Metsä Board

Investor presentation

January–June 2024

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Contents

Metsä

Investment highlights

Premium fresh fibre paperboards

- Recyclable and lightweight paperboards from renewable raw materials
- Packaging materials providing an alternative to plastics

A leading position in a growing market

- Metsä Board is #1 producer in folding boxboard and white kraftliners in Europe, and
- #1 in coated white kraftliners globally

Strong focus on sustainability

- Fossil free production and products by the end of 2030
- Resource efficiency and reduced carbon footprint of packaging

Investing in sustainable and profitable growth

- Recently completed large-scale growth investments
- Planned investments to improve competitiveness and sustainability, and develop new products

Metsä Board is part of profitable Metsä Group

Ensures high availability of Nordic fibres and pulps

Metsä

Metsä Board is part of Metsä Group

Metsä Group's interest is to increase the value of the forest of owner-members by processing wood into valuable and sustainable end-products

Figures based on FY2023

METSÄ GROUP

FY2023: Sales EUR 6.1 billion | ROCE 7.2% | Personnel 9,500

Parent company: METSÄLIITTO COOPERATIVE
owned by over 90,000 Finnish forest-owners

METSÄ FOREST

WOOD SUPPLY AND FOREST SERVICES

Sales EUR 2.2 bn
Personnel 700

Holding:
Metsäliitto Cooperative 100%

METSÄ WOOD

WOOD PRODUCTS

Sales EUR 0.6 bn
Personnel 1,550

Holding:
Metsäliitto Cooperative 100%

METSÄ FIBRE

PULP AND SAWN TIMBER

Sales EUR 2.5 bn
Personnel 1,600

Holding:
Metsäliitto Cooperative 50.1%
Itochu Corporation 25.0%
Metsä Board 24.9%

METSÄ BOARD

PAPERBOARD

Sales EUR 1.9 bn
Personnel 2,250

Holding:
Listed in Nasdaq Helsinki
Metsäliitto Cooperative 52%

METSÄ TISSUE

TISSUE AND GREASEPROOF PAPERS

Sales EUR 1.3 bn
Personnel 2,500

Holding:
Metsäliitto Cooperative 100%

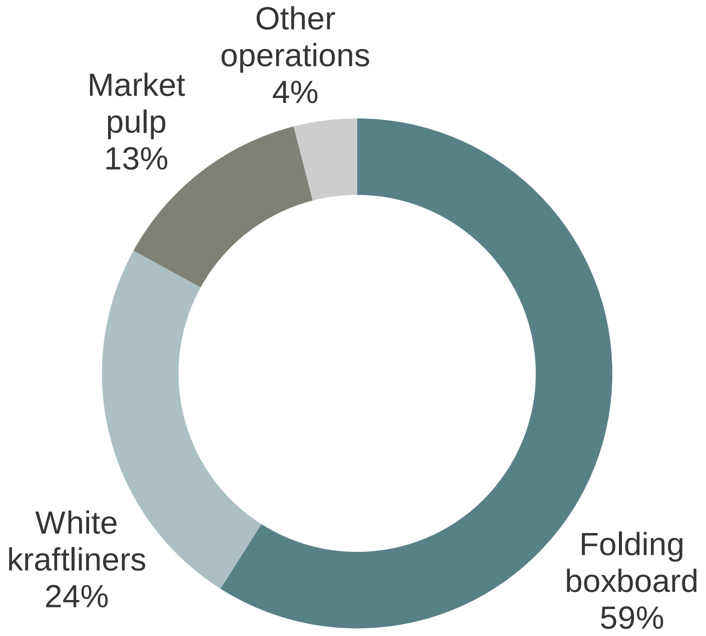
METSÄ SPRING INNOVATION COMPANY

Metsä Spring's role is to
- invest worldwide in start-ups and implement Metsä Group's own selected pilot/demo projects
- lead Metsä Group's R&D with the aim of supporting the development of Group's current businesses

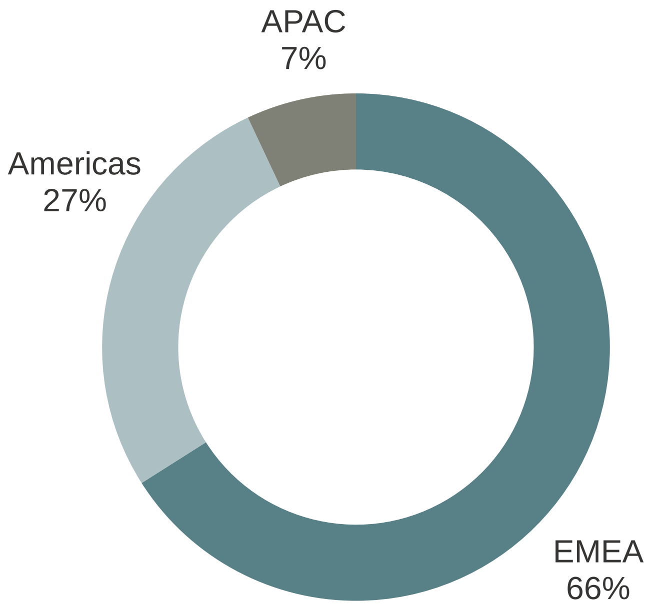
Metsä

Company in figures

Split by product

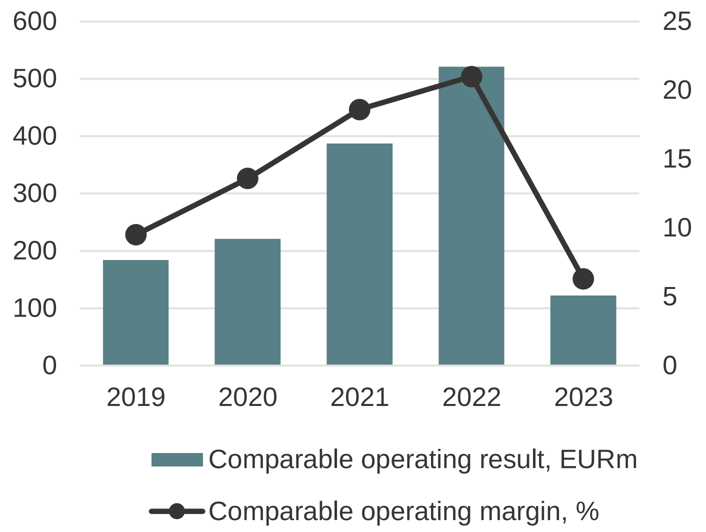


Split by region



Comparable operating result

FY2023: EUR 122 million or 6.3% of sales



Paperboard capacity
2.3 million
tonnes/year

Pulp and BCTMP capacity
1.7 million
tonnes/year

Ownership in Metsä Fibre*
24.9%
secures self-sufficiency in pulp

Long-term customerships

Diversified customer base in 100 countries including brand owners, converters, manufacturers of corrugated products and merchants

In 2023 paperboard capacity increased by 240,000 tonnes due to the capacity expansions in Husum and Kemi.
Additional capacity is expected to be fully in the market in 2026.

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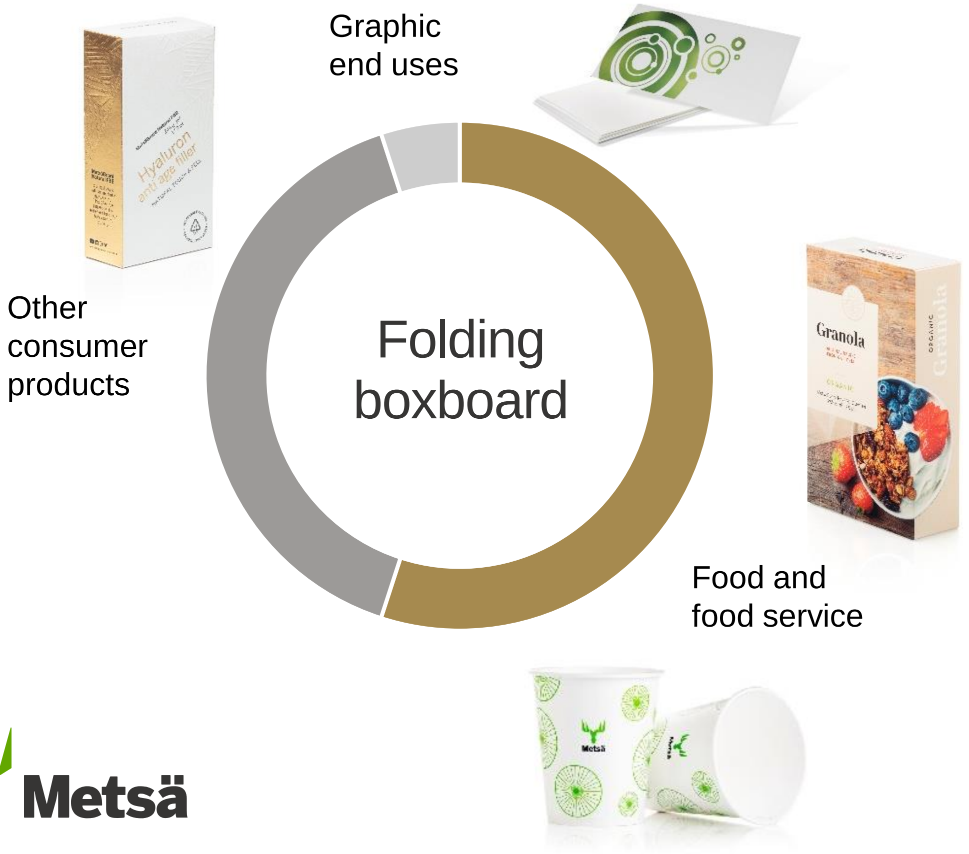
Focus on premium and recyclable fresh fibre paperboards, end-uses mainly in consumer products

Metsä Board’s annual capacity in FBB in 1.6 mt



Metsä Board’s annual capacity in WKL in 0.7 mt

- of which 2/3 is coated WKL

Source: Metsä Board’s own estimate

Our main markets are Europe and North America

Regional focus on key demand drivers

Further strengthening our leading market position in EUROPE

- Environmental awareness and regulatory requirements support recyclable packaging materials
- Trend towards material reduction and lightweighting favours folding boxboard
- Food safety requirements favour pure fresh fibre paperboards
- Weakened availability of high-quality recycled paper

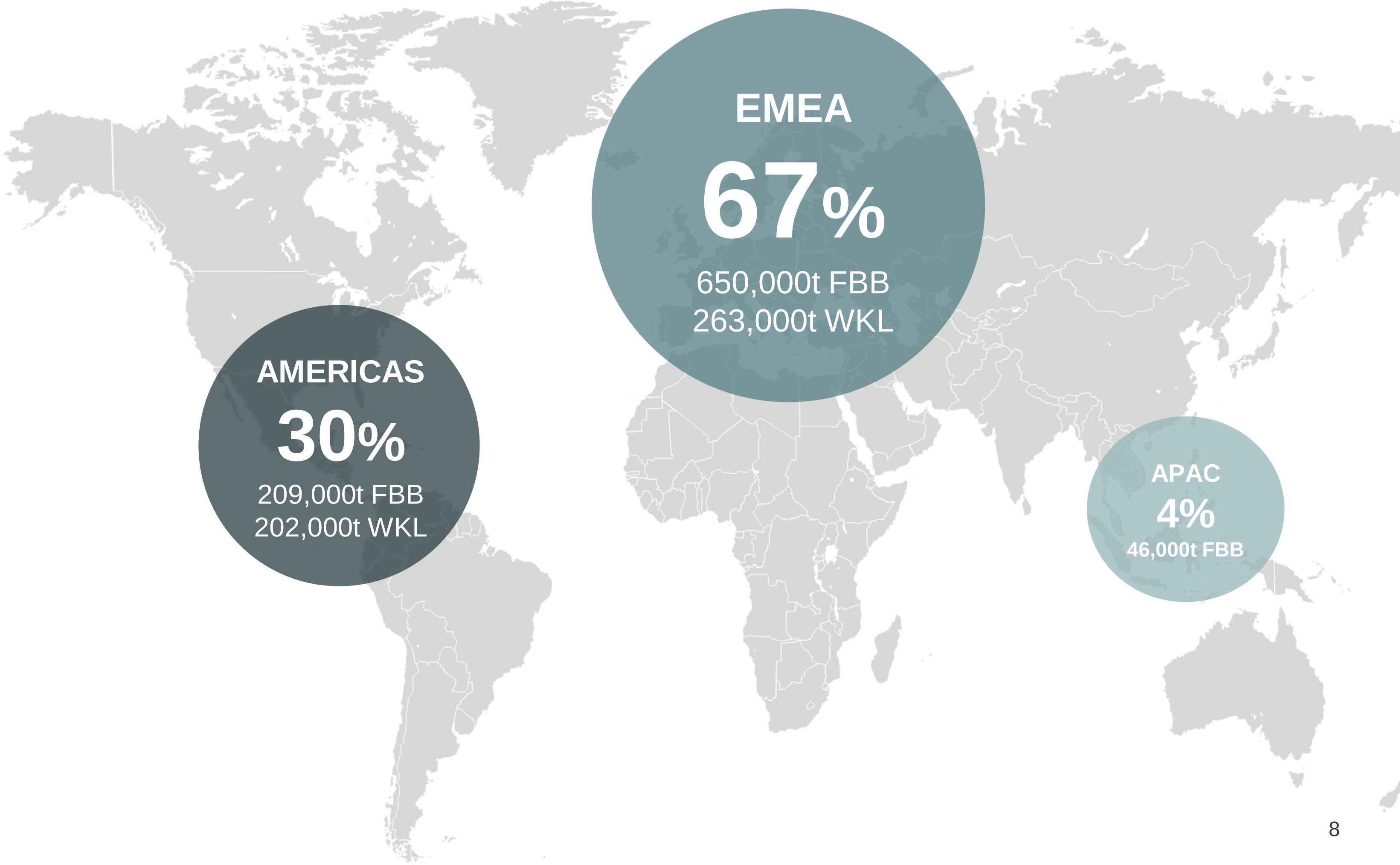
Continuing growth in NORTH AMERICA

- Limited local availability of high-quality lightweight paperboards
- Growth in sustainable packaging for food and food service
- Product brand promotion and personalization in growing e-commerce

Focus on high-quality packaging in selected end use segments in APAC

- Middle class growth increases purchasing power and demand for packaged consumer goods

Total paperboard deliveries in 2023 were 1.4 million tonnes (2022: 1.8mt)

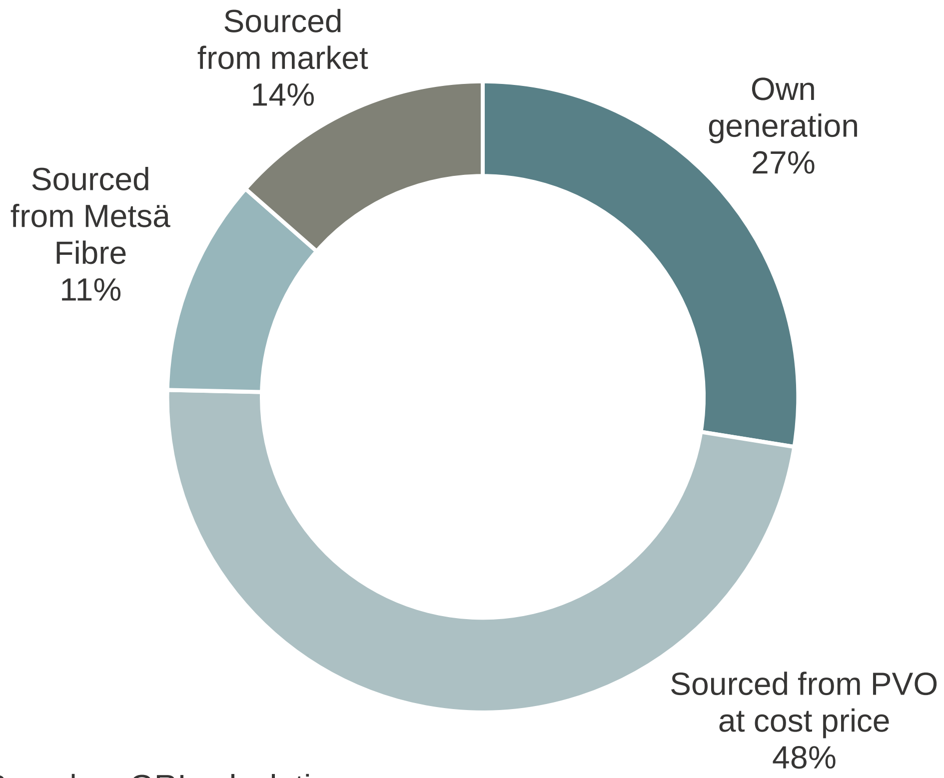


Self-sufficiency in energy is 90%

Energy consumption by sourcing method

Electricity

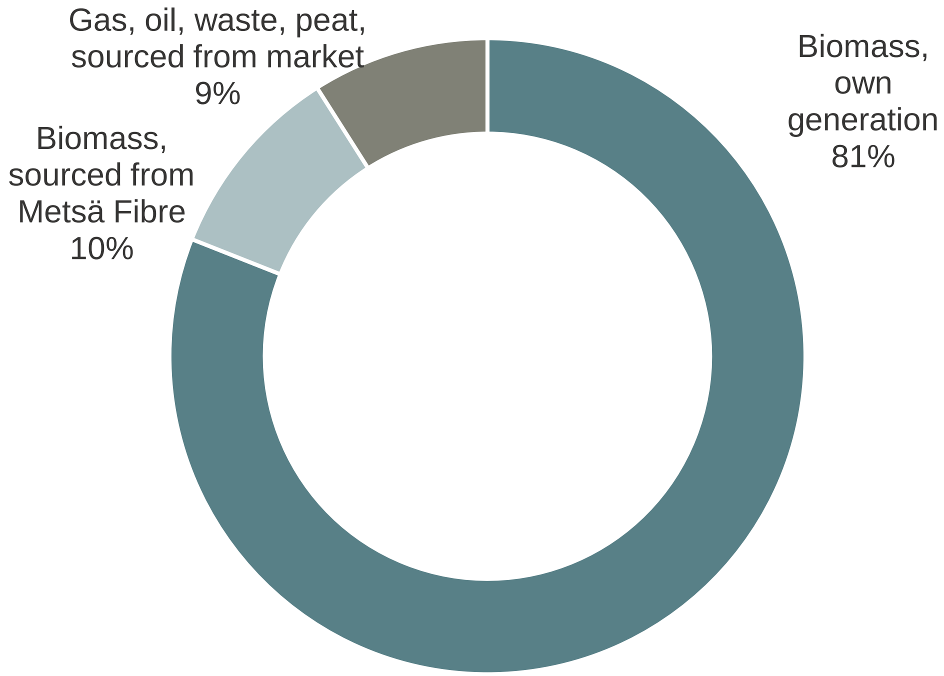
Total 1.9 TWh



Based on GRI calculation

Fuels (Heat)

Total 6.0 TWh



Based on primary energy calculation

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Self-sufficiency in pulp is secured through ownership of Metsä Fibre

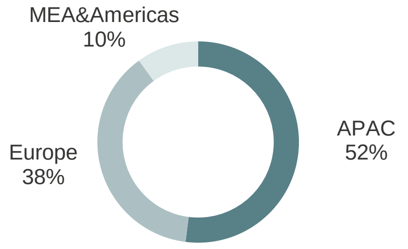
Metsä Fibre is globally #1 producer in softwood market pulp (NBSK)

- Capacity ~4 million tonnes/year chemical pulp (80% SW, 20% HW)
- 2.1 million m^3/year sawn timber (40% spruce, 60% pine)
- Self-sufficiency in electricity over 200% (total annual production capacity ~5.2 TWh)

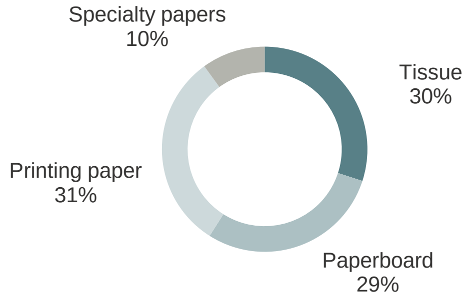
Metsä Board owns 24.9% of Metsä Fibre

- Other owners Metsäliitto Cooperative 50.1% and Itochu Corporation 25.0%
- Metsä Board consolidates 24.9% of Metsä Fibre's net result into its EBITDA. The annual dividend by Metsä Fibre is typically paid at the end of Q1
- Taking into account the ownership in Metsä Fibre, +/- 10% change in market pulp price has an +/- EUR 50 million impact on Metsä Board's annual operating result

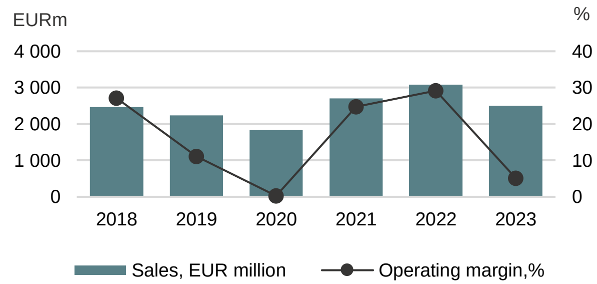
Metsä Fibre's pulp sales split by region 2023



Metsä Fibre's pulp sales split by end-use 2023



Metsä Fibre's sales (EUR million) and operating margin (%)



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Metsä Board's production is close to the main raw material – northern wood

Total paperboard capacity:
Folding boxboard (FBB): 1,560,000 t/a
White kraftliner (WKL): 715,000 t/a

Total pulp / BCTMP capacity:
BCTMP: 750,000 t/a
Chemical pulp: 910,000 t/a
24.9% ownership in Metsä Fibre, total pulp capacity ~4Mt

Production units and annual capacities

Kemi
465,000 t/a WKL
1,500,000 t/a pulp[1,2]

Husum
600,000 t/a FBB
250,000 t/a WKL
730,000 t/a pulp

Kaskinen
390,000 t/a BCTMP

Kyro
190,000 t/a FBB

Äänekoski
260,000 t/a FBB
1,300,000 t/a pulp[1]

Simpele
300,000 t/a FBB

Joutseno
360,000 t/a BCTMP
690,000 t/a pulp[1]

Tako
210,000 t/a FBB

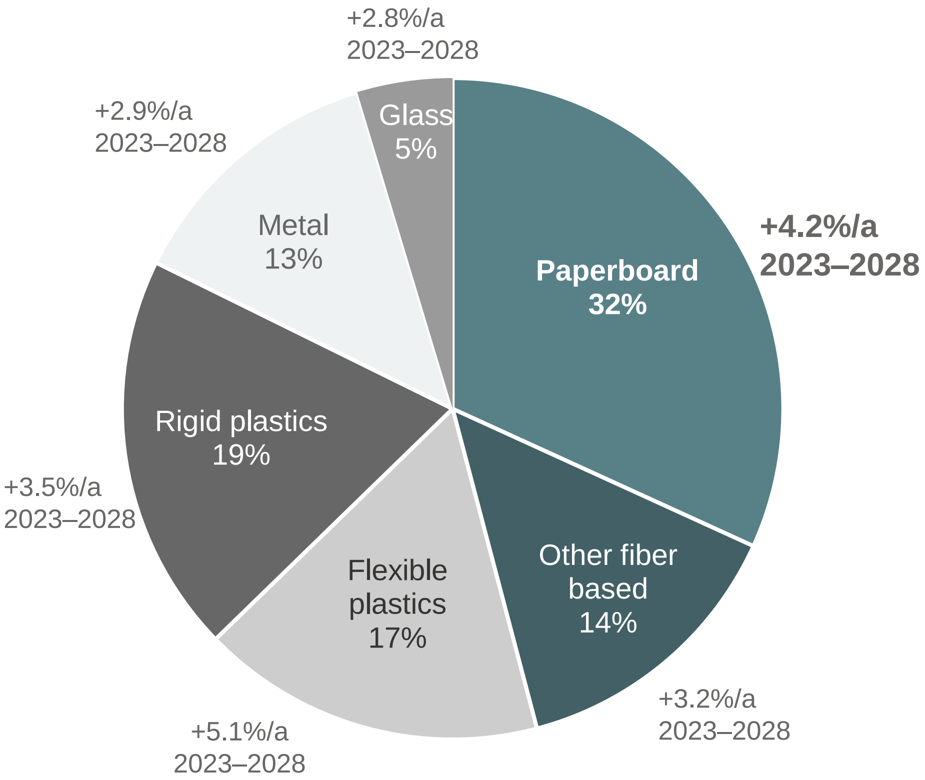
- Mill integrated in chemical pulp
- Mill non-integrated in chemical pulp
- Wood sourced from Finland, Sweden and Baltics.

[1] Metsä Fibre's mill
[2] Metsä Board 180,000 t/a and Metsä Fibre 1,320,000 t/a

Global need for packaging is growing

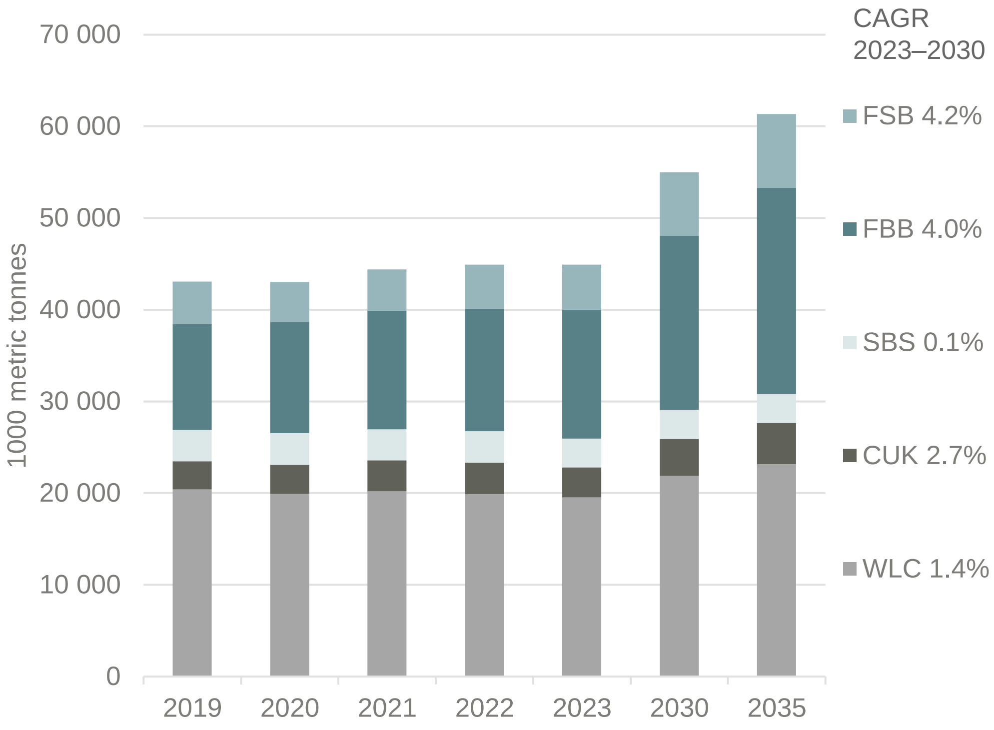
Global packaging market value is USD 1,175 billion and it is growing by 3.9% per year

Paperboard is growing faster than all packaging materials on average



Source: Smithers Information Ltd

Folding boxboard and foodservice board have fastest growth rates of all cartonboards



Source: AFRY

Demand drivers for fresh fibre paperboards

Population growth, urbanisation and rising living standards drive packaging

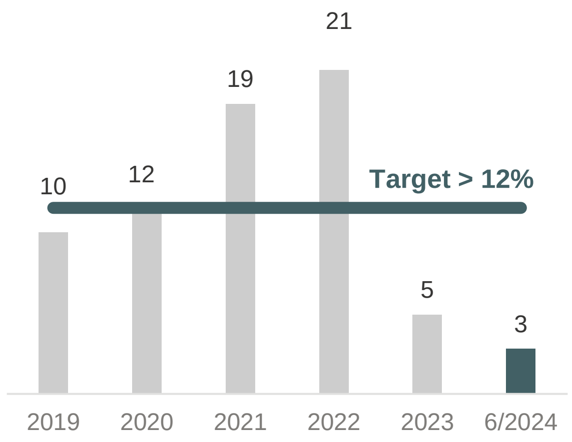
Regulation and consumer preferences favour fossil free packaging materials

Availability and quality of recycled fibre is declining

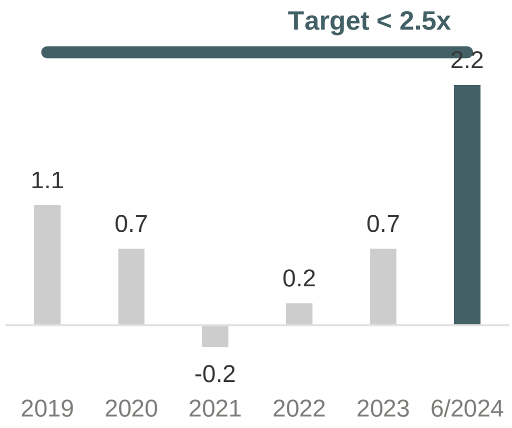
Global e-commerce continues to grow

Financial targets and dividend policy

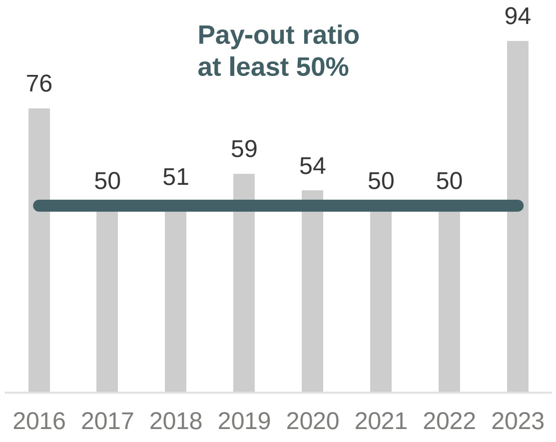
Comparable ROCE, %:



IB Net debt / comparable EBITDA



Dividend policy
Dividend / net result, %



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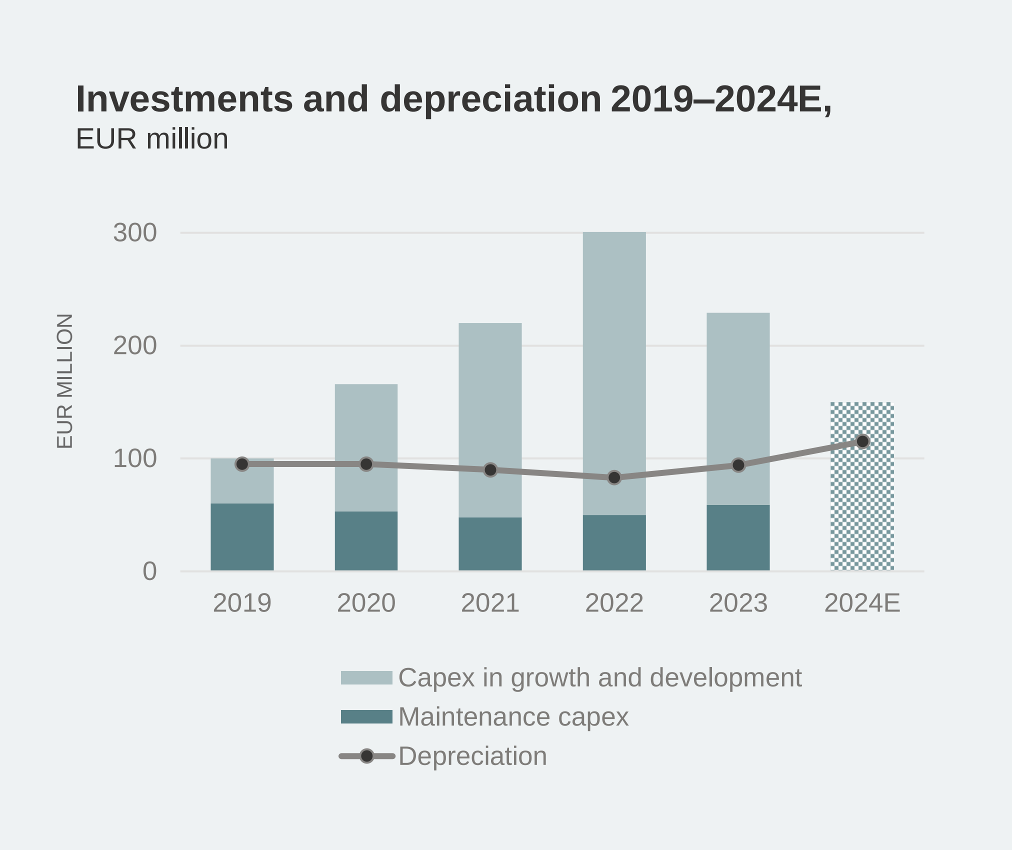
Investments

Investments and depreciation



January–June 2024

- Total investments in H1/2024 were EUR 53 million, and depreciation* EUR 61 million

Year 2024, estimated

- Total investments in 2024 are expected to be around EUR 150m (previous estimate EUR 200m)
- 2024 includes investments carried over from 2023

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* Includes a write-down of Kaskinen pre-engineering EUR 7.6m

Investments in Husum and Kemi completed in 2023

Husum folding boxboard capacity expansion and port investments

- Increase of 200,000 t/y folding boxboard
- Total capacity 600,000 t/y,
  fully available on the market in 2026
- Investment value EUR 230 million

Ongoing

- Increase in port warehouse capacity,
  EUR 20 million, est. completion in 2024

Kemi mill development programme

- Increase of 40,000 t/y white kraftliner
- Total capacity 465,000 t/y,
  fully available on the market in 2025
- Decreased water and energy use
- Investment value EUR 110 million

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Renewal of Simpele paperboard machine

- Investment decision made in April 2024
- Renewal will improve the quality of FBB, increase the annual production capacity and enable fossil free production
- Estimated completion in H2 2025
- Investment value EUR ~60 million, divided between 2024 and 2026

Simpele board mill

- After the investment, annual capacity will be 310,000 tonnes of premium lightweight folding boxboard
- Main end uses in food and pharma packaging
- Future investments in the mill include renewals in the finishing area of paperboard and in mechanical pulp production, as well as a new power plant

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Ongoing and planned investments

Investments aim to improve the competitiveness of our mills and products and accelerate the move towards fossil-free production

Simpele board mill

- Renewal of paperboard machine (investment ongoing)
- Renewals in paperboard finishing area and mechanical pulp production, a new power plant

Kyro board mill

- Improving the performance of barrier boards and expanding end use areas

Husum pulp mill

- New pulp drying machine

Husum board mill

- New products on the existing white kraftliner production line BM 2

Total investment value of Simpele and Kyro board mills estimated at EUR 250 million over the next 10 years

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Metsä Fibre's new bioproduct mill in Kemi

Kemi bioproduct mill

- Annual pulp capacity: 1,020kt SW pulp, 300kt HW pulp and 180kt* unbleached pulp
- Annual pulpwood consumption 7.6 m^3
- Self-sufficiency in electricity 250%, annual maximum capacity 2,000GWh
- Side-stream utilisation 100%

- Investment value EUR 2.02 billion
  - Metsä Board has not invested equity to finance the project
- Started up in Q3 2023, replaced the old Kemi pulp mill (capacity 610,000 t/a)
- Severe gas explosion at the mill on 21 March 2024. Long production shutdowns in Q2 2024 and Q2 2025 (estimated)

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* Entirely used in Metsä Board's kraftliner production in Kemi, production line will be transferred to Metsä Board

Cost structure and profit drivers

Cost structure

H1 2024 (vs H1 2023)

- Cost deflation, excluding pulp costs, -3%
- Decreased chemical and energy costs, increased wood costs

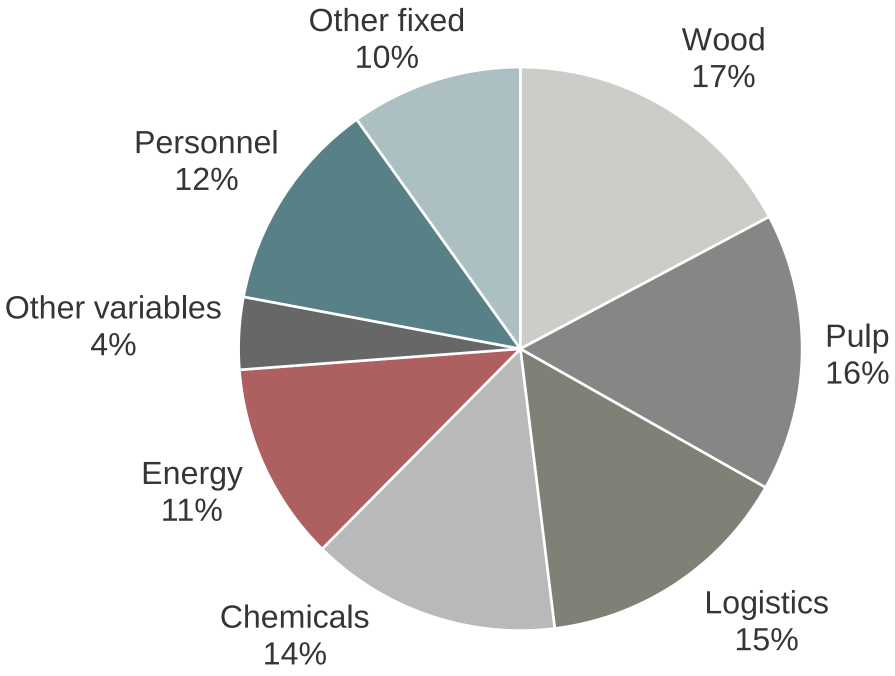
FY 2023 (vs FY 2022)

- Cost inflation, excluding pulp costs, +4%
- Main increase in wood costs: higher stumpage prices in Finland and Sweden*)

*) price development on slide 33

Metsä Board's cost structure in 2023

Total costs EUR 1.7 billion (2.1)



*) **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 2023: Wood 56%, Chemicals 13%, Logistics 9%, Personnel 6%, Other 16%.

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Main profit drivers and sensitivities

Component	Unit	Change	Impact on EBIT, approximately
Folding boxboard	Price / tonne	+/- 10%	>EUR 150 million
White kraftliners	Price / tonne	+/- 10%	>EUR 50 million
FX	USD/EUR	+/- 10%	EUR 80 million
	SEK/EUR	+/- 10%	EUR -60 million
Pulp	PIX price of SW/HW per tonne	+/- 10%	EUR 50 million
Wood	Cost, delivered to Finnish mills	+/- 10%	EUR 40 million
	Cost, delivered to Husum	+/- 10%	EUR 20 million

sensitivities take into account Metsä Board’s 24.9% stake in Metsä Fibre

Wood is Metsä Board's main raw material

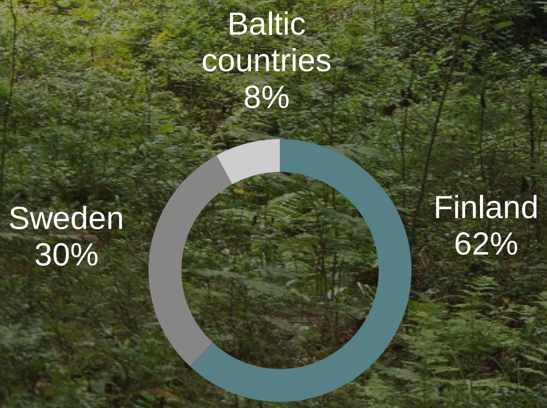
Wood usage

- Wood represents 25% of Metsä Board's total costs[1)]
- In 2023, Metsä Board used 6.3 million m3 wood for its products, of which 91% was certified (PEFC, FSC®)

Wood supply

- Metsä Group is responsible for Metsä Board's wood sourcing
- Metsä Group's total annual wood sourcing is ~30 million m^3
- Majority of wood sourced in Finland comes from the owner members of Metsäliitto Cooperative, roughly 90,000 private forest owners
- In Sweden Metsä Board has a long-term wood supply agreement with Norra Skog, a co-owner with a 30% stake in the Husum pulp mill

Wood sourcing by country



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1) includes the wood used in pulp that Metsä Board buys from Metsä Fibre

PEFC/02-31-92 FSC®-C001580

Impacts of FX changes

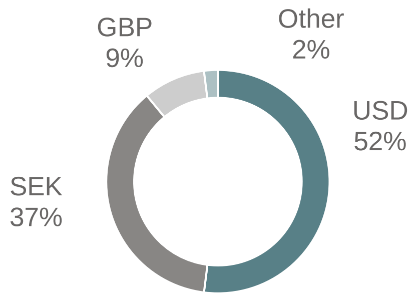
- Impact including hedges, actual
  - Q2 2024 vs Q2 2023: EUR +5 million
  - H1 2024 vs H1 2023: EUR +11 million
- Estimated impacts, including hedges
  - Q3 2024 vs Q2 2024: negative
  - Q3 2024 vs Q3 2023: negative

Hedging policy:

In addition to the balance sheet position of trade receivables and trade payables, 50% of the projected annual net foreign currency exposure at the normal level is hedged.

At the end of the review period, an average of 9 months of the net foreign currency exposure was hedged.

Annual FX transaction exposure
total EUR 1.5 billion



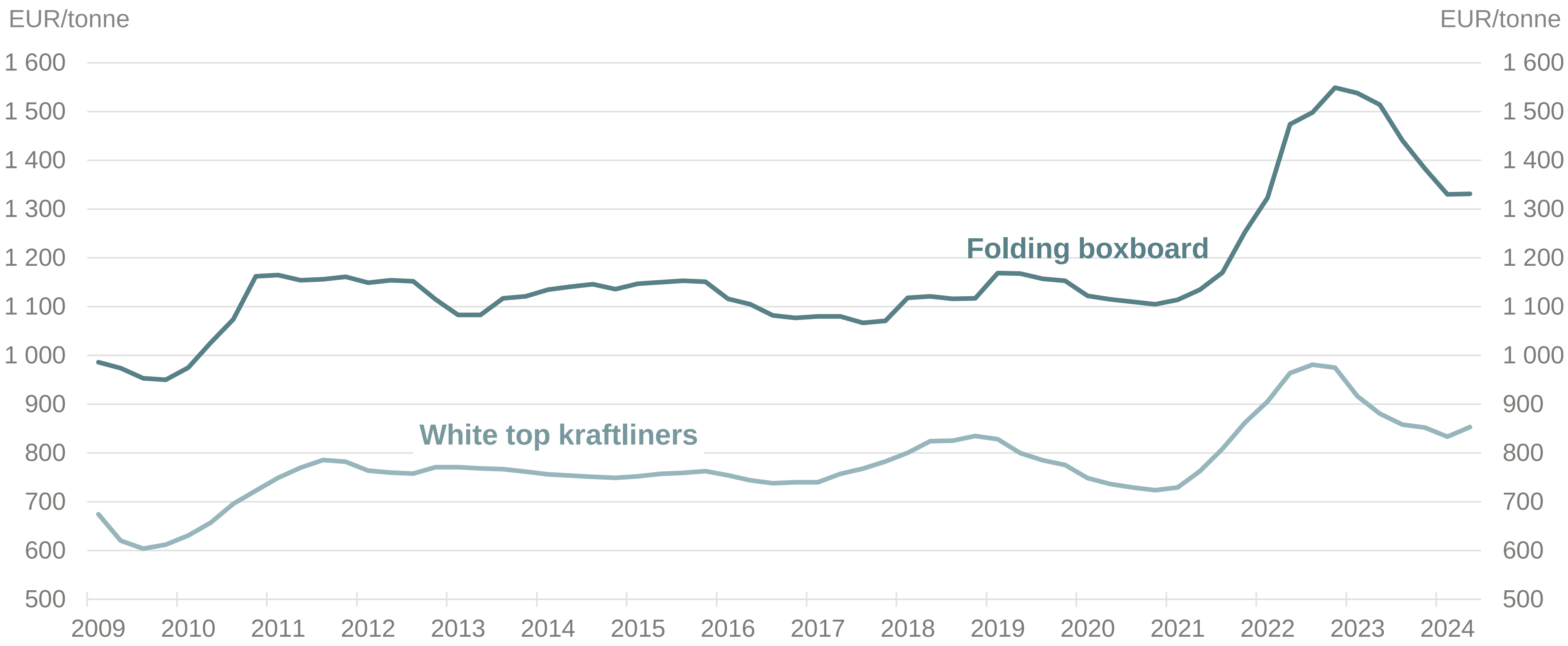
The foreign currency transaction exposure consists of foreign currency denominated sales and costs.

FX sensitivities, excluding hedges

10% strengthening of foreign currency vs EUR would have an impact on Metsä Board's EBIT in

Currency	Next 12 months
USD, $	EUR +80 million
SEK, kr	EUR -60 million
GBP, £	EUR +15 million

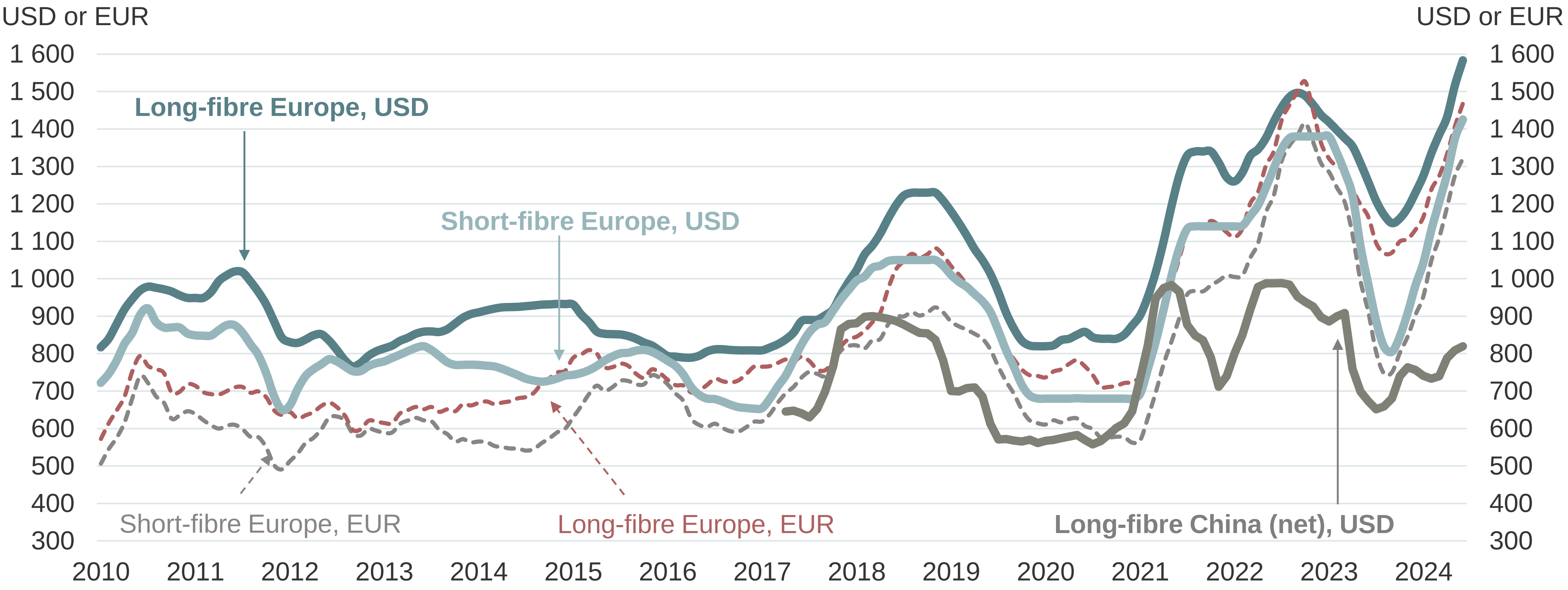
Price development of folding boxboard and white kraftliners in Europe



Sources: Fastmarkets RISI & Fastmarkets FOEX

Price development of pulp (PIX)

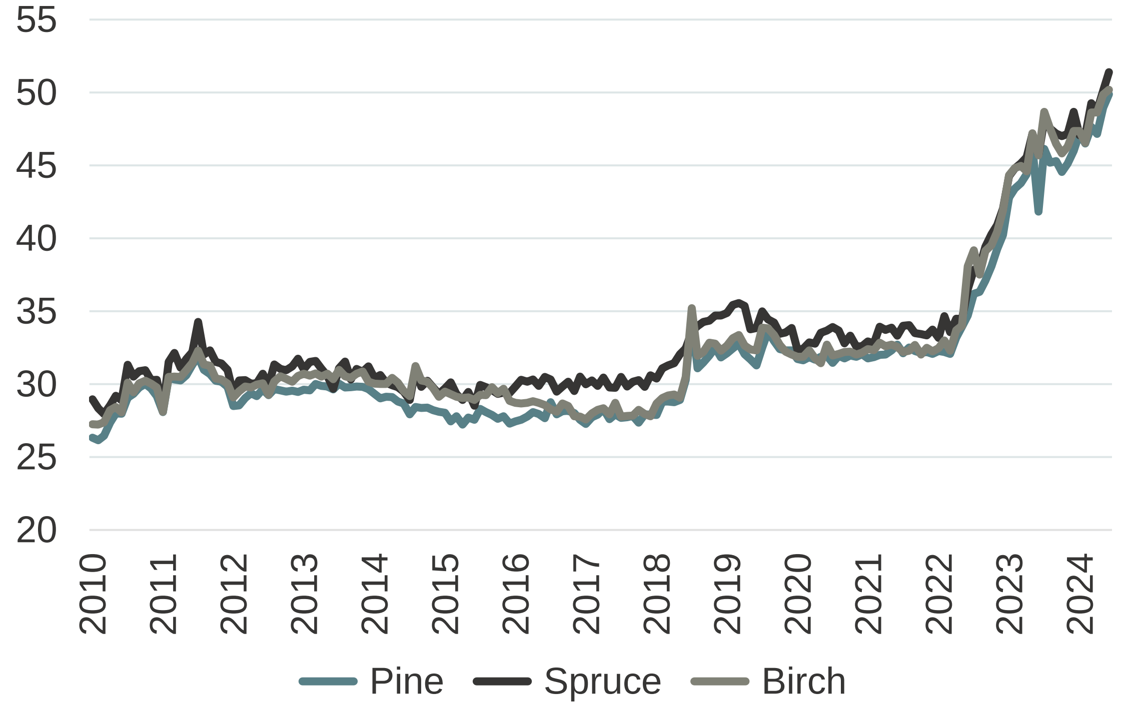
Long-fibre (SW) and short-fibre (HW) pulp



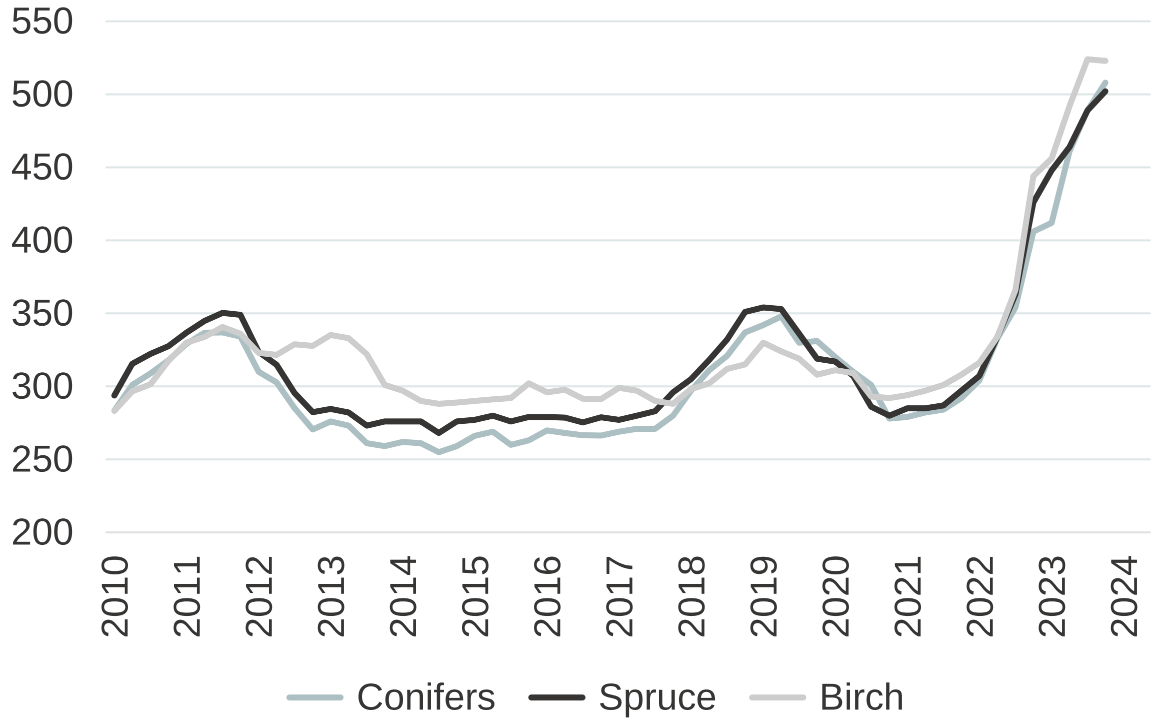
Source: Fastmarkets FOEX

Price development of pulpwood in Finland and Sweden

Price (delivery at roadside, on bark) of pulpwood in Finland, EUR/m³



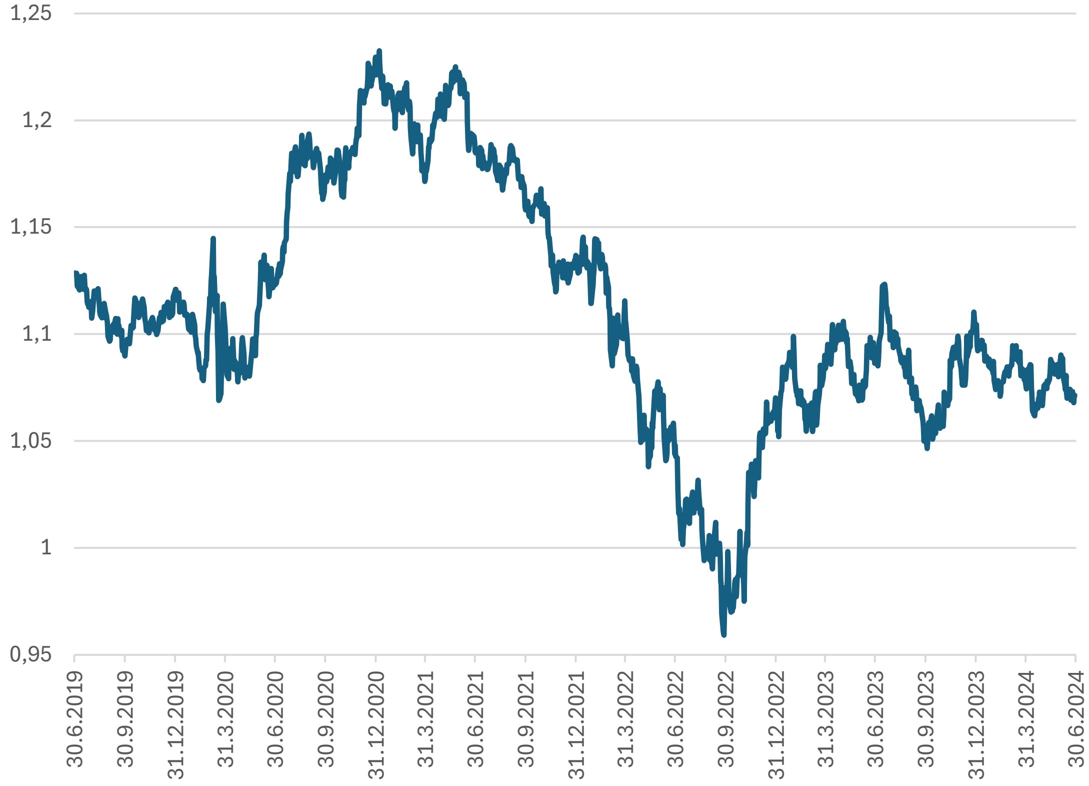
Price (delivery at roadside, under bark) of pulpwood in Sweden, SEK/m³



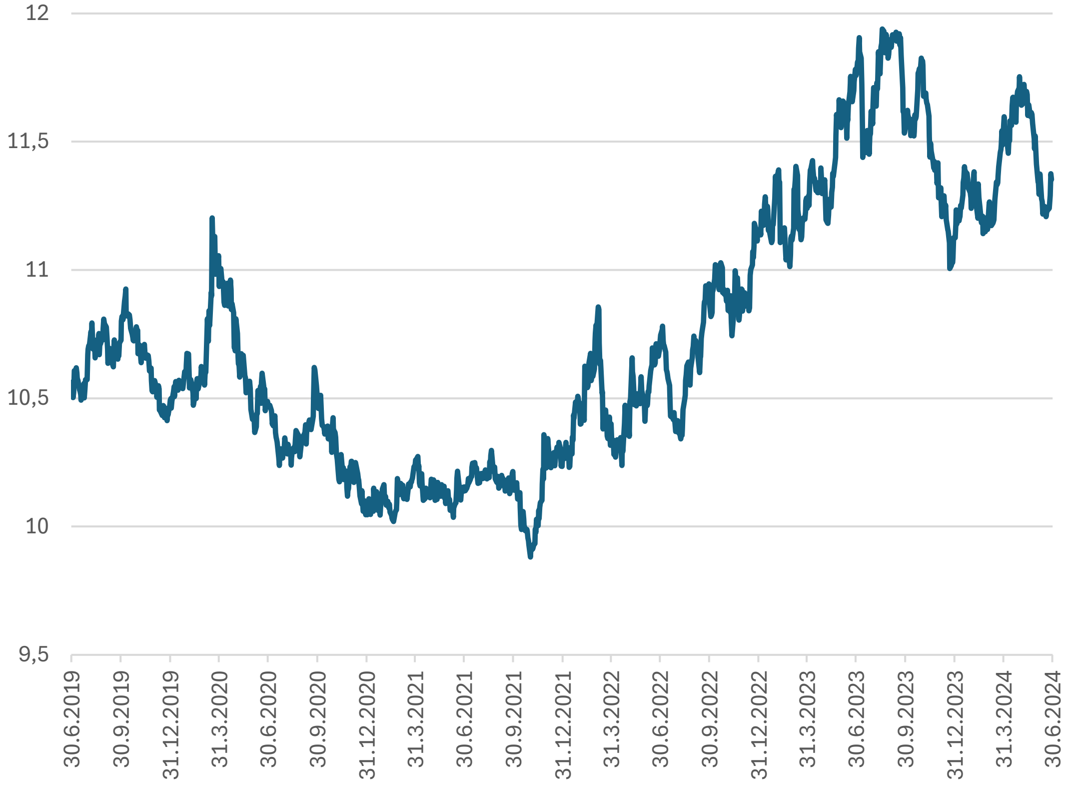
Sources:
Finland – Luke (Natural Resources Institute Finland): Average delivery prices at roadside (EUR per solid cubic metre with bark, excl. VAT)
Sweden – Skogsstyrelsen (The Swedish Forest Agency): Average delivery prices at roadside *(SEK per cubic metre under bark)*

FX rates development: EUR/USD and EUR/SEK

EUR/USD



EUR/SEK



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Operating environment and current regulation

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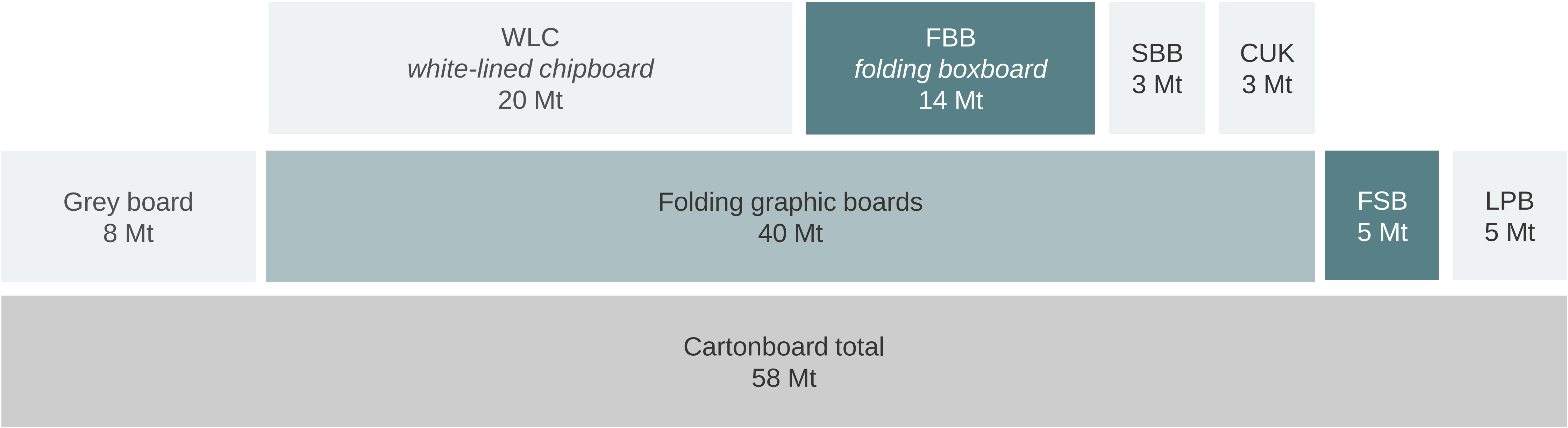
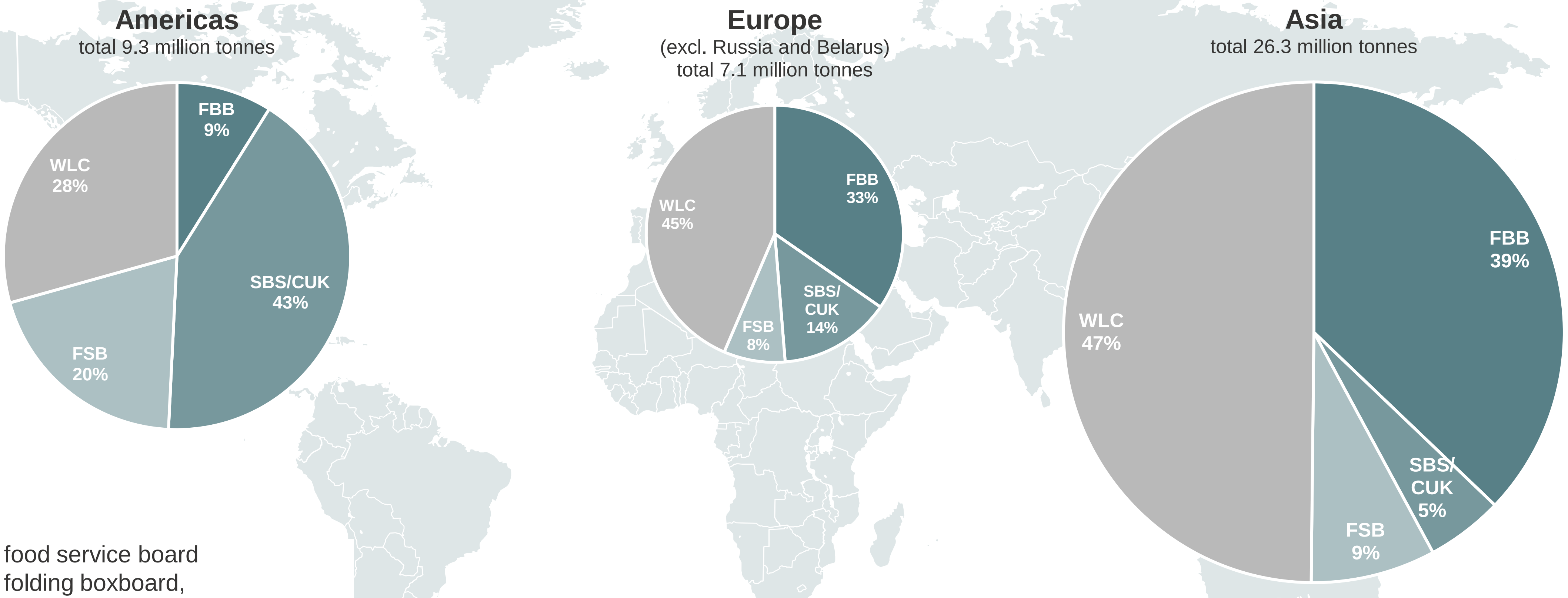
Global annual demand for cartonboards



SBB = solid bleached board
CUK = coated unbleached kraftboard
FSB = foodservice board
LPB = liquid packaging board

Source: AFRY Management Consulting, and Metsä Board's own estimates

Global annual demand for folding cartonboard* by region

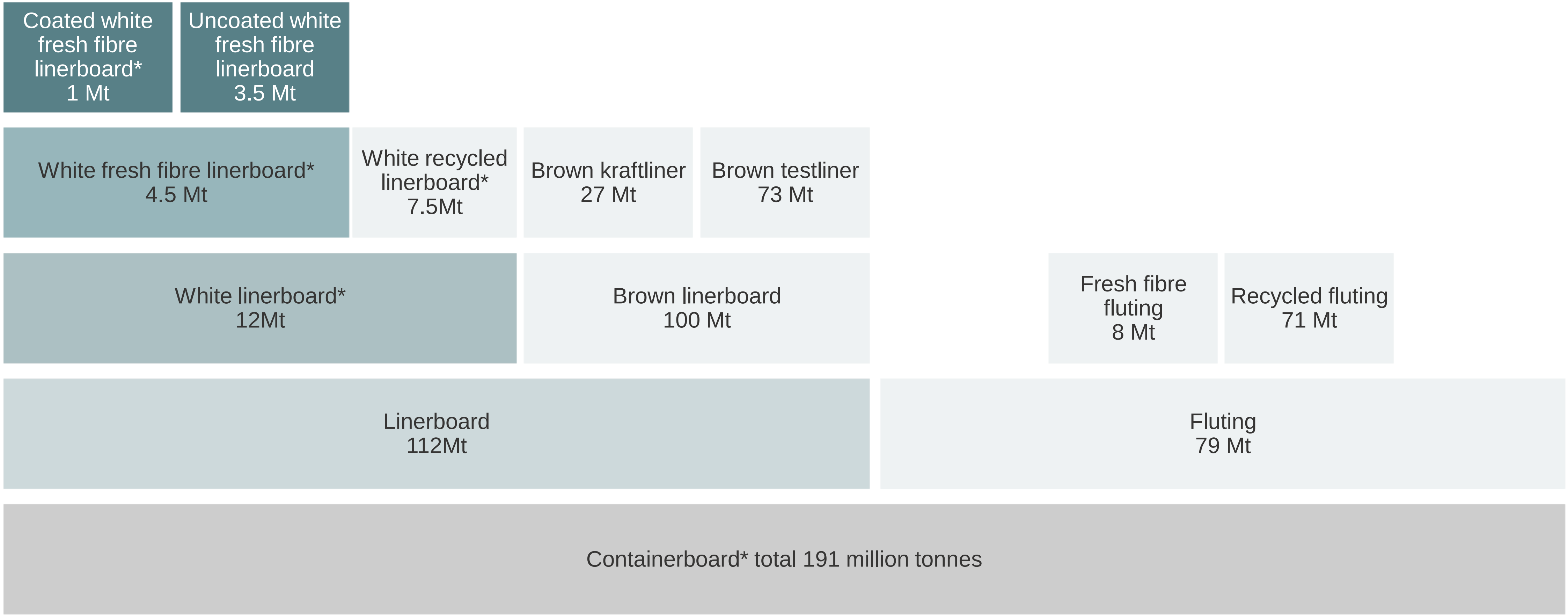


FSB = food service board
FBB = folding boxboard,
SBS & CUK = other fresh fibre grades
WLC = recycled grades

*) including food service board, excluding liquid packaging board and grey board
Source: AFRY Management Consulting

Global annual demand for containerboards

Metsä Board’s linerboards are at the top of the quality pyramid – in a very niche market



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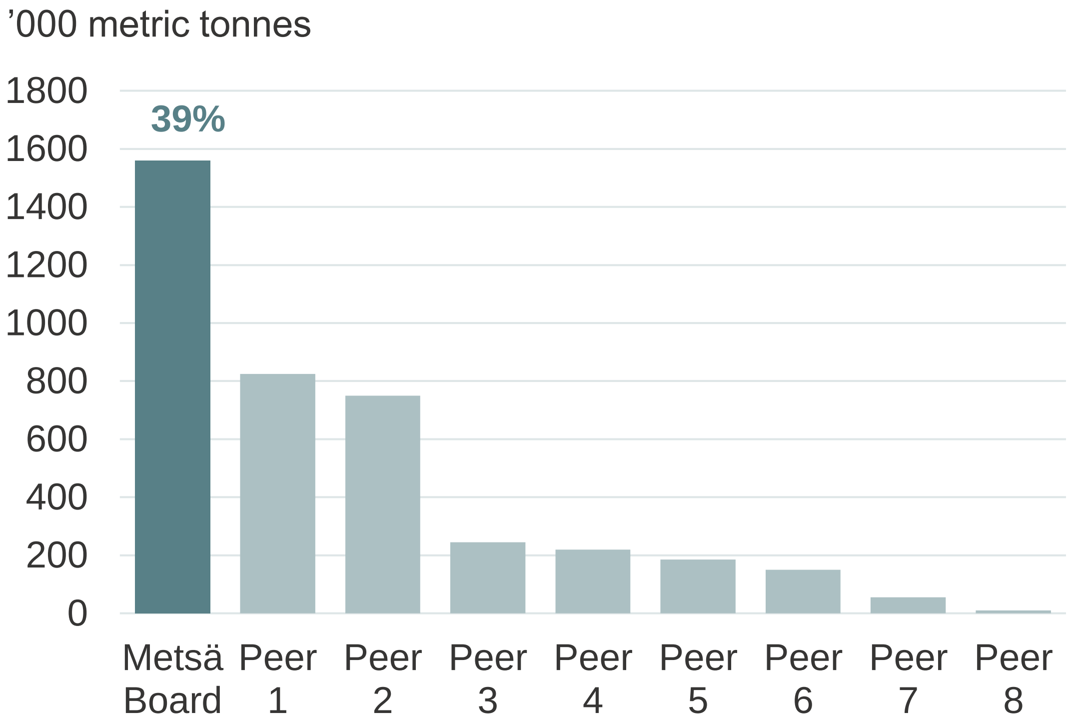
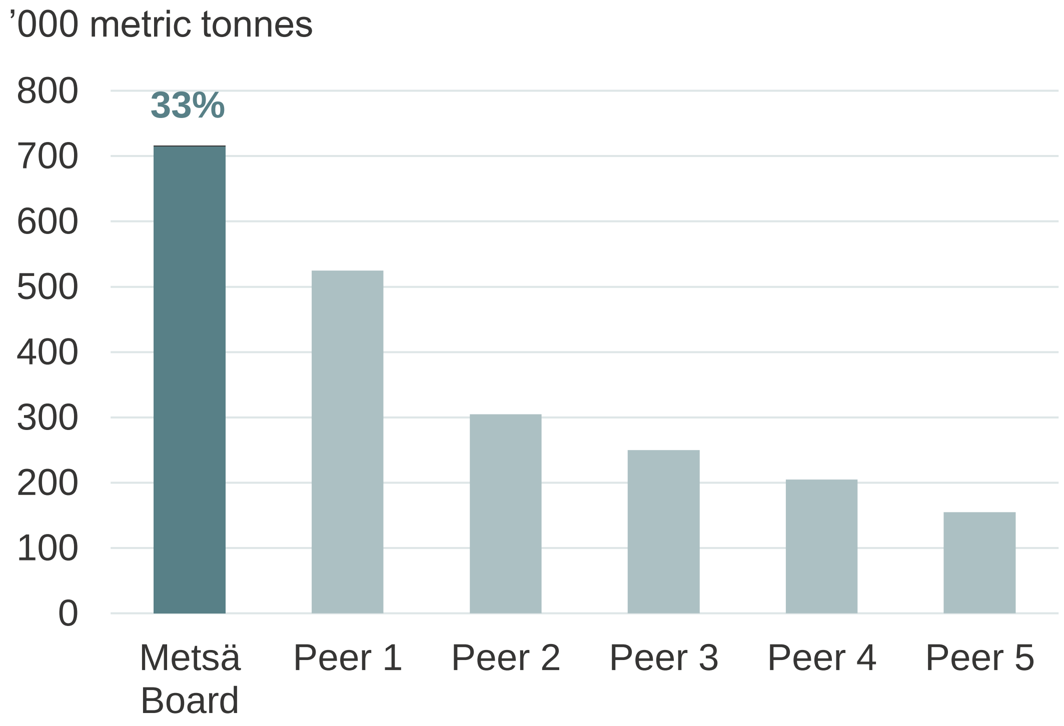
* Estimates include cartonboard for litholamination
Source: Metsä Board’s own estimates

Folding boxboard and white kraftliner capacity in Europe (excluding Russian and Belarusian producers)

FBB producers in Europe
Total capacity 4 million tonnes



WKL producers in Europe
Total capacity 2.2 million tonnes



Metsä Board’s capacities include the capacity expansions from year 2023:
200 000 tonnes FBB (Husum) and 40 000 tonnes WKL (Kemi)
Source: Metsä Board own estimates

Regulation on Deforestation-free products (EUDR)

Main objectives and status

- Aims to combat deforestation and forest degradation globally
- Ensures that commodities* placed on or exported from EU market do not cause deforestation or forest degradation
- Creates a reporting obligation to operators to ensure that they comply with the requirements
- Entered into force in 2023. Large companies must comply with the Regulation and its reporting obligations as from 30 of December 2024 – still waiting for the European Commission to publish important guidelines and FAQ all operators need

Metsä Board's / Metsä Group's approach

- Metsä Group fully supports the objectives of the EUDR
- Company is developing a reporting system and preparing an internal due diligence system to be ready when the reporting obligations start to apply

*) selected commodities and their production: cocoa, coffee, oil palm, rubber, soya, cattle and wood

Packaging and packaging waste regulation (PPWR)

Main objectives and status

- Aims to reduce the amount of packaging waste generated in the EU, and promote reusable and recyclable packaging solutions. All packaging has to be recyclable by 2030
- Political agreement was found in 2024. Final adoption is pending but entry into force is expected end of 2024. Becomes applicable law in Member States 18 months after
- Some ambiguities and definitions that still need to be clarified by the European Commission

Metsä Board's / Metsä Group's approach

- The PPWR recognises climate and environmental benefits of highly recyclable fibre-based packaging, and treats recyclable single-use packing more fairly than the European Commission's original proposal

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Nature Restoration Regulation

Main objectives and status

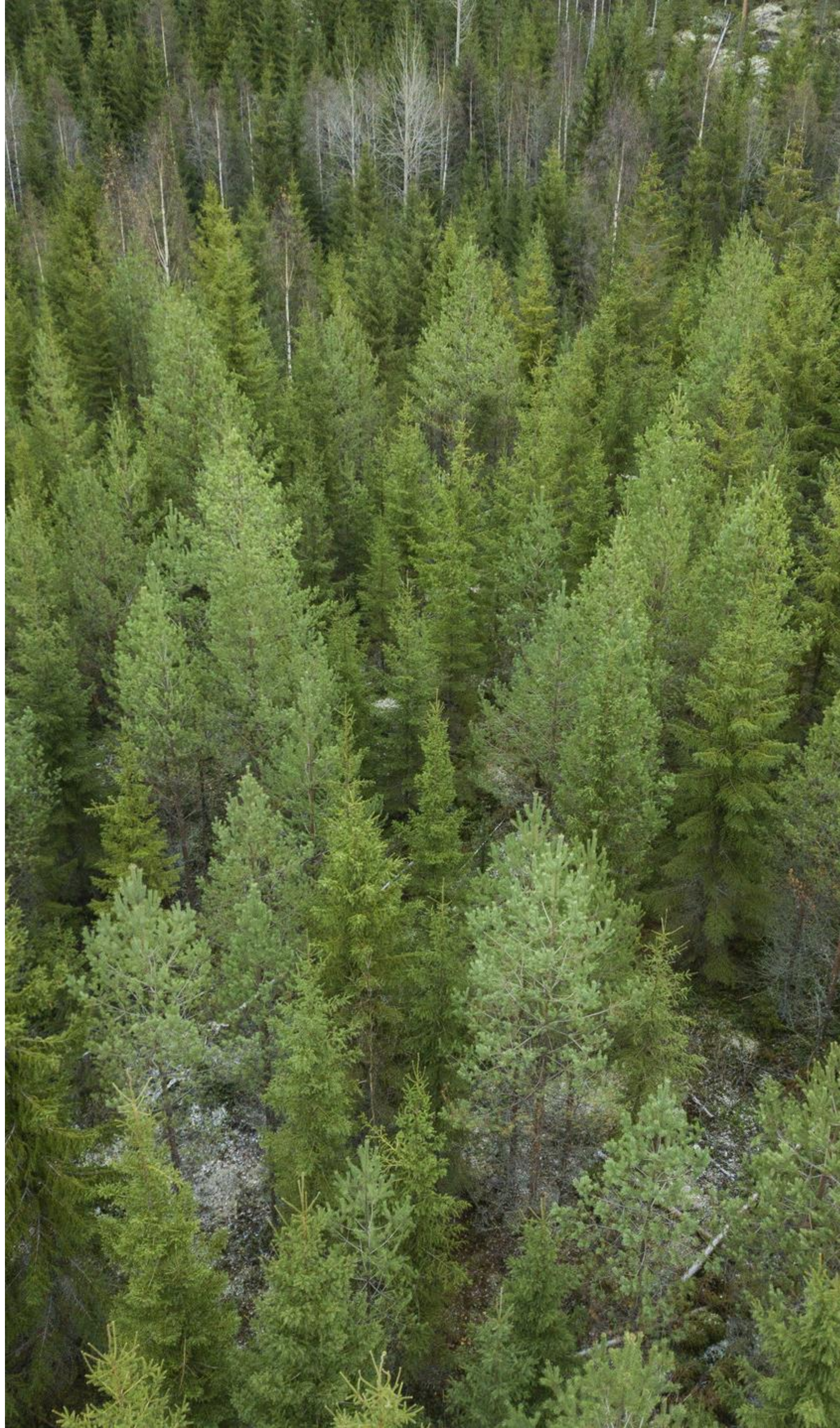
- Aims to ensure recovery of biodiverse and resilient nature across EU
- Introduces indicators for forest ecosystems to support nature restoration objectives
- Regulation entered into force on 18 August 2024
- Member States must prepare national restoration plans. Finland's draft plan expected to be ready by 08/2026
- The Commission reviews the draft plans and can give further guidance. Member States should have the final restoration plans in place in 08/2027 at the latest

Metsä Board's / Metsä Group's approach

- Fully support the goals of the Nature Restoration Regulation
- Metsä Group's principles of regenerative land use aim to improve the state of nature
- *Metsä Group Plus* -management model for owner-members focus especially on forest biodiversity

More information:

https://www.metsagroup.com/regenerativeforestry
https://www.metsagroup.com/metsaforest/sustainability/regenerative-forestry/metsa-group-plus/



Results for January–June 2024

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Key financials

		Q2/24	Q2/23	Change Q2/24 vs Q2/23	H1/24	H1/23	Change H1/24 vs H1/23	FY/23
Sales	EUR, m	510	498	2%	994	1,040	-4%	1,942
EBITDA*	EUR, m	26	53	-50%	84	166	-49%	216
Operating result*	EUR, m	-1	27	-103%	31	116	-74%	122
*% of sales**	*%*	*-0.2*	*5.5*		*3.1*	*11.2*		*6.3*
Metsä Fibre's share of operating result*	EUR, m	-13	6		-18	34		28
Earnings per share	EUR	-0.03	0.06	-146%	0.03	0.25	-95%	0.27
*ROCE**	*%*	*0.3*	*4.6*		*2.9*	*9.3*		*5.1*
Total investments	EUR, m	29	50	-41%	53	108	-50%	229
Cash flow from operations	EUR, m	-9	16	-155%	-17	142	-112%	343
IB Net debt at end of period	EUR, m	294	257		294	257		144

**comparable*

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Q2 2024 in brief

- Solid demand and stable prices for paperboards
- Pulp prices (PIX) continued to rise, especially in Europe
- More planned maintenance than in Q1
- Severe negative result impacts from Finnish political strikes and gas explosion at Metsä Fibre’s Kemi bioproduct mill
- Investment decision made to renew folding boxboard machine at Simpele
- Platinum level in EcoVadis sustainability rating

Sales

510

EUR million

Q2 2023: EUR 498m

Comparable operating result

-0.8

EUR million

Q2 2023: EUR 27m

Paperboard deliveries

377,000

tonnes

Q2 2023: 354,000t

Paperboard production

357,000

tonnes

Q2 2023: 312,000t

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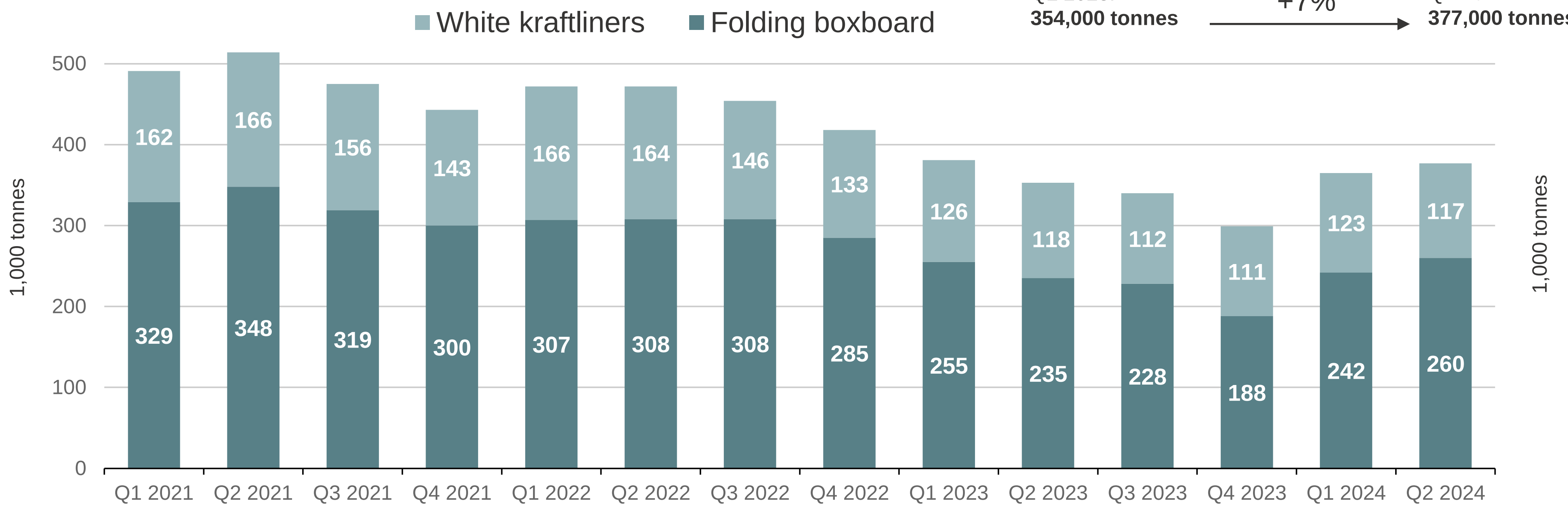
Paperboard delivery volumes continued to rise

Metsä Board’s paperboard deliveries, quarterly

H1 2023:
734,000 tonnes
+1%
H1 2024:
741,000 tonnes

Q2 2023:
354,000 tonnes
+7%
Q2 2024:
377,000 tonnes



FY 2021:
1,922,000 tonnes

FY 2022:
1,817,000 tonnes

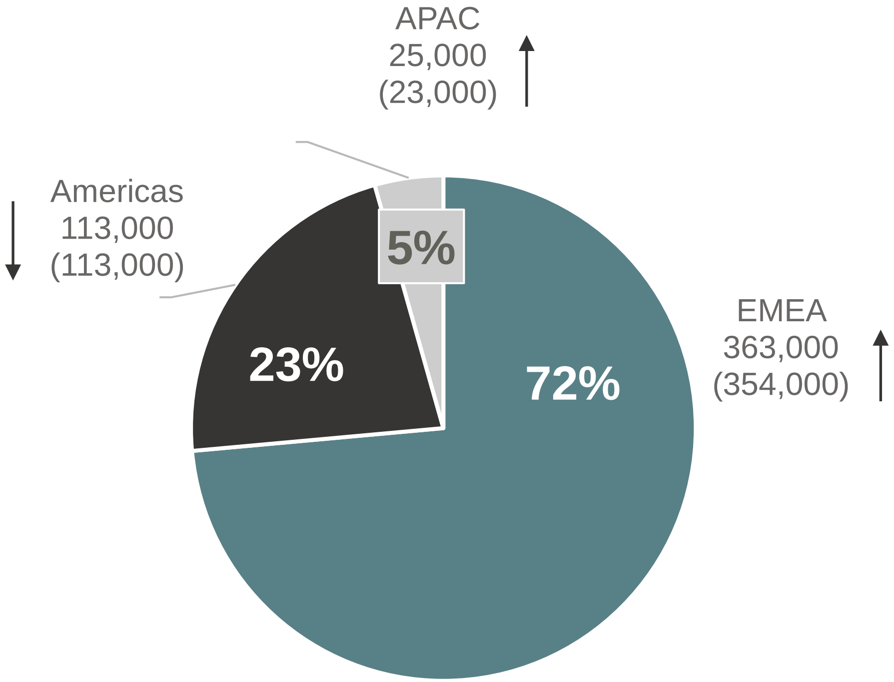
FY 2023:
1,373,000 tonnes

-5%

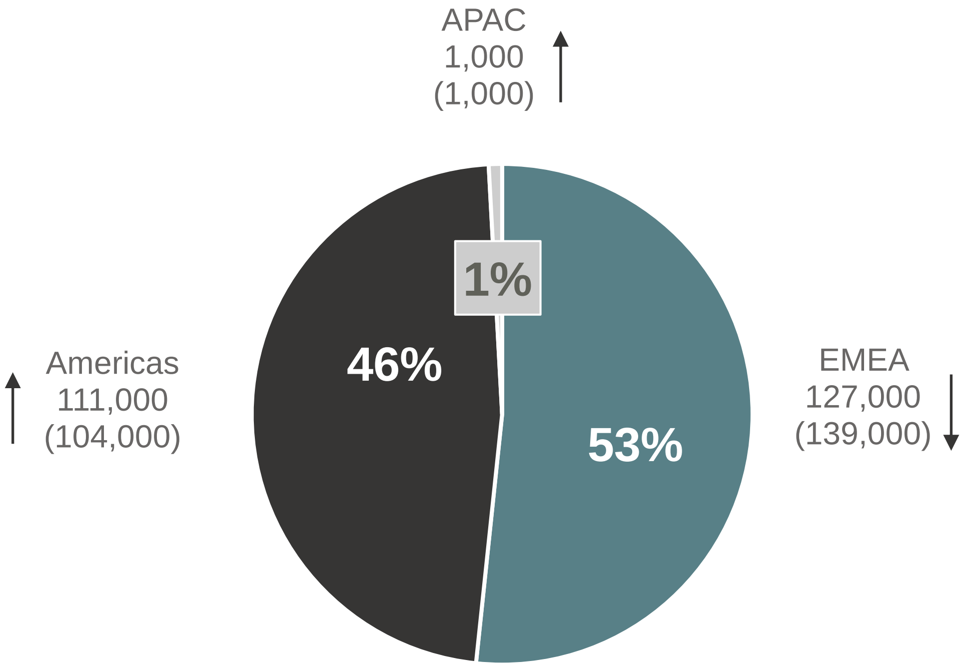
-24%

Paperboard deliveries by region

FBB deliveries H1 2024 (H1 2023)
total 502,000 tonnes (490,000)



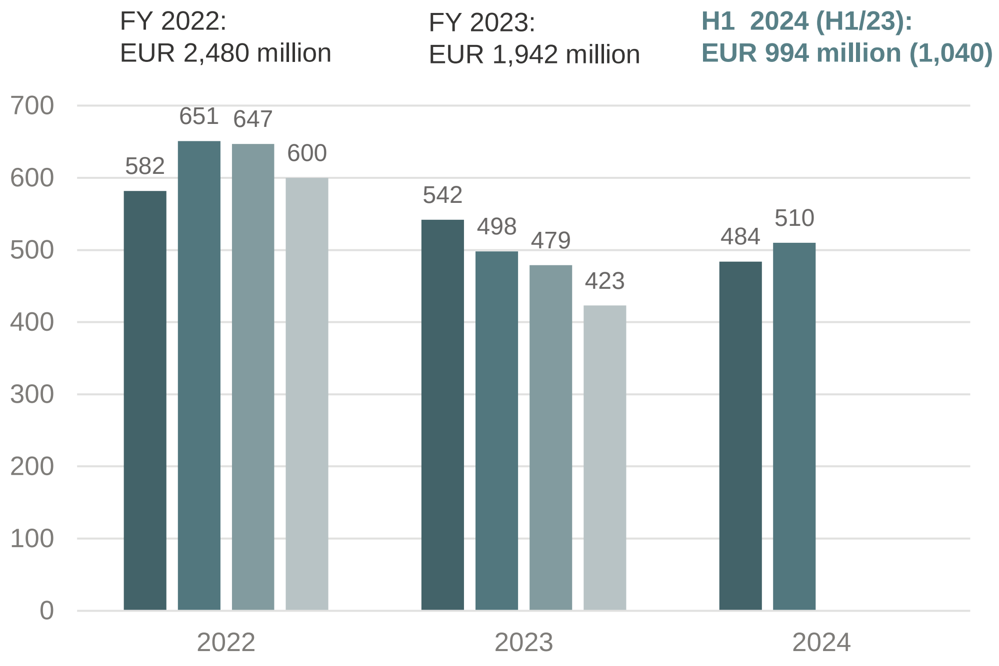
WKL deliveries H1 2024 (H1 2023)
total 239,000 tonnes (244,000)



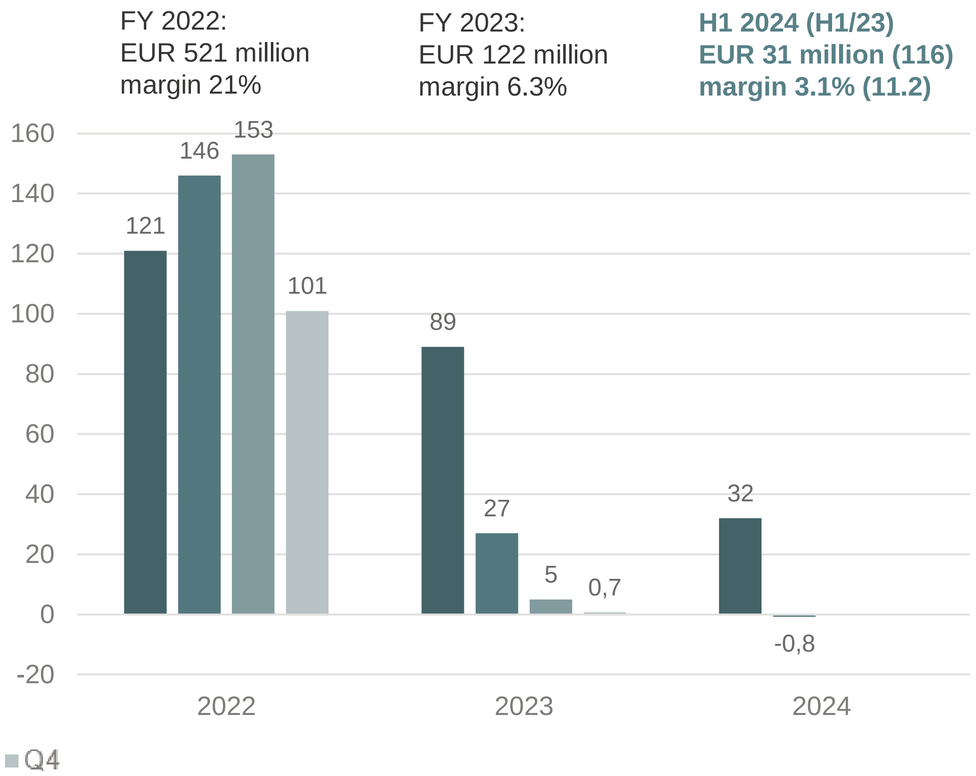
FBB = Folding boxboard
WKL = White kraftliners, coated and uncoated

H1 2024: Sales EUR 994 million, operating margin at 3.1%

Sales, quarterly
EUR million



Comparable operating result, quarterly
EUR million and % of sales (margin)



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Result comparison

Comparable operating result and *% of sales*

Q2 **24: EUR -1 million, -0.2%**
Q2 23: EUR 27 million, 5.5%

Positives:

- ↗ Increased deliveries in paperboard and market pulp
- ↗ Increased pulp prices
- ↗ FX after hedges, impact EUR +5m

Negatives:

- ↘ Lower sales prices in paperboard (FBB)
- ↘ Sale of unused emission allowances EUR 10m (Q2/23: EUR 20m)
- ↘ Total impact* from political strikes EUR 15m, Kemi explosion EUR 40m
- ↘ Result share from Metsä Fibre (EUR -13m vs EUR 6m)

Comparable operating result and *% of sales*

H1 24: EUR 31 million, 3.1%
H1 23: EUR 116 million, 11.2%

Positives:

- ↗ Lower variable costs
- ↗ Increased deliveries in market pulp and paperboards
- ↗ FX after hedges, impact EUR +11m

Negatives:

- ↘ Lower sales prices in paperboard (FBB) and market pulp
- ↘ Sale of unused emission allowances EUR 15m (H1/23: EUR 40m)
- ↘ Total impact* from political strikes EUR 25m, Kemi explosion EUR 40m
- ↘ Result share from Metsä Fibre (EUR -18m vs EUR 34m)

*) includes the impact from Metsä Fibre's result share.
The impacts from the explosion do not include any insurance claims

H1 2024 comparable ROCE 2.9%

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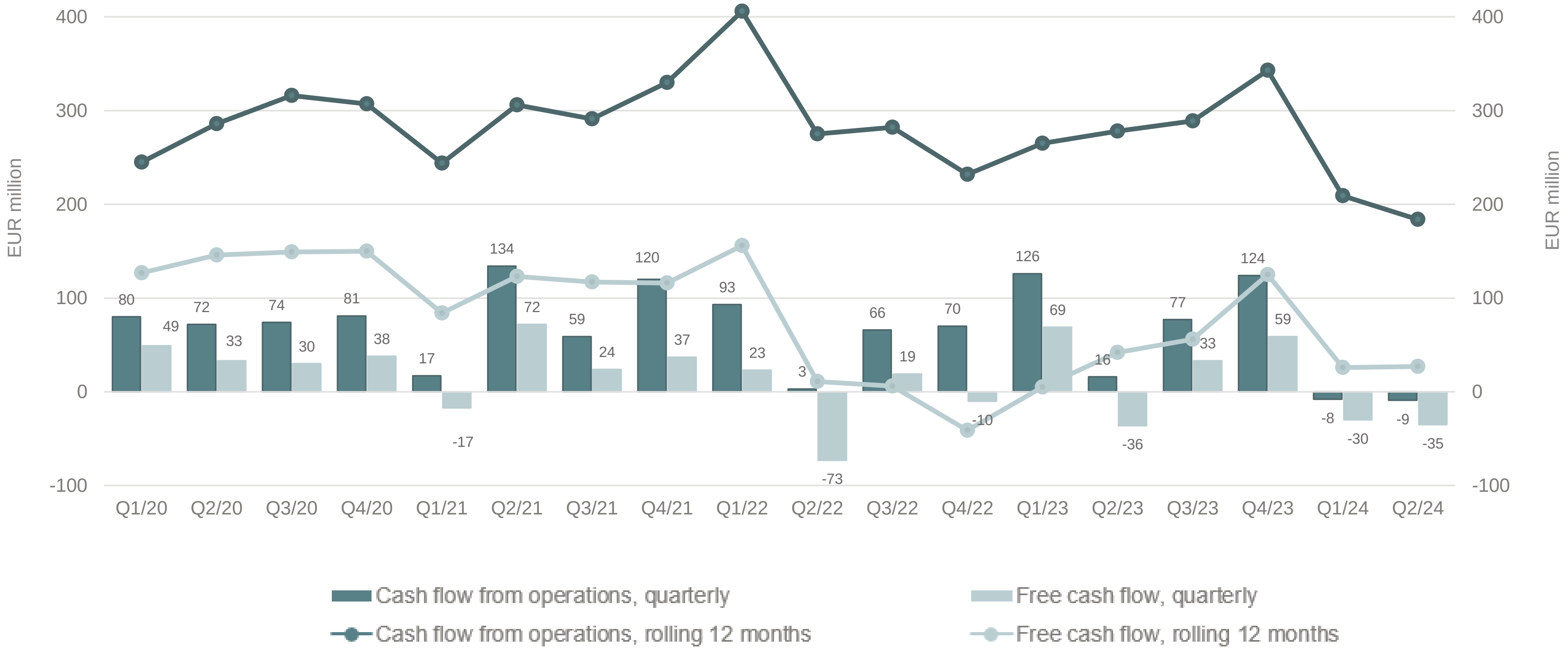
Increased activity reflected in H1 working capital

Q1 2024 cash flow includes dividend from Metsä Fibre EUR 10 million (Q1/2023: EUR 83 million)



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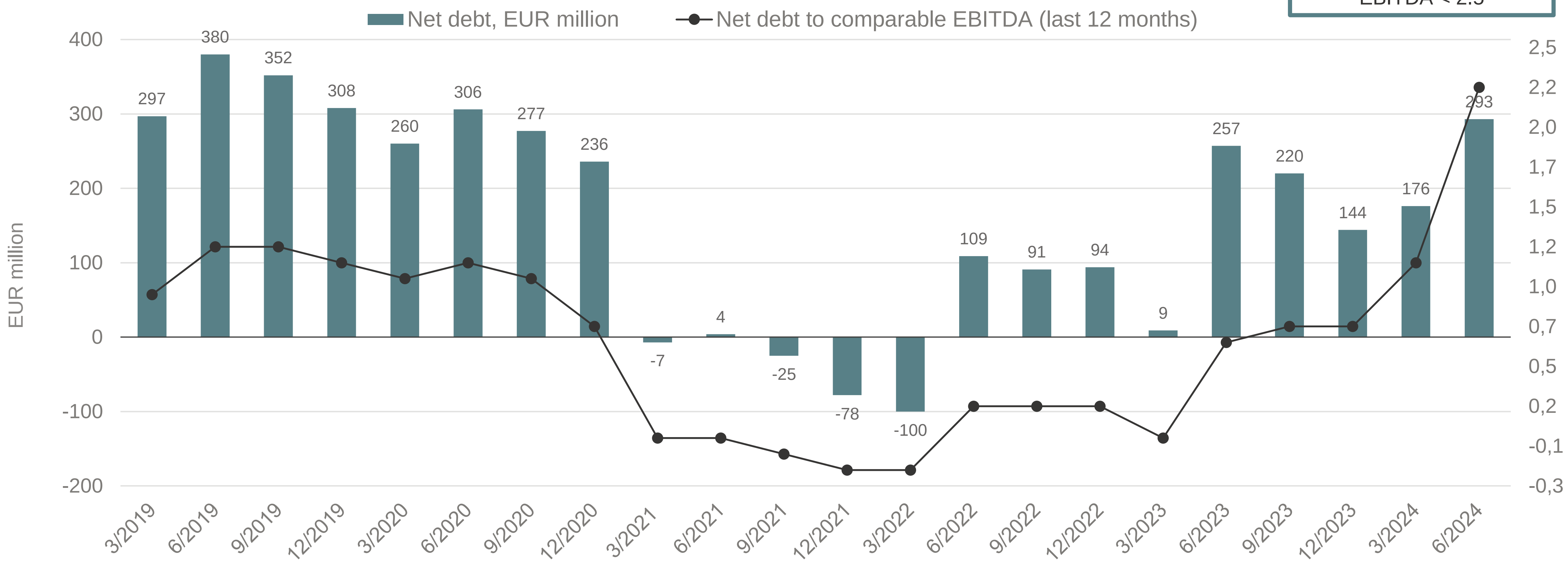
Free cash flow = cash flow from operations – investments in intangible and tangible assets

Net debt and leverage

Financial target:
Net debt to comparable EBITDA < 2.5



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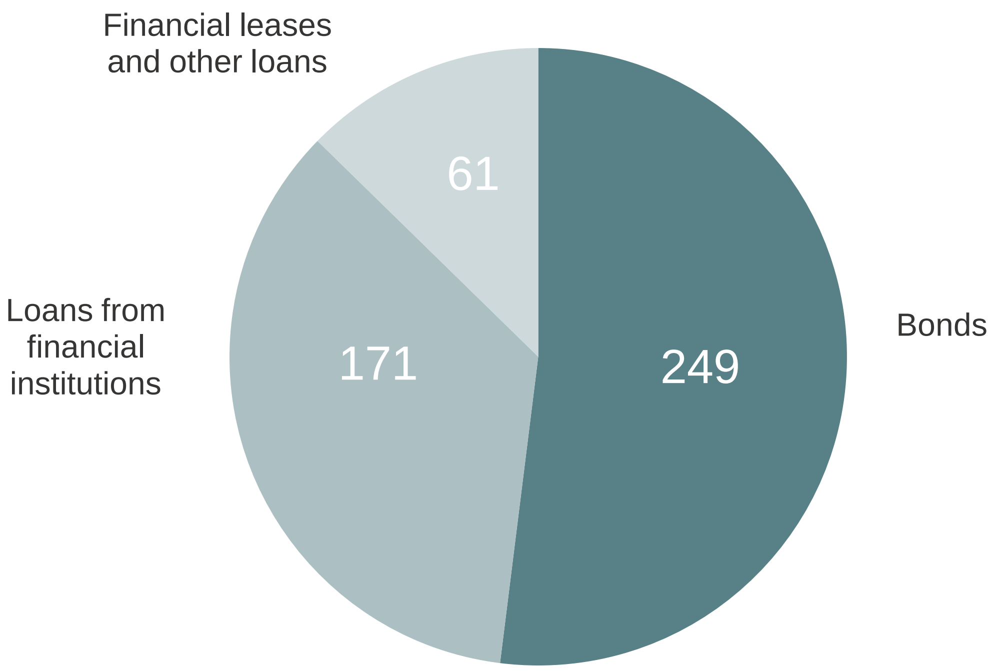
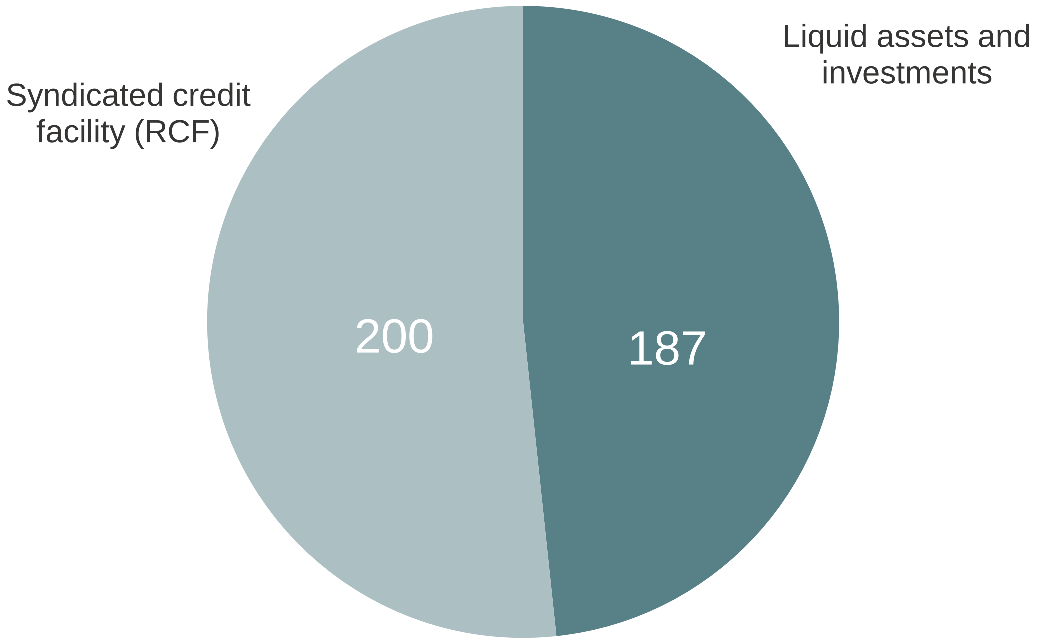
Interest bearing debt and liquidity
30 June 2024

Interest-bearing debt
EUR 481 million



Liquidity
EUR 387 million



Liquidity is complemented by:

- Commercial paper programme of **EUR 200 million** (EUR 30 million outstanding)
- Metsä Group’s internal undrawn short-term credit facility of **EUR 150 million**

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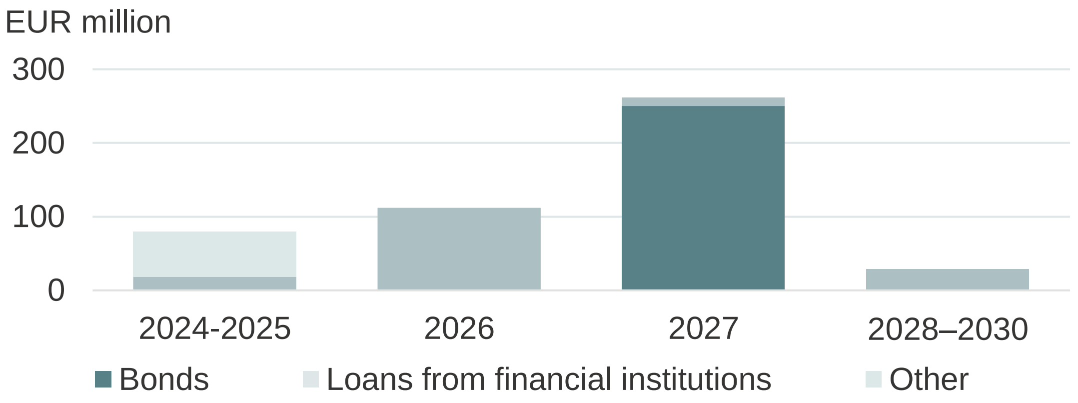
Debt maturity and credit ratings

30 June 2024

- Total interest-bearing debt was EUR 481 million, and net debt was EUR 294 million
- The average interest rate on loans at the end of the review period was 2.7%, and the average maturity of long-term loans was 2.7 years
- Net financial costs, including foreign exchange differences, were:
  - H1 2024: EUR 4.7 million
  - FY 2023: EUR 0.1 million

Maturity of interest-bearing debt

Total EUR 481 million



Metsä Board's credit ratings are *investment grade*

Rating agency	Rating and outlook	Last update on rating
S&P Global	BBB-/stable	02/2018
Moody's Investor Services	Baa2/stable	12/2022

Near-term outlook
July–September 2024

- Solid paperboard demand is expected to continue
- Paperboard delivery volumes expected to slightly increase, average sales prices to remain stable
- Total costs, excluding pulp, expected to remain stable; more maintenance than in Q2
- Stable demand for softwood market pulp in Europe and North America. In China, the demand continues weak
- FX expected to have a negative impact compared to Q2
- The claim settlement process with insurance consortium regarding the explosion at Kemi bioproduct mill has been initiated

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ESG

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Metsä Board’s sustainability targets

Environment

We safeguard biodiversity.

We mitigate climate change and reduce emissions.

We use natural resources efficiently and reduce waste.

Social

We do the right thing.

And promote safety and wellbeing at work.

Governance

We know the origin of our raw materials.

We favour responsible suppliers in our procurement.

Metrics, targets and actuals related to 2030 sustainability targets are disclosed in Sustainability statement in 2023 Report of the BoD, page 28

Forest management plan as part of Metsä Group's regenerative forestry

Forest management plan for typical forest stands

1

More diverse tree species composition

- Increasing the proportion of broadleaved trees
- Mixed forests
- 80 % of tree species outside purchase

2

Increased dead wood volumes

- Retention trees and tree groups
- Buffer zones
- Biodiversity stumps

3

More diverse forest structure

- Continuous cover harvesting
- Retention tree groups
- Valuable habitats
- Protective thickets

Forest management plan at biodiversity hot spot*

4

Protected valuable habitats e.g.

- Brooks
- Springs
- Fertile bogs
- Cliffs
- Flood habitats

5

Habitat restoration at threatened species hot spots

- Herb-rich forests
- Esker sunny slopes
- Fire habitats

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* Biodiversity hot spots are ecologically unique regions that are exceptionally rich in species, and are thus priority targets for nature conservation

Metsä Board's **1.5°C** aligned Science Based target

ZERO FOSSIL CO_2 EMISSIONS

Fossil free production* and products by the end of 2030

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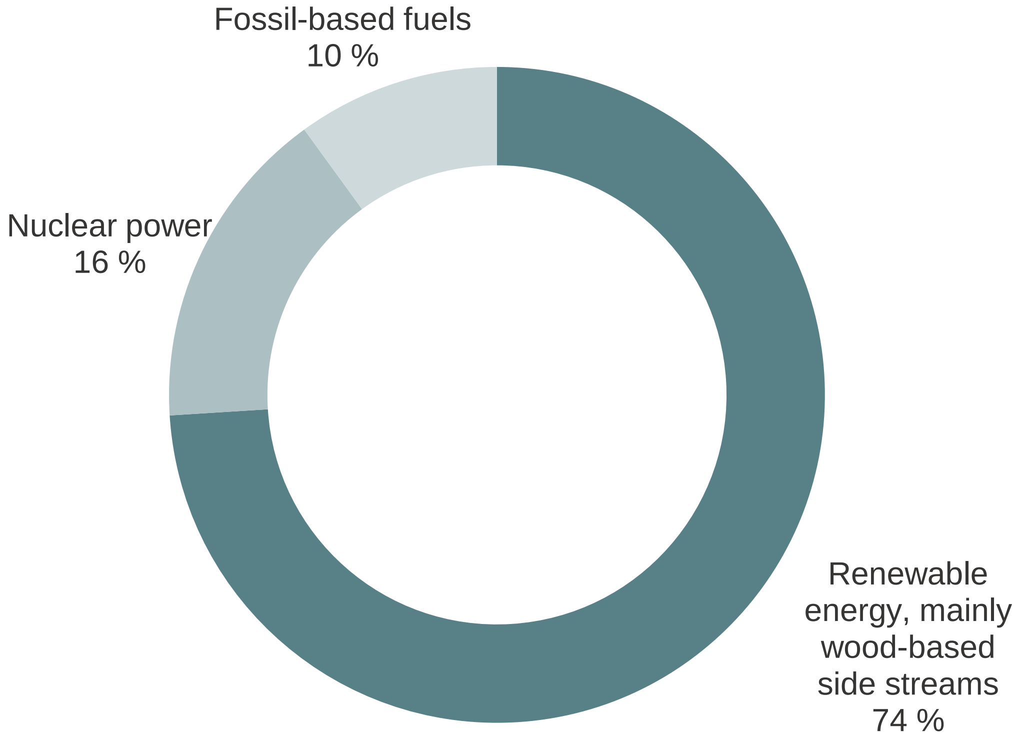
*including Scope 1 and Scope 2

BUSINESS AMBITION FOR 1.5°C

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

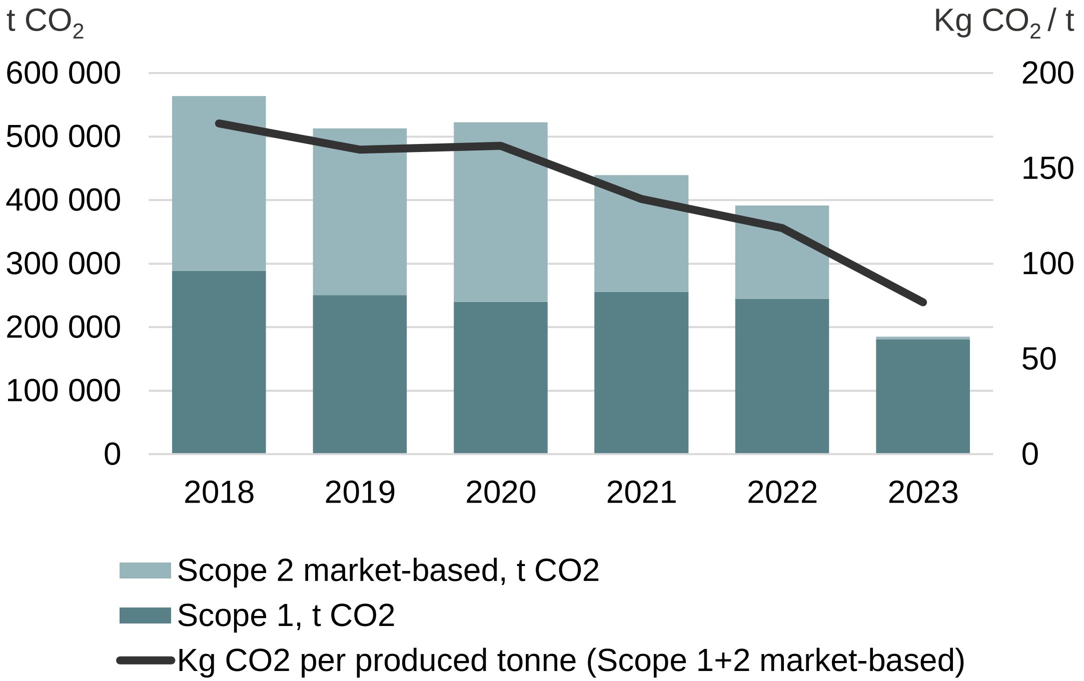
90% of our total energy use is fossil free

Total energy consumed in 2023
7.6 TWh



Fossil-based CO2 emissions, Scope 1+2

We have reduced our fossil-based CO_2 emissions per tonne by 54% since 2018



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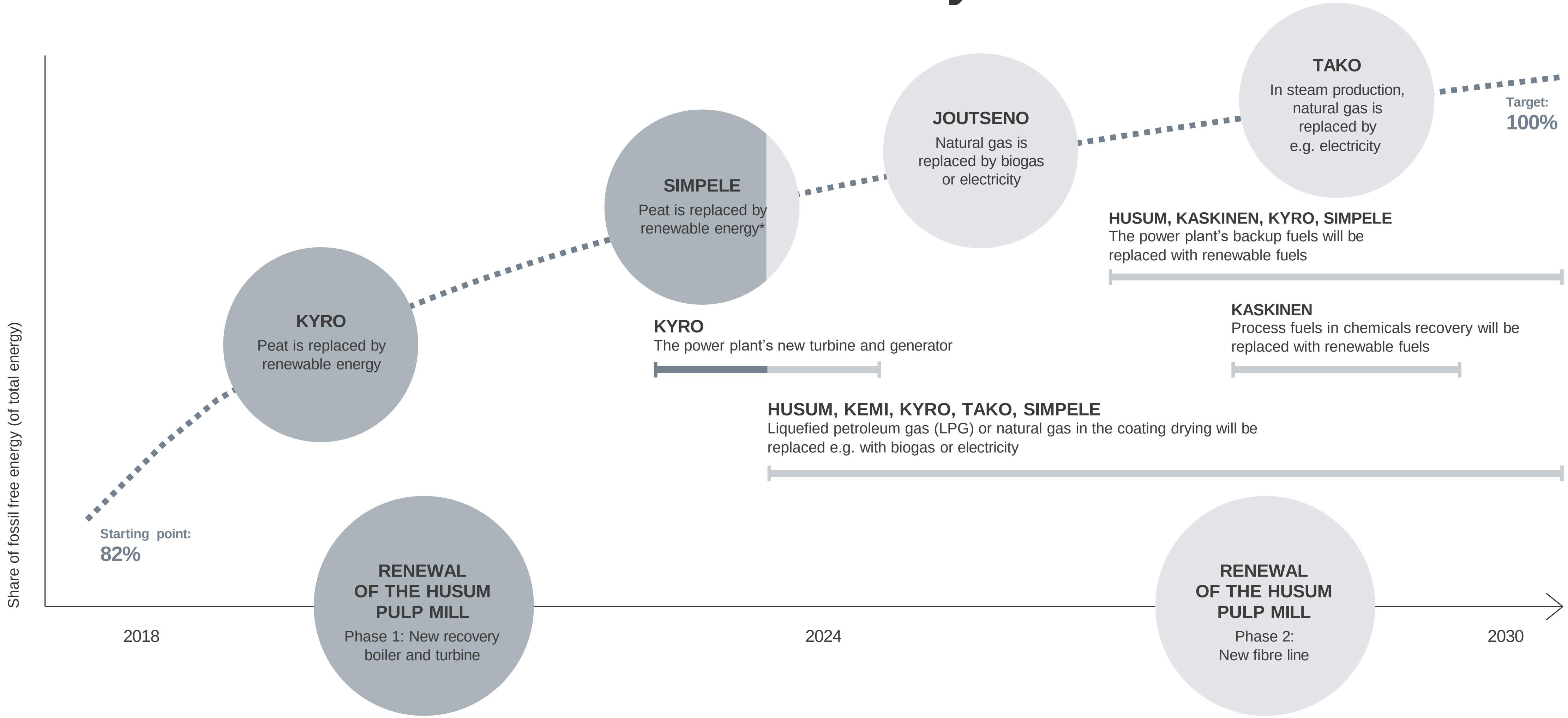
Plan for transition to fossil free mills by the end of 2030



Share of fossil free energy of total energy. When the share is 100%, Metsä Board's fossil-based CO_2 emissions (Scopes 1 and 2) are zero. *Simpele power plant discontinued the use of peat in 2023, but some peat is being used in 2024 due to lower availability of wood chips.

Estimated time frame of the project

A darker shade indicates measures already taken

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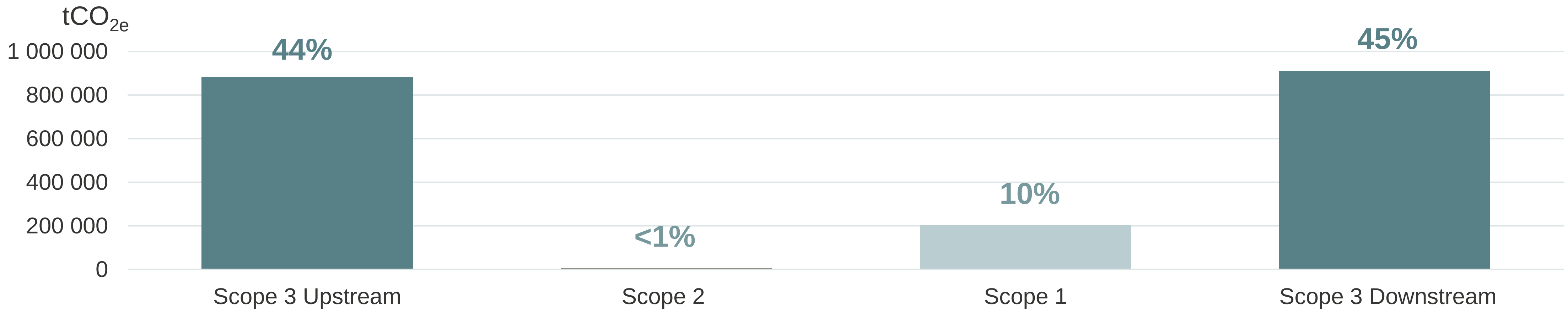
Value chain emissions are addressed with SBT and joint targets with suppliers

Total greenhouse gas emissions (Scope 1, 2, and 3) ca. 2.0 million tonnes CO_{2e}



In 2023:

	tCO_{2e}
Purchased goods and services	479 875
Capital goods	57 651
Fuel and energy-related activities	57 772
Upstream transportation and distribution	282 264
Waste generated in operations	2 919
Business travel	813
Employee commuting	1 889
	883,184

	tCO_{2e}
Market-based indirect GHG emissions from purchased electricity and heat	5,108
	5,108

	tCO_{2e}
Direct GHG emissions from own processes and power plants	201,984
	201,984

	tCO_{2e}
Downstream transportation and distribution	4 732
Processing of sold products	268 042
Use of sold products	890
End-of-life treatment of sold products	582 863
Investments	52 294
	908,822

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The carbon footprint (CO_2) of packaging material depends on:

1

Energy used in production

Metsä Board uses 90 per cent **fossil-free energy** in its production

2

Material and resource efficiency

Lightweighting reduces the use of fibre, energy and water

Metsä Board's folding boxboard have a lower carbon footprint* compared to several corresponding grades

*) More information and verification statement based on LCA: https://www.metsagroup.com/metsaboard/sustainability/sustainable-products/paper-profiles-and-lifecycle-assessments/#pharma

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Example case:
Paperboard provides an alternative to plastics

PET

- Made of fossil oil-based materials with fossil-based energy
- Recycling rate of PET is low
- In the EU, recycling rate is 38% for plastic packaging and 82% for paper packaging

(Eurostat, 2020)

MetsäBoard Prime FBB EB

- Made from renewable fresh wood fibre with a high share of fossil free energy
- Easy to recycle, biodegradable and compostable
- The climate impact of a paperboard box for cherry tomatoes is ca. 80% smaller than that of a box made from recycled PET

(Natural Resources Institute Finland, 2019)

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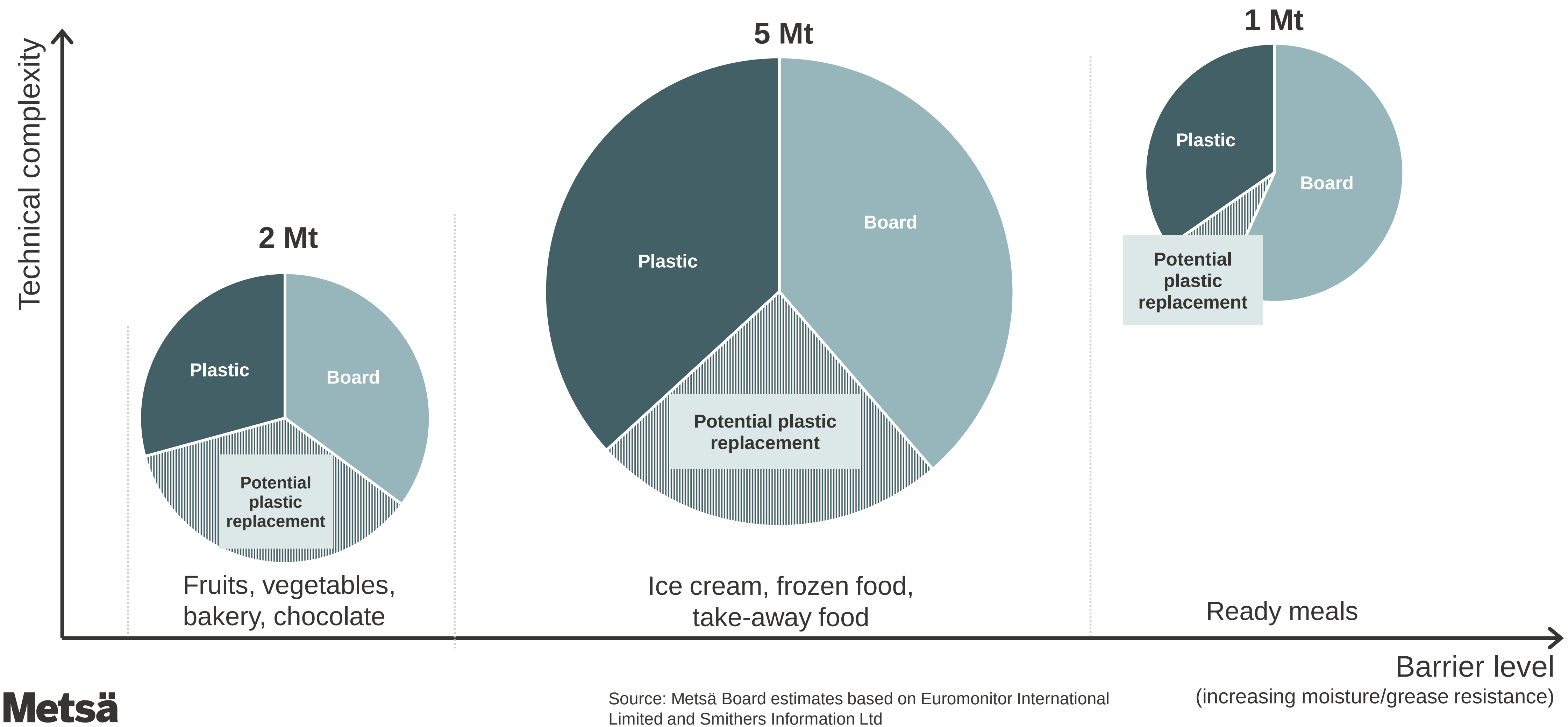
Plastic replacement potential is roughly 2 million tonnes

Cartonboard and rigid plastic packaging market size in selected food categories, excluding cupstock and liquid packaging



Source: Metsä Board estimates based on Euromonitor International Limited and Smithers Information Ltd

Fresh and recycled fibres are equally good in terms of the circular economy

82%

of paper and paperboard packaging is recycled

100%

recovery of wood fibres **is not possible** because part of the fibre is lost during a cycle, or is contaminated

Fresh fibre is needed in the recycling loop to maintain quality and strength, and to keep the loop ongoing

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*Europe (EU27), Source: Eurostat

External assessments and own commitments

Metsä Board has an "A" score in the Climate and Water rating and an "A-" in the Forest rating.

Total score 91/100. Metsä Board has achieved the highest rating level every year since 2017.

Link to ISS website

Link to MSCI website

Link to Ellen MacArthur Foundation website

Metsä Board's GHG emission reduction targets are approved by the Science Based Targets initiative.

As part of Metsä Group, Metsä Board is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption. Metsä Board also supports the UN's Sustainable Development Goals, the SDGs.

Innovation and R&D

Metsä

Our R&D work aims to resource efficiency and reduce carbon footprint of packaging material

1 Light and resource efficient paperboards

2 Developing barrier boards as an alternative to plastics

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High-yield pulp makes the difference between folding boxboard and other grades

Benefits of lightweighting:

Lightweight yet strong and stiff
=
paperboard for cost-efficient, sustainable and sturdy packaging

Improved yield
=
more cartons per tonne

Improved sustainability
=
less natural resources used, lower carbon footprint

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Resource efficiency in production

Wood consumption depends on right fibre-mix.
Less wood needed in the production of high-yield pulp

Reduced water use through a closed water circulation and reduction of process water

New technology, development of energy recovery and AI **improve energy efficiency**

Resource and operational efficiency in production results into lightweight paperboards with less waste

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As part of Metsä Group, we are looking for new growth opportunities

Metsä Spring* invests expertise and financial resources into initiatives with the ambition to reshape the forest-based bioeconomy

Wood-based 3D products

Wood-based textile fibres

Wood composite products

Bioactive products from birch bark

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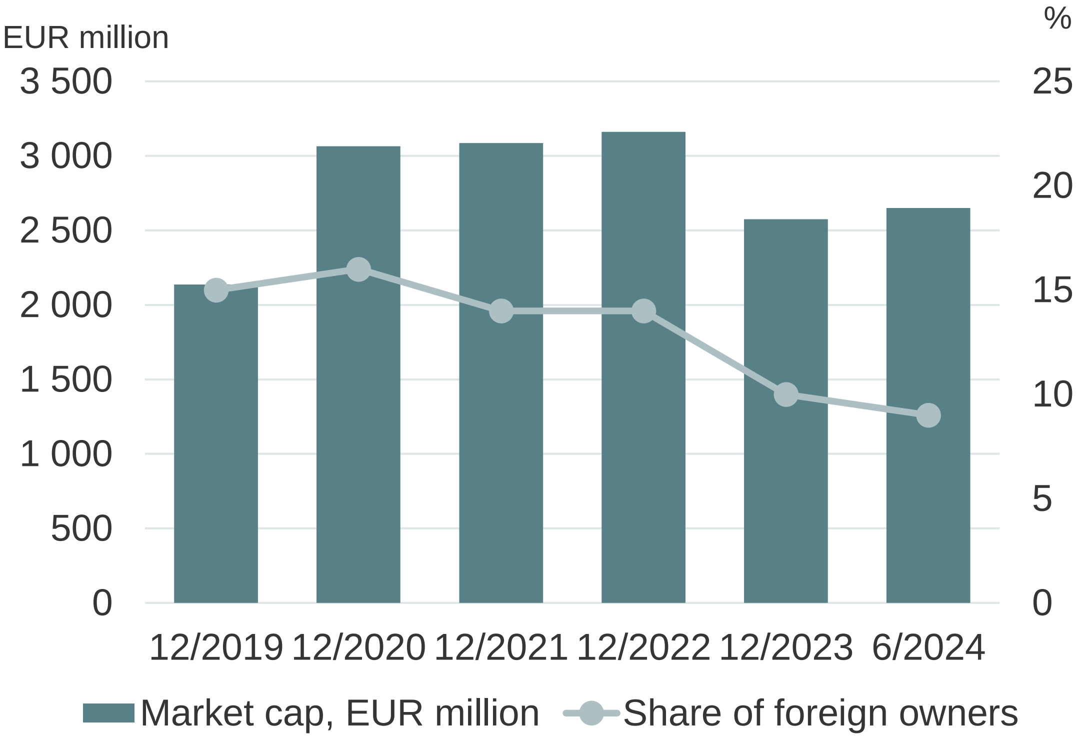
*) Fully-owned by Metsä Group’s parent company, established in 2018

Owners and management

Market cap and ownership distribution

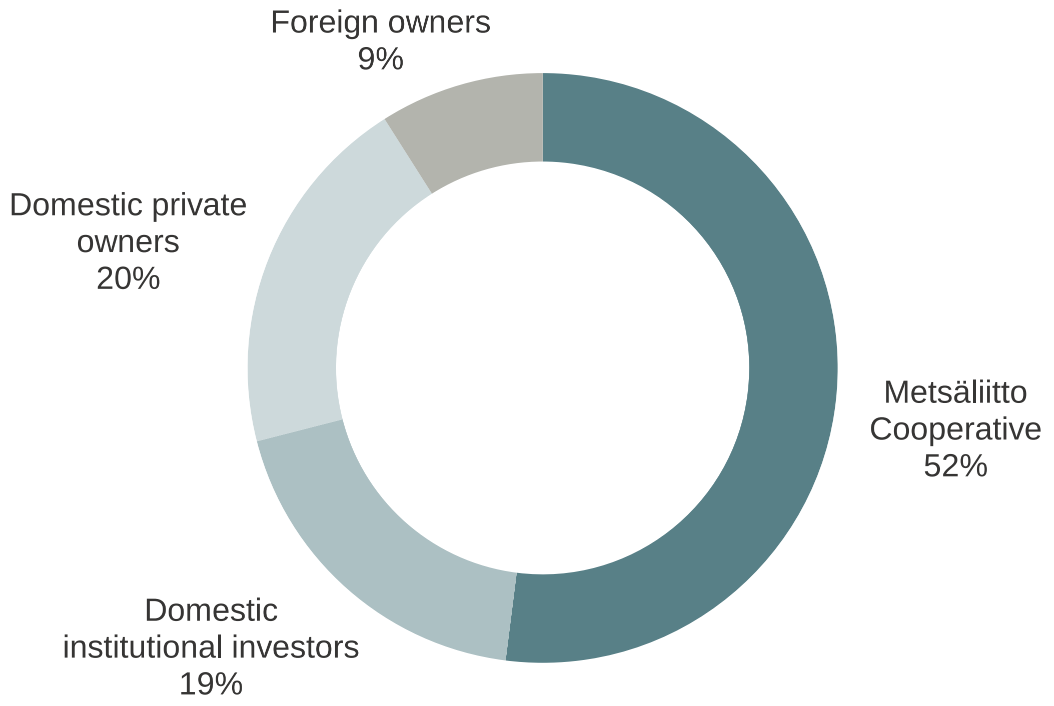
Metsä Board has two share series, A and B shares

Market cap and foreign owners



Ownership distribution

30 June 2024



Metsä

Metsä Board Corporate Management Team

Mika Joukio
CEO
Chair of CMT since 2014
At Metsä Group since 1990
Shares: 377,846

Henri Sederholm
CFO
Member of CMT since 5/2021
At Metsä Group since 2003
Shares 60,000

Markku Leskelä
SVP, Development
Member of CMT since October 2021
At Metsä Group since 1993
Shares: 29,615

Jussi Noponen
SVP, Sales and Supply Chain
Member of CMT since 2016
At Metsä Group since 2000
Shares: 93,806

Harri Pihlajaniemi
SVP, Production and Technology
Member of CMT since 2017
At Metsä Group in 2001–2004 and since 2017
Shares: 45,487

Camilla Wikström
SVP, HR
Member of CMT since 2019
At Metsä Group since 2001
Shares: 30,593

Metsä

Metsä

Together we make the perfect package

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