

# Disclosures in accordance with the TCFD and TNFD recommendations

The TCFD (Task Force on Climate-related Financial Disclosures) recommendations were included in the ISSB (International Sustainability Standards Board) standards in 2023. As Metsä Group does not currently report according to the ISSB standards, the company's 2023 TCFD report is presented in the following table. In addition, the table includes nature-related risks and opportunities in accordance with the TNFD recommendations (The Task Force on Nature-related Financial Disclosures), which the ISSB intends to utilize in the development of its future standards. The references to more detailed information are indicated with abbreviations: (SS) Sustainability statement, (BD) Report of the Board of Directors, (CG) Corporate governance statement.

| <b>Governance</b>   |  |
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| Disclose the organisation's governance around climate- and nature-related risks and opportunities   |  |
| a) Describe the board's oversight of climate- and nature related dependencies, impacts risks and opportunities.   | SS: <i>General information: Sustainability governance and strategy</i><br>CG: <i>Risk management</i>   |
| b) Describe the management's role in assessing and managing climate- and nature-related dependencies, impacts risks and opportunities.  | SS: <i>General information: Sustainability governance and strategy</i><br>CG: <i>Risk management</i>   |
| c) Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities. | SS: <i>General information: Interests and views of stakeholders</i><br>SS: <i>E4 The identification and assessment of material impacts, risks and opportunities</i><br>SS: <i>S3 Policies</i><br>SS: <i>S3 Engaging with affected communities about impacts</i><br>SS: <i>G1 Policies</i>  |
| <b>Strategy</b>   |  |
| Disclose the actual and potential impacts of climate- and nature-related risks and opportunities on the organisation's business operations, strategy and financial planning where such information is material.   |  |
| a) Describe the climate- and nature-related dependencies, impacts risks and opportunities the organisation has identified over the short, medium, and long term.  | SS: <i>General information, E1, E2, E3, E4, E5 Material sustainability-related impacts, risks and opportunities</i><br>SS: <i>E1, E2, E3, E4, E5 The identification and assessment of material impacts, risks and opportunities</i><br>BD: <i>Risk management and risks</i><br>CG: <i>Risk management</i>  |
| b) Describe the effect of climate- and nature-related dependencies, impacts, risks and opportunities on the organisation's business model, value chain, strategy, and financial planning, as well as any transition plans or analysis in place.   | SS: <i>General information: Strategy, business model and value chain</i><br>SS: <i>General information, E1, E2, E3, E4, E5 Material sustainability-related impacts, risks and opportunities</i><br>SS: <i>E1 Transition plan for climate change mitigation and adaptation</i><br>SS: <i>E4 Transition plan and consideration of biodiversity and ecosystems in strategy and business model</i><br>BD: <i>Risk management and risks</i><br>CG: <i>Risk management</i> |
| c) Describe the resilience of the organisation's strategy to climate- and nature-related risks and opportunities, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.   | SS: <i>General information: Strategy, business model and value chain</i><br>SS: <i>General information, E1, E2, E3, E4, E5 Material sustainability-related impacts, risks and opportunities</i><br>SS: <i>E1 Transition plan for climate change mitigation and adaptation</i><br>SS: <i>E4 Transition plan and consideration of biodiversity and ecosystems in strategy and business model</i><br>BD: <i>Risk management and risks</i><br>CG: <i>Risk management</i> |
| d) Describe the location of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chains that meet the criteria for priority locations.   | SS: <i>E2, E3, E4 The identification and assessment of material impacts, risks and opportunities</i>   |
| <b>Risk management</b>  |  |
| Disclose how the organisation identifies, assesses and manages climate- and nature-related risks  |  |
| a) Describe the organisation's processes for identifying, assessing and prioritising climate- and nature-related dependencies, impacts, risks and opportunities.  | SS: <i>General information: Material sustainability-related impacts, risks and opportunities</i><br>SS: <i>E1, E2, E3, E4, E5 The identification and assessment of material impacts, risks and opportunities</i><br>BD: <i>Risk management and risks</i><br>CG: <i>Risk management</i>   |
| b) Describe the organisation's processes for managing climate- and nature-related dependencies, impacts, risks and opportunities.   | SS: <i>General information: Material sustainability-related impacts, risks and opportunities</i><br>SS: <i>E1, E2, E3, E4, E5 The identification and assessment of material impacts, risks and opportunities</i><br>SS: <i>E1, E2, E3, E4, E5 Policies</i><br>BD: <i>Risk management and risks</i><br>CG: <i>Risk management</i>   |
| c) Describe how processes for identifying, assessing, prioritising and managing climate- and nature-related risks are integrated into and inform the organisation's overall risk management processes.  | SS: <i>General information: Material sustainability-related impacts, risks and opportunities</i><br>BD: <i>Risk management and risks</i><br>CG: <i>Risk management</i>   |
| <b>Metrics and targets</b>  |  |
| Disclose the metrics and targets used to assess and manage relevant climate- and nature-related risks and opportunities where such information is material.   |  |
| a) Disclose the metrics used by the organisation to assess and manage climate- and nature-related risks and opportunities in line with its strategy and risk management process.  | SS: <i>General information: Metrics and targets</i><br>SS: <i>E1, E2, E3, E4, E5 Financial effects</i>   |
| b) Climate: Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.<br>Nature: Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.   | SS: <i>General information: Metrics and targets</i><br>SS: <i>E1, E2, E3, E4, E5 Policies</i><br>SS: <i>E1, E2, E3, E4, E5 Actions</i><br>SS: <i>E1, E2, E3, E4, E5 tables</i>   |
| c) Describe the targets and goals used by the organisation to manage climate- and nature-related dependencies, impacts, risks and opportunities and its performance against these.  | SS: <i>E1, E3, E4, E5 Metsä Group's 2030 sustainability targets and E2 Targets</i><br>SS: <i>E1 Transition plan for climate change mitigation and adaptation</i>   |