxes	75,020,557.61	147,533,948.90
Adjustments to profit/loss a)	-21,890,370.91	-85,927,509.95
Interest received	19,503,503.73	21,422,500.02
Interest paid	-15,183,878.02	-12,275,116.16
Dividends received	54,260,864.27	82,767,207.10
Other financial items, net	-774,591.35	-3,570,452.49
Income taxes paid	-10,362,226.38	29,642,145.48
Change in net working capital b)	-20,951,128.11	79,748,470.25
<b>Net cash flow from operating activities</b>	<b>79,622,730.84</b>	<b>259,341,193.15</b>
<b>INVESTMENTS</b>		
Acquisition of other shares	-256,637,168.14	
Investments in tangible and intangible assets	-116,869,227.18	-87,896,874.00
Proceeds from disposal of shares in affiliated companies,		4,757,354.04
Proceeds from other investments	457,944.70	
Proceeds from sale of tangible and intangible assets	35,040,990.80	59,000,151.81
Increase and decrease of non-current receivables, net	159,491,937.36	
<b>Total cash flow from investing activities</b>	<b>-178,515,522.46</b>	<b>-24,139,368.15</b>
<b>CASH FLOW BEFORE FINANCIAL ACTIVITIES</b>	<b>-98,892,791.62</b>	<b>235,201,825.00</b>
<b>Cash flow from financial activities</b>		
Acquisition of own shares		0.00
Dividends paid and other profit distribution	-88,758,714.00	-205,740,701.92
Payment of non-current interest bearing liabilities	-11,764,705.88	-11,764,705.88
Change in other non-current liabilities	-2,666,886.49	4,738,476.69
Change in current non-interest bearing liabilities, net	67,991,573.24	30,000,000.00
Increase or decrease in interest bearing current receivables, net	123,791,628.35	-55,479,374.52
<b>Net cash flow arising from financing activities</b>	<b>88,592,895.22</b>	<b>-238,246,305.63</b>
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>-10,299,896.40</b>	<b>-3,044,480.63</b>
Cash and cash equivalents opening balance	10,327,192.96	13,371,673.53
Change in cash and cash equivalents	-10,299,896.40	-3,044,480.63
Cash and cash equivalents closing balance	27,296.56	10,327,192.90
a) Adjustments to profit/loss		
Depreciations and impairment charges	61,629,733.62	50,438,167.30
Financial income and expenses	-53,089,665.61	-85,616,613.08
Gains or losses on sale of fixed assets	-30,110,438.92	-50,778,155.17
Change in provisions	-320,000.00	29,091.00
Total	-21,890,370.91	-85,927,509.95
b) Change in net working capital		
Inventories	-18,894,701.63	63,680,745.14
Change in current receivables, non-interest bearing	-21,268,701.95	84,830,229.14
Change in current liabilities, non-interest bearing	19,212,275.47	-68,762,504.03
Total	-20,951,128.11	79,748,470.25

# Parent company accounting policies

## 1. Accounting policies

### Metsä Board Group

Metsä Board Oyj belongs to Metsä Group, whose parent company is Metsäliitto Cooperative. Metsäliitto Cooperative's registered office is in Helsinki. The Metsä Group prepares consolidated financial statements which are available at the Group's main office at Revontulenpuisto 2 A, FIN-02100 Espoo, Finland.

Metsä Board Oyj's financial statements have been prepared in accordance with Finnish Accounting Standards (FAS).

Metsä Board Oyj has related party transactions in the Metsä Group. Those are described in more detail in the Metsä Board Annual report in section 7.3. Transactions with related parties are based on market prices.

### Foreign currency transactions

Foreign exchange gains and losses have been booked to exchange gains/losses under financial income and expense. Open and actual foreign exchange differences hedging sales are recorded immediately to financial income and expenses in the income statement. Exchange rate differences are recorded in the financial statements with effect on profit.

### Derivative financial instruments

The company uses derivatives only for hedging against currency, interest rate and commodity risks. Derivatives are valued at fair value in accordance with the alternative treatment permitted by Chapter 5, Section 2a of the Accounting Act. The management of financial risks and the principles applied to derivatives are explained in Notes 5.6 and 5.7 to the consolidated financial statements.

The unrealised fair value of cash flow hedges in hedge accounting is recognised in the fair value reserve of the balance sheet to the extent that they are effective. The unrealised fair value of derivatives not in hedge accounting is recognised in the income statement. In addition, the company has recognised deferred tax assets and liabilities as a separate item in the income statement and balance sheet during the financial year.

Metsä Board Oyj applies the fair value option under Chapter 5, Section 2a of the Accounting Act also to the other shares and holdings. Accordingly, the company has classified its shares in Pohjolan Voima Oyj as financial assets at fair value through equity in accordance with IFRS 9 and other equity instruments in financial assets valued at fair value through profit or loss. The principles applied in determining the fair value of shares and the sensitivity of fair value to various valuation factors are described in Note 4.3 to the consolidated financial statements.

### Sales

Sales are calculated after deduction of indirect sales taxes, trade discounts and other items adjusting sales.

### Share-based payments

Share-based payments are booked on the fiscal year when the non cancelable right of the shares for the employee is issued.

### Pensions and pension funding

Statutory pension security is handled by pension insurance companies outside the Group. In addition to statutory pension security, some salaried employees have supplementary pension arrangements which are either insured at Pohjola or are arranged through Metsäliitto Employees' Pension Foundation or are Metsäliitto Employees' Pension Foundation or are an unfunded liability of the company. Pension insurance premiums have been accrued to correspond to the accrual-based wages and salaries given in the financial statements.

### Leasing

Lease payments are treated as rental expenses.

### Income taxes

Tax expenses in the income statement consists of taxes based on the taxable income for the period, taxes for the previous periods and deferred tax assets and liabilities. Deferred tax assets and liabilities are calculated on the temporary differences between the carrying amount and the tax base in accordance with the tax rate issued as at the balance sheet date. Deferred taxes are calculated on the basis of the enacted tax rate.

### Property, plant and equipment and depreciation

The carrying values of property, plant and equipment are based on original acquisition costs less depreciation according to plan and impairment losses.

Depreciation according to plan is based on the estimated useful life of the asset as follows:

Buildings and constructions	20–40 years
Heavy machines of power plants	20–40 years
Other heavy machines	15–20 years
Lightweight machinery and equipment	5–15 years
Other tangible assets	5–10 years

Depreciation is not recorded on the purchase cost of land and water.

### Inventories

Inventories are measured at the lower of cost or net realisable value. FIFO principle is observed in measuring inventories or, alternatively, the weighted average cost method. Value of finished and semi-finished goods comprises raw materials, direct wages and salaries, depreciation and amortisation and other direct cost as well as a reasonable share of variable and fixed production overhead cost calculated at normal level of production. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

### Provisions

Contingent costs and losses that are no longer generate corresponding income and for which the parent company is obliged or committed and whose monetary value can be reasonably estimated are recognized in the income statement in line with the nature of the expense item and in the mandatory provisions of the balance sheet.

EUR	2024	2023
<b>2. Sales by region</b>		
Finland	78,050,794.23	71,957,904.99
Other EU-countries	604,103,539.89	634,651,668.85
Other European countries	152,903,752.20	155,584,591.86
Other countries	420,097,598.96	376,974,162.21
Total	1,255,155,685.28	1,239,168,327.91
<b>3. Exceptional items</b>		
Other operating income		
Proceeds of selling land		2,707,107.12
Other operating expenses		
Impairment of Kaskinen preliminary study	-7,624,259.37	
Total	-7,624,259.37	2,707,107.12
<b>4. Other operating income</b>		
Rental income	1,252,022.58	1,195,943.71
Service revenue	19,725,302.03	18,372,566.27
Gains on disposal	30,186,253.48	50,797,267.91
Government grants and allowances	30,193,902.72	6,060,823.02
Scrap and waste sale	276,770.26	234,025.33
Others	5,339,933.31	4,375,036.57
Total	86,974,184.38	81,035,662.81
<b>5. Operating expenses</b>		
<b>External services</b>		
Distribution costs	-150,428,960.54	-134,631,795.07
Other external services	-81,744,413.47	-70,313,400.81
Total	-232,173,374.01	-204,945,195.88
<b>Employee costs</b>		
Wages and salaries for working hours	-59,311,632.92	-57,157,644.03
Share-based payments	-1,481,114.80	-2,183,679.64
Social security expenses		
Pension expenses	-16,211,813.83	-14,621,870.25
Other social security expenses	-26,576,584.38	-27,531,368.52
Total	-103,581,145.93	-101,494,562.44
Share-based fee arrangement is concerning 31.12.2024 30 persons of mother entity Metsä Board Oyj. From earning period 2021–2023 it is possible to earn total 378,813 (brutto), from earning period 2022–2024 total 415,508 (brutto), from earning period 2023–2025 total 426,377 (brutto) and from earning period 2024–2026 total 564,891 (brutto) Metsä Board B-series shares.		
Additional information of salaries, rewards and pension plans to management are presented in Group's Note 3.2.		
Additional information of share-based payments are presented in Group's Note 3.3.		
The average number of personnel during the financial period in the parent company	1,237	1,227
<b>Other operating expenses</b>		
Rental and other property costs	-15,576,906.67	-15,494,361.54
Purchases of services	-87,194,347.91	-80,399,030.53
Losses on disposal of non-current assets	-75,814.56	-19,112.74
Other expenses		
Voluntary social costs	-3,117,173.59	-2,454,527.45
Fixed energy costs	-6,408,140.48	-6,118,227.77
Traveling expenses	-1,626,053.86	-1,532,327.66
Insurances	-3,637,836.25	-3,427,277.87
Advertising and marketing expenses	-1,808,716.49	-2,755,110.69
Others	-5,695,900.55	-5,376,857.76
Total	-125,140,890.36	-117,576,834.01
<b>Fees of principal auditor</b>		
Audit fees	-231,000.00	-224,000.00
Auditor's opinions	-149,040.00	-12,359.30
Other services	-36,157.91	-31,762.33
Total	-416,197.91	-268,121.63
The principal auditor is KPMG Oy Ab.		

EUR	2024	2023
<b>6. Depreciation and impairment charges</b>		
<b>Planned depreciation</b>		
Intangible rights	-1,135,921.50	-961,615.18
Other intangible assets	-111,612.13	-100,208.89
Buildings and constructions	-9,864,043.20	-9,289,313.76
Machinery and equipment	-42,107,917.40	-38,747,838.08
Other tangible assets	-785,980.02	-819,224.47
Total	-54,005,474.25	-49,918,200.38
<b>Impairment on tangible and intangible assets</b>		
Intangible assets		-519,966.92
Other intangible assets	-7,624,259.37	
Total	-7,624,259.37	-519,966.92
Total depreciation and impairment	-61,629,733.62	-50,438,167.30
Change in depreciation difference	-29,006,231.44	-24,354,472.54
Total depreciation	-90,635,965.06	-74,792,639.84
Depreciation difference at the beginning of the financial year	200,356,593.10	176,002,120.56
Change in depreciation differences	29,006,231.44	24,354,472.54
Depreciation difference at the end of the financial year	229,362,824.54	200,356,593.10
<b>7. Financial income and expenses</b>		
<b>Income from investments in non-current assets</b>		
Dividend income		
From Group companies	54,207,361.04	82,806,999.00
From others	94,652.26	945.00
Total	54,302,013.30	82,807,944.00
Interest income on investments in non-current assets		
From Group companies	11,805,313.90	16,261,117.45
Total	11,805,313.90	16,261,117.45
Total income from non-current assets	66,107,327.20	99,069,061.45
<b>Other interest and financial income</b>		
Interest income from Group companies	7,497,025.55	4,859,742.53
Other interest income	201,164.28	301,640.04
Other financial income	80,679.03	
Total	7,778,868.86	5,161,382.57
<b>Exchange rate differences recognised in financial income and expenses</b>		
Exchange rate differences on sales	4,077,363.90	-450,166.38
Exchange rate differences on purchases	-296,159.97	-872,017.52
Exchange rate differences on financing	-8,695,580.03	-4,076,449.74
Total	-4,914,376.10	-5,398,633.64
<b>Interest and other financial expenses</b>		
Interest expenses for the same group companies	181,144.75	1,157,772.68
Other interest expenses	-15,446,365.76	-13,962,089.81
Other financial expenses	-616,933.34	-410,880.17
Total interest expenses and other financial expenses	-15,882,154.35	-13,215,197.30
Financial income and expenses total	53,089,665.61	85,616,613.08

EUR	2024	2023
<b>8. Income taxes</b>		
Taxes for the financial year		-7,849,008.63
Taxes for previous financial years	520,766.17	-67.52
Deferred taxes	2,143,716.07	5,818.20
Total	2,664,482.24	-7,843,257.95
<b>9. Intangible and tangible assets</b>		
<b>Intangible rights</b>		
Acquisition costs 1.1.	50,806,946.50	51,304,534.70
Increases	2,446,259.76	8,566,067.13
Decreases	-4,804,718.25	-9,071,775.42
Transfers between items	83,342.00	8,120.09
Acquisition costs 31.12.	48,531,830.01	50,806,946.50
Accumulated depreciation and impairment charges 1.1.	-39,717,024.84	-39,943,768.16
Accumulated depreciation of deductions and transfers		1,708,325.42
Depreciation and write-downs for the financial period	-1,135,921.50	-961,615.18
Impairments		-519,966.92
Accumulated depreciation and impairment 31.12.	-40,852,946.34	-39,717,024.84
Book value 31.12.	7,678,883.67	11,089,921.66
<b>Other intangible assets</b>		
Acquisition costs 1.1.	8,836,983.38	8,665,493.18
Increases	668,656.75	132,558.44
Decreases		-8,005.74
Transfers between items	6,958,431.91	46,937.50
Acquisition costs 31.12.	16,464,072.04	8,836,983.38
Accumulated depreciation and impairment charges 1.1.	-8,324,945.13	-8,233,482.01
Accumulated depreciation of deductions and transfers		8,745.77
Depreciation and write-downs for the financial period	-111,612.13	-100,208.89
Impairments	-7,624,259.37	
Accumulated depreciation and impairment 31.12.	-16,060,816.63	-8,324,945.13
Book value 31.12.	403,255.41	512,038.25
<b>Advance payments and work in progress</b>		
Acquisition costs 1.1.	8,256,659.20	133,093.84
Increases	27,062,814.62	8,123,565.36
Transfers between items	-7,041,773.91	
Acquisition costs 31.12.	28,277,699.91	8,256,659.20
<b>Intangible assets total</b>		
Acquisition costs 1.1.	67,900,589.08	60,103,121.72
Increases	30,177,731.13	16,822,190.93
Decreases	-4,804,718.25	-9,079,781.16
Transfers between items		55,057.59
Acquisition costs 31.12.	93,273,601.96	67,900,589.08
Accumulated depreciation and impairment charges 1.1.	-48,041,969.97	-48,177,250.17
Accumulated depreciation of deductions and transfers		1,717,071.19
Depreciation and write-downs for the financial year	-1,247,533.63	-1,061,824.07
Impairments	-7,624,259.37	-519,966.92
Accumulated depreciation and impairment charges 31.12.	-56,913,762.97	-48,041,969.97
Book value 31.12.	36,359,838.99	19,858,619.11

EUR	2024	2023
<b>Land and water areas</b>		
Acquisition costs 1.1.	30,046,800.51	26,340,456.62
Increases		4,768,400.00
Decreases	-125,833.63	-1,062,056.11
Transfers between items	-858.33	
Acquisition costs 31.12.	29,920,108.55	30,046,800.51
Accumulated depreciation and impairment charges 1.1.	-20.20	-20.20
Accumulated depreciation and impairment on 31.12.	-20.20	-20.20
Book value 31.12.	29,920,088.35	30,046,780.31
<b>Buildings and constructions</b>		
Acquisition costs 1.1.	349,321,797.65	326,310,652.31
Increases	11,275,661.01	8,832,311.77
Decreases	-186,016.75	-1,492,068.30
Transfers between items	2,515,500.29	15,670,901.87
Acquisition costs 31.12.	362,926,942.20	349,321,797.65
Accumulated depreciation and impairment charges 1.1.	-207,011,907.83	-199,214,662.37
Accumulated depreciation of deductions and transfers	186,016.75	1,492,068.30
Depreciation and write-downs for the financial year	-9,864,043.20	-9,289,313.76
Accumulated depreciation and impairment on 31.12.	-216,689,934.28	-207,011,907.83
Book value 31.12.	146,237,007.92	142,309,889.82
<b>Machinery and equipment</b>		
Acquisition costs 1.1.	1,357,541,964.65	1,312,182,737.66
Increases	52,538,316.44	33,111,908.38
Decreases	-4,684,968.66	-13,461,281.06
Transfers between items	36,657,205.81	25,708,599.67
Acquisition costs 31.12.	1,442,052,518.24	1,357,541,964.65
Accumulated depreciation and impairment charges 1.1.	-1,097,600,338.66	-1,072,253,700.09
Accumulated depreciation of deductions and transfers	4,684,968.66	13,401,199.51
Depreciation and write-downs for the financial year	-42,107,917.40	-38,747,838.08
Accumulated depreciation and impairment on 31.12.	-1,135,023,287.40	-1,097,600,338.66
Book value 31.12.	307,029,230.84	259,941,625.99
<b>Other tangible assets</b>		
Acquisition costs 1.1.	14,682,292.06	14,657,784.12
Increases	236,903.55	24,507.94
Transfers between items	160,163.72	
Acquisition costs 31.12.	15,079,359.33	14,682,292.06
Accumulated depreciation and impairment charges 1.1.	-7,847,278.79	-7,028,054.32
Depreciation and write-downs for the financial year	-785,980.02	-819,224.47
Accumulated depreciation and impairment on 31.12.	-8,633,258.81	-7,847,278.79
Book value 31.12.	6,446,100.52	6,835,013.27
<b>Advance payments and work in progress</b>		
Acquisition costs 1.1.	43,361,374.25	60,459,586.34
Increases	22,640,615.05	24,337,087.07
Decreases		683.00
Transfers between items	-39,332,011.49	-41,435,982.16
Acquisition costs 31.12.	26,669,977.81	43,361,374.25

EUR	2024	2023
<b>Total property, plant and equipment</b>		
Acquisition costs 1.1.	1,794,954,229.12	1,739,951,217.05
Increases	86,691,496.05	71,074,215.16
Decreases	-4,996,819.04	-16,014,722.47
Transfers between items		-56,480.62
Acquisition costs 31.12.	1,876,648,906.13	1,794,954,229.12
Accumulated depreciation and impairment charges 1.1.	-1,312,459,545.48	-1,278,496,436.98
Accumulated depreciation of deductions and transfers	4,870,985.41	14,893,267.81
Depreciation and write-downs for the financial year	-52,757,940.62	-48,856,376.31
Accumulated depreciation and impairment on 31.12.	-1,360,346,500.69	-1,312,459,545.48
Book value 31.12.	516,302,405.44	482,494,683.64
<b>10. Investments</b>		
<b>Shares in Group companies</b>		
Acquisitions costs 1.1.	529,953,996.10	534,406,191.31
Increases	256,678,317.17	
Decreases		-4,452,195.21
Acquisitions costs 31.12.	786,632,313.27	529,953,996.10
<b>Shares in participating companies</b>		
Acquisitions costs 1.1.	86,429,409.33	86,429,409.33
Acquisitions costs 31.12.	86,429,409.33	86,429,409.33
<b>Other shares and holdings</b>		
Acquisitions costs 1.1.	253,698,707.84	344,817,070.84
Decreases	-34,620,000.00	-91,118,000.00
Transfers between items	-94,292.91	
Impairments		-363.00
Acquisitions costs 31.12.	218,984,414.93	253,698,707.84
<b>Total investments and holdings</b>		
Acquisitions costs 1.1.	870,082,113.27	965,652,671.48
Increases	256,678,317.17	
Decreases	-34,620,000.00	-95,570,195.21
Transfers between items	-94,292.91	
Impairments		-363.00
Acquisitions costs 31.12.	1,092,046,137.53	870,082,113.27
<b>Receivables from Group companies</b>		
Acquisitions costs 1.1.	288,654,833.04	290,412,859.87
Increases	1,758,026.47	522,658.70
Decreases	-161,946,546.42	-2,280,685.53
Acquisitions costs 31.12.	128,466,313.09	288,654,833.04
<b>Other receivables</b>		
Acquisitions costs 31.12.		
<b>Receivables total</b>		
Acquisitions costs 1.1.	288,654,833.04	290,412,859.87
Increases	1,758,026.47	522,658.70
Decreases	-161,946,546.42	-2,280,685.53
Acquisitions costs 31.12.	128,466,313.09	288,654,833.04
<b>Investments total</b>		
Acquisitions costs 1.1.	1,158,736,946.31	1,256,065,531.35
Increases	258,436,343.64	522,658.70
Decreases	-196,566,546.42	-97,850,880.74
Transfers between items	-94,292.91	
Impairments		-363.00
Acquisitions costs 31.12.	1,220,512,450.62	1,158,736,946.31



EUR	2024	2023
<b>11. Receivables</b>		
<b>Non-current receivables</b>		
Receivables from group companies		
Loans receivables	34,907,059.95	36,049,026.68
Prepayments and accrued income		
Derivatives		1,547,458.52
Total	34,907,059.95	37,596,485.20
<b>Total non-current receivables</b>	<b>34,907,059.95</b>	<b>37,596,485.20</b>
<b>Current receivables</b>		
Receivables from group companies		
Trade receivables	63,202,824.37	38,105,756.72
Loans receivables		123,791,628.35
Other receivables	-81,766.32	76,184.82
Prepayments and accrued income	11,766,294.98	34,982,629.33
Total	74,887,353.03	196,956,199.22
Receivables from associated companies		
Trade receivables	109,751.16	195,710.12
Total	109,751.16	195,710.12
Receivables from others		
Trade receivables	105,302,686.62	115,621,193.18
Other receivables	27,167,256.17	15,632,014.94
Prepayments and accrued income	8,933,098.61	5,097,591.69
Total	141,403,041.40	136,350,799.81
<b>Total current receivables</b>	<b>216,400,145.59</b>	<b>333,502,709.15</b>
Accrued income from group companies, current, specification		
Derivatives	9,220,024.44	29,996,045.52
Accrued interests	2,546,270.54	4,975,124.48
Others		11,459.33
Total	11,766,294.98	34,982,629.33
Accrued income from others, current, specification		
Tax accrual	6,532,659.92	336,276.00
Accrued personnel costs	28,798.15	-61,289.56
Energy and other taxes	1,010,269.05	3,985,428.55
Others	1,361,371.49	837,176.70
Total	8,933,098.61	5,097,591.69
<b>Total receivables</b>	<b>251,307,205.54</b>	<b>371,099,194.35</b>

EUR	2024	2023
<b>12. Shareholders' equity</b>		
<b>Restricted equity</b>		
Share capital 1.1.		
A-shares	51,788,806.85	51,788,806.85
B-shares	506,092,733.55	506,092,733.55
Total	557,881,540.40	557,881,540.40
Share capital 31.12.		
A-shares	51,788,806.85	51,788,806.85
B-shares	506,092,733.55	506,092,733.55
Total	557,881,540.40	557,881,540.40
Fair value reserve 1.1.	195,273,187.14	259,659,751.43
Changes	-57,850,526.87	-64,386,564.29
Fair value reserve 31.12.	137,422,660.27	195,273,187.14
Restricted equity total	695,304,200.67	753,154,727.54
<b>Unrestricted equity</b>		
Reserve for invested unrestricted equity 1.1.	210,639,481.81	210,639,481.81
Reserve for invested unrestricted equity 31.12.	210,639,481.81	210,639,481.81
Retained earnings 1.1.	308,243,195.50	398,647,671.61
Acquisition of own shares	-769,954.72	
Dividends	-88,758,714.00	-205,740,701.92
Profit for the financial period	49,678,808.41	115,336,218.41
Retained earnings 31.12.	268,393,335.19	308,243,195.50
Unrestricted equity total	479,032,817.00	518,882,677.31
Equity total 31.12	1,174,337,017.67	1,272,037,404.85
<b>Distributable funds</b>		
Reserve for invested unrestricted equity	210,639,481.81	210,639,481.81
Profit from previous financial periods	218,714,526.78	192,906,977.09
Profit for the financial period	49,678,808.41	115,336,218.41
Distributable funds	479,032,817.00	518,882,677.31

EUR	2024	2023
<b>13. Mandatory provisions</b>		
Provisions for pension		
1.1.	738,948.00	738,948.00
31.12.	738,948.00	738,948.00
Provisions for environmental obligations		
1.1.	2,020,000.00	1,990,909.00
Increase		29,091.00
Decrease	-320,000.00	
31.12.	1,700,000.00	2,020,000.00
Total provisions		
1.1.	2,758,948.00	2,729,857.00
Increase		29,091.00
Decrease	-320,000.00	
31.12.	2,438,948.00	2,758,948.00
<b>14. Deferred tax assets and liabilities</b>		
Deferred tax assets		
Mandatory provisions	487,789.60	551,789.60
Taxable losses	2,207,716.07	
Financial instruments	3,724,087.33	
Total	6,419,593.00	551,789.60
Deferred tax liabilities		
Valuation of Pohjolan Voima Oyj shares at fair value	37,797,973.05	44,721,973.05
Financial instruments		4,096,267.21
Total	37,797,973.05	48,818,240.26
Deferred tax assets (+) and liabilities (-), net	-31,378,380.05	-48,266,450.66

The deferred tax liability for accrued depreciation in 2024 was EUR 45.9 million (40.1).

<b>15. Non-current liabilities</b>		
Other liabilities		
Bonds	249,769,529.03	249,685,345.02
Loans from financial institutions	152,941,176.48	164,705,882.36
Government grants	649,459.11	865,945.59
Deferred tax liabilities	31,378,380.05	48,266,450.66
Advance payments	4,904,056.51	7,354,456.51
Total	439,642,601.18	470,878,080.14
Non-current liabilities total	439,642,601.18	470,878,080.14

## Bond and debentures

Bond	Nominal value	Interest %	2024	2023
2017–2027	250,000,000.00	2.75	249,769,529.03	249,685,345.02

Metsä Board Corporation issued in September 2017 a bond of EUR 250 million. The bond carries a fixed coupon rate of 2.75%, and the maturity date is 29 September 2027. The bond ranks senior and is unsecured.

## Non-current liabilities and repayment

	Liabilities to group companies	Bonds	Loans from financial institutions	Other loans	Total
2025			11,764,705.88		11,764,705.88
2026			111,764,705.88		111,764,705.88
2027		249,769,529.03	11,764,705.88		261,534,234.91
2028			11,764,705.88		11,764,705.88
2029			11,764,705.88		11,764,705.88
2030–			5,882,352.96		5,882,352.96
Total		249,769,529.03	164,705,882.36		414,475,411.39

EUR	2024	2023
<b>16. Current liabilities</b>		
Liabilities from Group companies		
Borrowings	68,254,745.55	30,000,000.00
Trade payables	84,438,479.33	52,695,613.31
Accruals and deferred income	31,872,721.49	12,006,352.53
Total	184,565,946.37	94,701,965.84
Liabilities from other		
Commercial papers	29,736,827.38	
Loans from financial institutions	11,764,705.88	11,764,705.88
Advance payment	4,242,438.42	4,687,512.48
Trade payables	115,303,163.36	122,711,978.74
Other liabilities	5,604,941.60	6,832,689.40
Accruals and deferred income	49,394,801.90	58,777,075.75
Total	216,046,878.54	204,773,962.25
Total current liabilities	400,612,825.22	299,475,928.09
Accruals and deferred income to group companies, current, specification		
Derivatives	29,695,969.98	10,164,353.73
Others	2,176,751.51	1,841,998.80
Total	31,872,721.49	12,006,352.53
Accruals and deferred income, current, external		
Personnel expenses	21,592,626.00	22,384,791.06
Accruals of purchases	10,804,493.38	11,529,875.20
Discounts	12,371,680.54	14,866,702.16
Interests	2,995,644.16	2,914,301.17
Taxes	-150,450.85	4,536,157.78
Others	1,780,808.67	2,545,248.38
Total	49,394,801.90	58,777,075.75

## 17. Financial Instruments

### Financial derivatives 2024

EUR	Nominal value	Fair value			Fair value	
		Derivative assets	Derivative liabilities	Total	Fair value through profit and loss	Fair value through fair value reserve
Interest rate swaps	50,000,000.00	272,533.85		272,533.85		272,533.85
Total interest rate derivatives	50,000,000.00	272,533.85		272,533.85		272,533.85
Currency forward agreements	1,326,967,934.39	5,171,647.53	25,443,263.43	-20,271,615.90	-1,855,491.53	-18,416,124.37
Currency option agreements	496,623,260.53	24,863.30	4,069,940.11	-4,045,076.81		-4,045,076.81
Currency derivatives total	1,823,591,194.92	5,196,510.83	29,513,203.54	-24,316,692.71	-1,855,491.53	-22,461,201.18
Oil derivatives	16,838,558.40	835,515.21	182,766.44	652,748.77		652,748.77
Other commodity derivatives	11,137,026.00	2,915,464.55		2,915,464.55		2,915,464.55
Commodity derivatives	27,975,584.40	3,750,979.76	182,766.44	3,568,213.32		3,568,213.32
Derivatives total	1,901,566,779.32	9,220,024.44	29,695,969.98	-20,475,945.54	-1,855,491.53	-18,620,454.01

### Financial derivatives 2023

EUR	Nominal value	Fair value			Fair value	
		Derivative assets	Derivative liabilities	Total	Fair value through profit and loss	Fair value through fair value reserve
Interest rate swaps	50,000,000.00	1,547,458.52		1,547,458.52		1,547,458.52
Total interest rate derivatives	50,000,000.00	1,547,458.52		1,547,458.52		1,547,458.52
Currency forward agreements	1,138,276,907.69	27,654,017.14	5,735,017.85	21,918,999.29	897,814.21	21,021,185.08
Currency option agreements	488,687,782.86	2,191,276.94	298,456.13	1,892,820.81		1,892,820.81
Currency derivatives total	1,626,964,690.55	29,845,294.08	6,033,473.98	23,811,820.10	897,814.21	22,914,005.89
Oil derivatives	18,709,442.40	150,751.44	645,197.37	-494,445.93		-494,445.93
Other commodity derivatives	10,770,062.40		3,485,682.38	-3,485,682.38		-3,485,682.38
Commodity derivatives	29,479,504.80	150,751.44	4,130,879.75	-3,980,128.31		-3,980,128.31
Derivatives total	1,706,444,195.35	31,543,504.04	10,164,353.73	21,379,150.31	897,814.21	20,481,336.10

All derivative agreements of Metsä Board Oyj have been entered into for hedging purpose, and cash flow hedge accounting has been applied in major part of the agreements. Only the part of currency derivatives designated as hedges of trade receivables and trade payables is not directed to hedge accounting. Interest rate derivatives are interest rate swaps maturing in 1–2 years and entered into to hedge the floating rate interest payments. Currency derivatives contracts concluded to hedge currency cash flows mature fully during 2024. Commodity derivatives are natural gas forwards and fuel oil forwards directed to hedge the cash flows arising from purchases of these commodities. Commodity forwards mature fully during 2024. A more detailed description of financial risk management and the principles applied to derivative contracts is included in note 5.6 and 5.7 of the consolidated Group accounts.

## The fair value hierarchy of financial assets and liabilities 2024

EUR	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Other shares and holdings			218,984,414.93	218,984,414.93
Derivative financial assets	3,750,979.76	5,469,044.68		9,220,024.44
Financial liabilities measured at fair value				
Derivative financial liabilities	182,766.44	29,513,203.54		29,695,969.98

## The fair value hierarchy of financial assets and liabilities 2023

EUR	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Other shares and holdings			253,698,707.84	253,698,707.84
Derivative financial assets	150,751.44	31,392,752.60		31,543,504.04
Financial liabilities measured at fair value				
Derivative financial liabilities	4,130,879.75	6,033,473.98		10,164,353.73

The principles applied to classification of financial assets and liabilities valued at fair value are described in Notes 5.6 and 5.7 of the Metsä Board consolidated financial statements.

## 18. Disputes, legal proceedings and commitments

### Disputes and legal proceedings

Disputes are presented in Note 8.1 of the consolidated financial statements.

### Commitments and contingencies

EUR	2024	2023
For own and for affiliated companies		
Guarantees and counter-indemnities	1,158,128.60	2,069,254.00
Leasing commitments		
Payments due in following 12 months	2,161,321.87	1,793,027.76
Payments due later than 1 year	7,435,595.59	2,411,125.89
Total		
Guarantees	1,158,128.60	2,069,254.00
Leasing commitments	9,596,917.46	4,204,153.65
Total commitments	10,755,046.06	6,273,407.65
Investment commitments		
Payments due in following 12 months	1,393,937.56	45,051,646.28
Payments due later than 1 year	389,588.48	833,123.64
Total	1,783,526.04	45,884,769.92

## 19. Shares and holdings

Shares and holdings are presented in Note 7.1. of consolidated financial statements.

# Electricity business

## Accounting principles

According to the Electricity Market Act, a company operating in the electricity market must separate its electricity business from its other business operations. Separation means that for each financial period, an income statement and balance sheet must be prepared for the separated electricity business operations. The Ministry of Trade and Industry's decree includes more detailed provisions regarding the separation.

## Income statement / Electricity business

EUR	2024	2023
<b>Sales</b>	1,218,369.97	26,311,781.45
Materials and services		
Materials, consumables and goods		
Purchases during the financial period	2,681,803.51	27,474,421.14
Materials and services, Total	-2,681,803.51	-27,474,421.14
Other operating expenses		
Other operating expenses	7,012.46	83,132.86
Other operating expenses, total	-7,012.46	-83,132.86
<b>Operating profit/loss</b>	-1,470,446.00	-1,245,772.55
Financial income and expenses		
Other interest and financial income		
From Group companies	30,504.78	805,002.24
Financial income and expenses, Total	30,504.78	805,002.24
<b>Profit/loss before appropriations and taxes</b>	-1,439,941.22	-440,770.31
<b>Profit/loss for the financial period</b>	-1,439,941.22	-440,770.31

## Balance sheet / Electricity business

EUR	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
<b>Receivables</b>		
Current receivables		
Accounts receivables	39,137.93	391,157.51
Prepayments and accrued income		178,807.66
<b>Cash and cash equivalents</b>		10,298,520.45
<b>Total assets</b>	39,137.93	10,868,485.62
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Profit/loss for previous financial periods	1,479,079.15	10,657,362.45
Profit/loss for the financial period	-1,439,941.22	-440,770.31
<b>Total equity</b>	39,137.93	10,216,592.14
<b>Liabilities</b>		
Current liabilities		
Current non-interest bearing liabilities		
Accounts payable		651,893.48
<b>Total equity and liabilities</b>	39,137.93	10,868,485.62

# The Board's proposal to the Annual General Meeting for the distribution of funds

The distributable funds of the company are EUR 479,032,817.00 of which retained earnings constitute EUR 218,714,526.78 and profit for the period EUR 49,678,808.41.

The Board of Directors proposes the following to the Annual General Meeting regarding the distribution of funds:

Dividend of EUR 0.07 per share be paid, or in total	24,853,237.50
To be left in the unrestricted shareholders' equity	454,179,579.50
Distributable funds of the company	479,032,817.00

The Board of Directors proposes that the dividend will be paid on 31 March, 2025.

No material changes have been taken place in respect of the company's financial position after the balance sheet date. The liquidity of the company is good, and in the opinion of the Board of Directors, the proposed profit distribution would not compromise the liquidity of the company.

## Confirmation of the Board of Directors and the CEO

We confirm that

- the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the financial statements of the parent company prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face and
- that the sustainability report within management report is prepared in accordance with sustainability reporting standards referred to in Chapter 7 of the Accounting Act and with the Article 8 of Taxonomy Regulation.

Espoo 5 February 2025

Ilkka Hämälä

Jussi Linnaranta

Leena Craelius

Raija-Leena Hankonen-Nyborn

Erja Hyrsky

Mari Kiviniemi

Jukka Moisio

Mikko Mäkimattila

Juha Vanhainen

Mika Joukio  
CEO



# Auditor's Report

To the Annual General Meeting of Metsä Board Corporation

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Metsä Board Corporation (business identity code 0635366-7) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.4 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing, and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
<b>Valuation of tangible and intangible assets (Refer to notes 4.1 and 4.2 to the consolidated financial statements)</b>	
<p>Tangible and intangible assets total EUR 1,296 million and represent 43 percent of the consolidated total assets.</p> <p>The group's business operations are capital intensive with valuation risk in tangible and intangible assets. Tangible and intangible assets are allocated to cash-generating units and tested for impairment annually or more frequently should there be an indication of impairment using discounted cash flow model.</p> <p>Determining the key assumptions used in the cash flow forecasts underlying the impairment tests requires management judgment.</p> <p>Due to the significant carrying values involved, valuation of tangible and intangible assets is determined a key audit matter.</p>	<p>Our audit procedures included evaluation of the appropriateness of the capitalization and depreciation principles applied as well as testing of the financial controls over investments.</p> <p>We also assessed the key assumptions used in the impairment tests by reference to the budgets approved by the parent company's Board of Directors, data external to the Group and our own views. We have tested the mathematical accuracy of the calculations, as well as comparing the assumptions to externally available market and industry data.</p> <p>In addition, we considered the appropriateness of the disclosures regarding the tangible and intangible assets.</p>
<b>Revenue recognition (Refer to note 2.2 to the consolidated financial statements)</b>	
<p>The Group's total revenue EUR 1,939 consist mainly of sales from produced paper board and pulp products. The Group has several pricing and discount principles, and incoterms in use.</p> <p>The revenue is recognized from the sales of goods in the period during which the control of the delivered products is transferred to the customer in accordance with the agreed term of delivery.</p> <p>Due to the significant volume and the risk of revenue recognized to incorrect period, revenue recognition is determined a key audit matter.</p>	<p>We obtained an understanding of the revenue recognition principles and practices. We evaluated the appropriateness of the accounting policies by reference to IFRS standards.</p> <p>Our audit procedures included testing of the effectiveness of controls and substantive procedures over revenue transactions and approvals.</p> <p>Our substantive procedures included revenue cut-off testing and vouching of sales invoices to received payments.</p> <p>In addition, we evaluated the appropriateness of the disclosures relating to revenue recognition principles and notes.</p>
<b>Valuation of inventories (Refer to note 4.4 to the consolidated financial statements)</b>	
<p>Inventory management, stocktaking routines and pricing of inventories are key factors in the valuation of inventories. The Group's carrying value of inventories was EUR 473 million at the end of the financial year.</p> <p>The valuation of inventories involves management estimates in relation to potentially obsolete inventory, as well as to fluctuations in the market prices of finished goods.</p> <p>The valuation of inventories has a significant impact on the profit and loss account and therefore it is determined as a key audit matter.</p>	<p>We evaluated the appropriateness of the accounting policies by reference to IFRS standards.</p> <p>We tested the controls over inventory management, accuracy of inventory amounts and valuation of inventories, as well as performed substantive audit procedures relating to the valuation of inventories to test the accuracy of inventory valuation. We also followed the execution of certain stocktaking routines during the financial year.</p>
<p>We have not identified other key audit matters relating to the financial statement of the parent company</p>	

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Reporting Requirements

### Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 28 March 2012, and our appointment represents a total period of uninterrupted engagement of 13 years.

## Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Other opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the treatment of distributable funds is in compliance with the Limited Liability Companies Act. We support that the Board of Directors of the parent company and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki, February 6, 2025

KPMG Oy Ab

**Kirsi Jantunen**

Authorized Public Accountant, KHT

# Assurance Report on the Sustainability Statement

To the Annual General Meeting of Metsä Board Oyj

We have performed a limited assurance engagement on the group sustainability statement of Metsä Board Oyj (business identity code 0635366-7) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2024.

## Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

- 1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
- 2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Metsä Board Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

## Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorized Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Matter

We draw attention to the fact that the group sustainability statement of Metsä Board Oyj that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

## Authorized group sustainability auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorized group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorized sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Metsä Board Oyj are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

## **Inherent Limitations in the Preparation of a Sustainability Statement**

Preparation of the sustainability statement requires Company to make materiality assessment to identify relevant matters to report. This includes significant management judgement and choices. It is also characteristic to the sustainability reporting that reporting of this kind of information includes estimates and assumptions as well as measurement and estimation uncertainty. Furthermore, when reporting forward looking information company has to disclose assumptions related to potential future events and describe Company's possible future actions in relation to these events. Actual outcome may differ as forecasted events do not always occur as expected.

## **Responsibilities of the Authorized Group Sustainability Auditor**

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **Description of the Procedures That Have Been Performed**

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for example the following:

- We interviewed Metsä Board Oyj's management and persons responsible for the preparation and gathering of the sustainability information.
- We familiarized with interviews to the key processes related to collecting and consolidating the sustainability information.
- We got acquainted with the relevant guidances and policies related to the sustainability information disclosed in the sustainability statement.
- We acquainted ourselves to the background documentation and other records prepared by the Company, as appropriate and assessed how they support the information included in the sustainability statement.
- We conducted site visits to the selected operational sites.
- In relation to the double materiality assessment process, we interviewed persons responsible for the process and familiarized ourselves with the process description prepared of the double materiality assessment and other documentation and background materials.
- In relation to the EU taxonomy information we interviewed the management of the company and persons with key roles in reporting taxonomy information to examine how taxonomy eligible and taxonomy aligned activities have been identified, we obtained evidence supporting the interviews and reconciled the reported EU taxonomy information to supporting documents and to the bookkeeping, as applicable.
- We assessed the application of the ESRS sustainability reporting standards reporting principles in the presentation of the sustainability information.

Helsinki, February 6, 2025

KPMG OY AB  
Authorized Sustainability Audit Firm

**Kirsi Jantunen**  
Authorized Sustainability Auditor, KRT

# Shares and shareholders

## Metsä Board's shares

Metsä Board's shares are listed on the Nasdaq Helsinki. The share capital of the company on 31 December 2024 was EUR 557,881,540.40. Metsä Board has two series of shares. At the end of 2024, there were 32,802,175 A shares and 322,710,571 B shares. Each series A share entitles its holder to twenty (20) votes at a General Meeting of Shareholders, and each series B share entitles the holder to one (1) vote. Metsä Board's A shares can be converted to B shares if a shareholder or a representative of the nominee registered shares makes a written request for a conversion to the company. In 2024, there were no share conversions.

## Dividend policy

In 2024, Metsä Board renewed its' dividend policy. Metsä Board's target is to distribute a dividend of at least half of the result for the financial period over time, taking into account the company's future investment and development needs. The Board of Directors proposes that a dividend of EUR 0.07 per share be paid for the 2024 financial period. The dividend payment, in total EUR 25 million, corresponds to 98% of the result for the 2024 financial period.

## Board of Directors' authority to issue shares

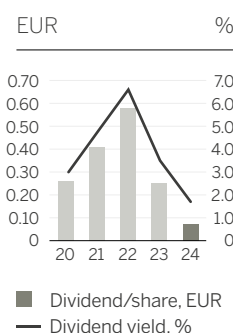
The Annual General Meeting resolved to authorise the Board of Directors to decide on the issuance of shares, the transfer of treasury shares and the issuance of special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act. The authorisation applies to Series B shares. By virtue of the authorisation the Board of Directors may issue new shares or transfer treasury shares up to a maximum of 35,000,000 shares, including shares that may be issued by virtue of special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act. The number of shares corresponds to approximately 10% of all shares in the company. The authorisation is effective until 30 June 2025. The authorisation was fully unused on 31 December 2024.

## Impact of change in control

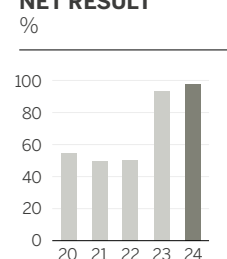
Some of Metsä Board's shareholder agreements concerning resource and associated companies

include provisions under which Metsä Board must offer its shares in an associated company for sale to the other shareholders in the case of a change of control of Metsä Board. Of these agreements, pursuant to the shareholders agreement of Metsä Fibre Oy, Metsä Fibre's shareholders should offer their shares for sale to the other shareholders in the case of a change of control. A decrease in the voting rights of Metsäliitto Cooperative in Metsä Board to below 50% would not, however, obligate Metsä Board to offer its shares in Metsä Fibre Oy for sale.

## DIVIDEND



## DIVIDEND / NET RESULT



## Basic information on Metsä Board's shares

	Metsä Board's A share	Metsä Board's B share
Listing	Nasdaq Helsinki	Nasdaq Helsinki
Date of listing	2 January 1987	2 January 1987
Market cap segment	Large Cap	Large Cap
Ticker symbol	METSA	METSB
ISIN code	FI0009000640	FI0009000665
Reuters code	METSA.HE	METSB.HE
Bloomberg code	METSA FH	METSB FH
Number of shares 31 Dec 2024	32,802,175	322,710,571

## Trading on the Nasdaq Helsinki in 2024 (2023)

	Metsä Board's A share	Metsä Board's B share
Closing price on 31 December, EUR	5.60 (7.80)	4.24 (7.19)
Lowest price, EUR	5.40 (7.48)	3.97 (66.2)
Highest price, EUR	9.62 (13.05)	8.11 (8.96)
Average daily trading volume, no. of shares	2,013 (2,132)	379,162 (466,223)
Total trading volume, no. of shares	505,146 (535,219)	95,169,558 (117,021,973)
Market capitalisation, EUR million	184 (333)	1,369 (2,828)

## Share price development 2024



Source: Euroland <https://www.metsagroup.com/metsaboard/investors/share-tools/share-monitor/>

## Major shareholders, 31 December 2024 <sup>1) 2)</sup>

Shareholders	A series		B series		Total shares		Total votes	
	No. of shares	No. of shares	No. of shares	No. of shares	%	No. of shares	%	
1 Metsäliitto Cooperative	25,767,605	158,502,147	184,269,752	51.83	673,854,247	68.85		
2 Varma Mutual Pension Insurance Company	2,203,544	15,041,485	17,245,029	4.85	59,112,365	6.04		
3 Ilmarinen Mutual Pension Insurance Company	1,243,635	8,520,989	9,764,624	2.75	33,393,689	3.41		
4 Elo Mutual Pension Insurance Company	0	5,471,000	5,471,000	1.54	5,471,000	0.56		
5 Etola Erkki Olavi	0	5,000,000	5,000,000	1.41	5,000,000	0.51		
6 The State Pension Fund	0	3,400,000	3,400,000	0.96	3,400,000	0.35		
7 OP-Finland	0	2,043,492	2,043,492	0.57	2,043,492	0.21		
8 Evli Finnish Small Cap Fund	0	1,988,000	1,988,000	0.56	1,988,000	0.2		
9 Danske Invest Finnish Equity Fund	0	1,558,936	1,558,936	0.44	1,558,936	0.16		
10 Etola Markus Eeriki	0	1,500,000	1,500,000	0.42	1,500,000	0.15		
11 OP-Finland Small Firms Fund	0	1,427,330	1,427,330	0.4	1,427,330	0.15		
12 Etola Mikael Kristian	0	1,420,000	1,420,000	0.4	1,420,000	0.15		
13 Säästöpankki Small Cap Mutual Fund	0	1,329,211	1,329,211	0.37	1,329,211	0.14		
14 Säästöpankki Kotimaa Mutual Fund	0	1,142,600	1,142,600	0.32	1,142,600	0.12		
15 Arpera Oy	0	937,855	937,855	0.26	937,855	0.1		
16 S-Stock Oy	0	937,855	937,855	0.26	937,855	0.1		
17 Aktia Capital Mutual Fund	0	854,841	854,841	0.24	854,841	0.09		
18 Laakkonen Mikko Kalervo	0	800,000	800,000	0.23	800,000	0.08		
19 Maa- ja Metsätaloustuottajain Keskusliitto MTK ry	576,543	201,852	778,395	0.22	11,732,712	1.2		
20 OP-Henkivakuutus Ltd.	0	668,692	668,692	0.19	668,692	0.07		

<sup>1)</sup> Shareholders in the book entry system

<sup>2)</sup> Ownership information is as recorded in the book-entry account, i.e. taking into account the settlement date (T+2)

Supplied by Euroland <https://www.metsagroup.com/metsaboard/investors/share-information/major-shareholders/>

## Shares

Number of shares	A share				B share			
	Number of Shareholders	%	Number of shares	%	Number of Shareholders	%	Number of shares	%
1-10	2,337	21.53	12,049	0.04	4,856	7.62	29,328	0.01
11-100	4,437	40.88	219,967	0.67	17,891	28.08	932,922	0.29
101-1,000	3,569	32.89	1,268,097	3.87	29,194	45.82	11,611,172	3.6
1,001-10,000	487	4.49	1,163,056	3.55	10,747	16.87	29,862,625	9.25
10,001-100,000	19	0.18	347,679	1.06	931	1.46	20,520,799	6.36
100,001-	4	0.04	29,791,327	90.82	95	0.15	259,753,725	80.49
Total	10,853	100.00	32,802,175	100.00	63,714	100.00	322,710,571	100.00

## Split of shareholding and voting rights by group on 31 December 2024

### SPLIT OF SHARES AND VOTING RIGHTS

%



### SPLIT OF VOTING RIGHTS

%



\* includes nominee registered



## Shareholdings of the members of the Board of Directors and CEO on 31 December 2024

		<b>Holding</b>
Ilkka Härmälä	Chair of the Board of Directors	301,849
Jussi Linnaranta	Vice Chair of the Board of Directors	42,251
Hannu Anttila	Member of the Board of Directors	4,761
Raija-Leena Hankonen-Nybohm	Member of the Board of Directors	22,653
Erja Hyrsky	Member of the Board of Directors	19,269
Mari Kiviniemi	Member of the Board of Directors	13,446
Jukka Moisio	Member of the Board of Directors	22,044
Mikko Mäkimattila	Member of the Board of Directors	9,813
Juha Vanhainen	Member of the Board of Directors	14,221
Mika Joukio	CEO	377,846

Share holdings of the Corporate Management Team members are presented on pages 194–195.

## Price development and number of shares

		2024	2023	2022	2021	2020
<b>Adjusted share prices, EUR</b>						
A share	high	9.62	13.05	10.50	11.00	8.80
	low	5.40	7.48	7.66	8.50	4.80
	closing	5.60	7.80	10.15	9.38	8.64
	average	7.80	10.06	9.48	9.48	6.88
B share	high	8.11	13.05	10.49	11.01	8.79
	low	3.97	7.48	7.09	7.50	4.47
	closing	4.24	7.80	8.77	8.61	8.62
	average	7.19	10.06	8.73	9.14	6.12
<b>Trading volume at Nasdaq Helsinki, number of shares</b>						
A share		505,146	535,219	849,346	1,802,589	1,758,683
% of total number of shares		1.5	1.6	2.6	5.5	5.3
B share		95,169,558	117,021,973	87,832,699	98,057,575	155,232,570
% of average number of shares		29.5	36.3	27.2	30.4	48.1
<b>Number of shares at year end</b>						
A share		32,802,175	32,802,175	32,802,175	32,802,175	32,887,151
B share		322,710,571	322,710,571	322,710,571	322,710,571	322,625,595
Total		355,512,746	355,512,746	355,512,746	355,512,746	355,512,746
Number of shares at year end		354,991,386	354,750,822	355,359,331	355,512,746	355,512,746
Market capitalisation at year end, EUR million		1,552.6	2,576.1	3,161.5	3,086.2	3,065.2
Number of shareholders, B shares		63,714	62,501	56,887	54,904	48,165

## Key figures

EUR million		2024	2023	2022	2021	2020
<b>Earnings per share</b>						
Result before tax		51.4	120.9	524.9	365.8	212.3
- Income taxes		-12.0	-19.3	-63.5	-51.8	-42.2
= Result for the period		39.4	101.6	461.4	314.0	170.1
- Average number of shares		354,991,386	354,750,822	355,359,331	355,512,746	355,512,746
Earnings per share, basic and diluted, EUR		0.07	0.27	1.15	0.82	0.48
Shareholders' equity per share, EUR		4.91	5.35	5.86	4.78	3.89
Dividend per share, EUR		0.07 <sup>1)</sup>	0.25	0.58	0.41	0.26
Payout ratio, %		98.1	93.5	50.4	49.9	54.3
Metsä Board shares have no nominal value.						
<b>Dividend yield, % of closing price</b>						
A share		1.3 <sup>1)</sup>	3.2	5.7	4.4	3.0
B share		1.7 <sup>1)</sup>	3.5	6.6	4.8	3.0
<b>Price/earning ratio (P/E ratio)</b>						
A share		78.4	29.2	8.8	11.4	18.1
B share		59.4	26.9	7.6	10.5	18.0
<b>Price to book value (P/BV), %</b>						
A share		114.1	145.9	173.2	196.2	222.0
B share		86.4	134.5	149.6	180.1	221.5

<sup>1)</sup> The Board of Directors has proposed that a dividend of EUR 0.07 per share be distributed for the 2024 financial year.

# Ten years in figures

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Income statement, eur million</b>										
Sales	1,938	1,942	2,479	2,084	1,890	1,932	1,944	1,849	1,720	2,008
- change, %	-0.2	-21.7	19.0	10.3	-2.2	-0.1	5.2	7.5	-14.3	-0.0
EBITDA, comparable	175	216	603	472	316	279	344	289	231	283
- % of sales	9.0	11.1	24.3	22.7	16.7	14.4	17.7	15.6	13.4	14.1
Operating result	62	121	532	376	227	181	246	207	132	199
Operating result, comparable	69	122	521	387	221	184	252	193	137	180
- % of sales	3.6	6.3	21.0	18.6	11.7	9.5	13.0	10.5	8.0	9.0
Result for the period	39	102	461	314	170	145	203	150	90	137
<b>Balance sheet, eur million</b>										
Balance sheet total	2,994	3,055	3,403	2,922	2,302	2,270	2,284	2,226	2,194	2,220
Equity attributable to shareholders of parent company	1,743	1,897	2,082	1,699	1,384	1,338	1,323	1,167	1,052	1,029
Interest bearing net liabilities	-345	-144	-94	-78	236	308	335	358	464	333
<b>Key figures per share and distribution equity owners of the parent company</b>										
Dividend and equity distribution, EUR million	24.9 <sup>1)</sup>	88.7	205.6	145.8	92.4	85.3	103.1	74.7	67.5	60.4
Dividend and equity distribution per share, EUR	0.07 <sup>1)</sup>	0.27	0.58	0.41	0.26	0.24	0.29	0.21	0.19	0.17
Payout ratio including equity distribution, %	98.1 <sup>1)</sup>	93.5	50.4	49.9	54.31	58.5	50.9	50.0	76.0	43.6
Dividend yield, %	1.7 <sup>1)</sup>	3.5	6.6	4.8	3.0	4.0	5.7	2.9	2.8	2.5
<b>Key figures – profitability</b>										
Return on capital employed (ROCE), comparable, %	3.2	5.1	20.9	18.7	12.2	10.4	14.4	11.2	8.1	11.3
Return on equity, comparable, %	2.3	4.8	22.0	20.2	12.1	11.0	16.7	12.4	9.0	12.9
<b>Key figures – balance sheet and financing</b>										
Interest bearing net liabilities / EBITDA, comparable	2.0	0.7	0.2	-0.2	0.7	1.1	1.0	1.2	2.0	1.2
Equity ratio, %	63.9	67.5	66.4	63.3	60.3	59.1	58.1	52.6	48.2	46.5
Net gearing, %	18	7	4	-4	17	23	25	31	44	32
Net cash flow from operations, EUR million	38	343	232	330	308	201	151	236	77	247
Net interest expense, EUR million	17	12	5	8	12	14	19	36	26	26
Interest cover	3.2	28.6	50.7	42.7	27.6	15.4	9.0	7.6	4.0	10.4
<b>Other key figures</b>										
Total investments, EUR million	175	229	304	220	166	99	70	65	162	178
Depreciation, amortisation and impairment losses, EUR million	114	94	83	90	95	114	92	92	102	104
R & D expenditure, EUR million <sup>2)</sup>	7	7	6	6	9	9	6	6	6	8
- % of sales	0.4	0.4	0.2	0.3	0.5	0.4	0.3	0.3	0.4	0.4
Personnel, average	2,339	2,333	2,352	2,461	2,455	2,433	2,435	2,456	2,588	2,851
- in Finland	1,318	1,303	1,340	1,490	1,486	1,458	1,433	1,441	1,552	1,538
Paperboard deliveries, 1,000 t	1,472	1,373	1,817	1,922	1,810	1,791	1,830	1,803	1,568	1,404

<sup>1)</sup> The Board of Directors has proposed that a dividend of EUR 0.07 per share be distributed for the 2024 financial year. Dividend yield for 2024 has been calculated including the proposed equity distribution and using the B share closing price as of 31 December 2024.

<sup>2)</sup> The reporting of research and development expenses has been clarified and the figures for 2019–2024 are comparable.

Calculation of key ratios is presented on page 181.

# Taxes

Metsä Board's business generates taxes that finance public society. In addition to taxes and tax-like payments we pay as a taxpayer our value chain generates various other taxes

The income taxes paid by Metsä Board vary according to Metsä Board group's business results. Even when the result is weaker and payable income taxes are lower, the combined contribution to public finances of all taxes and tax-like payments, directly and indirectly arising from Metsä Board's business operations, is significant.

Metsä Board is committed to complying with international transfer pricing guidelines and local tax laws and regulations in all its operating countries. In accordance with the arm's length principle, majority of taxable income and corporate income taxes to be paid are allocated to the countries where the Metsä Board group's most significant operations are located.

In accordance with its tax policy, Metsä Board's business models and legal structures must always be based on business reasons and real business substance. Metsä Board will refrain from artificial ways to reduce its taxes.

Metsä Board's cooperation with tax authorities is transparent and active. In Finland, Metsä Board participates in enhanced cooperation with Finnish Tax Administration.

Tax matters are managed by Metsä Board's tax function and taxes are in the scope of regular follow-up of Audit Committee of the Board of Directors of Metsä Board.

In order to increase the transparency of its tax matters, Metsä Board voluntarily publish information on taxes and tax-like payments imposed on Group companies in our tax footprint.

## Metsä Fibre's share of result

Metsä Fibre's share of result Metsä Board's consolidated result includes associated company Metsä Fibre's result share (24.9% ownership). Metsä Fibre pays corporate income taxes on its own results and Metsä Board consolidates the result share on post-tax basis.

## Paid taxes

EUR million	Finland		Sweden		Other countries		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Corporate income taxes	-0.3	8.3	2.1	0.0	2.9	4.7	4.7	13.0
Payroll related taxes and contributions	18.2	18.6	14.9	14.7	3.9	3.6	36.6	37.0
Operational taxes	4.4	2.2	3.1	2.4	0.0	0.0	7.6	4.7
Other taxes	0.6	0.5	0.0	0.0	0.7	0.2	1.2	0.6
<b>Total</b>	<b>22.9</b>	<b>29.6</b>	<b>20.1</b>	<b>17.2</b>	<b>7.2</b>	<b>8.6</b>	<b>50.1</b>	<b>55.3</b>

# Production capacities

## Metsä Board's board mills

Tonnes	Country	Machines	Folding boxboard	White kraftliner	Total
Tampere (Tako)	Finland	2	210,000		210,000
Kyröskoski (Kyro)	Finland	1	190,000		190,000
Äänekoski	Finland	1	260,000		260,000
Simpele	Finland	1	300,000		300,000
Kemi	Finland	1		465,000	465,000
Husum	Sweden	2	600,000	250,000	850,000
<b>Total</b>		<b>8</b>	<b>1,560,000</b>	<b>715,000</b>	<b>2,275,000</b>

## Metsä Board's pulp and BCTMP mills

Tonnes	Country	Chemical pulp	BCTMP	Total
Husum	Sweden	730,000		730,000
Joutseno	Finland		360,000	360,000
Kaskinen	Finland		390,000	390,000
Kemi	Finland		180,000	180,000
<b>Total</b>		<b>730,000</b>	<b>750,000</b>	<b>1,660,000</b>

## Metsä Fibre's pulp mills <sup>1)</sup>

Tonnes	Country	Chemical pulp	Total
Äänekoski	Finland	1,300,000	1,300,000
Kemi <sup>2)</sup>	Finland	1,500,000	1,500,000
Rauma	Finland	650,000	650,000
Joutseno	Finland	690,000	690,000
<b>Total</b>		<b>4,140,000</b>	<b>4,140,000</b>

<sup>1)</sup> Metsä Board owns 24.9% of Metsä Fibre

<sup>2)</sup> The capacity includes production capacity of unbleached pulp, 180,000 t/y, owned by Metsä Board.

# Quarterly data

EUR million	Full year		Quarterly							
	2024	2023	IV/2024	III/2024	II/2024	I/2024	IV/2023	III/2023	II/2023	I/2023
<b>Sales</b>	1,938.6	1,941.9	446.0	499.0	509.8	483.7	422.6	479.0	498.2	542.1
<b>Operating result, comparable</b>	69.0	122.2	-3.6	41.9	-0.8	31.5	0.7	5.5	27.3	88.7
<b>Operating result</b>	62.3	120.8	-1.7	41.7	-0.7	23.0	-0.2	3.1	29.5	88.4
Share of profit from associated companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exchange gains/losses	-2.8	2.6	-1.3	0.1	0.5	-2.1	1.8	2.1	-0.6	-0.8
Other financial income and expenses	-8.1	-2.5	-2.7	-2.3	-2.2	-0.8	-0.2	-1.0	-1.5	0.2
<b>Result before tax</b>	51.4	120.9	-5.6	39.5	-2.5	20.1	1.4	4.3	27.5	87.7
<b>Operating result, % of sales</b>	3.2	6.3	-0.4	8.3	-0.1	4.8	0.2	1.1	5.5	16.4

1,000 t	Full year		Quarterly							
	2024	2023	IV/2024	III/2024	II/2024	I/2024	IV/2023	III/2023	II/2023	I/2023
<b>Deliveries</b>										
Folding boxboard	992	906	222	268	260	242	188	228	235	255
White kraftliner	480	467	120	120	117	123	111	112	118	126
Metsä Fibre's pulp <sup>1)</sup>	400	394	87	82	117	115	120	107	83	83
Metsä Board's pulp	618	684	181	116	151	171	191	200	132	161
<b>Production</b>										
Folding boxboard	1,044	859	233	269	262	279	179	209	208	263
White kraftliner	484	450	123	145	95	121	133	101	104	113
Metsä Fibre's pulp <sup>1)</sup>	1,123	996	259	246	300	318	235	209	254	298
Metsä Board's pulp	652	685	157	188	130	177	201	160	140	184

<sup>1)</sup> Corresponds to Metsä Board's ownership of 24.9% in Metsä Fibre.

# Calculation of key ratios

## Alternative performance measures

Key figure	Definition	Justification for the use of the key figure
<b>Profitability</b>		
Operating result	= $\frac{\text{Result before income tax, financial income and expenses, exchange gains and losses and share of results from associated companies and joint ventures}}{\text{Shareholder's equity (average)}}$	The key figure describes the Group's ability to produce a profit from its business, and it is independent of the company's capital structure
EBITDA	= $\frac{\text{Operating result before depreciation, amortisation and impairment losses}}{\text{Shareholder's equity (average)}}$	The key figure shows how much margin is left over from the Group's sales after deducting the variable and fixed costs of business before depreciation, amortisation and impairment
Return on equity (%)	= $\frac{\text{Result before income tax - income taxes}}{\text{Shareholder's equity (average)}}$	The key figure describes the Group's ability to produce a profit with the assets invested in the Group by shareholders
Return on capital employed (%)	= $\frac{\text{Result before income taxes + net exchange differences and other financial expenses}}{\text{Balance total - non-interest bearing liabilities (average)}}$	The key figure describes the Group's ability to produce a profit on the capital invested, from the point of the party investing the capital
<b>Financial position</b>		
Equity ratio (%)	= $\frac{\text{Shareholder's equity}}{\text{Balance total - advance payments received}}$	The key figure describes the Group's capital structure, solvency and ability to take care of its commitments in the long run
Net gearing ratio (%)	= $\frac{\text{Interest-bearing net liabilities}}{\text{Shareholder's equity}}$	The key figure describes the Group's capital structure and financial position
Interest-bearing net liabilities	= $\text{Interest-bearing liabilities - cash and cash equivalents and interest-bearing receivables}$	The key figure describes the Group's indebtedness
<b>Other</b>		
Total investments	= $\text{Investments in owned and leased fixed assets and investments in business combinations}$	The key figure describes the Group's application of funds for maintaining and renewing its production machinery and plants and for expanding its business with corporate acquisitions
Interest cover	= $\frac{\text{Net cash flow arising from operating activities + net interest expenses}}{\text{Net interest expenses}}$	The key figure describes the Group's ability to meet its debt obligations

## Share performance indicators

Key figure	Definition
Earnings per share	= $\frac{\text{Profit attributable to shareholders of parent company}}{\text{Adjusted number of shares (average)}}$
Shareholders' equity per share	= $\frac{\text{Equity attributable to shareholders of parent company}}{\text{Adjusted number of shares at the end of the period}}$
Dividend per share	= $\frac{\text{Dividends}}{\text{Adjusted number of shares at 31 December}}$
Payout ratio (%)	= $\frac{\text{Dividend per share}}{\text{Earnings per share}}$
Dividend yield (%)	= $\frac{\text{Dividend per share}}{\text{Share price at 31 December}}$
Price/earnings ratio (P/E ratio) (%)	= $\frac{\text{Share price at 31 December}}{\text{Earnings per share}}$
P/BV (%)	= $\frac{\text{Share price at 31 December}}{\text{Shareholders' equity per share}}$
Adjusted average share price	= $\frac{\text{Total traded volume per share (EUR)}}{\text{Average adjusted number of shares traded during the financial year}}$
Market capitalisation	= $\text{Number of shares x market price at the end of period}$

The presentation of earnings per share is regulated by the Decree of the Ministry of Finance on the Regular Duty of Disclosure of an Issuer of a Security. In addition, the earnings per share ratio is regulated by the IAS 33 standard.

# Comparable performance measures

European Securities and Markets Authority (ESMA) guidelines on Alternative Performance Measures define alternative performance measures as a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined in the applicable financial reporting framework, in Metsä Board's case International Financial Reporting Standards as adopted in the EU pursuant to Regulation (EC) No 1606/2002. With the exception of Earnings per share defined in IAS 33 Earnings Per Share, performance measures provided in the interim report all qualify as alternative performance measures under the ESMA guidelines.

Metsä Board sees the presentation of alternative performance measures as providing users of financial statements with an improved view of the company's financial performance and position, including among other things the efficiency of its capital utilisation, operational profitability and debt servicing capabilities.

Exceptional and material items outside the ordinary course of business have been eliminated from the comparable operating result. Metsä Board has defined operating result as follows: Result for the period presented in IFRS income statement before income taxes, financial income and expense as well as share of result of associate companies and joint ventures.

Reconciliation of operating result under IFRS and comparable operating result as well as EBITDA and comparable EBITDA is presented below. Comparable return on capital employed has been calculated using the same adjustments as the comparable operating result, and it has been further adjusted with items of financial income affecting comparability when applicable. Metsä Board considers that key figures derived in this manner improve comparability between reporting periods.

None of these key figures with items affecting comparability eliminated are key figures used in IFRS reporting, and they cannot be compared with other companies' key figures identified with the same names. Items affecting comparability include material gains and losses on disposals of assets, impairment and impairment reversals in accordance with IAS 36 "Impairment of Assets", corporate divestments and acquisitions, adjustment measures and other restructuring measures and their adjustments, costs arising from extensive and unforeseeable interruptions in production and the compensation received for them as well as items arising from legal proceedings.

In Metsä Board's view, comparable performance measures better reflect the underlying operational performance of the company by eliminating the result effect arising from items and transactions outside ordinary course of business.

## Reconciliation of items affecting comparability

EUR million	2024	2023
<b>Operating result</b>	62.3	120.8
Depreciation, amortisation and impairment charges	113.6	93.8
<b>EBITDA</b>	175.9	214.6
Items affecting comparability		
Other operating income		-2.7
Share of results of associated companies	-1.4	4.1
Other operating expense	0.5	
Total	-0.9	1.4
<b>EBITDA, comparable</b>	175.0	216.0
Depreciation, amortisation and impairment charges	-113.6	-93.8
Items affecting comparability		
Impairment charges and reversals of impairments	7.6	
<b>Operating result, comparable</b>	69.0	122.2
Share of results of associated companies and joint ventures	0.0	0.0
Net financial items	-10.8	0.1
Items affecting comparability		
Financial items	0.0	0.3
<b>Result before income tax, comparable</b>	58.2	122.6
Income taxes	-12.0	-19.3
Income taxes related to items affecting comparability	-1.5	0.5
<b>Result for the period, comparable</b>	44.6	103.8

"+" sign items = expense affecting comparability

"-" sign items = income affecting comparability

Items affecting operating result comparability in 2024 totalled EUR -6.7 million. They comprised a write-down of EUR -7.6 million for the prefeasibility study of the Kaskinen folding boxboard mill, EUR -0.5 million for the sale of the discontinued sales company in Russia and EUR 1.4 million for items related to the business of the associated company Metsä Fibre.

Items affecting operating result comparability in 2023 totalled EUR -1.4 million. They comprised Metsä Board's capital gains of EUR 2.7 million from the sale of a land area unrelated to business operations, and items related to the business of the associated company Metsä Fibre: a write-down related to the closure of the old Kemi pulp mill; translation differences from discontinued operations in Russia; the loss on sale of fixed asset items, and other items, totalling EUR -4.1 million.



# Corporate governance statement

## Introduction

This Corporate Governance Statement of Metsä Board Corporation (“Metsä Board” or the “Company”) has been prepared in accordance with the Finnish Corporate Governance Code 2025 (the “Corporate Governance Code”), published by the Finnish Securities Market Association, and has been issued separately from the Report of the Board of Directors and published simultaneously with the Company’s financial statements and the Board of Directors’ Report. The Corporate Governance Code is available at <https://cgfinland.fi/en/corporate-governance-code/>.

Metsä Board is a Finnish public limited company whose A and B series shares are publicly traded on the official list of NASDAQ Helsinki Ltd (Helsinki Stock Exchange). In particular, the governance of Metsä Board is based on the Finnish Limited Liability Companies Act (“Companies Act”), the Company’s Articles of Association, regulations issued under Finnish law, the rules and recommendations of the Helsinki Stock Exchange applicable to listed companies, and the regulations and guidelines issued by the Finnish Financial Supervisory Authority. Metsä Board complies with the Corporate Governance

Code and does not currently deviate from any specific recommendations of the Code.

This Statement has been reviewed by the Audit Committee of the Board of Directors. The Company’s auditor has verified that this Statement has been issued, and that the description of the main features of the internal control and risk management systems related to the financial reporting process contained in the report is consistent with the financial statements.

## Corporate governance in Metsä Board

The Company’s statutory bodies are the General Meeting, the Board of Directors and the CEO, whose duties and responsibilities are determined in accordance with the Finnish Limited Liability Companies Act. The coordination of the Company’s operations and operational management is also ensured by a Management Team assisting the CEO, whose members (including the CEO) are not members of the Board of Directors.

## General Meeting

The General Meeting is the highest body at which shareholders exercise their decision-making power. Each shareholder has the right to

participate in the General Meeting by following the procedure described in the notice of the General Meeting. The General Meeting decides on matters that fall within its competence under the Companies Act and the Articles of Association, such as:

- approval of financial statements;
- distribution of profits;
- granting discharge from liability to the members of the Board of Directors and the CEO;
- election of the members of the Board of Directors and the remuneration of the members of the Board of Directors;
- advisory approval of the remuneration policy and the remuneration report;
- the appointment and remuneration of the auditor and the sustainability auditor;
- other matters proposed to the General Meeting.

A shareholder has the right to have a matter raised at the General Meeting of Shareholders if they request the Board of Directors in writing in sufficient time to allow it to be included in the notice of the meeting. In 2025, the deadline was 13 January 2025. The Annual General Meeting of the Company is held no later than June each year. The notice of the Annual General Meeting is given no earlier than three months and no later than three weeks before the meeting, but at least nine (9) days before the record date of the Annual General Meeting, by means of a stock exchange release. In accordance with the decision made at the 2024 Annual General Meeting, the notice of the Annual General Meeting does not need to be published in a national newspaper in the future.

An Extraordinary General Meeting convenes if the Board of Directors considers it necessary, or if the auditor or shareholders representing at least 10% of all shares request it in writing to deal with a specific matter.

## Board of Directors

The duties of Metsä Board’s Board of Directors are determined in accordance with the Finnish Limited Liability Companies Act, the Company’s Articles of Association and the written rules of procedure approved by the Board of Directors. Metsä Board’s Board of Directors is responsible for the management of the Company and the

## METSÄ BOARD’S GOVERNANCE MODEL



proper organisation of its operations. The Board of Directors is responsible for the proper organisation of the Company's financial management and accounting control. The Board is also responsible for the direction and supervision of Metsä Board Group. Taking the scope and nature of the Company's activities into account, the Board of Directors is responsible for matters that are economically, commercially or principally significant and far-reaching and thus not part of the business's day-to-day management. Among other things, the Board decides on the Company's strategy, major investments, organisational structure and important financial matters. The Board of Directors ensures that the Company operates responsibly and takes the interests of the Company's other stakeholders, as well as the collective interests of shareholders, into account.

Metsä Board's Board of Directors has written rules of procedure for its activities. Accordingly, the Board of Directors shall, among other things:

- nominate and dismiss the CEO and the deputy CEO, and decide on the CEO's terms of engagement;
- organise the Company's accounting, financial and risk management, and the supervision of the financial and sustainability reporting process, as well as analyse the most significant risks for the group;
- supervise the CEO's management of the Company's operations management in line with the Board's instructions and orders;
- adopt the Company's values and the Board's diversity policy;
- monitor and guide the Company's contribution to sustainable development;
- review and adopt the Company's long-term action plan, strategy, annual action plan and budget;
- decide on significant investments, corporate transactions, acquisitions, mergers, divestments and closures of business operations;
- decide on significant financing arrangements, including debt financing, the provision of securities and subsidiary capitalisation;
- decide on the assignment or pledging as securities of the Company's significant fixed assets;
- decide on the granting of donations to the extent that they do not fall within the competence of the General Meeting;

- decide on the delegation of its powers, subject to express limits of approval and rules of delegation, and the granting and revoking of representation rights;
- convene an Annual General Meeting and supervise the implementation of resolutions it passes;
- sign and present the financial statements and the Board of Directors' annual review, including the sustainability statement, to the Annual General Meeting and prepare a proposal for dividend distribution;
- approve and publish a financial statement bulletin, half-year financial report and interim reports for each quarter;
- adopt the key policies guiding the Company's business operations and insider guidelines and disclosure policy governing communications, and supervise their application;
- decide on remuneration schemes, their criteria and conditions, as well as monitor their implementation.

The Board of Directors' rules of procedure are available in their entirety on the Company's website at <https://www.metsagroup.com/globalassets/metsa-board/documents/investors/corporate-governance/en/general/metsa-board-board-working-order.pdf>. Within its general competence, the Board of Directors may delegate to the CEO and, conversely, may decide on a matter within the CEO's general competence.

The Board of Directors annually assesses its own operation and the Company's corporate governance principles, making any necessary changes to them.

### **Composition, diversity and independence of the Board of Directors**

The composition and number of members of the Board of Directors must enable it to carry out its duties effectively. The composition of the Board of Directors takes the stage of development of the Company, the ownership base, the specific requirements of the industry and the needs of the Company's operations into account. The Board's objective is to create a diverse Board, with the proviso that those elected to the Board must have the necessary qualifications and be able to devote the time required to perform their duties. The Board of Directors comprises female and male members.

The Board of Directors has adopted a Diversity Policy, which is available on the Company's website. The Board of Directors recognises the benefits that a diverse Board composition brings to the Company and its shareholders. Diversity supports the Board's open working atmosphere, independent role and decision making. The Board's key role is also to proactively and consistently support and challenge the Company's executive management from a wide range of perspectives. The successful performance of the duties of the Board and its Committees requires a diversity of composition, skills and experience, as well as a consideration of the personal qualities of individual Board members. Furthermore, diversity must support the Company's current stage of development and meet its future needs and business development.

In addition to a knowledge of the Company's industry, Metsä Board has identified experience in different industries and the international operating environment as essential for the diversity of the Board of Directors. The Board members' complementary educational backgrounds, management experience in different areas of the business, and diverse age and gender distribution have also been identified as factors contributing to diversity. Metsä Board's objective is for both women and men to be represented on the Board. The Board's Nomination and HR Committee takes the diversity principles into account when proposing the Board's composition to the Annual General Meeting each year. The achievement of the Board's diversity objectives is monitored as part of the normal activities of the Board and its Nomination and HR Committee.

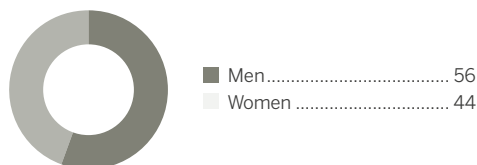
According to the Articles of Association, the Board of Directors shall consist of at least five and at most ten ordinary members elected by the shareholders at the Annual General Meeting for a term of office starting from the end of the General Meeting that elected the member and continuing until the end of the next Annual General Meeting. There is no limit to the number of consecutive terms of office. The Board of Directors shall elect a Chair and Vice Chair from among its members.

In 2024, the Board of Directors had nine (9) members, of whom 56% were men (5), and 44% were women (4). The age range of the Board members was 45 to 64.

Of the nine (9) members of the Board of Directors, 89% (8) were independent of the Company, and 67% (6) were independent of a major shareholder of the Company.

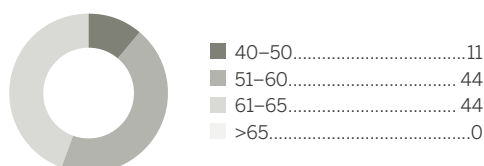
## GENDER DISTRIBUTION

%



## AGE DISTRIBUTION

%



No members of the Board of Directors are executive officers of the Company.

The Board as a whole has extensive experience of good corporate governance, international business and management, either in operational or fiduciary positions in various industries, including the forest industry, forestry, engineering, the food industry and auditing. The Board also has many years of experience of managing sustainability issues and assessing the risks and opportunities involved. The Board of Directors' composition and a summary of the Board members' work history and positions of trust can be found below in the Board members' introduction and on the Company's website, <https://www.metsagroup.com/metsaboard/investors/corporate-governance/board-of-directors/>.

In the 2024 financial year, the Board held a total of 15 meetings. Board members attended 97% of the meetings (97% attendance in 2023 and 97% in 2022).

## Attendance at Board and committee meetings by member

Member of the Board of Directors	Number of Board meetings	Attendance rate (%)	Independence from the Company	Independence from the major shareholder
Ilkka Härmälä (Chair of the Board)	14/15	93	No	No
Jussi Linnaranta	15/15	100	Yes	No
Hannu Anttila (until 26 March 2024)	5/5	100	Yes	Yes
Leena Craelius (as of 26 March 2024)	8/10	80	Yes	Yes
Raija-Leena Hankonen-Nyblom	14/15	93	Yes	Yes
Erja Hyrsky	14/15	93	Yes	Yes
Mari Kiviniemi	15/15	100	Yes	Yes
Mikko Mäkimattila	15/15	100	Yes	No
Jukka Moisio	14/15	93	Yes	Yes
Juha Vanhainen	15/15	100	Yes	Yes

## Board of Directors' Committees

If necessary, the Board of Directors may decide to establish committees to prepare and discuss matters falling within its competence, with the assistance of the Board of Directors. The Board has appointed an Audit Committee and a Nomination and HR Committee from among its members. The Board of Directors appoints the chair and members of each committee annually after the Annual General Meeting. The Board and its committees may also be assisted by external advisors.

Based on committees' proposals, the final decisions on matters within the scope of the committees' duties are taken by the Board of Directors, with the exception of proposals on the composition and remuneration of the Board of Directors made directly to the General Meeting by the Nomination and HR Committee.

## Audit Committee

The Audit Committee's role is to assist the Board in ensuring the accuracy, balance, transparency and clarity of the Company's financial reporting, accounting methods, financial statements, and other financial information and sustainability reporting the Company discloses. The Audit Committee assesses the effectiveness and scope of internal audits, the Company's risk management, key risk areas, and compliance with laws and regulations. It assesses the independence of the auditor and audit firm and makes a recommendation to the Board on the selection of the Company's auditor. The Audit Committee also reviews the internal audit's

half-yearly action plans and reports on significant audits.

The committee's members must have sufficient expertise in accounting and financial reporting. The Audit Committee meets regularly, at least four times a year. In connection with its meetings, the committee shall consult the Company's auditor. The Chair of the committee shall report on each meeting of the Audit Committee to the Board of Directors. The Audit Committee's duties and responsibilities are set out in its charter, which the Board of Directors has approved (<https://www.metsagroup.com/globalassets/metsa-board/documents/investors/corporate-governance/en/general/metsa-board-rules-of-procedure-for-audit-committee.pdf>).

The Company's auditor, the CEO and CFO, as well as other management representatives and external advisors as required, are also represented at the Audit Committee meetings when invited by the committee.

The board members listed in the table below have acted as members of the Audit Committee since the 2024 Annual General Meeting. The members of the Audit Committee are independent of the Company and its major shareholder.

The Audit Committee met five times during 2024. Committee members' attendance rate was 96% (92% in 2023 and 100% in 2022).

<b>Audit Committee member</b>	<b>Number of meetings</b>	<b>Attendance rate (%)</b>
Raija-Leena Hankonen-Nybom (Chair)	5/5	100
Hannu Anttila (until 26 March 2024)	1/1	100
Leena Craelius (as of 26 March 2024)	4/4	100
Mari Kiviniemi	5/5	100
Jukka Moisio	4/5	80
Juha Vanhainen	5/5	100

## Nomination and HR Committee

The task of the Nomination and HR Committee is to assist the Board of Directors in matters related to the appointment and remuneration of the Company's CEO, any Deputy CEO and senior management, and prepare matters related to the incentive schemes for management and employees. The committee also prepares a proposal for the Annual General Meeting on the number of Board members, Board composition and Board members' remuneration. The committee also recommends, prepares and presents the appointment of the CEO (and any Deputy CEO) for the Board's approval, as well as their salary and compensation. The committee also prepares and provides recommendations to the Board and the CEO concerning matters related to the remuneration and incentive schemes of management and employees.

The committee consists of five Board members. It convenes regularly, at least four times a year. The Chair of the committee presents the committee's proposals to the Board. The tasks and responsibilities of the Nomination and HR Committee are specified in the committee's rules of procedure, which by the Board of Directors has approved (<https://www.metsagroup.com/globalassets/metsa-board/documents/investors/corporate-governance/en/general/metsa-board-nomination-and-hr-committee-charter.pdf>).

The board members listed in the table below have acted as members of the Nomination and HR Committee since the 2024 Annual General Meeting.

The Nomination and HR Committee met four times during 2024. All members attended all meetings (100% attendance in 2023 and 2022 as well).

<b>Members of the Nomination and HR Committee</b>	<b>Number of meetings</b>	<b>Attendance rate (%)</b>
Ilkka Hämälä (Chair)	4/4	100
Erja Hyrsky	4/4	100
Jussi Linnaranta	4/4	100
Mikko Mäkimattila	4/4	100

## Chief Executive Officer

Chief Executive Officer Mika Joukio (born in 1964), M.Sc. (Eng.), MBA, is responsible for the daily management of the Company's administration in accordance with the guidelines and instructions provided by the Board. The CEO manages the Company's daily business and is responsible for controlling and steering the businesses.

The CEO has a written CEO contract approved by the Board of Directors. The Board of Directors supervises the CEO's performance and provides a performance evaluation once a year. The CEO is covered by the Employees Pensions Act, which provides for a pension compensation based on service years and earnings. In the Finnish earnings-related pension system, basic

salary, remuneration and taxable fringe benefits are included in earned income, whereas income from options and share-based incentive schemes for management are not. The Company has commissioned an extra pension insurance policy for the CEO, entitling the CEO to retire at the age of 62.

The Board of Directors appoints and dismisses the CEO. The Board of Directors may discharge the CEO without a specific reason.

The CEO can also resign from their position. The mutual period of notice is six months. However, the Board may decide to discharge the CEO without a notice period. If the Board terminates the CEO's contract, the CEO is entitled to discharge compensation equal to their 12-month salary.

## Deputy to the CEO

The Board of Directors may appoint a deputy to the CEO. The Deputy CEO shall be responsible for the CEO's duties in the event of the CEO's absence. There is currently no deputy to the CEO.

## Corporate Management Team

In Metsä Board's operational management, the CEO is assisted by the Corporate Management Team, which consists of Mika Joukio, CEO, Markku Leskelä (Development), Jussi Noponen (Sales and Supply Chain), Harri Pihlajaniemi (Production and Technology), Henri Sederholm (Finance) and Camilla Wikström (Human Resources), who all report to the CEO. Laura Remes was appointed as the Company's Business Development Director and a member of the Corporate Management Team on 4 October 2024. She will start in her position later in 2025. In the future, the area of responsibility of Markku Leskelä, who is responsible for Metsä Board's development, will include product development and responsibility when Remes takes up her new position.

The tasks and responsibilities of the Corporate Management Team include investment planning, the development and preparation of the Company's strategic guidelines, the allocation of resources, the supervision of day-to-day operations, and the preparation of several matters for the Board of Directors. As a rule, the Corporate Management Team meets at least once a month at the invitation of the CEO, and whenever necessary.

The members of the Corporate Management Team are responsible for the operation of their own area of responsibility. The functions are supported by centralised support functions, most of which are shared with Metsä Group's other companies. Support functions are based on separate market-based service agreements.

The members of the Corporate Management Team have written employment or service contracts. With the exception of the Managing Director, they have no pension arrangements other than the statutory pension scheme. The period of notice for members of the Corporate Management Team is six months on either side.

## Internal control, internal audit and risk management

Effective business requires operations to be monitored continuously and effectively. Metsä Board's internal management and control procedure is based on the Companies Act, other laws and regulations applicable to listed companies, the Articles of Association, the rules and recommendations of the Helsinki Stock Exchange, the recommendations of the Good Corporate Governance Code, and the Company's own approved policies and principles. The effectiveness of internal control is assessed by the Company's Internal Audit function. Internal control is implemented throughout the organisation. Internal control methods include internal guidelines and reporting systems that support controls. External control is the responsibility of Metsä Board's auditor and the competent authorities. Metsä Board's internal control, risk management and internal audit principles, operational objectives, and responsibilities are described below. Internal control and risk management for sustainability reporting is described in the Sustainability Report included in the Company's Annual Review in the Risk management and internal control for sustainability reporting section.

### Internal control

At Metsä Board, internal control includes financial reporting, sustainability reporting and other operational controls. Internal control is carried out by the Board of Directors and the acting management, as well as the entire staff. Internal control aims to ensure the achievement of the Company's goals and objectives, the economical, appropriate and efficient use of resources, the reliability and accuracy of financial and other management information and sustainability data, compliance with external regulations and internal procedures, adequate safeguarding of operations, data and assets, and adequate and properly organised manual and IT systems to support operations.

Internal control is divided into (i) preventive control such as establishing the Company's values, general operating and business principles, (ii) day-to-day control such as directing and monitoring activities, including operating systems and work instructions, and (iii) ex-post control such as management assessments and reviews, and comparisons and verifications to

ensure the achievement of objectives and to monitor compliance with agreed operating and control principles. The Company's corporate culture, management style and approach to control together form the basis of the overall internal control framework.

### Monitoring of the financial reporting process, credit control and authorisation rights

Metsä Board's financial organisations of the different functions and central administration are responsible for financial reporting. The units report their financial figures each month. The units' controller functions check their units' monthly performance and submit a performance report to central administration. The functions' profitability development and business risks and opportunities are discussed at monthly meetings attended by the Company's and each function's management. The result is reported to the Board and Corporate Management Team monthly.

Credit control in Metsä Board has been centralised to the Company's Credit Committee, which convenes at least quarterly. Credit controllers monitor the trend in trade receivables in each sales company under the supervision of the Metsä Group's Director, Credit Management. Counterparty-specific credit limits are set within the boundaries of the credit policy confirmed by the Board in cooperation with centralised credit control, sales and financial management. The development of credit risks is regularly reported to the Board of Directors.

Authorisation rights concerning expenses, significant contracts and investments have been specified progressively for different organisation levels according to the decision-making authority policy confirmed by the Board and the authority separately granted by the CEO and other management personnel. Investment follow-up is carried out by the Company Group's financial administration in accordance with the investment policy confirmed by the Board. After pre-approval, investments are handled by the functions' Management Teams and the Corporate Management Team within the framework of the annual investment plan. The most significant investments are separately submitted to the Board for approval. Investment follow-up reports are compiled quarterly.

### Internal auditing

Internal auditing is an independent and objective assessment, assurance and consulting activity.

Internal auditing assists the Board of Directors in its supervisory role and supports Metsä Board and its management in achieving the Company's objectives by providing a systematic approach to assessing and improving the effectiveness of risk management, control, governance and management processes.

Metsä Board's internal auditing is carried out by Metsä Group's internal audit unit. Audit work is carried out in compliance with the internal audit guidelines approved by the Audit Committee. The internal audit function reports to the Audit Committee on operations and to Metsä Group's President and CEO on administration.

Internal auditing draws up a six-monthly action plan which is approved by the Audit Committee. Auditing is risk-based and focuses on the Company's activities and units that are considered to be key to achieving the objectives set for operations. In cooperation with the audit function, internal auditing sees to the coordination of plans to ensure adequate coverage of auditing and avoid overlapping work. Similarly, cooperation is carried out with Metsä Group's other assurance functions such as internal controls, risk management and compliance.

The audit's results are compiled in an audit report, which is shared with Metsä Board's CEO and CFO, the management of the audited entity, General Counsel and the persons in charge. The audit reports are submitted to Metsä Group's President and CEO, CFO, General Counsel, auditor and to other Group management if required for information purposes.

Internal auditing provides the Audit Committee with a six-monthly summary report on the audits carried out, the main findings and recommendations, and the management action plans and their implementation. The Chair of the Audit Committee and the Audit Director also meet regularly without the presence of management.

## Risk management

Risk management is an essential part of Metsä Board's standard business planning and leadership. Risk management is part of daily decision making, operations follow-up and internal control, helping promote and ensure the achievement of the Company's objectives.

The effective coordination of business management and risk management is based on the operating principles approved by the Board of Directors, which are designed to keep the overall risk management system clear, understandable and sufficiently practical. Risks and their evolution are regularly reported to the Board of Directors' Audit Committee.

Risk management responsibilities are divided between different institutions. The Board of Directors is responsible for the Company's risk management and approves the risk management policy, while the Audit Committee evaluates the Company's risk management levels and practices, as well as key risk areas, and makes proposals to the Board of Directors in this regard. The CEO and the Corporate Management Team are responsible for defining and implementing risk management principles and are also responsible for ensuring that risks are taken into account in the Company's planning processes, and that they are adequately and appropriately reported. The owner of Metsä Group's risk management process is responsible for maintaining and developing the risk management process and capabilities in cooperation with the business units. Metsä Board's Risk Committee coordinates risk assessments and compiles a summary of the key risks twice a year, which the CEO presents to the Board after the Management Team review.

Risk management's key objective is to identify and evaluate the risks, threats and opportunities that may have an impact on the implementation of the strategy and the achievement of short- and long-term objectives. The businesses regularly evaluate and monitor the risk environment and related changes as part of their normal operational planning. The risks identified and their management are reported to the Audit Committee and the Board at least twice a year. Business risks also involve opportunities, and they can be capitalised on within the boundaries of the agreed risk limits. Conscious risk-taking decisions must always be based on an adequate evaluation of the risk-bearing capacity and the

profit/loss potential, among other matters. Such an evaluation must be conducted before any pre-engineering and execution phases of projects and investments.

Responsibilities for risk management are shared between the various governing bodies. The Board of Directors is responsible for risk management and approves the risk management policy, while the Audit Committee assesses the Company's risk management levels and practices and key risk areas, making proposals to the Board of Directors in this regard.

The key elements of Metsä Board's risk management include implementing a comprehensive risk management process that supports the entire business, protecting assets and ensuring business continuity, corporate security and its continuous improvement, and crisis management and continuity and recovery plans. In line with the Risk Management Policy and Principles, adequate risk assessment is part of the pre-appraisal and implementation phases of projects that are financially or otherwise significant.

Metsä Board's risk management function is to:

- ensure that all identified risks affecting personnel, customers, products, property, information assets, corporate image, corporate responsibility or operational capacity are managed in accordance with the law and based on the best available information;
- ensure the achievement of the objectives set for the Company;

In 2024, audit fees were paid as follows:

<b>Financial audit fees of the auditor of the Group, KPMG, EUR million</b>	<b>2024</b>	<b>2023</b>
Audit	0.5	0.5
Auditor's statements*	0.1	0.0
Tax services		
Other services	0.0	0.0
<b>Total</b>	<b>0.7</b>	<b>0.6</b>

\* including fees for assurance of the sustainability statement

- meet the expectations of stakeholders;
- protect assets and ensure business continuity;
- optimise the profit/loss potential ratio; and
- ensure the management of the Company's overall risk exposure and the minimisation of overall risks.

The most significant risks and uncertainties known to the Company are described in the Report of the Board of Directors.

## Auditing

According to Metsä Board's Articles of Association, the Company has one auditor, which must be an auditing firm approved by the Finnish Patent and Registration Office, with the principal auditor being a Chartered Accountant. The General Meeting of Shareholders elects the auditor annually at the Annual General Meeting. The audit was last put out to tender in 2021, and in accordance with the decision of the Annual General Meeting in the spring of 2024, the Company's auditor will be KPMG Oy Ab, which appointed Kirsi Jantunen, KHT, as its principal auditor. The Audit Committee oversees the auditor selection procedure and makes recommendations to the Board of Directors on the proposal to the Annual General Meeting regarding the selection of the auditor and the auditor's remuneration.

## Insider administration

For insider matters, Metsä Board and its group companies comply with Finnish laws, especially the Securities Markets Act, Regulation No 596/2014 of the European Parliament and of the Council on market abuse (MAR) and supporting orders and regulations, and the insider guidelines of NASDAQ Helsinki Ltd (Helsinki Stock Exchange) ([www.nasdaq.com/solutions/rules-regulations-helsinki](http://www.nasdaq.com/solutions/rules-regulations-helsinki)). Based on the above provisions, the Company has approved its own insider guidelines.

The goal of insider administration is to enable people considered the Company's insiders to openly hold shares in the Company while maintaining public trust in the trading and price formation involving the Company's securities. Insiders and those involved in the preparation of financial reporting are regularly provided with instructions and training.

The Company does not maintain a permanent company-specific insider register. If necessary, the Company will, by decision of the Chair of the Board of Directors, establish an insider project, which will include all persons involved in the preparation of a specific project containing insider information.

In 2024, the Company's directors subject to the disclosure requirement include the members of the Board of Directors and the CEO. The ownership of these persons and of their related natural and legal persons is public, as each has an independent duty of disclosure to the Company and the Supervisory Authority in respect of their transactions in Metsä Board shares and other financial instruments. Metsä Board publishes the notifications of transactions it receives in the form of stock exchange releases.

Directors who are required to report are prohibited from trading in the Company's shares and other financial instruments between the end of the reporting period and the end of the interim report's publication date (but always for at least 30 calendar days – the "closed window").

Additionally, Metsä Board maintains a list of persons who, in the course of their duties, are involved in the preparation and communication of interim reports, the financial statements release, and the annual financial statements and may thus receive inside information. These persons are covered by the Company's closed window and are therefore subject to the trading restriction mentioned above.

## Related party transactions

The Board of Directors has defined the principles for monitoring and evaluating related party transactions. The Company has contractual relationships with the parent company Metsäliitto Cooperative and its sister companies Metsä Fibre Oy and Metsä Tissue Oyj in the normal course of business. The most significant are related to the procurement of raw materials such as wood and pulp, and the operation of joint integrated mill sites.

The Board of Directors decides on contractual relations with related parties unless the matter is related to the Company's normal business and is of minor importance. In situations in which the Board of Directors deals with a business or another contractual relationship, or a relationship with Metsäliitto Cooperative or a related company, the Board of Directors acts in principle without its members who are dependent on Metsäliitto Cooperative or the related company in question. The Board of Directors' Audit Committee regularly monitors and evaluates the transactions and contractual relationships of the Company and its related parties.

To assess directors' independence and integrity, directors must disclose any matters that may affect their ability to act free of conflicts of interest to the Company. As of 31 December 2024, the members of the Board of Directors, the CEO and the other members of the Corporate Management Team had no financial loans from the Company or its subsidiaries, and no collateral arrangements existed between them. There were no significant business relationships between these persons or their related parties (as defined in IAS 24) and the Company during 2024.

# Board of Directors of Metsä Board

The Annual General Meeting 2024 elected the following persons as members of the Board of Directors:



## LEENA CRAELIUS

b. 1971  
Female  
MBA, Finance  
Member of the Board since 2024

Independent of the company and its significant shareholder

### Primary working experience:

**SSAB AB** (publ), Executive Vice President and Chief Financial Officer, (2021–)

**SSAB Europe Oy**, Vice President of Finance and Controlling, SSAB Europe division (2016–2021)

**Paroc Oy**, Technical Insulation business, Business Controller (2015–2016)

**SSAB Europe Oy**, (former Ruukki Metals Oyj), various tasks of the manager of the financial sector (2009–2015)

**Rautaruukki Oyj**, various tasks in the financial sector (2005–2009)

**Outokumpu Oyj**, various tasks in the financial sector (2002–2005)

Shares owned: 4,761 B shares



## RAIJA-LEENA HANKONEN-NYBOM

b. 1960  
Female  
M.Sc. (Econ.), Authorised Public Accountant degree  
Member of the Board since 2021

Independent of the company and its significant shareholder

### Primary working experience:

#### KPMG Oy Ab:

Chair of the Board (2016–2018)

CEO (2010–2016)

Lead Audit Partner of Large Corporates in Financial Services, Manufacturing and Retail Industry (2006–2019)

Head of Audit (2006–2010)

Various audit and IFRS client engagements in Finland and abroad (1987–2005)

### Other positions of trust:

**Cargotec Corporation**, Member of the Board and Chair of the Audit and Risk Management Committee (2023–)

**Danske Bank A/S**, Member of the Board, Chair of the Audit Committee (2020–)

**Posti Group Oyj**, Member of the Board and Chair of the Audit, Risk and Sustainability Committee (2020–)

**Helsinki Deaconess Institute Foundation sr**, Member of the Board (2020–) and Chair of the Audit Committee (2022–)

**Directors' Institute Finland ry**, Member of the Board (2021–2024)

**Savonlinna Opera Festival Support Association ry**, Member of the Board (2018–)

**Jalmari and Rauha Ahokas Medical Foundation sr**, Chair of the Supervisory Board (2018–2022), Member of the Supervisory Board (2013–2017), Chair of the Board (2008–2012), Member of the Board (2005–2007), Member of the Delegation (1999–2004)

Shares owned: 22,653 B shares





## ERJA HYRSKY

b. 1979

Female

M.Sc. (Econ.)

Member of the Board since 2021

Independent of the company and its significant shareholder

### Primary working experience:

**Unilever Nordics**, Ice Cream Lead, Nordics (2021–)

**Unilever PLC**, Strategy Director, Global Markets (2019–2021)

**Unilever Finland Oy**, Managing Director, Sales Director (2013–2019)

**Procter & Gamble Oy**, various managerial positions in sales (2006–2013)

**Hewlett Packard Oy**, various positions in sales and marketing (2004–2006)

### Other positions of trust:

**Finnish Food and Drink Industries' Federation (ETL)**, Member of the Board (2016–2019)

**Polaris Pension Fund**, Chair of the Board (2016–2019)

Shares owned: 19,269 B shares



## ILKKA HÄMÄLÄ

b. 1961

Male

M.Sc. (Engineering)

Vuorineuvos, (Finnish honorary title)

Chair of the Board since 2018

Not independent of the company or its significant shareholder

### Primary working experience:

**Metsä Group**, CEO and President (2018–)

**Metsäliitto Cooperative**, CEO (2018–)

**Metsä Fibre Oy**, CEO (2008–2017)

**Oy Metsä-Botnia Ab** (now Metsä Fibre Oy), previously various management positions (1988–2008)

### Other positions of trust:

**Metsä Fibre Oy**, Chair of the Board (2018–)

**Metsä Spring Oy**, Chair of the Board (2018–)

**Metsä Tissue Corporation**, Chair of the Board (2018–)

**The Finnish National Theatre**, Member of the Board (2024–)

**Finnish-Swedish Chamber of Commerce**, Member of the Council (2023–)

**Confederation of European Paper Industries (CEPI)**, Member of the Board (2018–), Member of the Steering Committee (2020–)

**Finnish Forest Industries Federation**, Member of the Board (2012–), Vice Chair of the Board and the Board's Working Committee (2021–), Chair of the Election Committee (2021–)

**Ilmarinen Mutual Pension Insurance Company**, Member of the Supervisory Board (2009–), Chair of the Supervisory Board (2021–)

**University of Jyväskylä**, Member of the Fund Management Committee (2021–)

**Finnish Chambers of Commerce**, Member of the Delegation (2018–)

**Helsinki Region Chamber of Commerce**, Member of the Delegation (2018–)

**Finnish Quality Association**, Member of the Advisory Board (2008–), Member of the Board (2018–), Chair of the Board (2020–)

**Pohjolan Voima Oyj**, Deputy Member of the Board (2009–)

**China Office of Finnish Industries Oy**, Member of the Board (2022–2024)

**Finnish Business and Policy Forum (Eva)**, Member of the Board (2021–2024)

**ETLA Economic Research**, Member of the Board (2021–2024)

Shares owned: 301,849 B shares



## MARI KIVINIEMI

b. 1968  
Female  
M.Soc.Sc. (Econ.)  
Member of the Board since 2022



## JUSSI LINNARANTA

b. 1972  
Male  
M.Sc. (Agriculture and Forestry), Agronomist  
Member of the Board since 2017, Vice Chair of the Board since 2020

Independent of the company and its significant shareholder

### Primary working experience:

**Finnish Commerce Federation**, Managing Director (2019–2024)  
**OECD**, Deputy Secretary General (2014–2018)  
**Finnish Prime Minister** (2010–2011)  
**Minister of Public Administration and Local Government** (2007–2010)  
**Minister for Foreign Trade and Development and Minister for European Affairs** (2005–2006)  
**Member of Parliament**, Finland, (1995–2014)

### Other positions of trust:

**German-Finnish Chamber of Commerce**, Member of the Delegation (2024–)  
**Club de Madrid**, Member (2024–)  
**The Finnish Fare Foundation**, Member of the Board (2024–)  
**Vaasa University**, Chair of the Board (2022–)  
**Asian Infrastructure Investment Bank**, International Advisory Panel (2021–)  
**Savonlinna Opera Festival's Board of Trustees**, member (2020–)  
**Blic Public Affairs**, Member of the Board (2019–2022)  
**Messukeskus Helsinki**, Member of Supervisory Board (2019–2021)  
**Suomi Mutual**, Member of the Board (2013–2014)  
**The Finnish Centre Party**, Leader (2010–2012)  
**Helsinki City Council**, Member (2005–2012)  
**Ilkka-Yhtymä Group**, Member of Supervisory Board (2006–2007)  
**Finnish National Opera Foundation**, Member of the Board (2004–2007 and 2013–2014)  
**Uusimaa Regional Council**, Member (2004–2008)  
**Alko Inc.**, Member of Supervisory Board (2002–2003)  
**Lännen Tehtaat Oyj**, Member of Supervisory Board (1996–2005)  
**Leonia Bank**, Member of Supervisory Board (1997–2000)  
**VR Group Ltd**, Member of Supervisory Board (1995–1997)

Shares owned: 13,446 B shares

Independent of the company. Not independent of the company's significant shareholder

### Primary working experience:

**Forest and Agricultural entrepreneur** (2001–)  
**Thermal entrepreneur** (2003–2023)  
**Ministry of Agriculture and Forestry, Information and Research Centre**, various positions (1997–2007)

### Other positions of trust:

**Metsäliitto Cooperative**, Member of the Supervisory Board (2004–2016), Member of the Board (2017–), Vice Chair of the Board (2019), Chair of the Board (2020–)

**Pellervo Coop Center**, Member of the Board (2020–)

**Pohjois-Savo Cooperative Bank**, Member of the Representative Council (2014–2017)

**The Central Union of Agricultural Producers and Forest Owners (MTK)**, Member of the Energy Committee (2007–2008, 2014–2016)

Shares owned: 42,251 B shares



## JUKKA MOISIO

b. 1961  
Male  
M.Sc. (Econ), MBA  
Member of the Board since 2020

Independent of the company and its significant shareholder

### Primary working experience:

**Nokian Tyres plc**, President and CEO (2020–2024)  
**Huhtamäki Oyj**, President and CEO (2008–2019)  
**Ahlström Oyj**, various duties (1991–2008), President and CEO (2004–2008)  
**McKinsey & Company**, Associate (1989–1991)

### Other positions of trust:

**Cargotec Corporation**, Vice Chair of the Board (2024–)

**Paulig Oyj**, Member of the Board of Directors (2019–), Chair of the Board of Directors (2020–)

**Sulapac Oyj**, Chair of the Board of Directors (2019–)

**Atria Oyj**, Member of the Board of Directors (2014–2022)

**Neles Corporation**, Chair of the Board of Directors (2020–2021)

Shares owned: 22,044 B shares



## MIKKO MÄKIMATTILA

b. 1971

Male

M.Sc. (Agriculture and Forestry), Agronomist

Member of the Board since 2023

Independent of the company. Not independent of the company's significant shareholder

### Primary working experience:

**RockRobot Oy**, CEO (2021–)

**Forestry and agriculture entrepreneur** (1994–)

**Potila Tuotanto Oy**, CEO (2017–2020)

**Dometal Oy**, CEO, partner (2011–2021)

**Multiva Magyarország Kft.**, CEO of the Hungarian subsidiary (2013–2021)

**Farmit Website Oy**, CEO (2005–2010)

**Lännen Tehtaat Oyj**, Development manager (2003–2005)

**Suomen Gallup Elintarviketieto Oy**, Research manager (2001–2003)

**Pellervon taloudellinen tutkimuslaitos**, Researcher (1998–2001)

### Other positions of trust:

**Metsäliitto Cooperative**, Member of the Board (2020–), Vice Chair of the Board (2023–)

**Pellervo Coop Center**, Member of the Delegation (2023–)

**LähiTapiola Loimi-Häme Regional Mutual Insurance Company**, Member of the Board (2008–2022)

**LocalTapiola General Mutual Insurance Company**, Member of the Supervisory Board (2014–2023)

**Dometal Oy**, Member of the Board (2012–2021)

**Potila Tuotanto Oy**, Member of the Board (2013–2020)

**Lähivakuutus Cooperative**, Member of the Supervisory Board (2011–2014)

**Forestry Management Association Loimijoki**, Member of the Delegation (2005–2019)

Shares owned: 9,813 B shares



## JUHA VANHAINEN

b. 1961

Male

M.Sc. (Process Technology)

Member of the Board since 2023

Independent of the company and its significant shareholder

### Primary working experience:

**Apetit Plc**, CEO 2015–2019

**Stora Enso Oyj**, EVP and Country Manager of Finland (several different areas of responsibility) 2007–2015

**Stora Enso Oyj**, several director and manager positions 1990–2007

**Kemi Oy**, engineer 1988–1990

### Other positions of trust:

**EKE-Construction Ltd.**, Member of the Board of Directors (2022–)

**Ponsse Plc**, Member of the Board of Directors (2018–)

**Koskisen Corporation Plc**, Chair of the Board of Directors (2020–2023)

**Wihuri Group**, Member of the Board of Directors (2018–2021)

**FoodDrinkEurope**, Member of the Board of Directors (2018–2019)

**Sucros Ltd**, Vice Chair of the Board of Directors (2015–2019)

**Ekokem Oyj** (now Fortum Waste Solutions Oy), Chair of the Board of Directors (2015–2016), Member of the Board of Directors and Remuneration Committee (2014–2015)

**Finnish Food and Drink Industries' Federation (ETL)**, Member of the Board of Directors and Working Committee (2015–2019)

**Efora Oy**, Chair of the Board of Directors (2013–2015), Member of the Board of Directors (2009–2013)

**Finnish Forest Industries Federation**, Chair of the Board of Directors and Working Committee (2012–2013), Vice Chair of the Board and Working Committee (2008–2011)

**Confederation of European Paper Industries (CEPI)**, Member of the Board of Directors (2012–2013)

**Ilmarinen Mutual Pension Insurance Company**, Member of Supervisory Board (2009–2015)

**Stora Enso Suzhou Paper (Suzhou) Co., Ltd.**, Chair of the Board of Directors (2012–2014)

**Stora Enso Huatai Paper (Shandong) Co., Ltd.**, Chair of the Board of Directors (2009–2014)

**Stora Enso Arapoti Industria De Papel S.A.**, Member of the Board of Directors (2009–2014)

**Pohjolan Voima Oy**, Vice Chair of the Board of Directors and Member of the Remuneration Committee (2008–2015)

**Fortek Oy**, Chair of the Board of Directors (2003–2008), Member of the Board of Directors (1999–2003)

Shares owned: 14,221 B shares

The shareholdings also take into account any shares held by controlling entities on 31 December 2024.

# Management Team of Metsä Board

Members of the Company's Management Team:



## MIKA JOUKIO

b. 1964  
Male  
Chief Executive Officer  
M.Sc. (Tech.), MBA

Metsä Group employee since 1990. Metsä Board Corporation's Chief Executive Officer since 2014.

### Main positions:

**Metsä Board Corporation**, CEO (2014–)  
**Metsä Tissue Corporation**, CEO (2012–2014)  
**Metsä Board Corporation**, Head of Consumer Packaging (2006–2012)  
**Metsä Board Corporation**, Vice President and Mill Manager, Metsä Board Kyro and Metsä Board Tako (2006)  
**Metsä Board Corporation**, Vice President and Mill Manager, Metsä Board Kyro (2005–2006)  
**Metsä Board Corporation**, Senior Vice President, Corporate Logistics and Supply Chain (2004–2005)  
**Metsä Board Corporation**, Vice President and Mill Manager, Metsä Board Äänekoski (2001–2004)  
Various management positions in Metsä Board Corporation since 1990.

### Positions of trust:

**Atria Plc**, Member of the Board (2022–)  
**Finnish Forest Industries**, Trade Policy Committee, Chair (2022–)  
**Varma Mutual Pension Insurance Company**, Member of the Supervisory Board (2019–)  
**Husum Pulp AB**, Chair of the Board (2021–)  
**Metsä Fibre Oy**, Board of Directors, member (2014–)

Shares owned: 377,846 B shares



## MARKKU LESKELÄ

b. 1962  
Male  
Senior Vice President, Development  
PhD.

Metsä Group employee since 2016. Metsä Board Corporation's Senior Vice President, Development since 2021.

### Main positions:

**Metsä Board Corporation**, Senior Vice President, Development (2021–)  
**Metsä Board Corporation**, Vice President, Research and Product Development (2016–2021)  
**CLIC Innovation Ltd**, Chief Technology Officer (2012–2015)  
**Paperra Oy**, Partner (2010–2012)  
**Metsä Wood**, Vice President, R&D (2009–2010)  
**Metsä Board Corporation**, Vice President, R&D (2007–2009)  
**Metsä Board Corporation**, Vice President, R&D, Head of Technology Centre Kirkniemi (2001–2007)  
**Metsä Board Corporation**, various positions in R&D (1991–2001)  
**ESPRI/State University of New York**, Syracuse, Visiting Scientist (1990–1991)  
**University of Oulu**, Department of Biophysics, Research Scientist (1987–1990)

### Positions of trust:

**CLIC Innovation Ltd.**, Chair of the Board (2024–), member of the Board (2020–)

Shares owned: 29,615 B shares



## JUSSI NOPONEN

b. 1975  
Male  
Senior Vice President, Sales and Supply Chain  
M.Sc. (Tech.)

Metsä Group employee since 2000. Metsä Board Corporation's Senior Vice President, Sales and Supply since 2021.

### Main positions:

**Metsä Board Corporation**, Senior Vice President, Sales and Supply (2021–)  
**Metsä Board Corporation**, CFO (2016–2021)  
**Metsä Group**, Senior Vice President, Group Finance (2009–2016)  
**Metsä Board Corporation**, Senior Vice President, Business Control, Graphic Papers (2008)  
**Metsä Board Corporation**, Vice President, Group Business Control (2006–2008)  
**Metsä Board Corporation**, Business Controller, Folding Cartons (2003–2006)  
**Nokia Corporation** (1999–2000) and **Metsä Group** (2000–2003), SAP system implementation projects in finance

Shares owned: 93,806 B shares



## HENRI SEDERHOLM

b. 1978  
Male  
Chief Financial Officer  
M.Sc. (Econ.)

Metsä Group employee since 2003. Metsä Board Corporation's Chief Financial Officer since 2021.

### Main positions:

**Metsä Board Corporation**, Chief Financial Officer (2021–)  
**Metsä Group**, Senior Vice President, Group Finance (2016–2021)  
**Metsä Wood**, Chief Financial Officer (2015–2016)  
**Metsä Board Corporation**, Vice President, Finance & Control (2009–2015)  
**Metsä Group Treasury**, Long-term Funding (2003–2009)

### Positions of trust:

**Husum Pulp AB**, Member of the Board (2021–)  
**Oy Hangö Stevedoring Ab**, Chair of the Board (2021–2022)  
**Encore Ympäristöpalvelut Oy**, Vice Chair of the Board (2021–2022)

Shares owned: 60,000 B shares



## HARRI PIHLAJANIEMI

b. 1970  
Male  
Senior Vice President, Production and Technology  
M.Sc. (Tech.)

Metsä Group employee since 2017. Metsä Board Corporation's Senior Vice President, Production and Technology since 2023.

### Main positions:

**Metsä Board Corporation**, Senior Vice President, Production and Technology (2023–)  
**Metsä Board Corporation**, Senior Vice President, Production (2017–2023)  
**Stora Enso Corporation**, Vice President, Operations Excellence & Investments (2012–2017)  
**Stora Enso Corporation**, Mill Director, Publication Paper, Veitsiluoto mill (2011–2012)  
**Stora Enso Corporation**, Production Director, Oulu paper mill (2008–2011)  
**Stora Enso Corporation**, Production Manager PM 6, Oulu mill (2006–2007)  
**Stora Enso Corporation**, Production Manager PM 7, Oulu mill (2004–2005)  
**Metsä Board Corporation**, Production Manager PM 3, Kirkniemi mill (2001–2004)

Shares owned: 32,745 B shares



## CAMILLA WIKSTRÖM

b. 1970  
Female  
Senior Vice President, Human Resources  
M.Sc. (Eng.)

Metsä Group employee since 2002. Metsä Board Corporation's Senior Vice President, Human Resources since 2019.

### Main positions:

**Metsä Board Corporation**, Senior Vice President, Human Resources (2019–)  
**Metsä Fibre Oy**, SVP Production, pulp (2018–2019)  
**Metsä Fibre Oy**, VP, Äänekoski Mill (2009–2017)  
**Oy Metsä Botnia Ab (now Metsä Fibre Oy)**, various positions (2002–2008)  
**Herkules Ab**, various positions in sales and customer service (1995–2002)

### Positions of trust:

**Botnia Mill Service Oy**, Member of the Board (2018–2019)

Shares owned: 28,293 B shares

No controlling entities of the members of the Corporate Management Team own shares in the Company.

# Remuneration Report

## Introduction

Metsä Board's remuneration aims to fairly support profitable growth and the increase of shareholder value in line with the company's values and interests. The key objective is to enable the achievement of the company's vision, as well as its strategic and operational targets. We aim to motivate excellent performance both in the short-term and long-term.

Remuneration in Metsä Board is based on the following principles:

- Ensuring sustainable and responsible business operations**  
 Our remuneration supports the achievement of the company's vision, strategic and operational targets, and sustainability targets. We encourage activities in line with the company's values and interests – responsible profitability, reliability, renewal and cooperation.
- Ensuring performance and profitable growth**  
 With remuneration, we encourage excellent performance and results in both the short and long term. We remunerate our people for achieving and exceeding targets, for profitable growth and the increase of shareholder and stakeholder value.
- Supporting competence development and renewal**  
 With remuneration, we support competence development and the commitment of talent. We encourage continuous improvement, renewal and the creation of conditions needed for future success. In addition to monetary remuneration, we develop the personnel's competence and offer opportunities for career development. Our leadership is of a high quality and we encourage the personnel's participation.
- Consistency, competitiveness and transparency**  
 The remuneration is fair and based on clear principles and structures. We offer competitive overall remuneration. We communicate and report on remuneration transparently and according to requirements.

### Compliance with the remuneration policy

In the 2024 financial period, the remuneration of the Board members and the CEO was in line with the remuneration policy approved by the Annual General Meeting on 26 March 2024. No deviations were made from the remuneration policy.

In the 2024 financial period, the remuneration of Board members comprised the annual remuneration approved by the Annual General Meeting and the meeting fees paid based on participation.

In the 2024 financial period, the CEO's remuneration consisted of a fixed base salary, fringe benefits and short- and long-term performance-based incentives, as well as the contributions to the supplementary defined benefit pension arrangement.

Clawback terms are in place for exceptional situations in both short-term and long-term incentive system. No incentives were recovered in the 2024 financial period.

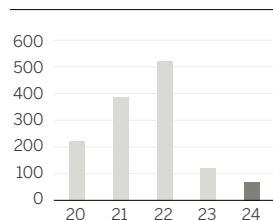
### Short-term and long-term incentive systems

Metsä Board has a short-term incentive system with a review period of one calendar year. The company also has a long-term share-based incentive system with a performance period of three years and a restriction period of approximately two years. The targets of the long-term incentive system, tied to the return on capital employed, operating result, and equity ratio, affect the long-term development of shareholder value. The Board of Directors has steered the company's operations in the short- and long-term with the support of the incentive systems. Metsä Board's financial result has a direct impact on the remuneration of the CEO through both the short- and long-term incentive systems.

### The company's financial development

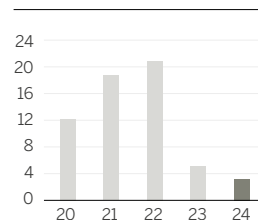
#### OPERATING RESULT, COMPARABLE

EUR million



#### RETURN ON CAPITAL EMPLOYED, COMPARABLE

%



## Development of remuneration in 2020–2024

No changes were made to the remuneration paid to Board members in 2020–2021. In 2022, the Annual General Meeting decided to increase the annual remuneration paid to Board members. The annual remuneration paid to the Chair and to the Deputy Chair of the Board of Directors is EUR 99,000 and EUR 85,000, respectively. The annual remuneration paid to other members of the Board of Directors is EUR 67,000. Around half the annual remuneration is paid in cash, and the rest in shares. The 2022 Annual General Meeting also decided to keep meeting fees at EUR 800 and pay a separate monthly remuneration of EUR 900 to the Chair of the Audit

Committee. The 2024 Annual General Meeting decided to keep annual and monthly remuneration unchanged and raise meeting fees from EUR 800 to EUR 1,000. The meeting fee is paid in cash, and as of the 2024 Annual General Meeting, only once if several meetings are held during the same day. The CEO's base salary has been increased by around 10% over a five-year period. The development of gross earnings has been influenced particularly by the company's success and thus by the number of the company's B series shares earned in the long-term incentive system. The development of employees' average earnings has been moderate.

### DEVELOPMENT OF THE BOARD OF DIRECTORS' REMUNERATION, THE CEO'S REMUNERATION, AND THE AVERAGE EARNINGS OF EMPLOYEES (IN EUROS)

	2024	2023	2022	2021	2020
<b>Chair of the Board of Directors</b>	114,400	111,800	113,400	108,600	108,300
Ilkka Hämälä as of 27 March 2018					
<b>Vice Chair of the Board of Directors</b>	101,400	97,800	99,400	93,600	94,700
Jussi Linnaranta as of 11 June 2020					
Martti Asunta until 11 June 2020					
<b>Other members of the Board of Directors (average)</b>	82,229	80,200	82,329	75,986	75,900
<b>CEO<sup>1)</sup></b>	1,514,834	2,268,101	1,817,130	1,558,658	1,148,937
Mika Joukio as of 1 October 2014					
<b>Average earnings of employees<sup>2)</sup></b>	53,183	52,221	59,564	56,941	50,695
Ratio of highest annual earnings to median earnings <sup>3)</sup>	25	39	-	-	-

<sup>1)</sup> The figures shown in the table do not include paid supplementary pension insurance premiums.

<sup>2)</sup> The average earnings of employees have been calculated from the employee costs of Metsä Board Group in its entirety by deducting social security costs from the total and dividing the remainder by the average number of employees.

<sup>3)</sup> The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual). Comparison figure is not available for years 2020–2022.

# Remuneration of the Board of Directors

## REMUNERATION PAID TO THE BOARD OF DIRECTORS IN 2024 (IN EUROS)

	Annual remuneration <sup>1)</sup>	Board meeting fees	Committee meeting fees	Pension insurance contribution (TyEL) <sup>2)</sup>	Total
<b>Ilkka Härmälä</b> , Chair	99,000	12,000	3,400	20,920	135,320
<b>Jussi Linnaranta</b> , Vice Chair	85,000	13,000	3,400	18,566	119,966
<b>Leena Craelius</b> , as of 26 March 2024	67,000	7,000	3,000	13,994	90,994
<b>Raija-Leena Hankonen-Nybo</b> <sup>3)</sup>	67,000	12,000	3,600	15,124	97,724
<b>Erja Hyrsky</b>	67,000	12,200	3,400	15,124	97,724
<b>Mari Kiviniemi</b>	67,000	13,000	3,600	14,053	97,653
<b>Jukka Moisio</b>	67,000	13,000	2,800	14,024	96,824
<b>Mikko Mäkimattila</b>	67,000	13,000	3,400	15,271	98,671
<b>Juha Vanhainen</b>	67,000	13,000	3,600	15,235	98,835
<b>Total</b>	<b>653,000</b>	<b>108,200</b>	<b>30,200</b>	<b>142,311</b>	<b>933,711</b>
<b>Former members of the Board of Directors</b>					
<b>Hannu Anttila</b> , until 26 March 2024	-	4,000	1,600	-	<b>5,600</b>

<sup>1)</sup> Approximately half the remuneration has been paid as the company's B series shares, and approximately half in cash. The cash portion has covered the taxes to be charged from the remuneration. The figures shown in the table do not include the portion of transfer tax paid by the company.

<sup>2)</sup> Voluntary TyEL pension (the Finnish employee's statutory pension system) insurance has been taken out for the members of the Board of Directors until they reach the required upper age limit.

<sup>3)</sup> The Chair of the Audit Committee has also been paid a monthly remuneration of EUR 900 every month.

## SHARES DELIVERED TO THE BOARD OF DIRECTORS IN 2024

Member of the Board of Directors	Number of shares <sup>1)</sup> delivered
<b>Ilkka Härmälä</b> , Chair	7,035
<b>Jussi Linnaranta</b> , Vice Chair	6,040
<b>Leena Craelius</b> , as of 26 March 2024	4,761
<b>Raija-Leena Hankonen-Nybo</b>	4,761
<b>Erja Hyrsky</b>	4,761
<b>Mari Kiviniemi</b>	4,761
<b>Jukka Moisio</b>	4,761
<b>Mikko Mäkimattila</b>	4,761
<b>Juha Vanhainen</b>	4,761
<b>Total</b>	<b>46,402</b>

<sup>1)</sup> Metsä Board's series B share



# Remuneration of the CEO

## SALARIES AND INCENTIVES PAID TO THE CEO AND THE COST OF SUPPLEMENTARY PENSION ARRANGEMENT IN 2024 (IN EUROS)

	2024
Base salary, including fringe benefits <sup>1)</sup>	563,359
Short-term incentive <sup>2) 3)</sup>	84,509
Long-term incentive <sup>2) 4)</sup>	866,967
<b>Total</b>	<b>1,514,834</b>
Supplementary defined benefit pension arrangement	642,104

<sup>1)</sup> The base salary includes a company car and phone benefit, as well as extended health, travel and accident insurance coverage.

<sup>2)</sup> The incentive paid is accrued in the financial statements over the vesting period.

<sup>3)</sup> The short-term incentive paid concerns performance in 2023.

<sup>4)</sup> The long-term incentive paid concerns the 2021–2023 performance period.

In 2024, the maximum level of remuneration available in the CEO's short-term incentive system was 75% of the fixed annual base salary, accounting for Metsä Group's EBIT multiplier. In 2024, the CEO's short-term incentive was EUR 0, as the short-term incentive system's performance indicator (Metsä Group's EBIT) did not exceed the threshold. In 2024, the CEO's sustainability targets were related to occupational safety and strategic programmes, the goals of which include reducing fossil-based CO<sub>2</sub> emissions, promoting the use of fossil-free raw materials and reducing process water use in production. The weighting of the CEO's occupational safety target was 10%, and its realisation was 132%.

The 2023 short-term incentive system was based on the same principles as in 2024. The CEO's short-term incentive was EUR 84,509. The incentive was paid in March 2024.

## THE CEO'S SHORT-TERM INCENTIVE TARGETS AND INCENTIVES FOR 2023–2024

The CEO's incentive targets	Weight, %	Actual %, before the Metsä Group EBIT multiplier <sup>1)</sup>	Actual in euros, taking the Metsä Group EBIT multiplier into account <sup>2)</sup>
<b>2024</b>			
Paperboard sales	20	63	0
Fixed costs	10		
Work safety, TRIF	10		
Strategic projects	10		
EBIT target	50		
<b>Total targets</b>	<b>100</b>		
<b>2023</b>			
Paperboard sales	15	66	84,509
Fixed costs	15		
Work safety, TRIF	10		
Strategic projects	10		
EBIT target	50		
<b>Total targets</b>	<b>100</b>		

<sup>1)</sup> The targets are assessed on a scale of 0–200, where 100% means that target is reached.

<sup>2)</sup> The short-term incentive, taking Metsä Group's EBIT multiplier into account. For 2024, no performance bonus was paid as the incentive system's threshold value was not reached. In 2023, the actual EBIT multiplier was 0.82.

In 2019, Metsä Board's Board of Directors decided on a long-term performance-based incentive system for key employees for 2020–2024. The system consists of three performance periods of three years. The amount of the reward is limited. The CEO's maximum reward is 210% of the fixed annual base salary (a cut-off level of 270% of the fixed annual base salary). The payment of the reward is followed by a restriction period of approximately two years, during which the CEO cannot transfer or dispose of the shares related to the payment.

The reward paid from the long-term incentive system in 2024 concerned the 2021–2023 performance period of the 2020–2024 performance share

plan. The reward for the 2022–2024 performance period will be paid in March 2025.

In 2022, Metsä Board's Board of Directors decided on a new long-term performance-based incentive system for 2023–2027. It is based on the same principles as the 2020–2024 long-term incentive system, and the CEO's reward level has not changed.

The variable pay (short- and long-term incentives) constitutes a significant portion of the CEO's remuneration. The relative portions of variable pay and the fixed annual base salary are shown in the below graph.

#### PERFORMANCE PERIODS, CRITERIA AND ACTUALS OF THE LONG-TERM PERFORMANCE-BASED INCENTIVE SYSTEMS AND CEO'S INCENTIVES

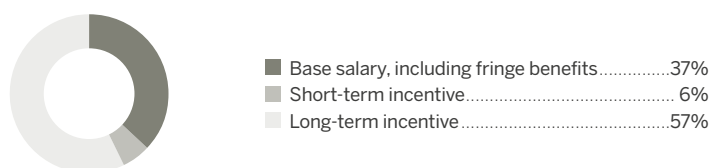
Performance period	Year of payment	Criteria <sup>1)</sup>	Weight, %	Actual, %	Share price at time of transfer, EUR	CEO's earned gross reward, shares <sup>2)</sup>
2021–2023	2024	Metsä Board ROCE	50	100	7.09	122,332
		Metsä Group ROCE	50			
2022–2024	2025	Metsä Board ROCE	50	53	Not known yet	64,349 <sup>3)</sup>
		Metsä Group ROCE	50			
2023–2025	2026	Metsä Board ROCE	50	Not known yet		
		Metsä Group ROCE	50			
2024–2026	2027	Metsä Board ROCE	50	Not known yet		
		Metsä Group ROCE	50			

<sup>1)</sup> The three-year average ROCE of Metsä Board Group (50%) and Metsä Group (50%). Furthermore, minimum values have been set for the equity ratio and operating result.

<sup>2)</sup> The gross reward includes the shares to be transferred as well as the share of taxes.

<sup>3)</sup> The reward will be paid in March 2025.

#### THE BREAKDOWN OF THE CEO'S REMUNERATION INTO A FIXED BASE SALARY, SHORT-TERM INCENTIVE AND LONG-TERM INCENTIVE IN 2024



#### The cost of the CEO's supplementary pension arrangement in 2024

The CEO is covered by a supplementary defined benefit pension arrangement according to which the CEO is entitled to retire at the age of 62.

In 2024, the contribution to the supplementary defined benefit pension arrangement was EUR 642,104. No other financial benefits were paid to the CEO in 2024.

# Investor relations and investor information

The task of Metsä Board's Investor Relations is to ensure that the market receives accurate and adequate information to determine the value of Metsä Board's shares.

The Investor Relations function engages in active dialogue with representatives of the capital markets and is responsible for the planning and implementation of the company's financial and investor communication.

The activities of Investor Relations also include collecting feedback from investors and market information for Metsä Board's management and Board of Directors.

Meetings with investors and analysts are primarily attended by the Vice President for Investor Relations, the CFO and/or the CEO. All requests from investors are handled in a centralised manner by Investor Relations. During the silent period, the company will not provide comments on the company's financial standing or outlook, or the market environment.

## Investors website

More information about Metsä Board as an investment, as well as the company's strategy, operating environment, financials and governance, can be found on the company's website at <https://www.metsagroup.com/metsaboard/investors/>.

## Investor relations in 2024

In 2024, several investor and analyst meetings were organised, both virtually and in person. Investors were met mainly in Finland, Central Europe and North America. Metsä Board also participated actively in investor conferences organised by brokerage firms.

The 2024 Annual General Meeting was held on 26 March 2024 in Espoo.

In connection with the publishing of each interim report, Metsä Board organises a webcast and conference call open to everyone. During the event, the CEO and CFO present the results, and the audience can ask questions. The recordings and presentation materials are available on the company's website for at least five (5) years.

Metsä Board's investor communication makes use of social media through X and LinkedIn accounts, for example.

## Analyst coverage

At least the following brokerage firms conducted analyses of Metsä Board in 2024: ABG Sundal Collier, Carnegie, Danske Bank, DnB, Inderes, Nordea, OP Equities, SEB and UBS. The contact details of the analysts and some of the consensus forecasts are available on the company's website.

Metsä Board is not responsible for the content, accuracy or extent of the analysts' views.

## Annual General Meeting in 2025

Metsä Board's Annual General Meeting will be held on Thursday 20 March 2025 at 2:00 p.m. EET in Finlandia Hall, Mannerheimintie 13 e, 00100 Helsinki, Finland. The notice to general meeting, including registration instructions, as well as the general meeting documents and additional information are available on the Company's website at [www.metsagroup.com/agm2025](http://www.metsagroup.com/agm2025).

## Profit distribution

The Board of Directors proposes to the Annual General Meeting to be held on 20 March 2025 that a dividend of EUR 0.07 per share be paid for the 2024 financial period. The proposed dividend is in line with the company's dividend policy.

The dividend will be paid to shareholders who are registered in the company's shareholder register held by Euroclear Finland Oy on the date of record, 24 March 2025. The Board of Directors proposes 31 March 2025 as the dividend payment date.

## Contact details for investor relations

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General questions and comments related to investor relations can be emailed to: [metsaboard.investors@metsagroup.com](mailto:metsaboard.investors@metsagroup.com).

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## Financial reporting in 2025

Silent period	Financial report	Publication date
1 January–6 February 2025	Financial Statements Bulletin 2024	6 February 2025
1 April–29 April 2025	Interim Report for January–March 2025	29 April 2025
1 July–31 July 2025	Half-year Financial Report for January–June 2025	31 July 2025
1 October–23 October 2025	Interim Report for January–September 2025	23 October 2025

**Metsä Board** is a leading European producer of premium fresh fibre paperboards. Our paperboards made from renewable wood fibre are used for consumer and retail packaging solutions.

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Metsä Board's annual reporting for 2024 includes the Annual Review and the Sustainability Review (available in March 2025).  
[www.metsagroup.com/metsaboard](http://www.metsagroup.com/metsaboard)



Metsä Board  
Annual Review 2024



Metsä Board  
Sustainability Review  
2024





# Growth, with a future

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