Metsä Board

ESG Presentation

January–December 2023

Contents

- Metsä Board in brief
- Sustainable products
- ESG in Metsä Board
  - Environment
  - Social responsibility
  - Governance
- Contacts

Metsä

Metsä Board: Investment highlights

Premium fresh fibre paperboards

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

A leading position in a growing market

- Metsä Board is #1 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
- Mill-specific investments required to be fossil free in production in 2030

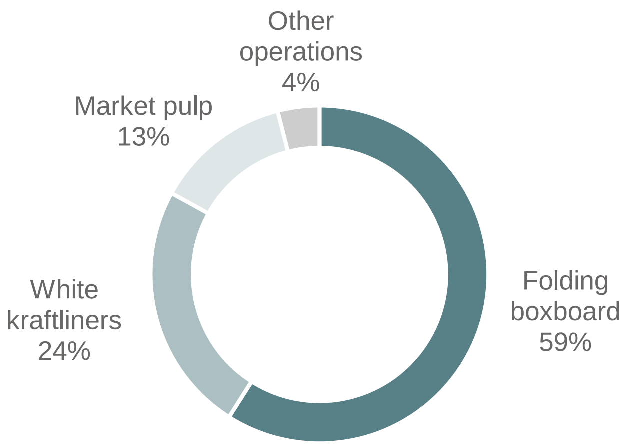
Metsä Board is part of profitable Metsä Group

Ensures an uninterrupted production chain from sustainably managed forests to high-quality end products

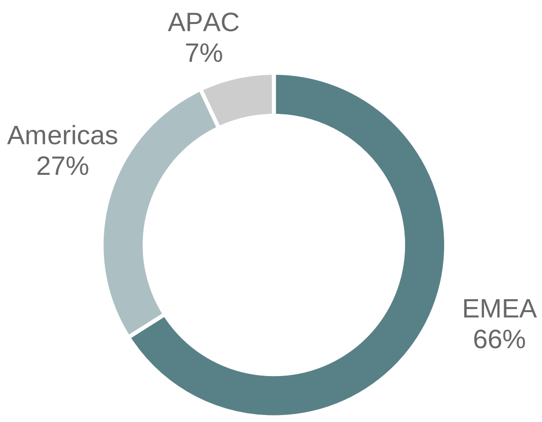
Company in figures

Sales in 2023
EUR 1,942 million

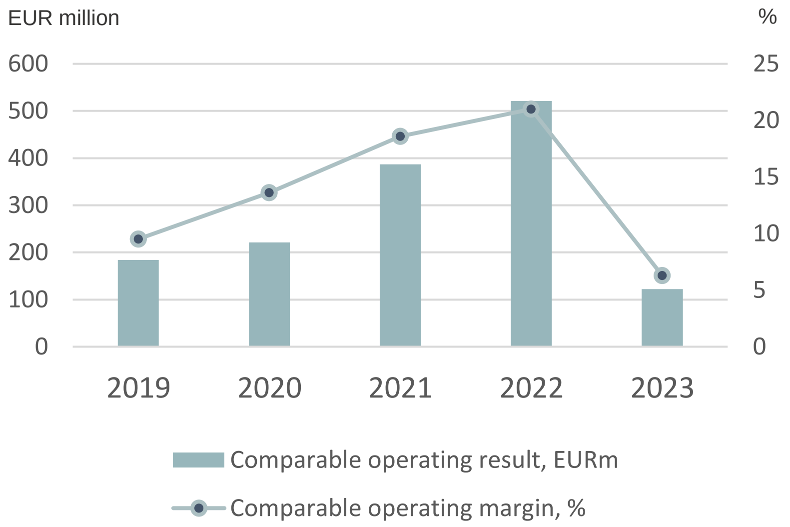
Split by product



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

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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.

Strategy

VALUES

Reliability Cooperation Renewal Responsible profitability

STRATEGY

We grow in fibre-based packaging materials and renew our industrial operations.

OUR STRATEGIC PROGRAMMES

Premium supplier

Effective innovation

Safe and efficient operations and organic growth

Leader in sustainability

Motivated people

MEGATRENDS

Population growth Urbanisation Biodiversity loss Climate change Digitalisation

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Metsä Board is part of Metsä Group

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

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	METSÄ WOOD	METSÄ FIBRE	METSÄ BOARD	METSÄ TISSUE
WOOD SUPPLY AND FOREST SERVICES	WOOD PRODUCTS	PULP AND SAWN TIMBER	PAPERBOARD	TISSUE AND GREASEPROOF PAPERS
Holding Metsäliitto Cooperative 100%	Holding Metsäliitto Cooperative 100%	Holding Metsäliitto Cooperative 50.1% Itochu Corporation 25.0% **Metsä Board 24.9%**	Holding Metsäliitto Cooperative 50.2% Listed in Nasdaq Helsinki	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 and activating the development of Group's current businesses

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We aim to improve our operations continuously

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

Total score 87/100. Metsä Board has achieved the highest rating level every year since 2017.

Link to ISS website

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

Link to MSCI website

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Link to Sustainalytics website

Link to Ellen MacArthur Foundation website

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.

We are committed to
the UN Global Compact

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognitior of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

WE SUPPORT

UN GLOBAL COMPACT

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

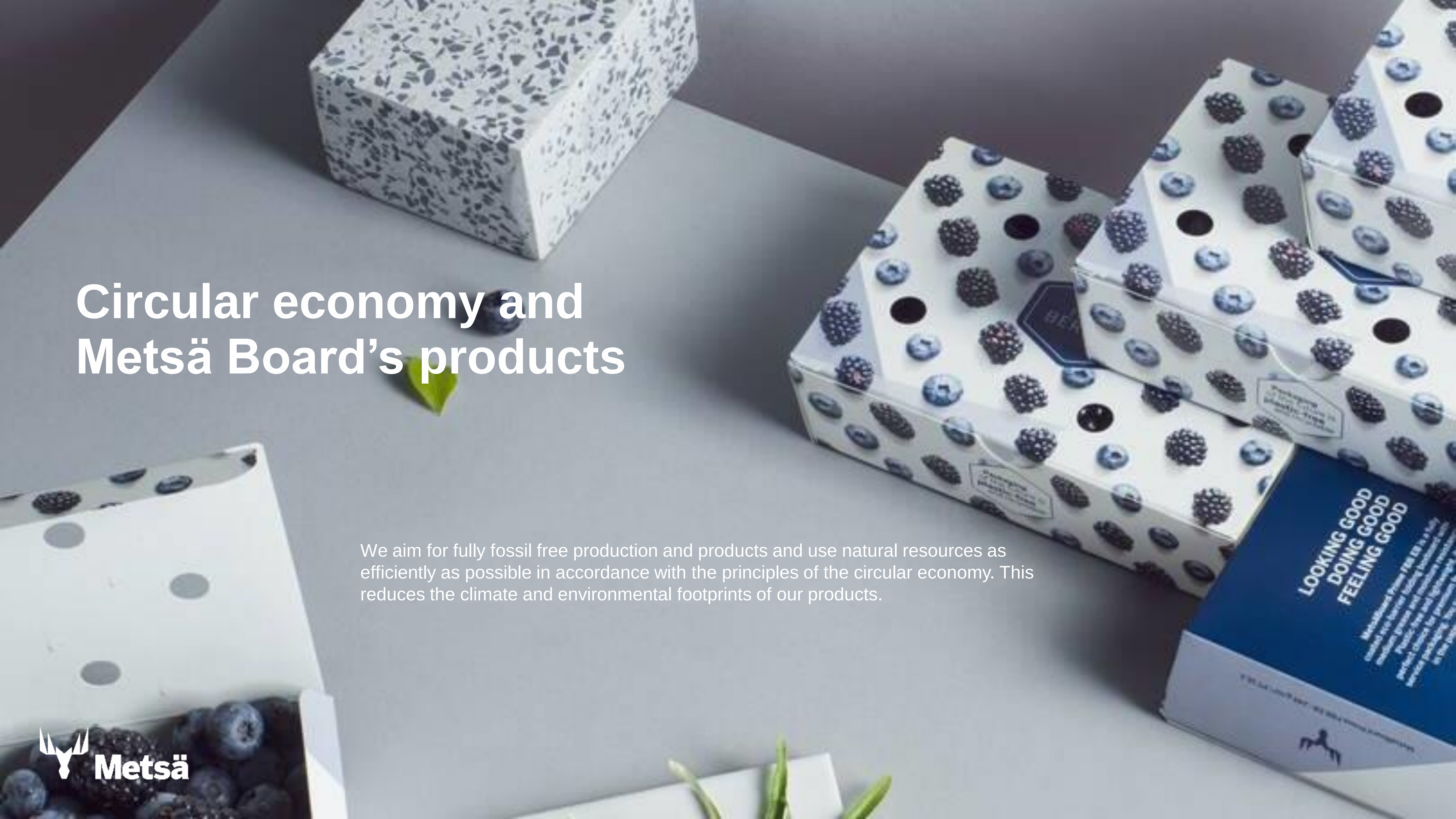
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Material topics are reported in line with common frameworks

- From 2024, Metsä Board is bound by the reporting requirements of the EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS)
- These standards, which cover general, environmental, social and governance aspects of sustainability, will already form the basis for the company’s 2023 sustainability disclosure
- Metsä Board’s Sustainability Statement 2023 will be published as part of the Report of the Board of Directors, and it will be available on the company website during Q1/2024
- The disclosure will include links to separate appendices covering the GRI Content Index, SASB Content Index and reporting according to the TCFD’s recommendations

Circular economy and Metsä Board’s products

We aim for fully fossil free production and products and use natural resources as efficiently as possible in accordance with the principles of the circular economy. This reduces the climate and environmental footprints of our products.



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The circular economy at Metsä Board

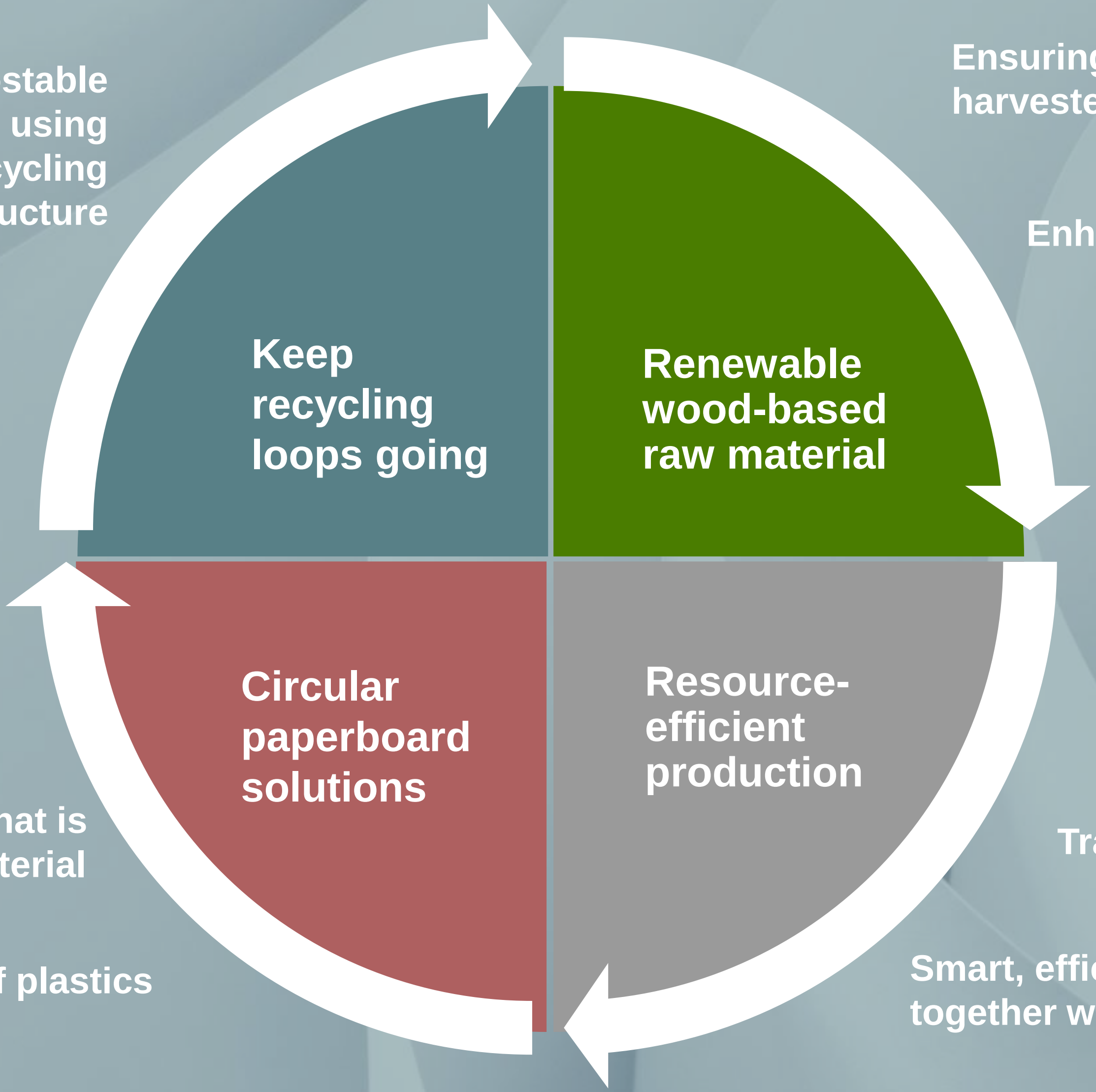
Recyclable and compostable paperboard that can be processed using existing collection and recycling infrastructure

Fresh fibres are strong and can be recycled several times

Pure and safe paperboard

Smartly designed packaging that is made of less raw material

Reduced use of plastics



Ensuring that more wood grows than is harvested

Enhancing biodiversity

Using every single part of the tree in the best possible way

Energy and material efficiency

Transition plan to fossil free mills

Smart, efficient use of side streams together with partners

Our paperboards contribute to circular bioeconomy

- Packaging is needed to protect the product and to reduce wastage
- Packaging accounts for only few percent of the total environmental impact of a food product's entire life cycle
- Paperboard is widely collected for recycling and thus returned to the recycling loop
- Fresh fibres are needed to keep the recycling loop ongoing

Three principles of the Circular Economy, source Ellen MacArthur Foundation

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

*Europe (EU27), Source: Eurostat

Two major factors influencing CO_2 of packaging

1

Energy used in production

Nordic fresh fibre paperboard production uses mainly **fossil-free energy**

2

Efficient material use, light-weighting

Using **less material** to produce a required type of packaging

Lower emissions in transportation throughout the supply chain

Less waste after the product use

Production of folding boxboard needs less wood compared to other grades

Metsä Board folding boxboard
(70% BCTMP, 30% chemical pulp)

=

3.4 m³ of wood per **tonne** of pulp

Solid bleached board
(100% chemical pulp)

=

5 m³ of wood per **tonne** of pulp

Every day consumers use ~160 million packages made of Metsä Board's folding boxboard

By reducing paperboard weight by 1%, material savings equivalent to 1.6 million packages per day can be achieved

Metsä Board's annual folding boxboard capacity is 1.3 million tonnes. This corresponds to 160 million packages of 19 grammes every day.

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)

Brand owners’ commitments and consumers’ preferences favour fibre-based packaging

- Several **brand owners** have committed to get rid of unnecessary plastic and to have 100% reusable, recyclable and compostable (plastic) packaging by 2025
- Paper/cardboard is the preferred packaging material by **consumers**

Reduce

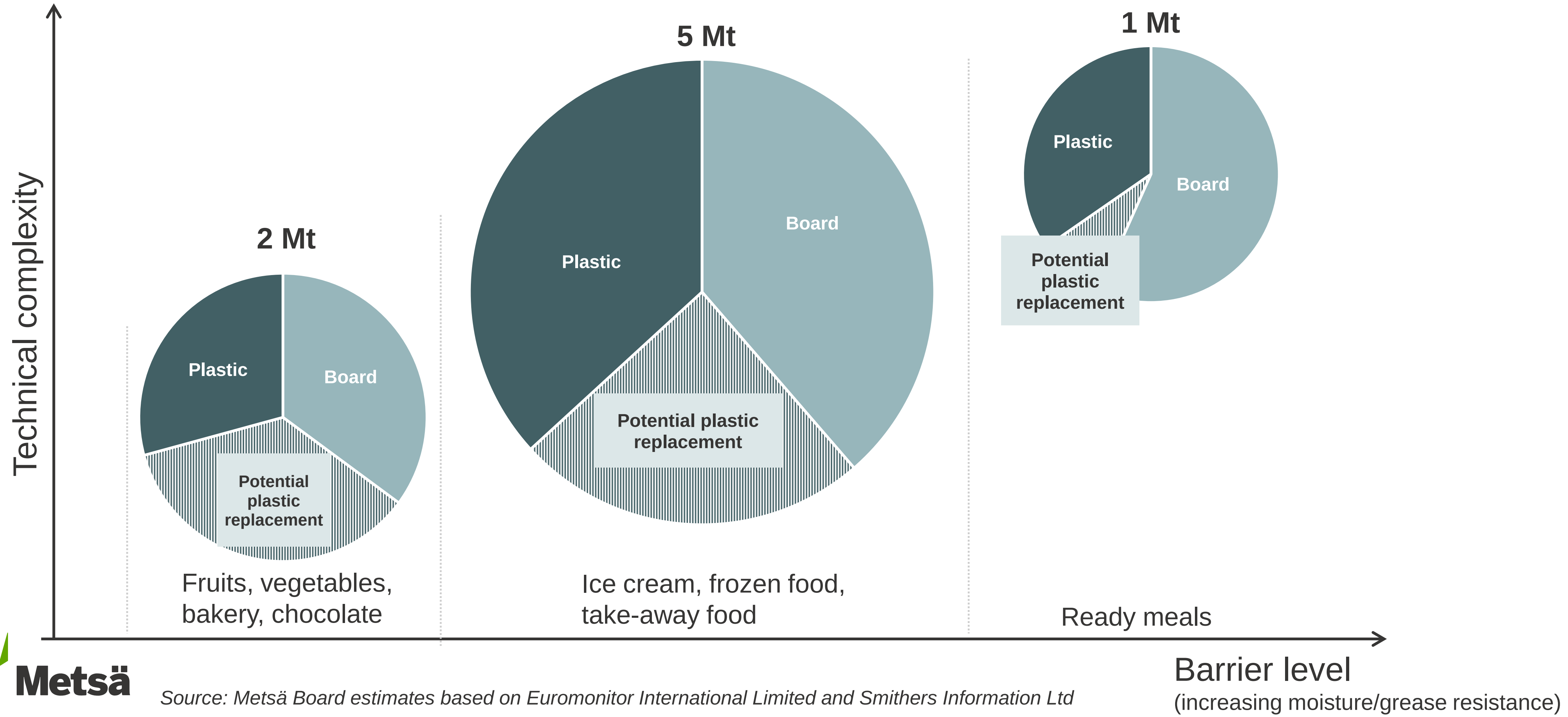
Recycle

Compost

Source: Two Sides: European Packaging Preferences 2020

Plastic replacement potential roughly 2 million tonnes

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



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

Our 2030 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

We promote safety and wellbeing at work

Governance

We know the origin of our raw materials

We favour responsible suppliers in our procurement

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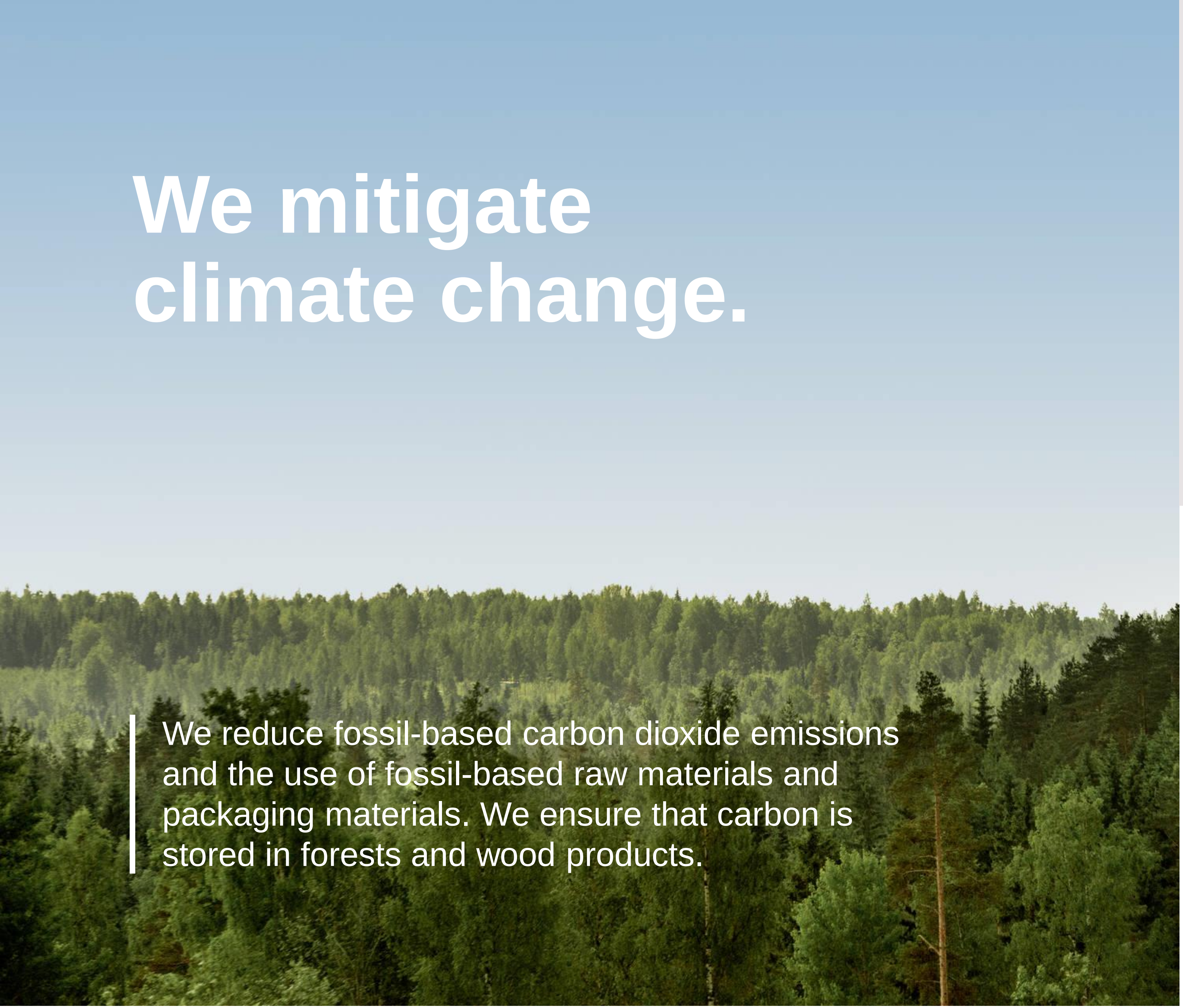
Environment



We mitigate climate change.

We reduce fossil-based carbon dioxide emissions and the use of fossil-based raw materials and packaging materials. We ensure that carbon is stored in forests and wood products.

Measures for the 2030 targets

- We only use fossil free fuels and purchase fossil free electricity
- We only use fossil free raw materials and packaging materials
- We increase forest management
- We recommend continuous cover forestry in peatlands
- We increase the production of wood products that store carbon for a long time

Indicators

- **0 t** fossil-based carbon dioxide emissions, scope 1 and 2
- **100%** fossil free raw materials and packaging materials
- **+30%** forest regeneration and young stand management* (MG)
- +50% forest fertilisation* (MG)
- +30% share of continuous cover forestry in peatland forests (MG)
- +30% amount of carbon stored in wood products** (MG)

** hectares, compared to 2018*
*** CO_2 equivalent compared to 2018*
(MG) target is set at Metsä Group level

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

*including Scope 1 and Scope 2

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BUSINESS AMBITION FOR 1.5°C

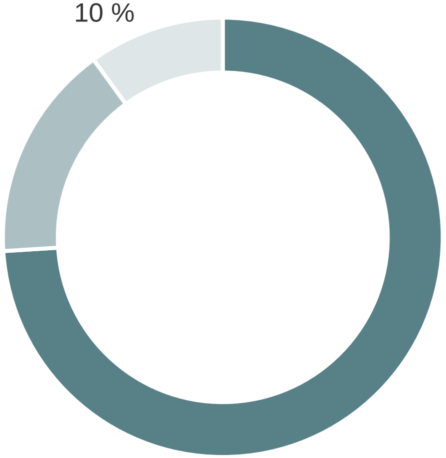
SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

90% of total energy use is fossil free

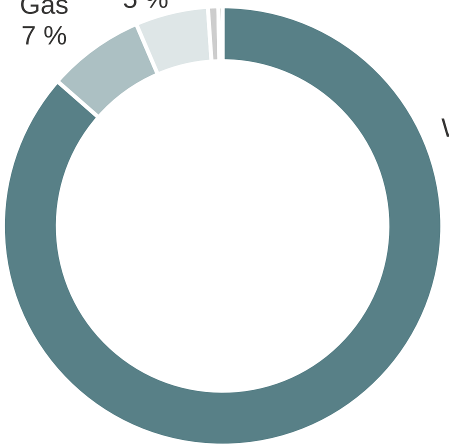
Total energy consumed

Total 7.6 TWh



Fuel consumption

Total 5.8 TWh

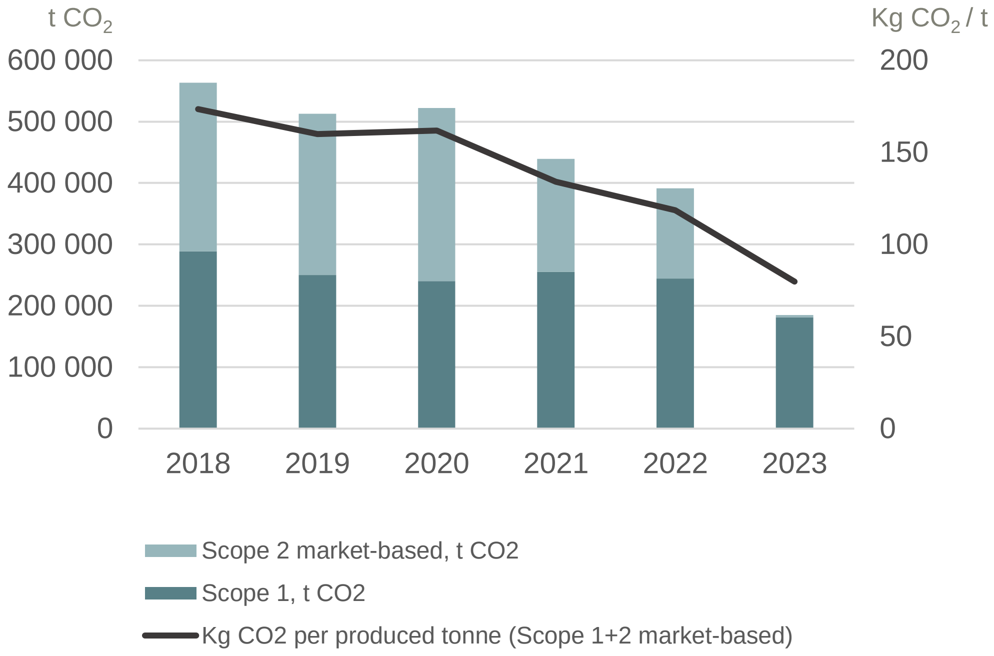


- Fuel consumption includes own energy generation and process fuels
- In 2023, Metsä Board did not use any coal as energy source (scopes 1&2)
- Peat represented 0.3% of total fuel consumption

Metsä Board has reduced its fossil-based CO_2 emissions per tonne by 54% since 2018

Target is to reduce fossil-based CO_2 emissions by 100% by the end of 2030

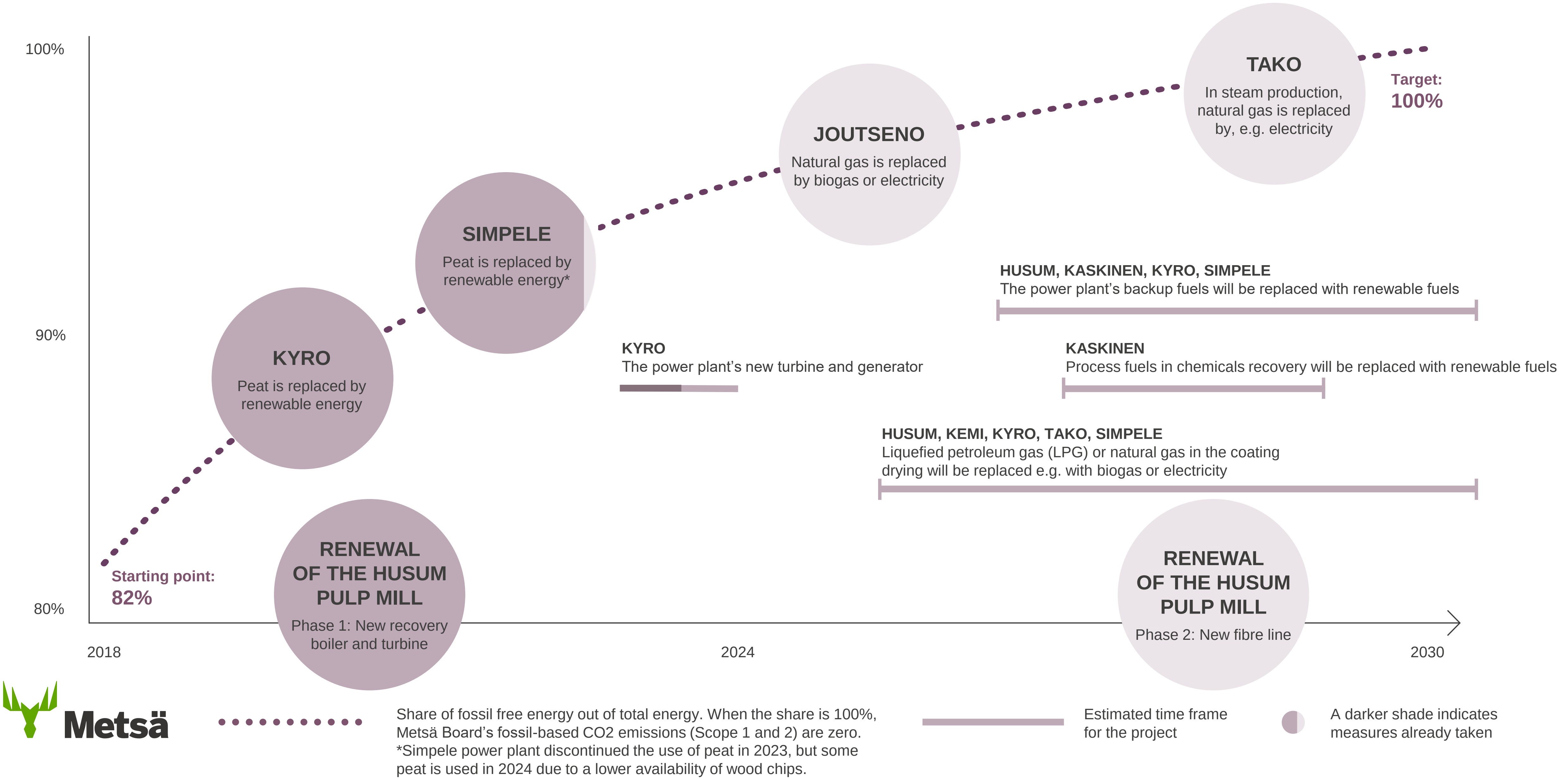
Fossil-based CO_2 emissions, Scope 1+2



Emission allowances

- Metsä Board has received emission allowances in accordance with the EU Emissions Trading System
- During the past years, the number of free allowances received have exceeded the company's annual fossil-based CO2 emissions. The surplus have been partly sold to the market
- Unused emission allowances do not have an impact on income statement or balance sheet. Metsä Board discloses the possible sales of emission allowances in its interim reports

Transition plan to fossil free mills by the end of 2030



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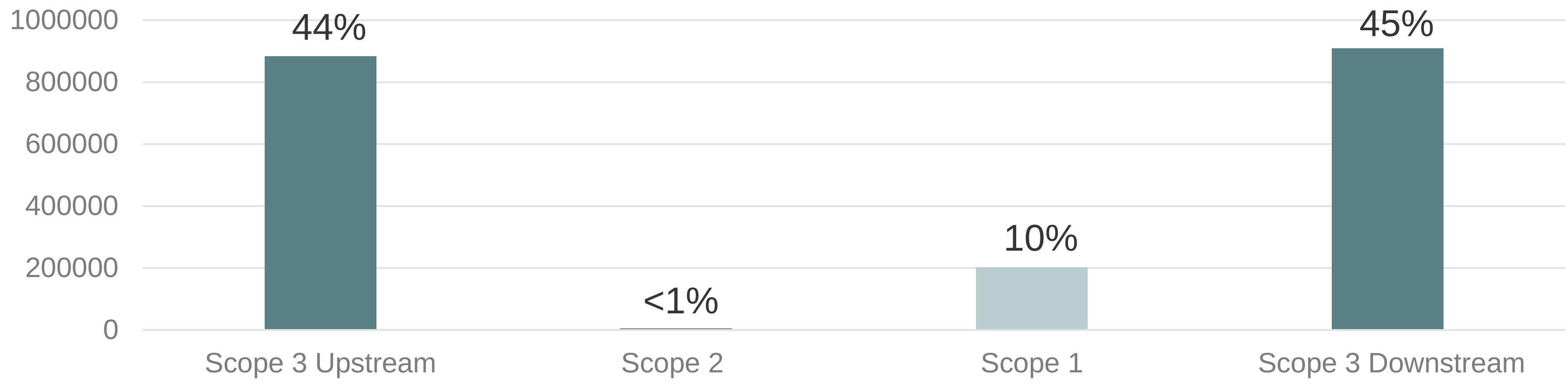
Value chain emissions are addressed with Science Based Targets and joint targets with suppliers

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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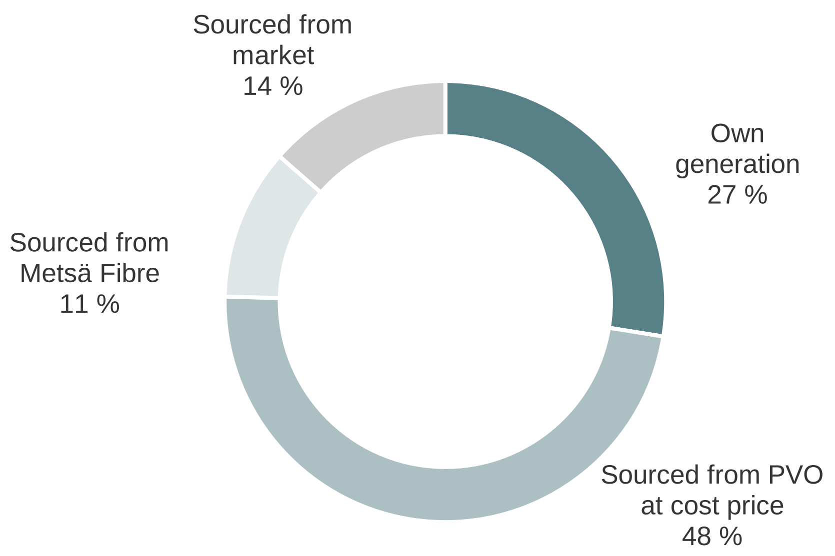
Metsä Board’s self-sufficiency in energy is 90%

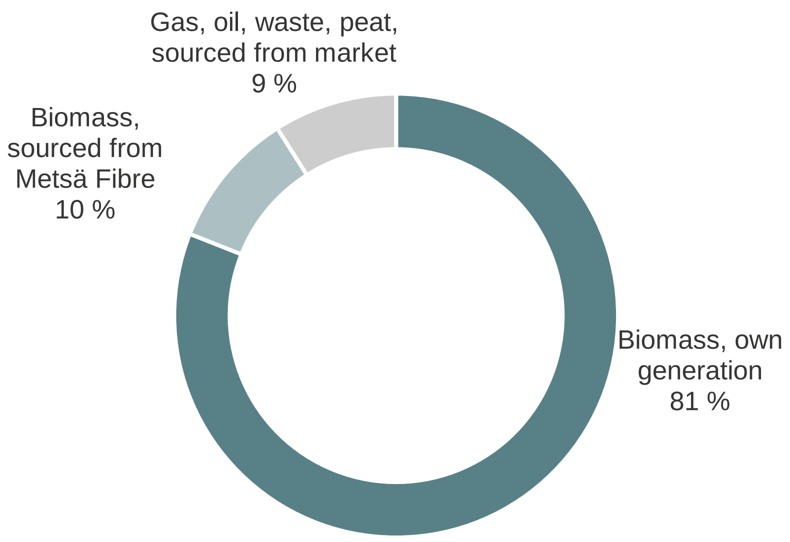
Energy consumption by sourcing method

Electricity
Total 1.9 TWh

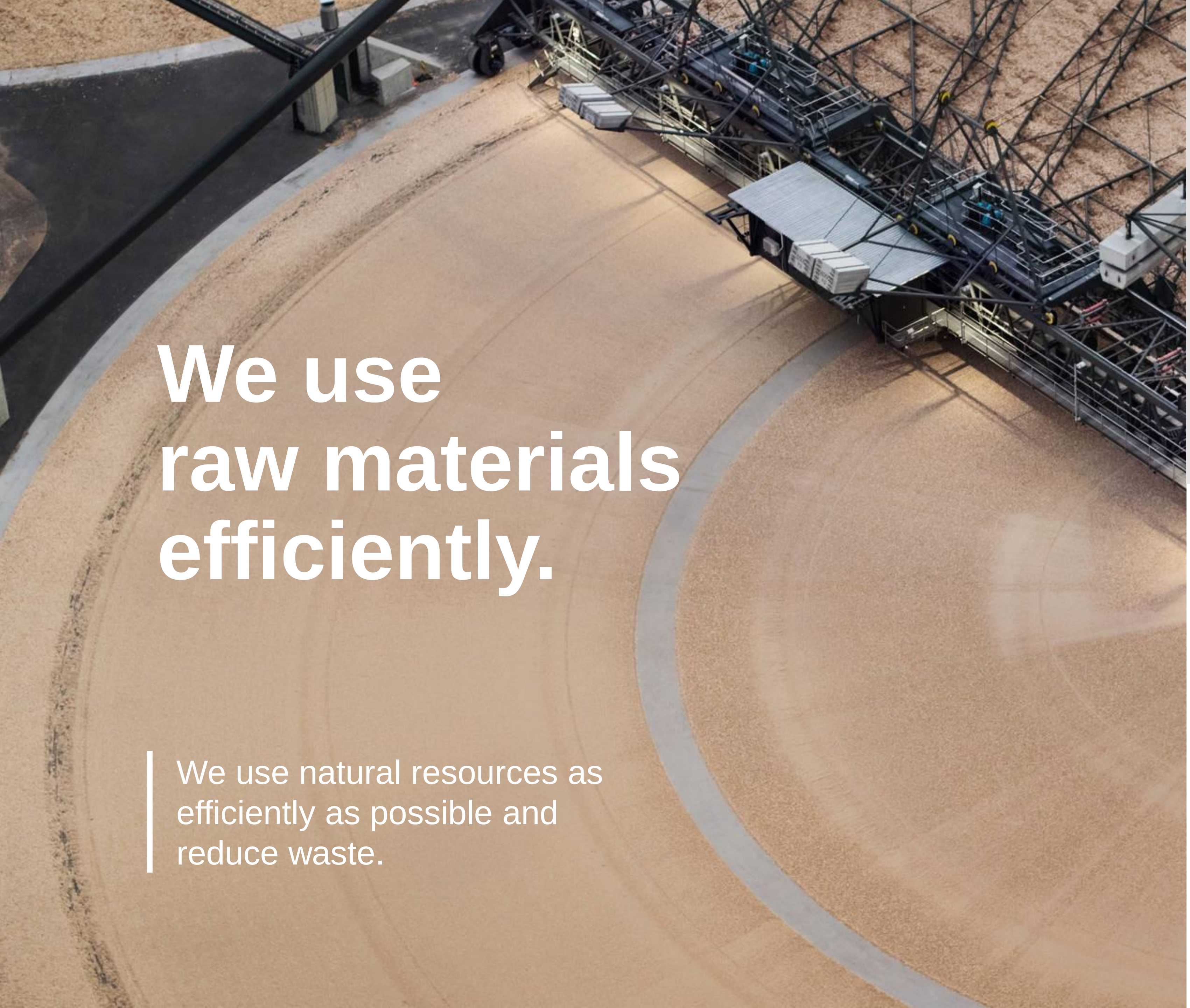


Based on GRI calculation

Fuels (Heat)
Total 6.0 TWh



Based on primary energy calculation



We use raw materials efficiently.

> We use natural resources as efficiently as possible and reduce waste.

Measures for the 2030 targets

- We use less water at our mills
- We improve energy efficiency
- We utilise all our process waste

Indicators

- **35%** **reduction** of process water consumption per tonne of production*
- **10%** **improvement** in energy efficiency**
- **0 t** of process waste sent to landfills

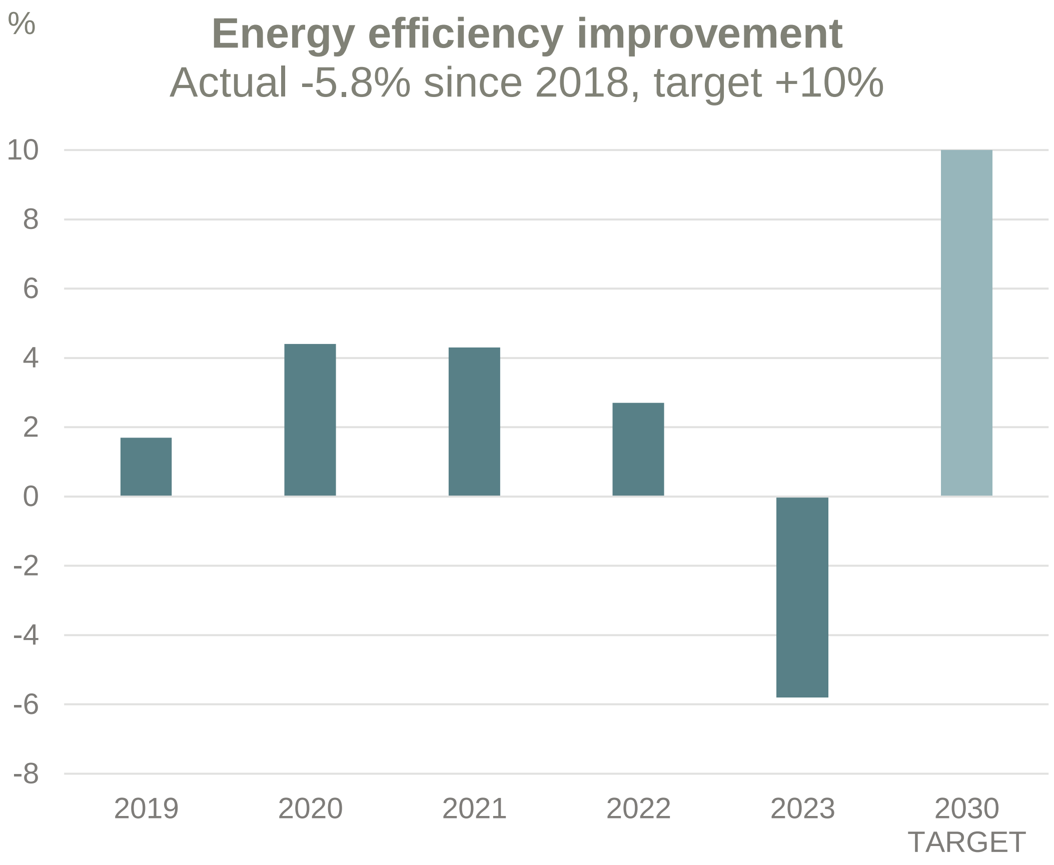
** m^3/t, compared to 2018*
*** compared to 2018*

Improvement in energy efficiency supports the target towards fossil free production

The production curtailments caused by the market situation and investment shutdowns weakened energy efficiency in 2023.

Key actions in 2023

- Kemi paperboard mill’s development project, completed in 2023, will reduce the mill’s energy use by 5 per cent per tonne of paperboard produced
- Other energy efficiency measures saved 30 GWh of energy, including the optimisation of energy use in drying at the Joutseno BCTMP mill and the Äänekoski paperboard mill, for example



Our target is to reduce process water use per product tonne by 35% in 2018–2030

The production curtailments caused by the market situation and investment shutdowns weakened the efficiency of process water use in 2023.

Key actions in 2023

- Kemi paperboard mill's development project, completed in 2023, will reduce the mill's water use by 40 per cent per tonne of paperboard produced
- Water recycling was enhanced at the Husum pulp mill
- The renewal of the pulp and white-water system continued at the Simpele paperboard mill, the goal being to reduce the use of process water and energy

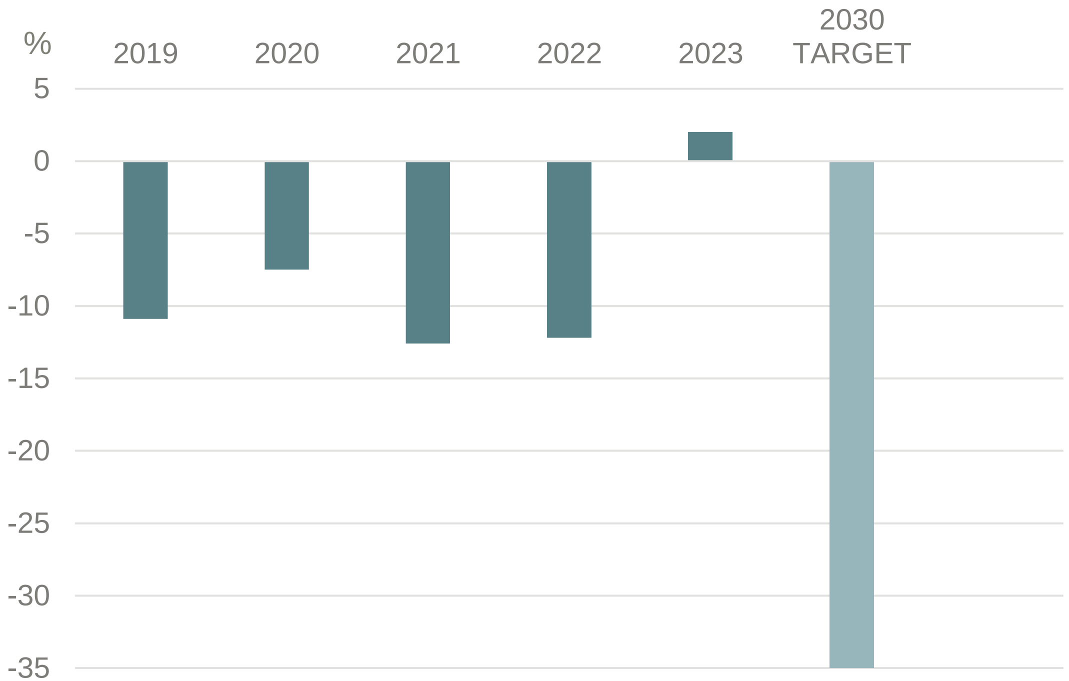
All our production units are located in areas at low water risk*

- Nearly 100% of our water use is surface water
- Our operations do not prevent or weaken any other parties' access to water
- All process waters are carefully purified before released back to nature
- Efficient use of water helps reduce energy use and, in turn, costs and CO_2 emissions

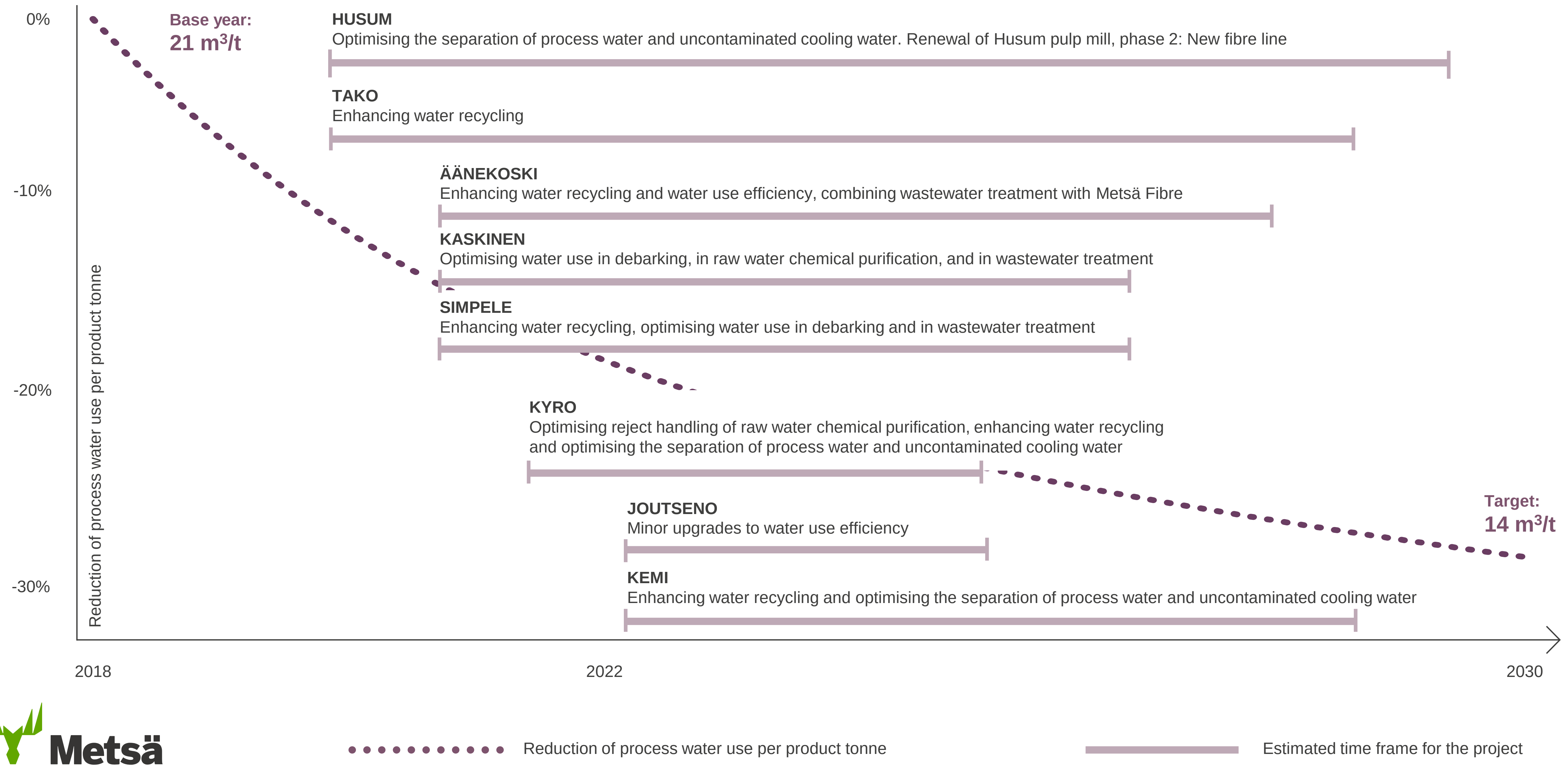
*Low to low-medium water stress and overall water risk (WRI Aqueduct Water Risk Atlas)

Reduction of process water use per product tonne

+2.0% since 2018, target -35%



Transition plan to reduced process water use by the end of 2030



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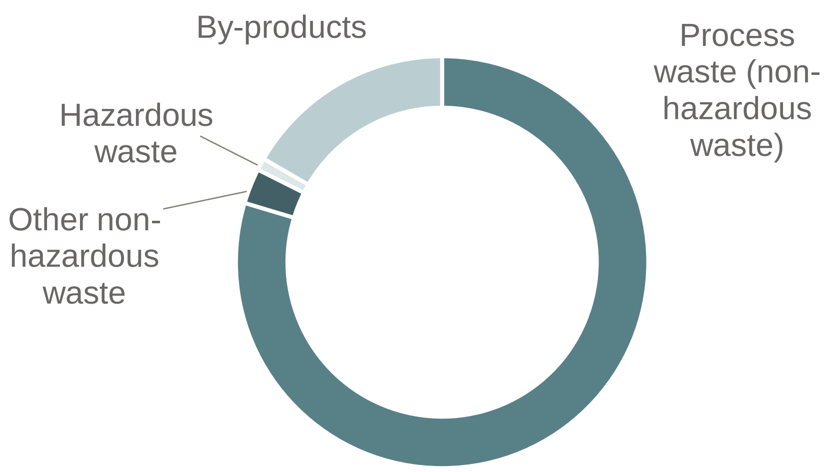
Our target is that zero tonnes of process waste will be sent to landfills by the end of 2030

- By-products include e.g. ash used as fertilizer, and recovered lime fractions

- Our operations also generate municipal and construction waste as well as a small amount of hazardous waste

Waste and by-products in 2023
Total 149 kt



- Process waste
  - 49% for material utilisation
  - 50% for energy use
  - 0.01% to the landfill (target 0 tonnes)

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We safeguard forest biodiversity.

With biodiversity actions, we strengthen the living conditions needed by species and preserve valuable habitats.

Measures for the 2030 targets

- We add decaying wood to forests
- We diversify tree species in forests
- We protect valuable habitats for threatened species

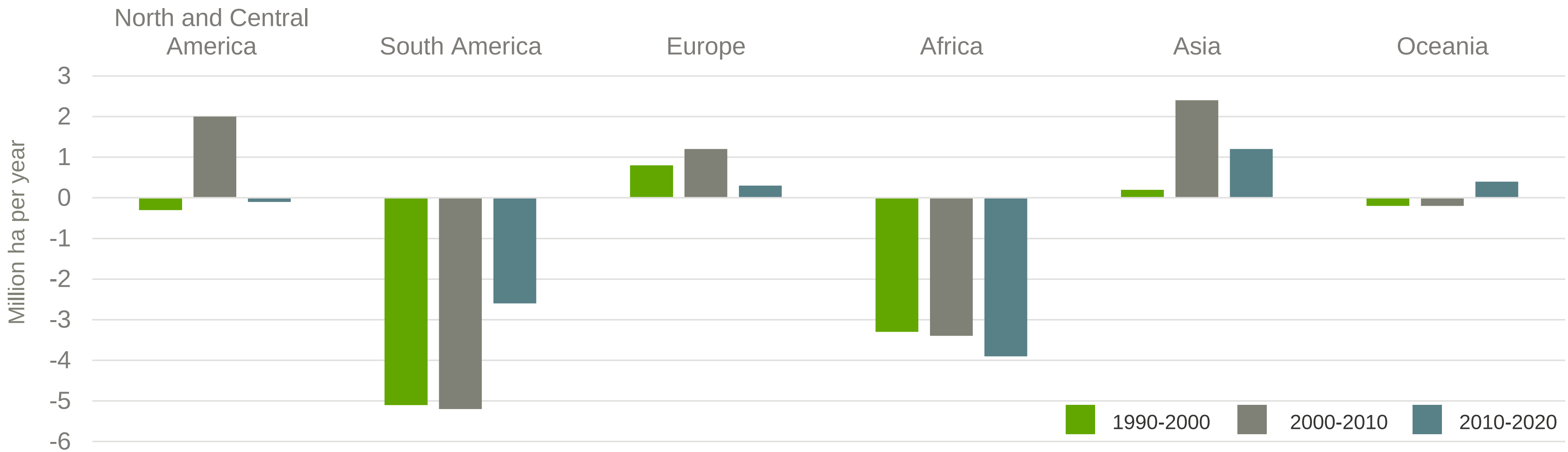
Indicators

- **100%** of regeneration felling sites have retention trees
- **100%** of harvesting sites have high biodiversity stumps
- **0%** of young stand management sites have only spruce remaining
- **10,000** measures to increase natural biodiversity
  - Nature management for herb-rich forests and ridges
  - Burned retention tree groups
  - Water protection
  - New Metso protection areas for our owner members
  - FSC nature site service contracts

All these targets are set at Metsä Group level

Development of world's forests differs regionally

Annual forest area net change by decade and region, 1990–2020



* According to the regional breakdown used in FRA 2020, Europe includes the Russian Federation

FAO Report 2020

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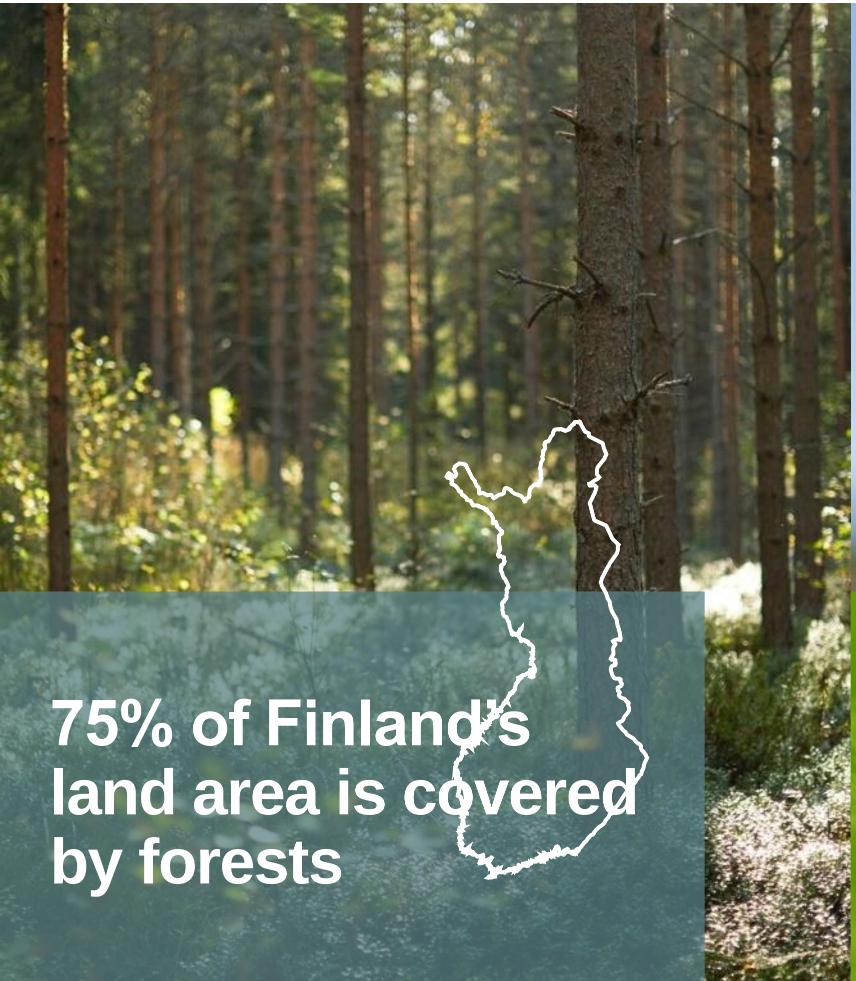
Finland - Reforestation instead of deforestation

For every harvested tree we plant four new seedlings



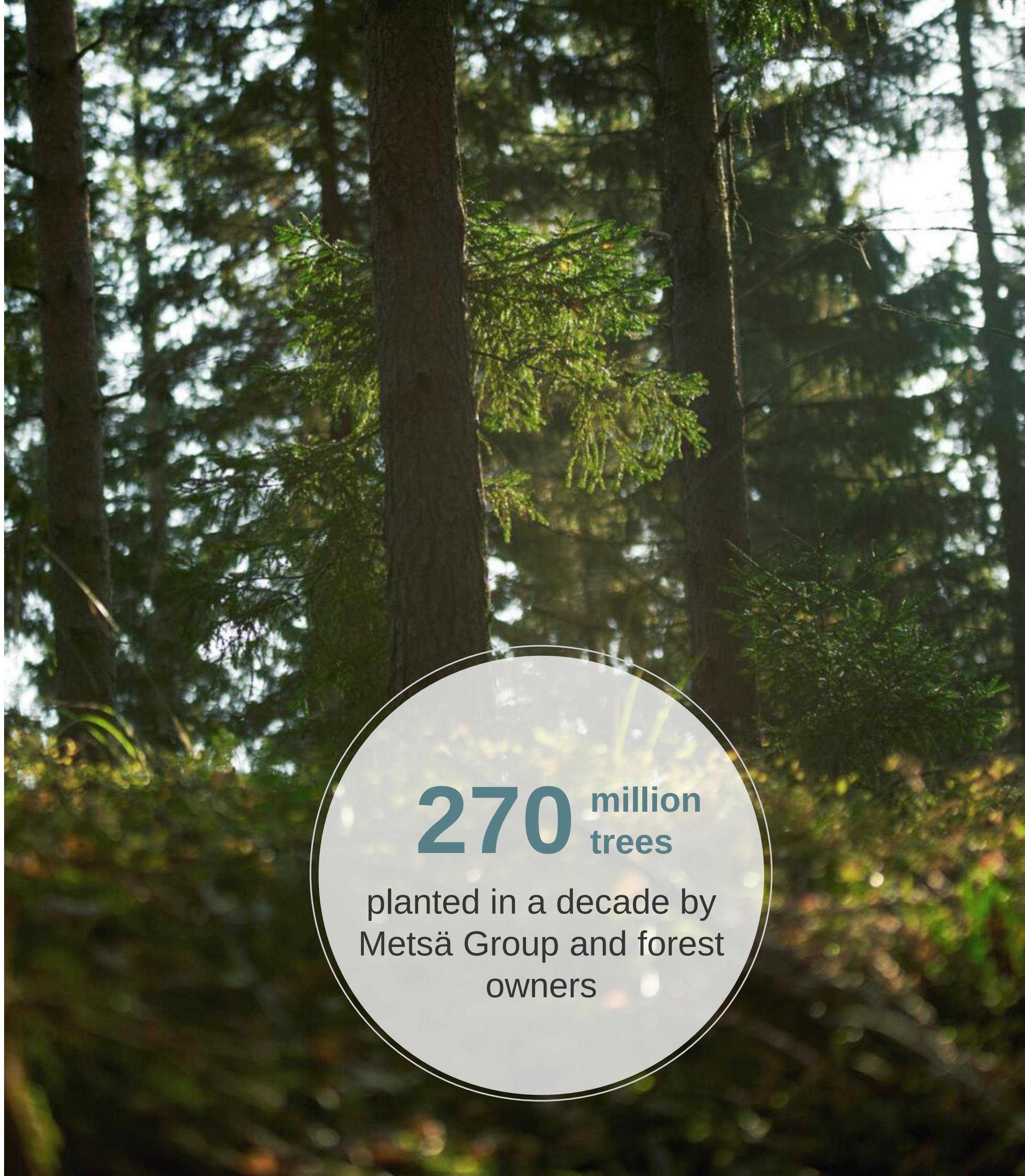
75% of Finland's land area is covered by forests

In 1886, Finland enacted the first forest act in the world

Finland is world leading in forest inventory and forest digitalisation data

Forests are a carbon sink

- Growing trees bind more carbon and help mitigate climate change
- Good forest management plays a key role for maintaining forests as carbon sinks
- It is important to get forests growing again as soon as possible after harvesting
- For every harvested tree new seedlings are planted



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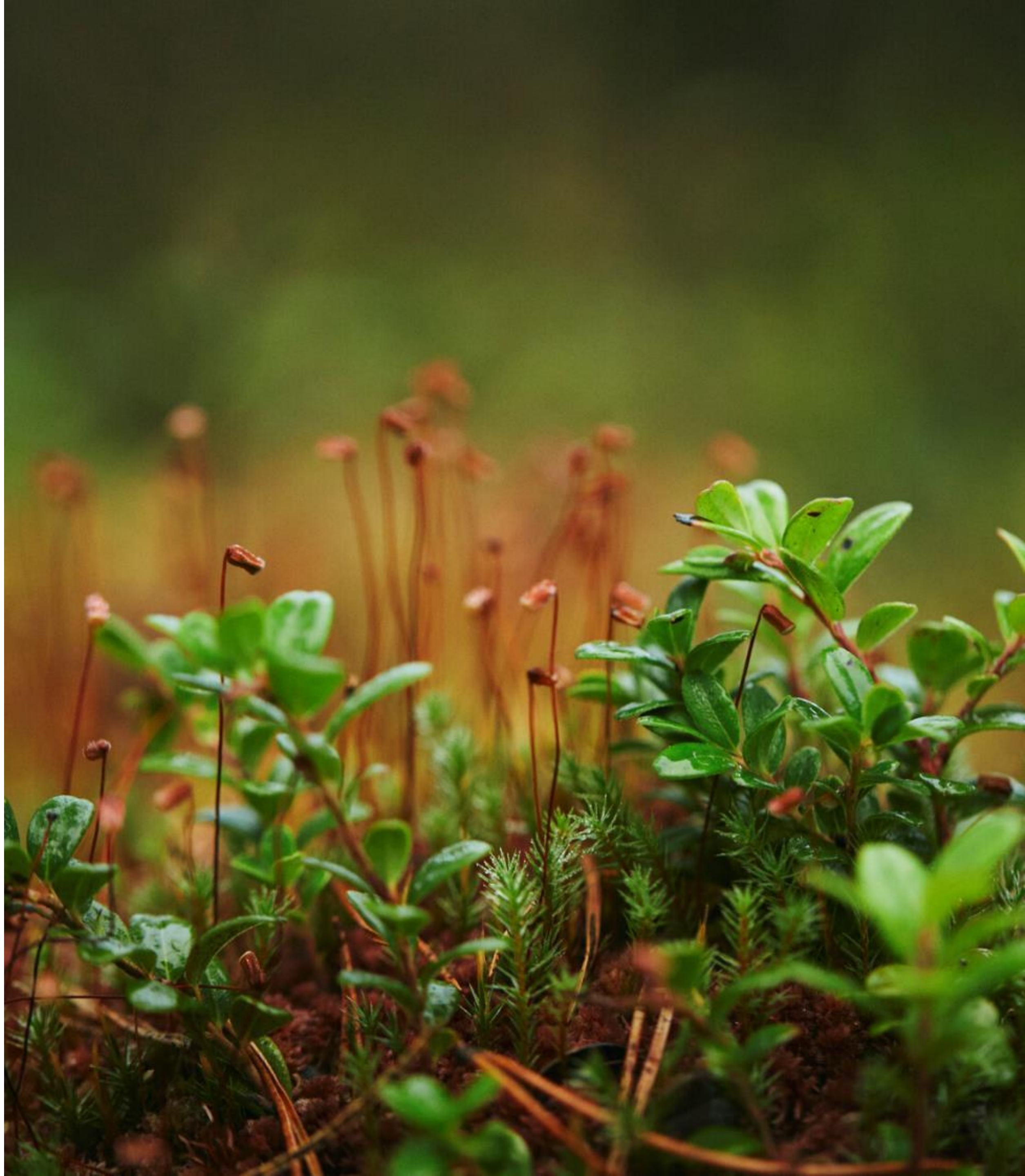
Protecting biodiversity

- Forests have an important role in providing habitats (living environments) to diverse animal species
- Taking care of biodiversity is part of forest management, i.e. retention trees, biodiversity stumps, buffer zones and preservation of standing and fallen decayed wood
- There are actions required by law, by forest certifications schemes as well as voluntary actions
- Finland has the highest share of strictly protected forests in Europe



Regenerative forestry

- **Regenerative forestry** means boosting natural assets and economic growth side by side
- The principles of regenerative forestry are a **continuation to** Metsä Group's **ecological sustainability programme** for safeguarding biodiversity
- They will help develop new measures for **mainstreaming best forest management practices**
- As a result, Finnish forests **combat climate change** and are more resilient to climate change, extreme weather phenomena and risks of damage
- Our goal is to ensure that Finnish forest assets continue/transfer in **a more vibrant, diverse and climate resilient condition** from one generation to the next

Forest management plan as a part of Metsä Group’s regenerative forestry

AT TYPICAL FOREST STAND

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

Management plan for typical forest stands

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

Separate management plan at threatened species hot spots

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

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Social responsibility

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We do the right thing.

We do the right thing and respect others. We promote safety and wellbeing at work.

Measures for the 2030 targets

- We promote a culture of doing the right thing and job satisfaction
- We address shortcomings across our value chain
- We recruit anonymously
- We support the opportunities of women to advance to leader positions
- We promote safety at work

Indicators

- **AAA** job satisfaction at very good level
- **100%** anonymous recruitment for open positions
- **>30%** women in leader positions
- **0** accidents at work

Metsä for all vision

We are committed to ensuring that personal characteristics, such as gender, age, ethnic background, sexual orientation or disability do not influence anyone’s chances of success at work. **Diversity, equality and inclusion are promoted and the progress is measured with set targets.**

Our focus areas include:

Diversity

- Recruitment practices that promote diversity, e.g. anonymous recruitment
- Ensuring international talent in the organisation

Equal opportunities and gender equality

- Increasing the number of women on different organisational levels
- Ensuring pay equality
- Introducing gender-neutral job titles

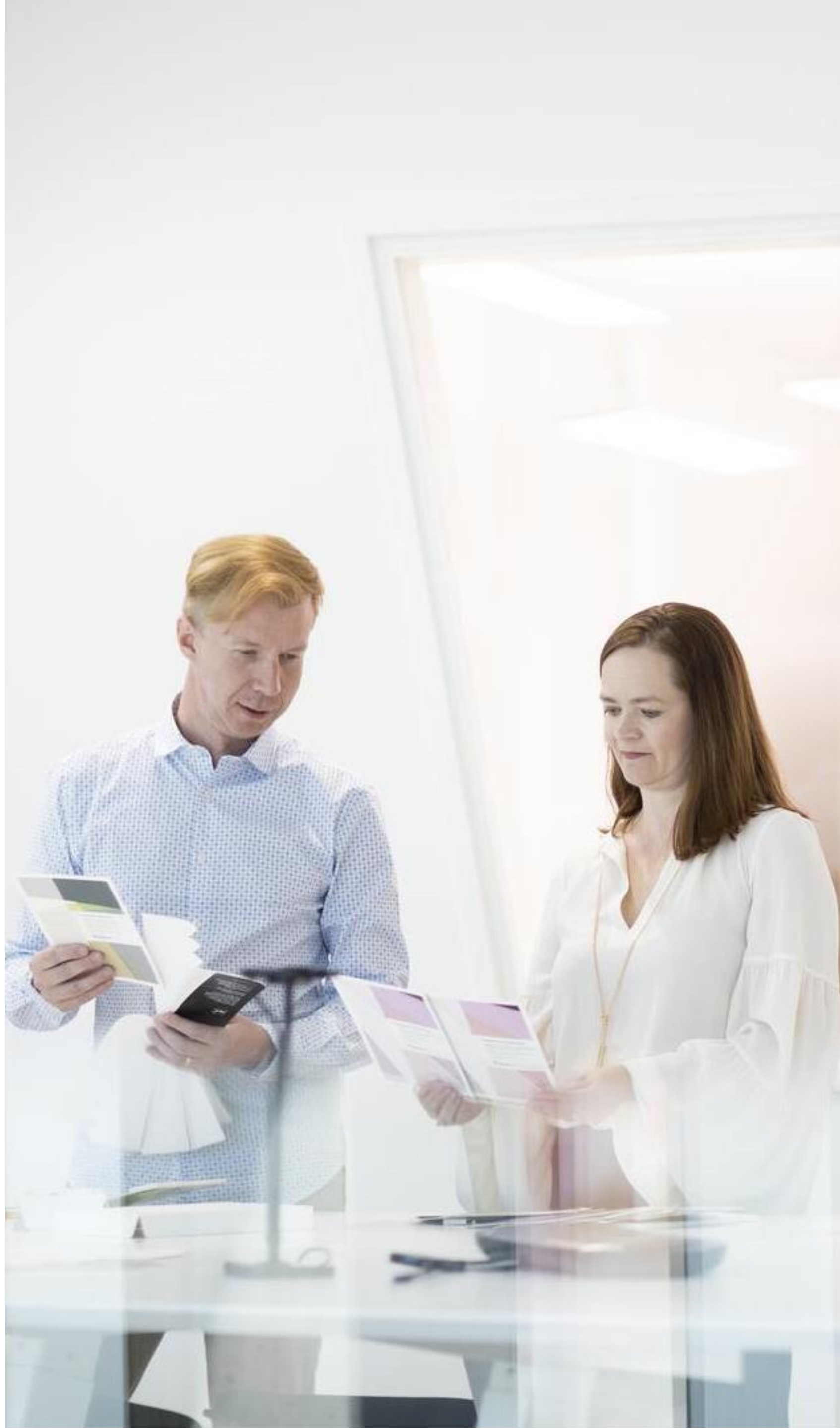
Inclusion and cultural change

- Increasing the competence and awareness of personnel
- Supporting cultural change via communication
- Promoting work-life balance

We encourage women to advance to leader positions

- Our target is that at least 30% of management positions (VP, SVP and CEO) are held by women by the end of 2030
  - In 2023, the result was 21%
  - At the same time the share of women within all Metsä Board personnel was 22%

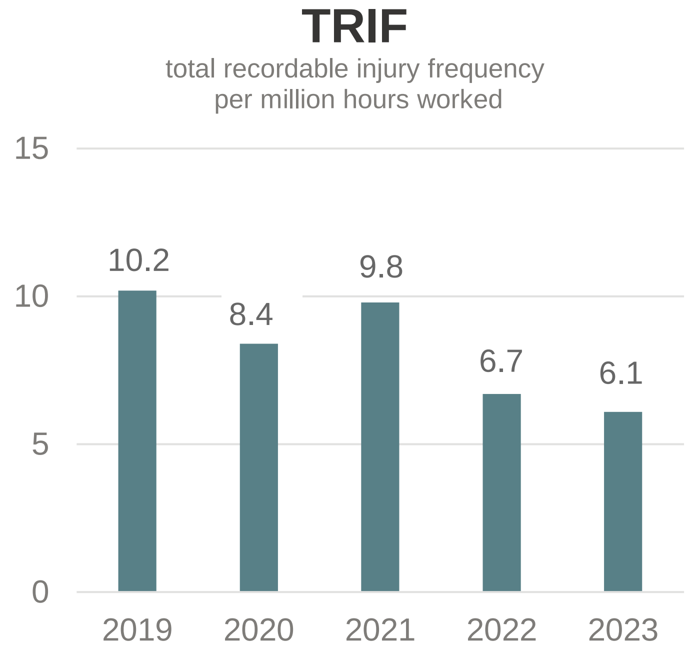
- We rectify unjustifiable pay gaps between women and men and promote equality through training programmes targeted at all personnel

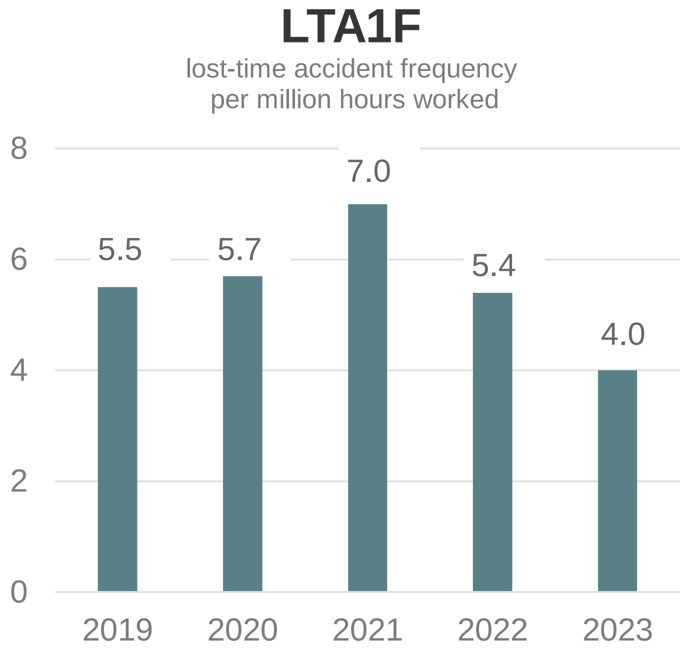


Safety continues to be our top priority

TARGET:

Zero accidents





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Governance

G

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Open-minded cooperation

We know the origin of our raw materials. We channel purchases to suppliers that are proven to act responsibly.

Measures for the 2030 targets

- We operate responsibly
- We examine the origin of our raw materials
- We increase the share of certified wood in our operations
- We favour responsible suppliers
- Shared sustainability targets with our most important suppliers

Indicators

- **100%** implementation of ethics barometer measures
- **100%** traceable raw materials
- **>90%** share of certified wood
- **100%** suppliers’ commitment to the Supplier Code of Conduct
- **100%** supplier surveys and audits with core suppliers
- **100%** shared sustainability targets with our partner suppliers

We operate responsibly

- We require our personnel to comply with applicable legislation, and to act honestly and make ethically sound decisions
- 98% of our personnel have completed the training on the Code of Conduct
- Every other year we conduct an ethics barometer, aimed at the entire personnel
  - 100% of the development measures defined based on the previous ethics barometer were implemented in 2023

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Our target is to have 100% traceable* raw materials and packaging materials by the end of 2030. The actual in 2023 was 97%

*Know the origin, at least the country of manufacture, of raw materials and packaging materials (by spend)

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All wood used by Metsä Board is traceable and meet the requirements of the PEFC and FSC® chains of custody*

11%

of all the forests **in the world** are certified

91%

of all sourced wood by **Metsä Board** was certified in 2023

>90%

Metsä Board's target of the share of certified wood by 2030

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*PEFC/02–31–92 FSC®-C001580

Wood is Metsä Board’s main raw material

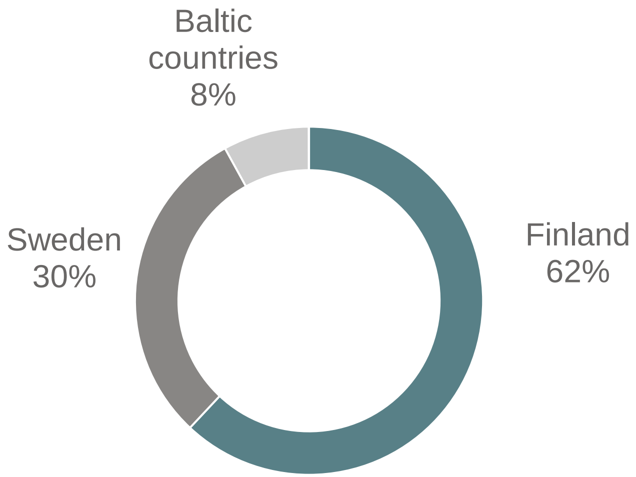
Wood usage

- Wood represents 25% of Metsä Board’s total costs[1)]
- In 2023, Metsä Board used 6.3 million m^3 wood for its products[1)], 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 areas in 2023



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1) Includes own wood purchases for BCTMP and wood used for pulp that Metsä Board buys from Metsä Fibre. Share of certified wood fibre has been calculated based on this figure. All wood use, including also energy use (e.g. wood chips), was 6.5 million m^3. Wood sourcing areas have been calculated based on this figure.

Process for ensuring the responsibility of our suppliers

The process for suppliers of services and raw materials other than wood

Committing to sustainability → **Supplier screening and risk analysis** → **Supplier assessment and audits**

Committing to sustainability

- Signing of Supplier Code of Conduct

Supplier screening and risk analysis

- Know Your Business Partner Process
- Country risk analysis
- Industry specific risk analysis

Supplier assessment and audits

- Further assessments and audits of core suppliers and risk suppliers

→ Cooperation, corrective actions and follow-up

→ Joint sustainability targets with nine partner suppliers

Sustainability data

Production adjustment measures reflected in emissions, energy efficiency and water use

TARGET
set for 2030

ACTUAL
2023

Accidents at work
TRIF, TARGET 0

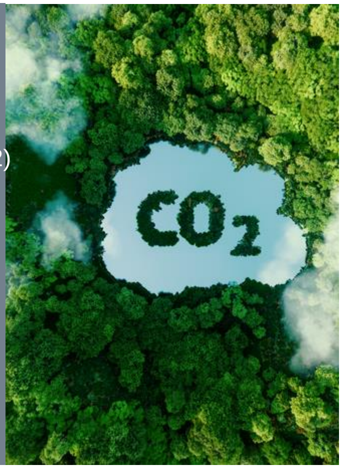
ACTUAL 6.1
(2022: 6.7)

Certified wood fibre
TARGET >90%

ACTUAL 91%
(2022: 83)

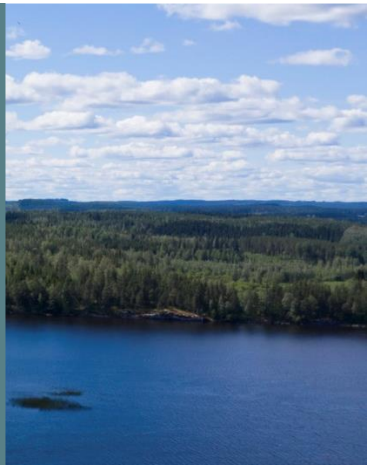
Fossil-based CO_2 emissions[1)]
TARGET 0 (Scopes 1 and 2)

ACTUAL Scopes 1 & 2: 181kt & 4kt
(2022: 244kt/147kt)



Process water use[2)]
TARGET -35%

ACTUAL +2.0%
(1–12/2022: -12.2)



Energy efficiency[2)]
TARGET +10%

ACTUAL -5.8%
(1–12/2022: +2.7)

TRIF = Total Recordable Injury Frequency per million hours worked

1) Scope 2 emissions are reported only annually
2) Change from the base year of 2018, per tonne produced, rolling 12 months

Key sustainability figures

Updated quarterly in Metsä Board's Interim reports and Financial statement bulletin

	Q4 2023	Q4 2022	Q1–Q4 2023	Q1–Q4 2022	Target 2030
Total Recordable Incident Frequency TRIF[1)]	6.2	4.0	6.1	6.7	0
Share of certified wood fibre, %	95	87	91	83	>90
Share of fossil free energy of total energy consumption[2)], %	-	-	90	85	100
Direct fossil-based CO2 emissions (Scope 1), t	42,969	70,248	181,096	244,139	0
Indirect fossil-based CO2 emissions (Scope 2), t [3)]	-	-	3,617	147,081	0
Energy efficiency improvement[4)], %	-5.8	+2.7	-5.8	+2.7	+10
Reduction in process water use[4)], %	+2.0	-12.2	+2.0	-12.2	-35

1) Per million hours worked. The former subsidiary Hangö Stevedoring is included in the figures until February 2022.
2) Reported annually.
3) Market-based, reported annually.
4) Change from base year 2018, per tonne produced, rolling 12 months

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Source: Metsä Board's January–December 2023 Financial statements bulletin. Some of the figures have been revised from the previously reported figures.

Sustainability targets for 2030 and actuals

TARGET	2030 TARGET	2023 ACTUAL	2023 PROGRESS
E – ENVIRONMENT			
1. Safeguarding biodiversity and the ecological sustainability of forest use			
MG: Retention trees on regeneration felling sites, %	100	96	🟡
MG: High biodiversity stumps on harvesting sites, %	100	92	🟡
MG: Spruce as the only tree species after young stand management, %	0	25	🔴
MG: Measures promoting biodiversity, number	10,000	816	🟡
2. Mitigating climate change and reducing emissions			
Improvement in energy efficiency from the 2018 level, %	+10	-5.8	🔴
Fossil-based carbon dioxide emissions (Scope 1 + Scope 2 market-based), t	0	184,713	🟡
Share of target group suppliers with targets set in accordance with the SBTi by 2024 (Scope 3), %	70	19	🔴
Fossil free raw materials and packaging materials, share of dry tonnes, %	100	98.8	🟡
MG: Amount of forest regeneration and young stand management from the 2018 level, %	+30	+14	🟢
MG: Amount of forest fertilisation from the 2018 level, %	+50	-26	🔴
MG: Share of continuous cover forestry in peatland forest regeneration, %	30	17	🟡
MG: Amount of carbon stored in wood products from the 2018 level, %	+30	-21	🔴
3. Resource efficiency and sustainable production			
Reduction in process water use per produced tonne from the 2018 level, %	-35	+2.0	🔴
Process waste delivered to landfills, t	0	1,164	🟡
S – SOCIAL RESPONSIBILITY			
4. Respecting everyone and doing the right thing			
Anonymous recruitment for vacancies open to all, %	100	72	🟢
Women in management positions, %	>30	21	🔴
5. Promoting safety and wellbeing at work			
Total recordable incident frequency, own employees (TRIF)[1)]	0	6.1	🟡
Employee job satisfaction	AAA	A+	🔴
G – GOVERNANCE			
6. Innovation and open-minded cooperation / 7. The significance of forest-based bioeconomy to society			
Implementation of ethics barometer measures, %	100	100	🟢
Traceability of raw materials, share of total purchases, %	100	97	🟡
Share of certified wood fibre, %	>90	91	🟢
Suppliers' commitment to the Supplier Code of Conduct, share of total purchases, %	100	99.0	🟡
Supplier assessments and audits of core suppliers, %	100	68	🟢
MG: Joint sustainability targets with partner suppliers, %	100	100	🟢

Progress in 2023 compared with the previous year.
🟢 Exceeds target (significant progress)
🟡 On target (progress as planned)
🔴 Short of target (no progress or weaker progress)

MG= Target set at the level of Metsä Group

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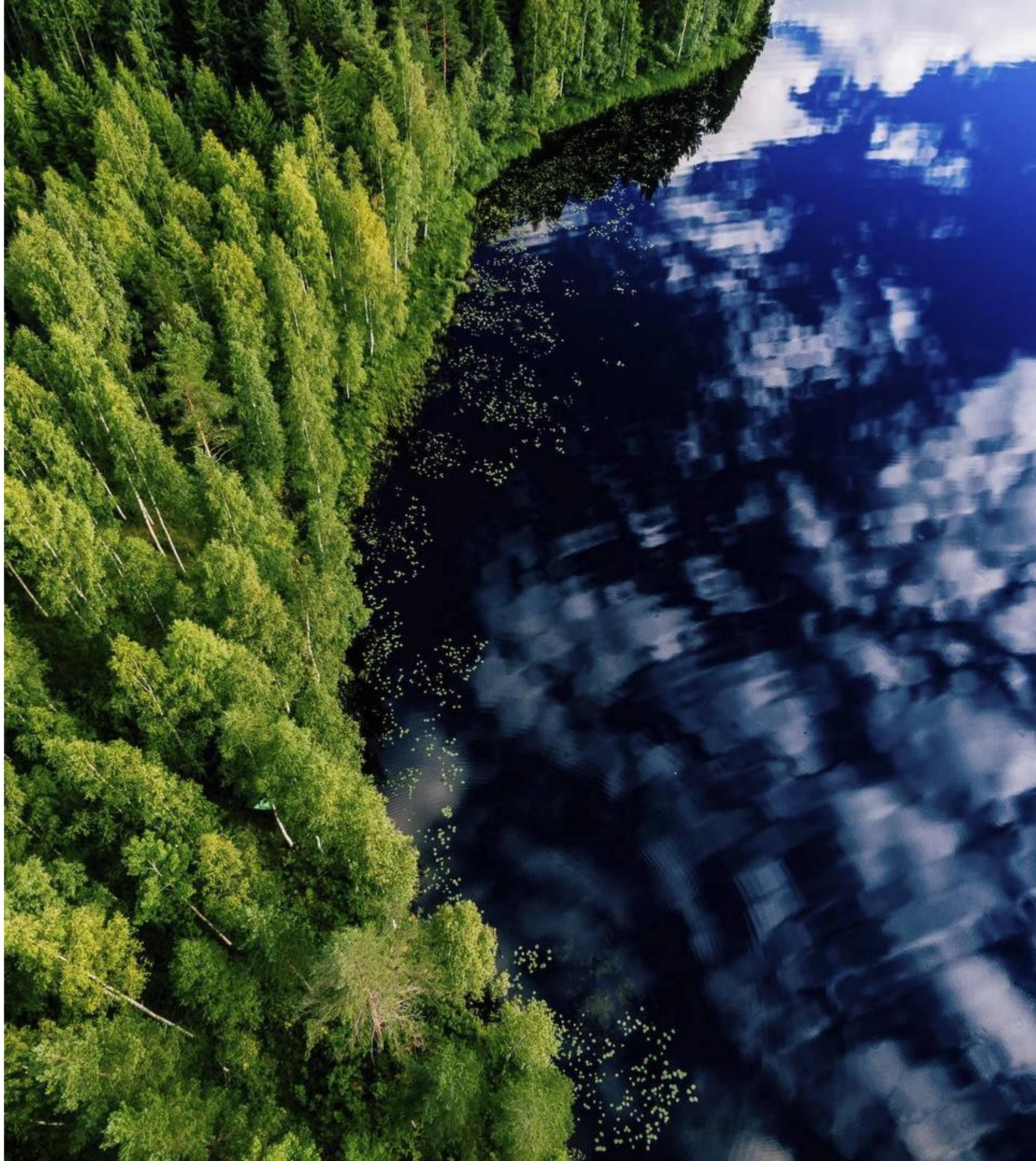

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Climate change creates risks

According to TCFD*	Risk	Impacts	Metsä Board's response
Transition risks arising from the transition into a low-carbon economy	• Increased regulation • Market and reputation risk	EU regulation may steer the future use of forests Energy regulation Emissions allowances Carbon pricing Requirements for new technology The supply and demand of products in a low-carbon economy may differ from what it is currently	Metsä Board sources wood from sustainably managed forests, where annual growth clearly exceeds the removal. For every harvested tree new seedlings are planted A transition to the use of 100% fossil free energy in production, replacing fossil oil-based raw materials and increasing the efficiency of energy and water use Developing new products that comply with the circular economy and have a lower carbon footprint
Physical risks such as changes in temperatures and precipitation, and they will materialise if climate change is not mitigated.	• Extreme weather phenomena (acute risk) • Rising average temperature and changes in precipitation (chronic risk)	Weakened availability of wood: • mild winters complicate harvesting • increase of insects • damage caused by storms Reduced availability of the process water needed by mills resulting to production breaks	Metsä Board has high availability of Northern European wood through its unique value chain and owner base Sustainable forest management based on regenerative forestry supports the growth and biodiversity of forests Resource efficiency in the use of wood, water and energy All Metsä Board's mills are located in Finland or Sweden with ample water resources. The company has a target to reduce the use of process water and enhance the recycling of water within the process

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*) The Task force on Climate-related Financial Disclosures.