

Metsä Board
Remuneration Report 2024



Review by the Chair of the Nomination and HR Committee

Dear shareholder,

On 26 March 2024, Metsä Board's Annual General Meeting approved the remuneration policy concerning the remuneration of the Board of Directors and CEO of Metsä Board Corporation ("Metsä Board"). The policy's principles apply to the remuneration of Metsä Board's entire personnel.

The Board of Directors' Nomination and HR Committee actively monitors the development of remuneration, as well as new regulatory initiatives, and proposes changes to the remuneration policy and remuneration practices to the Board of Directors to decide when necessary.

In 2024, the Nomination and HR Committee continued to focus on the visible role of sustainability targets in remuneration target setting. Sustainability indicators or targets are included in each Metsä Board employee's annual targets. Setting sustainability targets as part of the annual targets promotes the continuous evaluation and improvement of sustainability in our operations. The 2025 short-term incentive system also includes a sustainability indicator common to all salaried employees.

This remuneration report is based on the recommendations in the Corporate Governance Code 2025 published by the Securities Market Association and on the requirements of the Securities Market Act and the

Limited Liability Companies Act. The report describes how the remuneration policy has been complied with, and how members of the company's Board of Directors and the CEO were remunerated in the 2024 financial period.

We have aimed to provide an illustrative and transparent summary of the remuneration of the company's statutory governing bodies and the implementation of Metsä Board's remuneration policy. The remuneration report enables the company's shareholders and other stakeholders to evaluate the success of the company and its remuneration.

The remuneration policy, remuneration report and further information about the management's and personnel's remuneration are available in the company's financial statements and on its website.

Ilkka Hämälä

Chair of the Nomination and HR Committee of Metsä Board Corporation's Board of Directors

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.

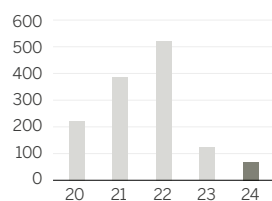
Short-term and long-term incentive systems

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

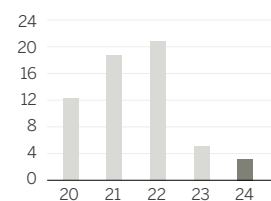
OPERATING RESULT, COMPARABLE

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
Chair of the Board of Directors	114,400	111,800	113,400	108,600	108,300
Ilkka Hämmälä as of 27 March 2018					
Vice Chair of the Board of Directors	101,400	97,800	99,400	93,600	94,700
Jussi Linnaranta as of 11 June 2020					
Martti Asunta until 11 June 2020					
Other members of the Board of Directors (average)	82,229	80,200	82,329	75,986	75,900
CEO¹⁾	1,514,834	2,268,101	1,817,130	1,558,658	1,148,937
Mika Joukio as of 1 October 2014					
Average earnings of employees²⁾	53,183	52,221	59,564	56,941	50,695
Ratio of highest annual earnings to median earnings ³⁾	25	39	-	-	-

¹⁾ The figures shown in the table do not include paid supplementary pension insurance premiums.

²⁾ 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.

³⁾ 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 ¹⁾	Board meeting fees	Committee meeting fees	Pension insurance contribution (TyEL) ²⁾	Total
Ilkka Hämmälä , Chair	99,000	12,000	3,400	20,920	135,320
Jussi Linnaranta , Vice Chair	85,000	13,000	3,400	18,566	119,966
Leena Craelius , as of 26 March 2024	67,000	7,000	3,000	13,994	90,994
Raija-Leena Hankonen-Nybm ³⁾	67,000	12,000	3,600	15,124	97,724
Erja Hyrsky	67,000	12,200	3,400	15,124	97,724
Mari Kiviniemi	67,000	13,000	3,600	14,053	97,653
Jukka Moisio	67,000	13,000	2,800	14,024	96,824
Mikko Mäkimattila	67,000	13,000	3,400	15,271	98,671
Juha Vanhainen	67,000	13,000	3,600	15,235	98,835
Total	653,000	108,200	30,200	142,311	933,711
Former members of the Board of Directors					
Hannu Anttila , until 26 March 2024	-	4,000	1,600	-	5,600

¹⁾ 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.

²⁾ 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.

³⁾ 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 ¹⁾ delivered
Ilkka Hämmälä , Chair	7,035
Jussi Linnaranta , Vice Chair	6,040
Leena Craelius , as of 26 March 2024	4,761
Raija-Leena Hankonen-Nybm	4,761
Erja Hyrsky	4,761
Mari Kiviniemi	4,761
Jukka Moisio	4,761
Mikko Mäkimattila	4,761
Juha Vanhainen	4,761
Total	46,402

¹⁾ 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 ¹⁾	563,359
Short-term incentive ^{2) 3)}	84,509
Long-term incentive ^{2) 4)}	866,967
Total	1,514,834
Supplementary defined benefit pension arrangement	642,104

¹⁾ The base salary includes a company car and phone benefit, as well as extended health, travel and accident insurance coverage.

²⁾ The incentive paid is accrued in the financial statements over the vesting period.

³⁾ The short-term incentive paid concerns performance in 2023.

⁴⁾ 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 CO₂ 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 in euros, taking the Metsä Group EBIT multiplier into account ²⁾	
		Actual %, before the Metsä Group EBIT multiplier ¹⁾	EBIT multiplier
2024			
Paperboard sales	20		
Fixed costs	10		
Work safety, TRIF	10	63	0
Strategic projects	10		
EBIT target	50		
Total targets	100		
2023			
Paperboard sales	15		
Fixed costs	15		
Work safety, TRIF	10	66	84,509
Strategic projects	10		
EBIT target	50		
Total targets	100		

¹⁾ The targets are assessed on a scale of 0–200, where 100% means that target is reached.

²⁾ 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

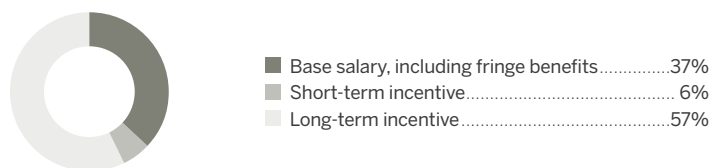
Performance period	Year of payment	Criteria ¹⁾	Weight, %	Actual, %	Share price at time of transfer, EUR	CEO's earned gross reward, shares ²⁾
2021–2023	2024	Metsä Board ROCE	50	100	7.09	122,332
		Metsä Group ROCE	50			
2022–2024	2025	Metsä Board ROCE	50	53	Not known yet	64,349 ³⁾
		Metsä Group ROCE	50			
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			

¹⁾ 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.

²⁾ The gross reward includes the shares to be transferred as well as the share of taxes.

³⁾ 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.



Growth, with a future